

MODERN SOCIETY AND ECONOMY: THE DIALECTICS OF INTERDEPENDENCE OF POSSIBILITIES AND THE METHODOLOGY OF ITS COGNITION

The article investigates the philosophical and methodological problems of defining the principles, the realm and the boundaries of mutual coexistence and interpenetration of functions of the market economy and the society from the standpoint of achieving a sustainable synergistic effect in the process of implementation of the strategic needs of the mankind in general and of an individual person in particular. A critical description of forms of modern economic and social contradictions is presented, the intensification causes of the growth of irrational, distorted and "twisted, treacherous" forms of the spiritual life of economic systems and the society are revealed. The article pays great attention to the analysis of the dialectic unity and opposition of the society's moral values as a peculiar systemic realm of relationships between people, and to the "value rationality" of the modern market economy.

JEL: B00; G28; H2; I38; N1

Problem Statement

The humanity entered the XXI century with a lot of achievements that distinguish it in a quality and favorable way from the previous centuries and eras. Distinct changes have taken place in the technological mode of production, in the institutional architectonics of the functioning of the economy, of the social sphere, of politics, of management, etc. The formation of a new, innovative type of the development of economic systems, the socialization of the economy, democracy as the main conceptual model of the modern State administration are the undoubted achievements of the man and the world's society.

However, far from ridding the man of existing contradictions, such as the inequity regarding the access to vital resources and the distribution thereof, poverty, even hunger, about what Tomas Piketty is persuasively writing in his work "Capital in XXI century"

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(2015, p. 238-466), the new century has generated new ones: the excessive atomization of the society and, simultaneously, the transfer of the market laws to social relationships, conserving the inequality of economic, social and political possibilities in relations between different regions and countries of the world due to the monopolization and, paradoxical as it may sound, due to the achievements of the information economy (Barnett, 2004, p.104), the intensification of the growth processes of irrational, distorted, “twisted, treacherous”³ forms of the spiritual life⁴ of economic systems and of the society.

Objectives of the Research

Under those conditions, the disclosure of principles, forms and results of the manifestation and the implementation of the dialectics of possibilities for cooperation and mutual influences, as well as the disclosure of the boundaries of the interpenetration of the society and the economy is, in our view, the foundation of understanding the substantive and institutional architectonics of the modern society, its functions regarding the provision of the meaningful economic development, the social, political and spiritual life of a country and the planet as a whole, regarding the formation of efficient concepts and models for the removal of existing contradictions of socio-economic nature. As Milton Friedman pointed out in his “Methodology of Positive Economics”, “The fundamental premise of science is that the appearance is deceptive, and there are ways of analyzing, interpreting and organization of data, which show that unrelated and different at first glance phenomena are manifestations of a fundamental and relatively simple structures” (Friedman, 2004, p. 43).

The solution of these problems will be undoubtedly contributed by, *firstly*, a deep understanding of the functioning and development of a modern economy and society, associated with qualitative changes in the driving forces for values that are reflected in their institutional structuring. In particular, the transformation of values of the modern economy movement is manifested in deepening real and immediate relationship between the level of development of social production, according to their formation level, and the level of harmonization of interests of key actors of economic life (within the framework of both national and regional, and global economic systems) and the level of development and realization of the needs of society in the culture, spirituality and moral standards in the world of labour and business, which form any given quality of the system of values of the

³ It was K. Marx who widely introduced the concept of “distorted” forms into the scholarly circulation (Let us recall his “Capital”. It is the distorted institutional forms of the society that the book in question is rich in the analysis of). He emphasized the need for deeper conceptualization of such forms to better comprehend the nature of the processes of functioning and the development of the capitalist economy, the nature of its contradictions and possible options for resolving thereof. New times, new conditions of functioning of economic and business systems generate new distorted forms. A. V. Buzgalin and A. I. Kolganov, in their book entitled “The Global Capital” (2015), define “distorted forms” as “phenomena” (“facts”) of the world of alienation, whose relations “turn the real social practice inside out and upside down”.

⁴ As evidenced, for example, by such modern phenomena and processes as downshifting, glam-capitalism, trendoids in consumption, hipsters, “mosaic thinking”, etc. (Ivanov, 2015).

economy, an individual and the society as a whole. In these circumstances, beyond the understanding of the dialectic of the mechanisms of performance motivation system evolution, labour ethic in the process of transformation of the economic and social systems in the field of national and universal civilization, it is practically impossible to determine both remote, and the closest tendencies to form patterns to ensure the effective use of creative, intellectual work of employees, entrepreneurs, successful operation of the national states and supranational institutions, the free development of society.

Secondly, you need a deep understanding of the essence of the concept of “possibility”, “opportunities”, the dialectic of their role and functions in perception of the interdependencies of processes occurring and developing in the real economical, political and social life.

Thirdly, the study of the dialectic coexistence and interaction between society and the market economy extremely actualizes the need to apply the principles and techniques of modern political economy, which allows the researcher not only to plunge into the depth of nature of the relationship between economic, social, political and religious aspects in society, but also swim to the surface from these depths, enriching the world with understanding of the nature of the above relationships, field and borders of interpenetration of different subsystems, for which a synergistic effect of this interpenetration is lost, or turns into its opposite. While assessing the need for such an analysis, Milton Friedman emphasized: “It is clear that it is possible to compare the impact of factors only comparing the impact of one or the other of them on the differences between actual and predicted behaviour” (Friedman, 2004, p. 43).

A Review of Recent Studies

According to Karl Polanyi, in a market economy, where “it is not the economic system that is built into social relationships, but rather those relationships are mounted into the economic system”, where “all the esthetics of everyday life should conform to the principles of utility, or, in an extreme case, should not interfere with the market mechanisms” (Polanyi, 2010, p. 41), such forms of freedom also appear that lead to the “dismemberment of human integrity into a real person tied to the property, and into its better, ideal Ego” (Polanyi, 2002, p. 273). The dominance of the market and the unification of the rules on the planet caused the intensification of processes of ignoring issues of “social being”, even of the society itself. For everything that was contrary to the demands of a self-regulating market “was declared aberration and abuse” (Polanyi, 2002, p. 273).

The famous theoretician (sociologist, economist, philosopher) Peter Kozlowski has a paper entitled “Society and State. An Inevitable Dualism” (1998), which, in fact, deals with the dialectics of direct and reverse links in the relationship between the State, the society and, in fact, an individual as an element of the society (Kozlowski, 1998). But, of course, the realm, the nature and the implications of that relationship cannot be revealed thorough enough without such a major factor of influence as the economy being taken into account, and not just the economy as such, but the economy in its institutional market form that

functions as a system, with its specific laws, which target success and efficiency through permanent mergers, concentration, centralization, i. e. target the aggressive competition in the struggle for survival and development.

At the same time, the society, from the standpoint of market relations, acts as a certain external constraint for purposes and forms of the implementation of those relations. What is more, it is a powerful constraint, and that is through the formation of the extra-market (above-market) consciousness, philosophy and behavior of individual members and groups of the society, and, under the conditions of the well-formed civil society, of the society as a whole.⁵ (By the way, the future winner of Nobel Prize “for the study of contractual and constitutional bases of economic and political decisions” James Buchanan created the Committee on the adoption of non-market decisions as early as 1963). It is right there that the nature of the objective contradiction between the society and the market economy finds itself in, and it is right there that the need to find some balance, some compromise, a “golden section” in the interpenetration of the economy and the society manifests itself.

In this regard it should be noted that the problem of values that define the principles of dialectical combination of private and public interests in the course of economic life, the definition of strategic development of goals and tools for achieving them, has always been the subject and the object of attention of many scientists. Among the most prominent authors in recent years who prepared deep theoretical works devoted to the analysis of such problems above all are worth mentioning: Denis Rodrick (2016), Enrico Kolombatto (2016), Shourd Begelsdeyk and Robert Maseland (2016), David Throsby (2013), Thomas Piketty (2015) Max Höfer (2015) Guy Standing (2014), Paul Mason (2016).

All the above-mentioned researchers are united, above all, by their anxiety about the nature and dynamism of the changes taking place in the core value system in the rapid formation of the information economy, information society, the global information space. The authors of the abovementioned works try not to be limited to a statement of facts, but to explore the underlying causes of the negative phenomena in the system of values and value orientations of nations and peoples, to formulate and propose ways of formation of a qualitatively new design of values, based on the world's cultural achievements, spirituality, ethics, cooperation and etc.

The problems of research of the directions of the economic analysis subject field with the position of determination and studying the principles, forms, tools, coordination of the rational and moral aspects in the economy, the implementation into the economic life the

⁵ According to some researchers, in the modern sense of the word, the society becomes a theoretical concept used to describe and to analyze social relationships between groups of people. What is more, in our time, the concept of the so-called civil society has acquired a special significance. That concept treats *«the society as an area independent in relation to the State, that area featuring its own forms of movement and at the same time acting as a realm of free self-development of individuals»* (emphasis added) (Brockhaus, 2010, p. 234, 235). By the way, Sweden could be a vivid example of such a society, where more than for 100 years, almost all the country's citizens are united on the principles outlined above. United not by commercial, mercantile, but namely social, spiritual, intellectual interests.

general moral principles and concepts, such as, in particular, freedom, rights, equality, justice, are given significant attention in the writings by Hausman and Mcpherson (1993, 2006).

In particular, these authors state that economists should care about moral issues, at least for the following four reasons: 1) The moral of economic agents affects their behaviour and, therefore, affects the economic results. In addition, own moral views of economists can affect the morale and behaviour of other people. As economists are interested in the results, they should be interested in morality; 2) The standard economy of the well-being is based on strong and competitive moral premises. Thus, in order to assess and develop the economy of the welfare it is necessary to focus on morality; 3) The results of the economy should be linked with the moral obligations that govern public policy. To understand how the economy is transferred to the policy, it is necessary to understand the subject of moral obligation, which, in turn, requires attention to morality; 4) Positive and normative economics are often mixed. Understanding of the moral importance of a positive economy requires understanding of the moral principles that determine its relevance (Hausman, Mcpherson, 1993, p. 673). According to these scientists, "*Ethics determines the ends, and the economics determines the means*" (Hausman, Mcpherson, 1993, p. 672) (our italics).

The key provisions and generalizations of the above authors concerning mutual dialectic moral factors, ethics and economics suggest a deep understanding of the problem of interference of a modern society and economy, the principles of effective and constructive development.

The complexity of the research challenges mentioned above is determined, according to Daniel M. Hausman and Michael S. Mcpherson by the fact that "the most of the regulatory issues of applied economics of welfare are associated with the problems of efficiency and equity. Since the values supporting higher efficiency seem to be less controversial than those that support greater equity, the efficiency issues are viewed as manageable and indisputable, while equity issues are perceived as strange, contradictory and theoretically unsolvable". No wonder, scientists have concluded, that the standard of welfare economics focuses on the effectiveness (Hausman, Mcpherson, 1993, p. 675).

At the same time, a significant number of internationally renowned economists (see, for example, A. Bergson (1938), K. Arrow (2004), P. Samuelson (2002), K. Basu (2014) believe that in the state management one cannot proceed only from the standpoint of economic efficiency, that is Pareto-optimality, it is *social optimality* that should be taken as a basis for a progressive system of state management. At the same time, an important task is to "build a more just world" (Basu, 2014, p. 35). This position of the abovementioned scientists found the support and development in the work of Natalie Fraser (2003). In particular, the scientist substantiates the provision that institutionalized patterns of cultural values should provide all members of society with equal respect and equal opportunity *for the public respect* (our italics).

Key Research Findings

Analysis of recent publications, one way or another connected with the study of the problems that are discussed in this article leads to the conclusion that the level of resolving such a dialectical contradiction in the relationship between the economy and the society depends on the depth of theoretical conceptions of politicians and practitioners regarding the permissible scope of the penetration of market relations into the peculiar environment of such a phenomenon as the society and regarding the society's utmost possible impact on the market economic system (without trespassing against the laws of the latter's functioning, those laws being related to rational and efficient use of limited resources), that is on the level of understanding by the parties involved in political and economic activities of the nature and functions of the dialectics of the relationship between the subjective thinking and the objective logic of the economic development from the standpoint of using the laws of synergy when making both strategic and tactical decisions.⁶

The direction of the research of the philosophical foundations of the evolution of institutional forms of functioning components of modern economic systems, in their indissoluble interdependence with modern society as a metasystem can, we believe, contribute to the formation and rapid development of this scientific direction in the general philosophy as a philosophy of the economy. After all, the content of the subject of this science, as we define it, is to study the values formation process, operation and development of economic and business systems based on the current established views about the nature and functions of *epistemology* (the study of consciousness and cognition), *axiology* (the doctrine of values), *anthropology* (doctrine of a human being), ontology (the study of the basic properties, structure and laws of objective reality – being).

Such an interpretation of the subject of the philosophy of the economy allows, in our opinion, to identify the main benefits of philosophical understanding of laws and institutional forms of the successful development of a modern economy and to make on this basis structural adjustments to the conceptual model of economic policy in both developed countries and countries that are just getting in the way of innovation development. These advantages of philosophical analysis of the contemporary economic issues, in particular, include the following: it is philosophy and, in particular, the philosophy of the economy, that *makes* a scientist focus on a holistic worldview perception of the issues in the process of investigation of the laws of the individual sub-systems of society; it *provides* at the substantive level the value orientation of concepts and theoretical models of economic

⁶ A striking example of the reality of contradictions, hence the urgent need to solve them is a constant pursuit of business, in fact all over Ukraine, to use for its own development parks, public gardens, sports grounds and facilities, cartilages, cultural institutions, etc. for profit and superprofits from the location of the objects in a comfortable zone, and opposite is desire of citizens - to maintain minimum comfortable conditions of life from the social, environmental, aesthetic, cultural and other standpoints. The same can be said with respect of reservoirs shores, deforestation in the Carpathians, performances for money in election campaigns, political corruption, corrupt media, and the like. For business it is the money “under the feet”, from nothing, to the public - permanent loss of the normal human reproduction conditions as a member of society, the loss of vital value orientations, dignity and the like.

development, which are formed in the course of the study; it *determines* the orientation of the humanitarian paradigm of the social sciences and, in particular, economic theory and contemporary political economy; it *directs* representatives of various scientific disciplines in recognition of the principle of pluralism of opinions, conclusions, decisions.

It should also be noted that modern economic theory is increasingly integrated into the process of interdisciplinary research using interdisciplinary approaches, among which the philosophical approach plays an important role, as it involves systematic ideas about the world, it comes from its integrity in any possible manifestations according to the logic of the objective needs, therefore from the recognition of the existence of interdependence, mutual penetration of its components. By the way, in the philosophical literature, the category of “possibility” is considered one of the most important, since it has «as its binary oppositions the concepts of “reality” and “necessity” and, in complementing them, allows one to view “the whole universe in three sets that mutually disjoint (the world of the impossible, the world of the possible and the world of the necessary)” (Lebedev, 2008). In relation to reality, as, for example, S. A. Lebedev emphasizes, in relation to what actually exists, “the possibility acts as a state that precedes it, as *pre-reality*” (Lebedev, 2008, p. 181-182).

“In the real, objective sense – according to the author just quoted – the possibility is a peculiar kind of objective being, which the Greeks were the first to identify as a special world of potencies that is primary in relation to the real, material world, which represents only a negligibly small, materialized part of the infinite world of potencies⁷, i. e. of the eternal, unchanging world that is absolute in its entirety, in its structural and functional diversity” (Lebedev, 2008, p. 181-182). The characteristic *features of the possibility* as a “pure conceivability of a thing and of its internal consistency”, which is a potentiality and which can become a reality, i. e. can act as a material cause, although the “real needs material conditions as well”, can be considered a highly constructive addition to the above-said about the nature and the place of the possible in the cognition of the dialectics of the architectonics of the states of the economy and the society in the process of their development (Brockhaus, 2010, p. 63).

⁷ By the way, one of the key principles of research methodological potential of modern political economy should be the realization of the dialectic relationship between the concepts of potential as a noun and as an adjective: if the «potential» is a set of tools, features that are in stock and can be applied in a particular area, then adjective «potential» means something that exists in potency: hidden, that does not occur, possible. Just this hidden, not shown, however, possible in the system of modern methods of knowledge, combined methods, which can provide a new institutional space of modern economics research, is the subject of interest of researchers, since the definition and justification of these new features to determine the degree of functionality, weightiness of science in terms of theoretical challenges and problems of modern economic life

Formation of information-based type of economy and society causes qualitative changes not only in all components of the structural elements of the economic system, but also in the whole system of levers and the factors that ensure its functioning and development. These changes are manifested primarily in the enrichment of the objectives of economic development, socialization of all institutional forms of economic life. In these circumstances, of course, the paradigm of the methodology of the study of economic phenomena and processes, trends of development in the long term is changing (Zaitsev, 2009, p. 39-50).

Nowadays (in particular, in Ukraine and in other post-socialist countries), a kind of reality is formed, in which the world of the impossible becomes reality, finding its realm in distorted or, rather, in “twisted and treacherous” forms (political rent, corruption, virtual finance, orientation to gaining profits and excess profits after the $M - \Delta M$ pattern, i. e. actually by virtue of non-economic and non-productive activities, etc.), which rapidly spread, diffuse in the society, providing the penetration of market relations (again in “twisted and treacherous” forms) into all, without exception, spheres and spores of social life, creating conditions for the transition of the impossible (in this case, of the disruptive, of the objectively inappropriate, of the antisocial) to the real, to the world of the possible. However, substantively, such a reality comes into conflict with the world of the necessary, which requires the existence and the development of special, peculiar institutional forms and functions of the society that should secure the “human” and the “universal” for an individual, i.e. the implementation of the totality of his/her needs and interests of the civilizational character, without limiting them to purely economic, material ones (Maslow, 2013; Chetvertakov, 2011).

At the same time, it should be noted that the economy and society of the twentieth century knows the bright and effective examples of constructive dialectic transitions from impossible state to possible on the basis of understanding and awareness of the needs of “the world of necessary things” (from the standpoint of reconciling the interests of society, rights and conditions for the functioning of a market economy) by theorists, politicians and practitioners. We are talking about the concept and model of the social market economy, created by Alfred Muller-Armak, Walter Eucken, Wilhelm Röpke and Ludwig Erhard and implemented in post-war Germany in the second half of the 1940-1960s.

The concept was formed in the alleged “world of the impossible” (work on it began in the 30th years of the twentieth century ..., continued from 1943 by L. Erhard directly in Germany (that was under the rule of Hitler's Nazi regime), but from the standpoint of future requirements – “the world of the necessary” under these conditions, the impossible has become possible and have been implemented in order to restore market principles of functioning of the economy, however, on the principles of consolidation and the dominance of the interests of society in the future with the use of non-market (social) economic management methods (different institutional forms of industrial democracy, etc).

According to A. Mueller-Armak, pragmatic core of a social market economy philosophy is inherent in the interaction of the market economy, and “social concern” state based on “the principle of combining market freedom with social balance” (Zinn, 1994, p. 31). “The fundamental principle of the market economy – individual freedom of economic actors (producers, those who distribute, and consumers) – is preserved, but is not absolutized; it relates to the opposite principle – the public debt. This, in contrast to the unrestricted capitalism, set limits on the freedom of economic actors in the realization of their interests” (Rich, 1996, p. 565).

A peculiar feature of the functioning of the market economy laws in the implementation of the model of social market economy, according to the bright representative of the ordoliberalism school Walter Eucken, is that the economic policy of the competitive order is “focused on such ordering of markets, which would allow rationally combine into a

single entity all the economic progress components under the conditions of free activities of all market participants, while limiting or *even avoiding only one kind of freedom: the freedom to arbitrarily determine the rules of the game, to create those forms, in which economic process, market forms and monetary system are developed*" (our italics). This is the place, according to V. Eucken, where the possibility to enforce ordering policy is opened. "Both a law-governed state and the competitive order, Eucken said, should establish such a framework in which the free activity of the individual is limited to the sphere of freedom of the other, with the result that the scope of the freedom of the people are in a state of equilibrium" (Eucken, 1995, p. 326-327; 331).

Characteristics of a few key points of the theory and the model of social market economy, realized at that time in Germany leads to the conclusion according to which the synergistic effect of the successful combination of theoretical views with the principles, objectives and instruments of economic policy was the result of the coincidence in time and intellectual space-based subjective perceptions of a group of scientists on the objective necessity and logic of economic development in the future which provided the transformation of the possible and the desirable from "the world of the impossible" by understanding the nature of the "world of the necessary" into the world and the state of the possible, the real and the perfect.

The depth of such dialectical metamorphosis of theory and practice was adequately, in our opinion, praised by German theorist Heinz Lampert, outlining decisive, in his opinion, feature of the essence of social market economy: "It is, –according to the mentioned scientist, – understood as a social technology related to fundamental values, target system which is open to possible changes" (Lampert, 1994, p. 67).

Unfortunately, it should be recognized that, *firstly*, not always a subjective conception, formed on the basis of subjective thinking and subjective understanding of one's interest, corresponds to the objective needs and to the objective logic of the development of the economy and that of the society as a whole. *Secondly*, not always the potential, or potential relationships that can provide a systemic balance between the economy (excessively market economy) and the society, becomes a reality. Therefore, the achieving such equilibrium involves the comprehension of the nature and the principles of motivation, the nature of institutions as tools for the formation of a stable realm and principles of interaction of entities and subsystems in the institutional field of the society. In particular, as noted by D. North, the main role that institutions play in society is to reduce uncertainty by establishing a stable (though not necessarily efficient) structure of human interaction (North, 1997, p. 21).

The institutions (whether market or society ones) are not just a set of standards and rules of conduct for individuals. Their efficient functioning also presupposes the system of external coercion to the fulfillment of the society-prescribed rules and regulations, ensuring transitions of the possible, the potential to reality, to the world of practical implementation of the necessity on the principles of preserving social priorities during the process of development and sophistication of the architectonics of the holistic meta-system. A significant role in the implementation of such functions of the institutions in the economic and social life of the modern world belongs to the theoretical research of James Buchanan,

the founder of a new, or the constitutional political economy, one of the main principles of which is in our view revolutionary principle for a representative for the institutional theory.

Firstly, the scientist *noted* in the “Limits of Freedom (between anarchy and Leviathan)” (1975), that “a human being in the twentieth century fell into the trap of the dilemma. He understands that the two “great alternatives” – laissez-faire and socialism – are dying, and their revival can hardly be expected. What a modern man does not understand neither intellectually nor on an intuitive level, it's the fact that pragmatism, as an alternative, is equally uncertain, *and long unwillingness to analyze the situation globally and systematically can pose a serious threat to the viability of social organization* (our italics). Therefore (though not only), George Buchanan insists, a modern man needs a new social and political concept of society. Without it “the constitutional revolution, necessary for the survival of society, will not happen” (Buchanan, 1997, p. 430). As we can see, J. Buchanan undoubtedly remains a supporter of market economic system, at the same time he opposes to the domination of “market economic civilization”.

Secondly, crucial for the characterization of conditions for the preservation of freedom of choice and decision-making by the members of society in all the spheres of their life from the standpoint of the principle of a new social order – “*an open relationship between the free people*” is the interpretation by J. Buchanan of the nature and functions of the “constitutional economy” – economy, in his view, which is able to “stop the rampant growth of the state apparatus and put it under the control of civil society”. It is the constitutional revolution in a democratic society, according to Buchanan, that “could lead to a constitutional economy”, eliminating “the game beyond the rules” and ensuring “fair play” (see more details – (Nureyev, 1997).

According to James Buchanan, only the constitution (in other words, the institutional field, the institutional environment, institutional norms and rules accepted by all economic agents) formed on the basis of the unanimity principle, can ensure the harmonization of personal and public interests, eliminate or minimize controversy resulting in social production, society, between economic life parties. The basic institutions that provide a combination of theoretical and practical foundations of the theory of constitutional choice are economic freedom, direct democracy, the appropriate regulations, which defines the principles, conditions, and thus, the possibility of choice of those or other decisions about ways of achieving economic and social objectives of the country's national economy and the legal system, which supporters of the constitutional choice theory consider as a kind of social capital, which ensures the growth of inter-individual relations stability.

Analyzing the importance of the constitutional political economy for solving the problem of effective and constructive co-existence of a market economy and society, Buchanan highlights such its features: firstly, public choice theory provided endogenization process of political decision-making; secondly, the constitutional economic theory, which arose on the basis of the theory of public choice and represents a broader discipline “becomes a channel through which the role of institutional factors returns to a very sterile social science”; thirdly, in the narrow sense the constitutional economic theory brings “political aspect” into the “economy”, “thus restoring the link that was broken at the time when the “economic theory” claimed independent status” (Buchanan, 2004, p. 176-177). Perhaps we cannot

disagree with the idea of the role and functions of the political economy, economic theory in a broad sense, in the removal of “social tension” and “social hostility”, which grows in a society in the conditions of aggressive attack of market principles and forms solutions of purely social problems.

Considering the possibilities of interdependence and mutual influences between the society as a holistic system and the economy as an integral subsystem, an element of that holistic system in the form of “pre-reality”, “a special world of potencies”, we must make up our minds as to in what manner and in what forms those possibilities are related to the reality and the necessity. In doing so, we will be able to determine, *firstly*, the vitality of such possibilities, *secondly*, the boundaries of the social and economic realm of transformation of those possibilities into reality and, *thirdly*, those material and immaterial reasons and factors that can turn the potential into the world of real objective being, the being constructive, creative and efficient to boot.

In this regard, potential options for the transition of certain trends in the development and mutual influences of the economy and the society from the world of possibilities into the world of reality should, perhaps, be first outlined. One of the first of such options is a process recorded and described by K. Polanyi (2002, 2010) quoted above. The characteristic feature of that process is a brutal takeover by the market of the entire system of social relations, which would otherwise find their manifestation primarily in the development of the spirituality of the people, their culture, creative potential, teamwork, relationships of trust, friendship, patriotism, etc. The possibility of such a version of the coexistence of the economy and the society gradually but persistently turns into reality in the life of most countries of the world, including Ukraine (the said process is extremely precipitous in the latter). However, is the materialization of such an option of the interaction of the economy and the society a necessity? Will it not contradict the objective logic of the social progress in the long run? Will it not lead the humanity into a dead end of relationships based on the principle «*homo homini lupus est*»?

The objective nature of such processes is related to the controversial character of the needs and interests of the society and those of the market-specific institutional form of the modern economic system's functioning: the strategic need and the interest of the society is to provide the minimum social standards of civilized living conditions for every person, regardless of his/her status, place of residence and abilities. The development level of the productive forces of the world's society technically permits doing so. The materialization of such a scenario means, however, a redistribution of income of capital owners, i. e. the high-earners. In a market economy, this is almost impossible, has high threshold limits under any circumstances, and is resisted. That is, the technological possibilities keep remaining potential ones, without being transformed into real results, as the market and the society have different values.

For the society, values are, first of all, “the basic, universal goals and ideals both of human activity in general (Truth, Goodness, Beauty, Justice, Usefulness, etc.) and of its various types (values of science, economics, morals, politics, arts, law, etc.)”. “Values, – as emphasized by researchers, – are the basis of human spirituality and that of the society, the regulator of their true life” (Lebedev, 2008, p. 272). In contrast to such moral values of the society as a peculiar systemic realm of human relations, the market economy as an

institutional form of functioning of the modern economy and hence the entities of that economy base their activity on the principle of “value rationality” formulated by Max Weber. In his view, “those people act in a value-rational way who are guided in their behavior solely by their own beliefs and by the awareness of the value of their actions, without taking into account the possible side effects of those actions” (Brockhaus, 2010, p. 377).

Such views of the author just quoted have found further development in the modern neoclassical paradigm, which, according to some researchers, not only “provided a comprehensive and cohesive mechanism for the conceptualization and analysis of the individuals', companies' and markets' behavior”, but also “gave a number of verifiable hypotheses”, “a model of utilitarian rational decision-making that operates in competitive markets and, in recent years, has found an application in an array of areas of human behavior, which array has grown ever broader, encompassing marriage, crime, religion, family dynamics, divorce, philanthropy, politics and law, as well as the production and the consumption of the arts» (Throsby, 2013, p. 17-18). However, according to, for example, David Throsby, «despite its intellectual imperialism, the neoclassical economics is actually very limited in its assumptions, is weighed down by its own mechanics, and has a limited ability to explain» (Throsby, 2013, p. 18).

While agreeing with the view of the scholar just quoted, we would like to note that the dialectics of relationships in highly complicated social systems should, probably, be regarded as a diamond that does not have a single, stable internal coloring. Depending on external circumstances, external sources of light, even the feelings of the owner or the user, the diamond can convey an extremely rich palette of its inner nature, creating ever new sentiments, thoughts, expectations, etc. The same can be said about the gamut of possible options in relationships between the modern economy and the modern society.

In this context, a philosophy of methodology of economic research, proposed way back in the early twentieth century by S. Bulgakov, seems to be extremely fruitful and constructive. In his book “Philosophy of Economy” (1912 (1990)), he formulated some key principles of research methodology, which are nowadays characteristic of both the representatives of neoliberalism/neo-institutionalism and modern political economy. The scholar emphasized, in particular, the need to analyze such institutional factors of economic development as freedom and creativity, the place of an individual in the economy and his/her ethics, stressing that freedom is the common basis of the creative process: “Where there is life and freedom, there is also place for new creativity, the automatism is already shut off there, the automatism that is the consequence of a fixed and permanent set-up of the global mechanism, which operates like a wound-up alarm clock, that is why the economy – both in the broad sense and in the narrow, politico-economical, one – is also creativity, a synthesis of freedom and necessity” (Bulgakov, 1990, p. 184-186).

As can be seen from the above viewpoint of the philosopher, already at the beginning of the twentieth century, the synergistic effect of the research of problems of functioning and development of economic systems could be achieved only on the basis of a paradigm that was built on the understanding of the economy as a synthesis of freedom, creativity and necessity. In the 1950-1980s, such an approach to determining transformation patterns of the basic institutions of economic systems of the developed countries, and to respective

social forms of their manifestation and functioning, such as post-industrial society, information and post-economic ones, was considered new and, so to speak, revolutionary in the economic theory.

However, the aforementioned scholar, way back at the beginning of the twentieth century, predicted the emergence of economic life from the rigid framework of determinism, since the economy, seen as creativity, is also a psychological phenomenon, a phenomenon of spiritual life, as are all other aspects of human activity and work. That is why, in S. Bulgakov's view, to proclaim that phenomenon a «reflex» of the economic relations is possible only under that logical fetishism the political economy lapses into when it regards a household, the development of productive forces, various economic organizations through the prism of abstract categories, regardless of their specific nature. That is why, the scholar says, the political economy needs grafting the genuine realism, which necessarily includes both «causality through freedom» and the historical psychological logic, the latter can mark the spiritual atmosphere of a given era. (Bulgakov, 1990, p. 187).

Such an approach to understanding the trends of the political economy's subject-matter is undoubtedly based on the concept of the society as a holistic, multi-vector system with a complex structure. And that is why the “value rationality”, the “utilitarian rational decision-making model” is completely unacceptable not only for the formation and functioning of the social relationship system used by the individuals of social life, but actually even for the market economy, as each entity of economic relations is not only a rationally thinking individual, but also a personality, hence his/her range of goals, needs and interests as *homo economicus* and that as a personality cannot match absolutely even under the laws of objective logic of functioning and development of mankind, of human society.⁸

Such a philosophical approach to the analysis of economic problems makes it possible to not only create a system of views on the development patterns of economic systems, but also to determine the place of those systems in the world around them, in conjunction with the society, to seek to determine the role of man as a holistic entity of social life and not only as an economic person or as an institutional one. For, *firstly*, the “social activity exists only insofar as a man exists, and we can cognize that activity only in connection with a man, a being, in respect of which we imply that he/she is capable of independent actions, of a conscious choice of ends and means”, and, *secondly*, what constitutes social activity exists and changes over time, is historical in nature, is conditioned by a number of factors, has a multi-tier structure and generates a set of phenomena, which is actually called *social activity*, hence it “also includes a covert mental component in the form of viewpoints of people, who create it (that social activity)” (Borodkin, 2003, p. 98-108). Such an approach undoubtedly leads to deepening of the research of the nature of an individual's motives to

⁸ Unfortunately, neither the IMF nor our governments, including the government of A. Yatsenyuk, are unable to comprehend that logic, and that is why they try to implement their concepts and models of dealing with the systemic crisis in Ukraine at the expense of Ukraine's citizens, i.e. members of the society, and, in fact, at the expense of non-materialized potential possibilities of both the society and the national business community, at the expense of the market economic system, without taking into account the real needs, interests and problems of an individual and the society as institutional environment, in which that individual can and should live and work instead of vegetating for the sake of the abstract rationality of politicians and officials.

work not only in the field of material leverage, but also through the use of informal institutions, i. e. value-esthetic, socio-political and cultural ones that define the relation of one person to another and to the surrounding world, hence that approach promotes deeper understanding of the dialectics of the mutual influences of the society and the economy precisely in terms of the growth of the overall synergistic effect of their interaction.

By the way, researchers describe the synergetics as “the science of the complicated, of self-organization, of the universal patterns of evolution of complex dynamic systems, in which sudden changes of states take place in times of instability” (Borodkin, 2003, p. 98-108). But of paramount importance for the study of the aforementioned issues is the fact that in the scholarly literature, the synergetics is seen not only as a science of self-organization, but also as a theory of “joint action of many subsystems, which action results, at the macroscopic level, in a [new] structure and respective functioning” (Haken, 1980, p. 7). Such a characteristic feature of the subject and the methodology the synergetics as a science makes it possible to conceptualize the nature and the institutional forms of the manifestation of the society as a large, highly complicated meta-system, and to outline not only its architectonics, but also to determine the content, the nature and the functions of the institutional forms of individual subsystems of such a meta-system, their place and role in ensuring its integrity, understanding the dialectic of interdependencies and mutual influences between the individual elements (subsystems), between them and the metasystem itself, finding out the causes of conflict, hindering the possibility of achieving synergies functioning of a holistic socio-economic formation.

Depending on the nature of the needs, the level of their development and the ways of their implementation, certain subsystems become dominant in the architectonics of the meta-system during a given historical period. Those subsystems determine the general directionality of the meta-system, conditions of its functioning, and the dynamics of its development. However, under any conditions, it is the society, in which realm alone the functioning, self-organization, synergistic integration, materialization and development of such its subsystems as the economy, politics, culture, spiritual life etc. are possible, that gives signals and impulses to the economy regarding the axiological orientation of its movement.⁹

The essence of the nature and the content, the principles and the forms of the manifestation of interdependence of the society and the economy lies, in our opinion, in the fact that it is in the society that the formation of civilizational features of functioning of economic and household systems of a country, of a people, or of a region takes place. Such a dominance of the societal over the market-specific can also be explained by the fact that the substantive

⁹ Such a science as the philosophy of economics, in particular, reflecting the process of cognition of the principles, the objectives and the dialectics of the development of the economy and the society, the social ideas regarding the desired results of the social production, the distribution and the redistribution of the product created, chose as its subject the values of the process of formation, functioning and development of economic and household systems drawing on the currently prevailing views regarding the nature and functions of epistemology (the theory of consciousness and cognition); axiology (the theory of value), anthropology (the theory of man), ontology (the theory of basic properties, structure and patterns of objective reality, i. e. being). *This definition of the philosophy of economics has been formulated by us.* – Yu.Z.

nature of an economic system of the market type is directly related to an extremely limited range of needs and interests of its entities, viz. to victory, survival in competition, generation of income (profits, excess profits). The society, as opposed to such a nature of the objectives of economic life that are too deep into the market economy, cannot live and develop on the principles of utter pragmatism and rationality. The objectives of the society, at all stages of its historical development, were more varied, filled with spiritual, cultural, personified tone.

Conclusions

Such a conception of the peculiar features of the development objectives of a holistic highly complicated system, viz. of the society and its subsystem, i. e. the economic system, leads to the conclusion, according to which the market, the market relations should not cover specific, purely societal relations, particularly in the sphere of spirituality, cultural values, general moral and ethical principles of behavior, and, consequently, should not affect those relations between the individuals of economic life. For it is in the society – consciously and subconsciously, in the process of evolution of moral and ethical, civilizational, institutional standards and rules of conduct – that the moral and ethical principles of economic behavior of business entities, of entrepreneurs and employees are formed, and, consequently, the principles of their relations with the society and the State.¹⁰

In our view, Huerta de Soto reveals in a remarkable manner the general nature of interdependence and mutual influences of the society and the economy, when, in his book “The Theory of Dynamic Efficiency”, he defines the manifestation pattern of such interdependence: «If we regard the market as a dynamic process, then the efficiency, understood as coordination, results from the people's behavior when they act in accordance with certain moral principles, and, conversely, the human activities that correspond to those ethical principles, generate dynamic efficiency, understood as a factor coordinating the processes of social interaction» (Huerta, Jesús de Soto, 2011, p. 185, 187). On top of that, “...people often agree to make serious sacrifices for what they think is right and fair from the moral point of view” (Lebedev, 2008, p. 181-182).

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¹⁰ As stressed by Robert M. MacIver, one of the authors of the foreword to Karl Polanyi's book «The Great Transformation: The Political and Economic Origins of Our Time», «only having discovered and realized the absolute primacy of the society, the paramount value of the all-embracing unity of human relationships and interdependencies, we can hope to emerge from the intellectual impasses of our era and to resolve its contradictions» (Polanyi, 2002, p. 9).

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