

Vadym S. Ryzhykov¹

SYSTEM APPROACH TO ECONOMIC CULTURE DEVELOPMENT IN THE CONTEXT OF MARKET ECONOMY

Economic culture facilitates the development of a new type of socioeconomic formation of market relations, the introduction of an intensive model of understanding the importance of a specific role of people in effective economic transformations. The present paper provides well-reasoned grounding for the theory of economic culture development and describes the current state of economic culture from the viewpoint of economic rationality.

Keywords: economic culture; market economy; rationality of economic relations; types of economic behavior.

Вадим С. Рижиков

СИСТЕМНИЙ ПІДХІД ДО РОЗВИТКУ ЕКОНОМІЧНОЇ КУЛЬТУРИ В УМОВАХ РИНКОВОЇ ЕКОНОМІКИ

У статті показано, що економічна культура сприяє розвитку нового типу соціально-економічної формації ринкових відносин, впровадженню інтенсивної моделі розуміння та значення специфічної ролі народних мас в ефективності економічних перетворень. Приведено аргументоване обґрунтування теорії становлення та описано сучасний стан економічної культури з точки зору раціональності економіки.

Ключові слова: економічна культура; ринкова економіка; раціональність економічних відносин; типи економічної поведінки.

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Вадим С. Рыжиков

СИСТЕМНЫЙ ПОДХОД К РАЗВИТИЮ ЭКОНОМИЧЕСКОЙ КУЛЬТУРЫ В УСЛОВИЯХ РЫНОЧНОЙ ЭКОНОМИКИ

В статье показано, что экономическая культура способствует развитию нового типа социально-экономической формации рыночных отношений, внедрению интенсивной модели понимания и значения специфической роли народных масс в эффективных экономических преобразованиях. Приведено аргументированное обоснование теории становления и описано современное состояние экономической культуры с точки зрения рациональности экономики.

Ключевые слова: экономическая культура; рыночная экономика; рациональность экономических отношений; типы экономического поведения.

Problem statement. In the late 20th century, a kind of breakthrough occurred in market relations that supplanted planned economy in the countries of the former socialistic camp, a rather vast territory of the Soviet Union and also Central Europe. The early 21st century is already marked by intensive development in these territories within market economy, which drastically changed the structure and the contents of production forces and production relations in the system of management, including the understanding of social order and of social structures formed. At the same time, market relations require a new economic thinking or rather economic culture. A new economic thinking is of key importance in those countries, where economy was formerly planned from the above, therefore a critical need arose to shape a new type of economic thinking, and in terms of economic science – market-type economic cul-

¹ Interregional Academy of Personnel Management, Kyiv, Ukraine.

ture. It is impossible to develop economic culture in the countries that moved from planned to market economy without the use of the economic culture notion.

The essence of carrying out socioeconomic transformations in Ukraine is to make everyone active participants of the country's economic life. Coherent and consistent accomplishment of this purpose requires organizing appropriate development of economic culture among population and especially this concerns specialists with master's degrees or of the corresponding level of training.

Recent publications analysis. Studies of economic culture have roots stretching back into the antiquity; they are also associated with the development of capitalist relations. Some aspects of economic culture have always been within the area of scientific interest of economists representing various schools of thought and science trends. Economic culture is mentioned in the works by N. Berdyaev (1990), T. Donaldson (2001), P. Heyne (1997), A. Koni (1956), A. Maslow (2013), D. McClelland (2007), A. Rich (1996), A. Smith (2007), as well as by contemporary scholars dealing with economic culture and the system approach – P. Anokhin (1980), S. Slivka (1999), V. Vorona, Y. Suimenko et al. (2008) and many others.

Unresolved issues. Analysis of such a scientific problem as the theoretical and practical importance of economic culture of general population for performance of effective market transformations is at the stage of description and infancy. Application of the system approach to economic culture in order to understand the essence and significance of socioeconomic transformations under market economy conditions needs more theoretical development.

The paper task is to reveal the theoretical and practical importance of economic culture and its components within the system of economic and social relationships of states that moved from planned to market economy, as well as to carry out scientifically valid analysis of economic concepts and population itself as a component of the integral system of emergence, establishment and effective development of socioeconomic relations at the macroeconomic level.

This research strives to reach the understanding of the essence and importance of economic transformations necessary for effective development of socioeconomic relations in the states that moved from planned to market economy, how to practically use economic culture as a an integral component of market economy and society. Application of economic culture in life of population, i.e., at the microlevel of economic relations, is important for further macroeconomic development.

Key research findings. Market relations require significant intensification of population knowledge, skills, abilities, which are completely absent in planned economy or are in their "infancy" and modified by the specifics of economic relations. Thus, for example, market relations require:

- private ownership of production means;
- price formation based on supply and demand;
- commodity-money relations;
- freedom of enterprises;
- competitive mechanisms of economic management;
- labor financial encouragement;
- the regulating economic role of the state;
- dominance of citizens' personal interest;

- personal freedom.

The market path in economy is a possibility to apply the achievements of cutting-edge technologies in actual production. This means, at the human resource level, the ability of people (managers, staff members, administrators etc.) to use new and improve old technologies, purposefully and efficiently use production as a whole.

Not only the economic area that constituted the Soviet Union becomes the scene of applying theoretical concepts of the economics of growth and economics of underdevelopment, but this process is moved by the changed economic thinking of entrepreneurs, managers, public employees, educators, scholars, politicians and general population. It is therefore necessary to recall the statement of one of the founders of economics: "If assessing the efficiency of investment projects one takes into account changes in the way of life and social institutions, then some projects may prove to be more beneficial not only by virtue of their physical efficiency but also, for the most part at that, on the strength of their impact of decision-making, on interest of entrepreneurs and politicians, on the attitude to labor, formation, modification, disruption of habits, traditions, customs and aspirations of workers and entrepreneurs ... if additional and consistent measures on a broad front are lacking, then capital investments can misfire; despite an increase in output, the capital coefficient, including the impact of capital investments on other projects and enterprises and often also on actions of entrepreneurs and the state, can run up to infinity or become negative with respect to additional capital inputs" (Myrdal, 1968).

A. Maslow's hierarchy of human needs, if one considers its levels from the bottom upwards, appears as follows: physiological, safety, esteem, cognition, aesthetic, and self-actualization. We explain self-actualization by the need for personal growth. And the last 3 levels – "cognition", "aesthetic", and "self-actualization" – are determined in the general case by such motivation as the "self-actualization need" (Maslow, 2013).

Developing the theory of motivation – 3 stages of this theory development can be distinguished, – Maslow steps aside from the rigid hierarchy of needs and divides all motives into two groups: deficiency and existential. The first group aims to make up for a deficiency, such as the needs for food or sleep. These are unavoidable needs, which ensure human survival. The second group of motives serves for development; these are existential motives – an activity, which does not arise to satisfy needs but is related to pleasure, satisfaction, loftier aims attainment etc. At the third stage, the concepts of metamotivation and metaneed appear in the Maslow's theory being associated with human existential values, such as the truth, good, beauty etc. This existential aspect of personal existence can open to man in the so-called "peak experiences" representing delight, esthetic pleasure, strong positive emotions (Maslow, 2013). Developing these ideas, Maslow came to understanding of limited nature of the humanistic psychology and the very idea of the a new, "fourth force" – transpersonal psychology (Maslow, 2013).

D. McClelland (2007) expanding the problem of motivation as conscious and unconscious motives, conducted research in motives within the framework of personality psychology, motivation in the light of behavioral tradition. He claimed that the nature of human motives: emotions as indicators of natural impulses, natural motives and their derivatives, measurement of motivational dispositions of a person.

Basic motivational systems: achievement motive, motive of power, affiliative motives, motives of avoidance.

One of the central provisions of A. Rich (1996) can be formulated, paraphrasing one of his aphorisms, "the issue of the essence of management, of course, belongs to the sphere of ethics". The reason for this is that the economy is not an independent system similar to nature: it is an institution "created by human for human". It doesn't determine its purpose by itself, according to representatives of economism. A. Rich believes that a man may not be separated from his environment, both natural and social. He is connected to it "for ever and ever". According to A. Rich, a basic human need is the need to grow and develop. In his needs a man is like a plant or an animal. The will to live is the absolute expression of the basic need of man created by God as a particle of the world (Rich, 1996).

The proximity of A. Rich (1996) and N. Berdyaev's positions is obvious, for those considering the causes of economic oppression, material needs, of the greed for profit. N. Berdyaev (1990: 23) insisted that material life can be understood as the derivative of the spiritual one, and emphasized the dependence of the nature on the economy, first of all, on the quality of human spirit: "it is not the religion that depends on economic relations, but economic relations depend on religion".

On the other hand, A. Smith (2007) wrote about the negative consequences of such a division, with the development of labor division: "performance of the vast majority of those who live by their labor, of the main mass of the people, is limited to a very small number of simple operations, most often to one or two. But the mental capacity and the development of the majority of people can develop only in accordance with their usual activities. The principle of economic efficiency in the formation and organization of labor process remains the dominant factor of production".

Based on the conducted theoretical analysis of economic culture and practical economic relations, we consider the current socioeconomic state of Ukrainian society where all members of society are involved in economic life of the country to a greater or lesser extent. For example, take a pensioner who receives a minimum pension and has no more income and deposit accounts – it's the first option. The question is: how can he be a member of economic life of the country? It is very simple: he comes into economic relations by buying utilities, food and other things.

His choice is already the development of a certain production, motive of such an element of social and economic life is very important because in the total mass these are huge capital investments in the system of economic production, occurring due to purchase of goods for personal consumption.

The second type is the pensioner, who has larger income, significantly higher than the minimal pension, also having bank deposits. What is his role in economic life of the country? He is a more active participant, because he has more resources and has the opportunity to place his spare funds for the development of economic and commercial relations, manifested in the choice of a bank, to which he entrusts his savings. And the effectiveness of these funds use, usually on deposit accounts, depends on the competence of workers in the banking sector. If the first and the second type will work in the system, then the effect will be significant for economic development at the macrolevel, which is essential for the state at the end.

A well-known lawyer A.F. Coney (1956) used to say that creating a new culture is possible only on the basis of extensive use of cultural values of the previous eras, so it is necessary in the development of market-based economic relations to take into account the scientific developments of the past. Therefore, basing on the conducted above scientific analysis of the theoretical and practical foundations of economic management, we use the system approach to the formation of contemporary type of market economic culture for achieving the emergent effect.

It is established that the emergent effect of the system, as an increase in quality due to the interaction of the components included in the system, only occurs when where there is a concrete purpose. Goal is the backbone factor of any economic system. In practical terms, the target model of socioeconomic development should be the backbone factor, including economic culture as a parameter of this model.

Among economic studies we consider the most appropriate definition of "system" as suggested by P.K. Anokhin (1980): "The system is a set of ingeniously involved components whose interactions and relationships take on the character interaction of components focused on getting useful results". Such a definition fully satisfies the requirements in the analysis and synthesis of "artificial systems" in the economic area of human activity.

British researcher T. Donaldson, the author of "Economic ethics", suggests that economy, structured according to the principles of humanity, but unprofitable, that is not performing its function of servicing life process, is exposed to crisis, in no lesser degree than highly profitable system in which conditions of human existence are pushed into the background (Donaldson, 2001: 28). One should beware of false alternatives, both in the first and the second directions.

For the current efficient development of socioeconomic relations in the countries in which planned economy is replaced by market relations, in our opinion, the scientific study of P. Heine (1997) would be appropriate. Its essence is as follows: compulsory state activity involves preliminary voluntary joint activities. Conviction precedes coercion, since ultimately, citizens and government leaders need to be persuaded to use coercion in a certain way. It follows from this that the limited effectiveness of voluntary joint activities, which justifies compulsory government actions, preconditions also the limited effectiveness of compulsory state actions.

For example, S. Slyvka reveals the essence and the importance of economic culture in the formation of professionals and provides the author's original definition of economic culture of lawyer. "Economic culture is the knowledge of economic theory fundamentals and possession of skills for applying this knowledge in practice" (Slyvka, 1999).

With the fundamental changes in the economic situation of Ukraine, particularly, with the transition to market economy, obtaining state independence, there has been an urgent need for the formation of contemporary economic culture of the nation in general, reorientation and deepening of economic thinking at the macro-level.

Humanistic essence of carrying out economic reforms in Ukraine is to make each person an active participant of the country's economic life. Economic culture in the post-Soviet states is becoming an integral component of economic processes, because it expresses the aspirations of subjects, and contributes to the consolidation

of joint activities. It is an important characteristic, the synthetic indicator of economic and social development of the society in which planned economy is replaced by developing market relations (Heyne, 1997).

For testing the theoretical concept of value, and determining the level of knowledge of economic culture we carried out an experiment with 412 participants, mainly last year law students in Kyiv, Odesa and Kirovograd. The survey was conducted in the form of a questionnaire, part of which included open-ended responses to questions, and giving the definition of economic culture and its practical significance in a written form. It should be noted that the survey participants could have performed a self-test to determine the personal knowledge of economic culture and its importance in professional activities of lawyers, who are always at the origin of any change in the state, as they develop laws regulating economic relations, and then monitor their enacting. And it is necessary to anticipate and predict the economic impact of legal framework in advance so that there would be no deterioration in the macroeconomic situation in the country due to such laws coming into effect.

Our analysis of the survey of law schools graduates revealed that 90% of the graduates have no idea about the concept of "economic culture". Meanwhile, law educational institutions graduates are quite involved in market relations and they carry out their professional duties, which include economic and legal implications. As a consequence, there is a problem of reprogramming disciplines directly related or relevant to economic culture of future lawyers.

Application of the system approach to economic culture development in the states that have moved from planned to market economy sets the task of mastering specific economic knowledge, purposeful work on the formation of economic culture within educational processes. Therefore, there arises the problem of building up specific knowledge, skills and abilities of economic culture. For example, we take the contents of economic culture formation in the process of preparing future lawyers.

To know:

- the essence of the "economic culture" concept: content, structure;
- economic culture as a component of professional intellect of a lawyer;
- behavior of economic agents under the conditions of various market models;
- laws and patterns of functional economy development;
- key economic resources and their effective use in production, distribution and exchange;
- the concept and importance of economic turnover;
- the processes of pricing and taxation;
- economic and fiscal policies;
- impact of the market on economic relations;
- economic standards of international legislation;
- features of economic legislation in Ukraine;
- money and their functions, the laws of money circulation.

To be able to:

- highlight major economic problems in the contemporary situation;
- use theoretical knowledge for analyzing the economic situation;
- make conclusions and proposals regarding the alternative development of phenomena that occur in the economy;

- analyze the financial state of a company;
- analyze macroeconomic processes and predict how might the macroeconomic situation change when you change the course of economic policy;
- analyze the structure of production costs, comparing with national (sectoral) standards;
- explain economic phenomena and laws;
- quickly navigate in the information field;
- make decisions with a limited information available under a strong psychological influence from the side;
- predict the development of economic situation on micro-, macro- and global economic levels;
- analyze specific economic problems;
- respond quickly and take decisions in abnormal situations.

To have the skills of:

- communication for decision-making under time pressure and information deficiency;
- information differentiation;
- forecasting the economic development in the state, taking into account economic policy changes;
- high-level work with statistical documents and accounting records.

Requirements moved forward to lawyers by the market economy considering the above listed knowledge, skills, abilities of economic culture, can be met by a highly qualified specialist having high professionalism, emotional stability, tolerance, steadiness, the logic of economic thinking, knowledge of market economy laws, the ability to predict the development of economic situation as a result of the adoption of legal solutions, with high level of spirituality, culture and economic morality (integrity).

For full development and implementation of economic culture within market economy it should be viewed as a holistic, organic system operating under the principles when there is a constant work on production and selection of new norms, values and other elements of economic culture for inclusion of an individual in economic processes (Figure 1).

Conclusions. The analysis allows us draw the following conclusions. Social conditions for economic culture formation in the society are:

- political stability;
- reorientation of the old administrative structures to support the market economy;
- establishment of effective legal regulators that ensure: the protection for all forms of ownership, safety of new economic structures, the ability to effectively involve capital;
- moral development of population.

The major social contradiction that hinders carrying out the innovative function of economic culture is the contradiction between the adherence to the existing standards (such as socioeconomic standards, models of economic behavior) and the necessity for innovation activity. The norm stores the existing, and innovation tries to change it. Both are happening at the same time: only their mobile interaction, constant rebalancing of powers make possible the coexistence of functioning and deve-

lopment. According to this model, the regulatory role of economic culture is in its maximal.

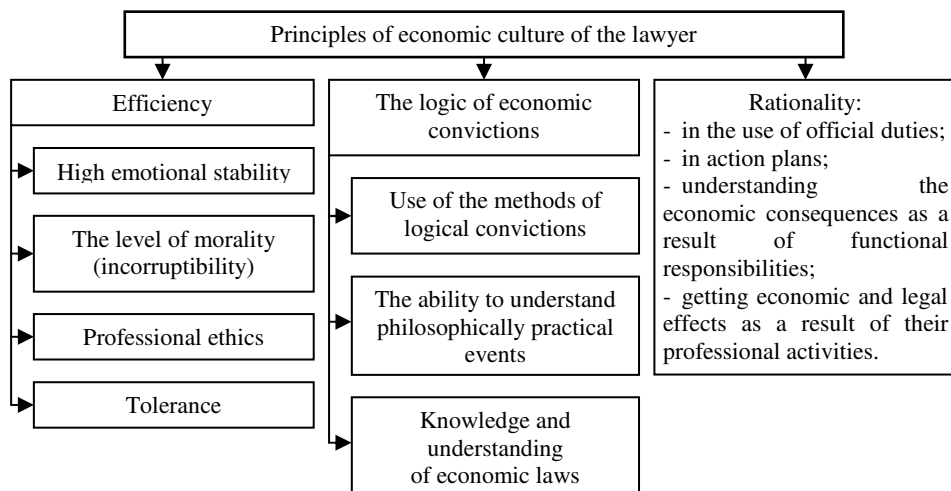


Figure 1. The key principles of economic culture of lawyers, constructed according to (Rich, 1996; Slivka, 1999)

Improving the indicators of economic culture of a man and society, the state strengthens the competitiveness of economic entities, improves the quality of goods and services, optimizes the ratio of "price-quality", increases the purchasing power and welfare of all citizens. Increased economic culture of population has favorable effects on the performance of the national economy, reflecting the expectation of citizens. Centers of economic culture cultivation are undoubtedly the institutions of higher and postgraduate education. Entering the mature society in college, younger generation introduces new models of economic culture, which then are tested in practice, altered, adjusted. An important question in this context is the economic identity of an individual, society and the state. As far as formed economic identity meets the challenges of today, it is progressive, competitive and strong.

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