

UDS: 330.34:165.194

**THE GENESIS OF THE NOTION  
"ECONOMIC DEVELOPMENT"  
IN THE CONTEXT OF THE LOGIC OF  
COGNITION ©**

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*The present article deals with the specification of the essence of notion “development” based on the philosophical concept of development. The theoretical approaches concerning the interpretation of the notion “development” were considered by different scholars. The notion “development” was indicated in the narrow and broad sense on the basis of generalization and systematization of existing interpretations. The combination of concepts “economic development” and “economic growth” were characterized. It was determined that the development was more polyhedral notion than the growth and the growth is just a part of it.*

*The notion “economic development” can be disclosed, on the one hand with the help of highlighting the various aspects of this process, on the other hand – based on the comparison of the “economic development” with close categories, such as the progress, the evolution, the modernization, the growth etc. It should be emphasized that economic development is the defining phase in the process of unremitting economic changes, economic evolution of human society. In this sense, the notion “economic growth” is one of the major social problems, the rates of which determine the dynamics of economic development of the country and are merely a component of the economic development.*

**Key words:** development, economic development, economic growth, economic space, change, process, evolution.

**Tabl. 2. Lit. 17.**

**Problem statement.** There is a large number of the approaches in economic theory to determine the essence of the concept of the “economic development”. Despite a large number of the scientific works and significant achievements in the field of the theoretical bases of the development, today its essence is not clearly defined. This notion requires a thorough analysis, whereas there is no a single universal approach to its interpretation.

The interpretation of the concept “economic development” should be based on the consideration of the diversity and multidimensionality of the researched concept which requires further analysis.

The conception of the economic development is scarcely explored in the economic theory, there is more intuitive than scientific understanding of this notion. However, the definition of “economic development” in economic theory is necessary to study the processes taking place in the economy of the certain period of time. All the changes in the economic life make progress: the decline and the rise are the links of the same chain. So, the development is the main category of the study of dynamic processes in the economy.

**The analysis of the latest investigations and publications.** Today there is a large number of the investigations of both domestic and foreign scholars which are dedicated to define the essence of the notion “economic development”. An important role is played in the theoretical study of the development issues by such scientists: K. Marx [13], E. Morin [12], Y Pogorelov [4], S. Kuznets [16, 17], A. Halchynskiy [11], J. Shumpeter [3], J. Tinberhen [14], M. Perelman [15], S. Gogotskiy, O. Novytskyi, H. Chelpanov [6]. However, considering the dynamism of economic processes this notion requires further study.

**The aim of the article.** In connection with the availability of totality uncoordinated points of views towards to understanding the category of the “economic development”, the certain contradictions between them and the lack of the specification types of the development in this manner the aim of this article is the disclosure of the notion “economic development” and its systematization according to the certain criteria.

**The main material.** Several generations of the world's leading economists studied the notion of the “economic development”. However, the theoretical basis of the study of this notion is still rather weak which is confirmed by the high level of the disagreements that scholars suggest for this issue. Therefore, the determination of the “economic development” is ambiguous for today.

From the start the notion had a philosophical justification. The first mentions of the development as the evolutionary representation can be found in the works of Greek philosophers, such as: Anaximander, Empedocles and Democritus [1, p. 27]. The famous student of Plato and of the mentor Alexander Macedonian – Aristotle interpreted the development as the principle whereby the essence of the phenomenon is the element that is necessary in the system of the whole [2, p.167].

The outstanding researcher J. Shumpeter characterized the economic development as “manufacture of a new good (or creation of a new quality), the introduction of a new production method, the exploration of a new sales market, the receiving a new source of the raw materials, carrying the relevant restructuring (e.g. to software monopoly or to undermine the monopoly of other enterprises)” [3, p. 159]. In this search he relied on the doctrine of Karl Marx who notes that the economic development is the process that was specifically caused by the economic system [3, p. 52-53].

The evolution of views caused to nascence of the different terms which are close to the category of the development, in certain way synonymous, describing the particular type of the development or the development concerning the certain objects, but nevertheless they are not identical and therefore require an explanation regarding their essence. Along with the notion “development” (and sometimes instead of it) are used concepts of explication, genesis, evolution, emanation, diachronic [4, p. 76].

Particularly, explication is the process of revealing the content of a certain unity and its elements acquire an independent existence, they may differ from each other [5]. In this sense the term “explication” is widely used in the idealistic philosophy by the prominent representatives of which are Plato, Hegel, I. Kant, J. Fichte and also some Ukrainian philosophers such as S. Gogotskiy, O. Novytskyi, H. Chelpanov [6]. However, the evolution of the notion “explication” has led to its expansion and the loss of the original philosophical content, consequently it can only be used to specify a certain type of the development which is caused by only the internal qualities of the development subject, moreover at each stage of the time the development subject maintains its unity with the original state. The scientists believe that practically the notion “development” has wider meaning, because it can be caused not only by the internal qualities of the subject, but also by the certain external impulse [4, p. 76].

In the opinion of Y. Pogorelov the emanation is also the part of the development [4, p. 76]. This notion from Greek is defined as the end or distribution [7]. The most complete amplification the concept of emanation received in the neo-Platonism. The emanation was considered to be the result of ontological, energetic and the creative excesses of the only good as the primary basis of the world [8]. Today the notion of emanation is defined as the effluence of something from somewhere, the emergence of something as a result of the allocation from something that is more complex [7].

The notion of evolution is initially almost identical to the notion of explication and close to the notion of development. The evolution (Lat. *evolutio*, “an unrolling”) is the process of the development which consists of the gradual qualitative changes and has no sudden shifts (opposed to revolution) [9]. However, William Feller and Ernst Troeltsch offer to separate the notions of “development” and “evolution” by the branches of knowledge [10, p. 237]. We agree with the opinion that today virtually describing the deployment in various forms and some changes, the notion of evolution is used more often in a general scientific context than the notion of explication, and sometimes even equipollent to the notion of development. However, it should be noted that the notion of development and evolution cannot be compared fully, whereas the evolution describes only one of the possible types of the development – some gradual changes and transformational changes that were considered in ancient philosophy. To sum it up the notion of development is wider [4, p. 76].

At the turn of the XX–XXI centuries mainly the sociologists researched the notion of development, they formed a new paradigm of the social and historical development. In this context the following scientific achievements only indirectly affected the economic researches. Therefore, we agree with the opinion of A. Halchynskiy, in his work “Economic development: methodology of the renewed paradigm” notes that the devalued principles of the economic and technological determinism, “*homo economicus*” priorities continue to dominate nowadays [11, p. 4-5]. He puts emphasis: “as a result we have every reason to state that today a new paradigm of the “development studies” which would reflect the realities of modern economic reforms, including the increase of the self-sufficiency of a man, the realization of his creative potential not only as a subject, but as the direct object of the economic process, accordingly the progressive socialization of the

economic area, its dematerialization, is still not formed” [11, p. 5]. A similar opinion is expressed by the outstanding French sociologist and philosopher E. Morin, he considers that “the development which is regarded as a technical and economic process, including a stable development, turns into nothing; such development can't stand the critics” [12, p. 60]. We agree with the scientist's opinion and we need more complex understanding of the development.

Famous German philosopher Karl Marx was a supporter of the principle of personal development in his works, based on the ideas of Adam Smith (the labor theory of value and the self organizing economy theory), he stated that “I consider the development of economical and social formation as a natural and historical process” [13, p. 12]. The schemes of the expanded reproduction presented by K. Marx reflect the logic of spontaneous self organization of the economy. The Supporter of the self development is a professor of Kyiv National University named after Taras Shevchenko, A. Halchynskiy notes that “the ability to evolutionary self development, which is implemented on the basis of its own energy potential is a fundamental feature of the system structure of the world as a whole”.

Many scientists in their works are equal to the notion of “economic development” and “economic growth”. According to the Dutch economist, Nobel laureate Jan Tinberhen “these concepts are similar to each other, but not identical; with such an arbitrary simplification ignores the important features of development” [14, p. 89]. We believe that economic growth is peculiar only move forward, opposed to the development which is a process that is difficult to measure, it does not develop straight, it is characterized by ups and downs, irregularity that depends on the external and internal factors influence.

The American economist and historian of economics, professor of the California University Michael Perelman emphasizes that the development is impossible without a crisis phenomena. He relies on the research of Marx and Keynes, Perelman believes that a crisis is a necessary component of the capitalist economy. Due to the crisis economy creates the new incentives for the business development and the efforts to maintain economic growth in fact it is the reason for mitigation. He also considered that the capitalism needs a crisis, but it can destroy it [15].

Consequently, the development is the wider and versatile notion than the growth. The growth is just one of the components of the development in the transition process from one qualitative state to another. They have a common goal – to get more economic benefits while reducing the costs as a result of customer satisfaction. But the process of economic growth is contradictory. One of its directions is saving the consumption of material goods, reducing the quality of the materials and as a result the final product, through savings. Also, to achieve a temporary increase in production is possible by extensive development, but this development is unsustainable or unbalanced. Therefore, in the national production an economic growth should be combined with economic and social stability. Such a growth leads to positive consequences of the activity of national economic complex and separate subjects of the household: increasing the trust to commodity producers and improving their image, receiving a stable profit in the long term, improving the consumer needs, using the resources rationally, expanding market sales, stability and confidence in the future etc.

In our opinion, the notions “economic growth” and “economic development” should be clearly distinguished. It should be mentioned that the development can occur without the growth and the growth cannot occur without the development (tab. 1).

Table 1

**The comparison of the notions “economic growth” and “economic development”**

№	Economic growth	Economic development		
		Progressive	Constant (Stagnation of the development)	Regressive
1	Positive	Growth according to or due to the development	Growth without development	Regression of the growth (subintensive growth)
2	Zero (constant output and profits)	Development without growth	Absence of growth and development	The lack of the growth and reducing the level of manufacture
3	Negative	The development with the volume of the contraction of manufacture	The crisis without reducing the level of product quality	The crisis manufacture while reducing the level of development

*The source: formed by the author.*

Consequently, during the development, even when there is no increase in the production amount etc., the development can occur and compose the preconditions for the growth. It can take place in the form of structural rearrangements, innovations that do not lead to the growth, but only are the components of the development. Also, investigating the works of economics who studied the issue of the “development”, we consider that the development can go along the ascending line when there is not just the increase of quantity, but the process of decrease occur. The notions of economic growth and economic development are closely related. It can be said that economic growth forms the content of development (tabl. 2).

The leading American economist Simon Kuznets has devoted a significant part of his investigations to the characterization of economic growth. In 1971 S. Kuznets was awarded by the Nobel Prize “for the empirically grounded interpretation of economic growth which has led to a new, deeper understanding of both economic and social structure and the process of development” [16, p. 153]. He defines the economic growth as a long-term increase of the manufacturing ability of the country based on the technical progress, on the instrumental and ideological adaptability, capable to provide the population with a growing variety of the material goods [17, p. 258]. It should be mentioned that he emphasizes on the phrase “a long-term increase of the manufacturing ability” that is to say it refers to the increment which is observed over a long time interval. In the basis of growth is related not just manufacture, but the production ability, that means the possibility to carry out the production in formed concrete conditions for its development. In this sense, the growth is connected with the all major elements of social development including its economic component. Characterizing the basis of economic growth in totality of three basic indicators the author by this definition gives priority to

technical progress. This underlines its exclusive importance for the economic growth, that is the growth should occur through the application of innovations, modernization of production.

Table 2

**Main approaches of the economists to the definition of the notion “economic development”**

№	Features of the approach	Representatives	Key words
1	Development, as a change of a part of being.	Anaximander, Empedocles, Democritus.	Entity, change, evolution.
2	Development, as a part of whole.	Plato, Aristotle.	Principle, phenomenon, the system of the whole.
3	Development, as the production of a new good.	J. Shumpeter, K. Marx.	Introduction, familiarization, acquiring, reorganization, manufacture.
4	Explication, as the notion of the development.	Plato, Hegel, I. Kant, J. Fichte, S. Gogotskiy, O. Novytskyi, H. Chelpanov.	Process, unity, idealistic philosophy.
5	Development – forestalling actions.	Y. Pogorelov.	Tussle, confrontation, rivalry, contest.
6	Development as a technical and economic process.	A. Halchynskiy, E. Morin.	Determinism, paradigm, economic space.
7	Development as a natural and historical process.	A. Smith, K. Marx, A. Halchynskiy.	Self development, self-organization.
8	Development is the movement forward.	J. Timberhen.	Lift, fall, irregularity.
9	The development is impossible without a crisis.	M. Perelman, K. Marx, J. Keynes.	Crisis, economic recession.
10	Economic development based on the technical progress.	S. Kuznets.	Industrial capability, technical progress, innovation, modernization.

*The source: formed by the author using the following references: [1-17].*

Modern conditions of the menage are very dynamic that is characterized by the high level of the rivalry, constant change of the market conjuncture, constant changes of the macro environment, political influence, unremitting technology development, which leads to the obsolescence of knowledge. Also, there is an incessant process of the transnationalization of the world, the new spheres of the economy arise, changes in the production method that leads to the transition from industrial to post-industrial economy. As well, in the transitive economy of Ukraine there are the privatization, the globalization processes, the change of financial institutions, strengthening of the competition between national and transnational companies [4, p. 75]. All of these factors have a considerable impact on the economy of Ukraine. In the economies of the whole world are appearing phenomena that are not spread, but which “got accustomed” in Ukraine, among them are an oligarchy and latifundium. Under such conditions it is difficult for the enterprises to compete, to comply with the requirements of customers and to develop in the right direction. However, some of them managed to adapt and sometimes stay ahead of these changes. Considering the level of environment turbulence, I. Ansoff pointed out the necessity of enterprises to adapt [17, p. 43]. Nowadays the

essential conditions of the development are the skills to adapt to the environment and to stay ahead of them. A simple adaptation to the changes causes the degradation of enterprise, complex, subcomplex and economy in general, it cannot lead to the development in a long-term perspective. Therefore, the way to development is not adaptation, but forestalling action that outstrip in such dynamic conditions. Y. Pogorelov in his scientific work considers the necessity of enterprises to adapt, its forestalling controlled evolution, the change management as the necessity of the development [4, p. 75].

**Conclusions.** According to the conducted research, it may be noted that for today there is no single scientifically grounded point of view among scholars in issues concerning the essence of the notion “economic development”. On the basis of analyzed material, we can conclude that the “development” is irreversible and directed changes in the system, the process of transition from one condition to another, also is more perfect. The term “economic development” includes all the ways of emergence of something new, in other words the main component of this process is an innovation.

The notion “economic development” can be disclosed, on the one hand with the help of highlighting the various aspects of this process, on the other hand – based on the comparison of the “economic development” with close categories, such as the progress, the evolution, the modernization, the growth etc. It should be emphasized that economic development is the defining phase in the process of unremitting economic changes, economic evolution of human society. In this sense, the notion “economic growth” is one of the major social problems, the rates of which determine the dynamics of economic development of the country and are merely a component of the economic development.

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**АНОТАЦІЯ  
ГЕНЕЗИС ПОНЯТТЯ "ЕКОНОМІЧНИЙ РОЗВИТОК" У КОНТЕКСТІ  
ЛОГІКИ ПІЗНАННЯ**

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*У статті уточнено сутність поняття "розвиток", базуючись на філософській концепції розвитку. Розглянуто теоретичні підходи різних науковців до трактування поняття "розвиток". На основі узагальнення та систематизації існуючих тлумачень зазначено поняття "розвиток" у вузькому та широкому розумінні. Визначено основні підходи вчених-економістів до визначення поняття*



“економічний розвиток”, такі як: зміна частини буття, елемент цілого, виготовлення нового блага, випереджаючі дії, технічний і економічний процес, природно-історичний процес, рух вперед та кризовий підхід.

Охарактеризовано поєднання понять “економічне зростання” та “економічний розвиток”. Визначено, що розвиток є поняттям більш багатограним ніж зростання, а зростання є лише його складовою. Доведено, що поняття “економічний розвиток” можна розкрити, з одного боку, з допомогою висвітлення різних аспектів власне даного процесу, з іншого – на основі порівняння економічного розвитку з такими близькими категоріями, як прогрес, еволюція, модернізація, зростання.

**Ключові слова:** розвиток, економічний розвиток, економічне зростання, економічний простір, зміна, процес, еволюція.

Табл. 2. Літ. 17.

## АННОТАЦИЯ ГЕНЕЗИС ПОНЯТИЯ «ЭКОНОМИЧЕСКОЕ РАЗВИТИЕ» В КОНТЕКСТЕ ЛОГИКИ ПОЗНАНИЯ

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В статье уточнена сущность понятия "развитие", основываясь на философской концепции развития. Рассмотрены теоретические подходы различных ученых к трактовке понятия "развитие". На основе обобщения и систематизации существующих толкований рассмотрено понятие "развитие" в узком и широком смысле. Определены основные подходы ученых-экономистов к определению понятия "экономическое развитие" такие как: изменение части бытия, элемент целого, изготовление нового блага, опережающие действия, технический и экономический процесс, естественно-исторический процесс, движение вперед и кризисный подход.

*Охарактеризованы сочетания понятий "экономический рост" и "экономическое развитие". Определено, что развитие является понятием более многогранным чем рост, а рост является лишь его составляющей. Доказано, что понятие "экономическое развитие" можно раскрыть, с одной стороны, с помощью освещения различных аспектов собственно данного процесса, с другой - на основе сравнения экономического развития с такими близкими категориями, как прогресс, эволюция, модернизация, рост.*

**Ключевые слова:** развитие, экономическое развитие, экономический рост, экономическое пространство, изменение, процесс, эволюция.

**Табл. 2. Лит. 17.**

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