

# ***ROUND-TABLE DISCUSSION***

## ***MODERN PROBLEMS OF ECONOMICS***

### ***AND THE ECONOMIC ACTIVITY***

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#### **«ECONOMIC IMPERIALISM»: FROM A. MONKRETIEN TO THE MODERNITY**

A French economist A. Monkretien went down in history of the history of economic thought as a founder of a term «political economy». Simultaneously, he didn't hope for infinite opportunities of application of the political economy methodology in any other field of science. His «Treatise on Political Economy» was written from the standpoint of an owner of a hardware workshop in order to persuade a government to protect the French manufacturer and the buyer. He suggested using high duty tariffs for foreign goods. Such measures had to prevent import from hindering the national production. This scientific work was devoted to King Louis XIII, whereupon A. Monkretien began to play the role of an economic adviser. In 1617 he held the position of a mayor of a French town. Later, a little known Englishman wrote a book «Observations and economic advices», in which he determined the economy as an art of effective managing a household and prosperity. The book contains an economic advice how to choose a wife that «will be useful in the daytime as well as in the night time».

The economic life at the beginning of XVII stipulated all other areas of the human's life. That's why economics as an art of managing the personal household and the national economy forms the enough powerful methodological potential for examination of all other social relations. Between 50s and 60s of the last century, this potential was used by neoclassical economics, representatives of which have begun to disseminate the economic analysis methodology in all the life areas that were in the sphere of other professionals.

Economics penetrated politology, sociology, anthropology, psychology, history, jurisprudence, religion studies, and even biology and physics. Such a process of expansion of the economic analysis methodology, which is concerned with study-

ing processes and regularities, beyond its traditional areas was called «economic imperialism». Because of «imperial» tendencies of economics, new disciplines, such as the social choice theory, economic analysis of law, economic sociology, economic psychology, the new economic history (cliometrics), bioeconomics, emerged. Scientists point out that the very economics forms «universal grammar of the social science» (J. Hirshleifer). It is stipulated by several factors. Firstly, human behavior is based on a standard model «homo economicus» (an economic human), according to which an individual rationally (not always usefully) adheres to a strategy of maximization of individual utility under conditions of current restrictions. Secondly, regardless of a sphere of life, individual advantages remain relatively stable in time and orient towards benefits, losses, process, and incomes (in the broad sense). For instance, a criminal acts rationally, predicting not only benefits (incomes), but also possible losses (imprisonment, fees, reputation). Thus, each crime has own price. Thirdly, actions of entities beyond the market environment can be modeled by analogy with economic exchange, where each party, without direct usage of money, spends resources (implicit prices) and attempts to attain the equilibrium position under conditions of a voluntary (for instance, marriage) transaction or a compulsory (a theft) one.

Undoubtedly, «economic imperialism» shouldn't be considered as the only possible methodology of cognition. Nowadays, synthesis of social sciences, where economics begins to use their specific methods and instruments, is becoming more and more important.

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## **CONCEPTS OF HUMAN DEVELOPMENT IN CONTEMPORARY ECONOMICS**

In economics, issues of human development are mainly presented in the form of two concepts — human capital and human development. It is frequently asserted that the human capital theory historically and logically precedes the human development concept and forms its theoretical basis. In our opinion, it is spoken of different concepts. However, they are related to each other.

The human capital theory is concentrated towards human development aimed at social production needs. It examines improvement of a human as a resource (a factor) of production and more appropriately responds to the industrial society. Human capital is a set of qualification (theoretical knowledge, practical skills and