

Synthesize the Achievements of Economic Science on the Basis of its Different Directions – Means to Increase the Social Wealth of Mankind

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Abstract: The current possibility and necessity of acceleration of synthesizing process of overall achievements in different areas of world economics are justified in the article. This thesis is proved by the example of two, the most sharply differing directions of economic theory: classical (including Marxist) and marginalist (in its neo-classical version). The leading methodological principle - recognition of the critical role of production in real economic system and, respectively, in scientific system of economic knowledge, given in the article as an area of their convergence. The given positions of these two directions are not so controversial, as it often touted in the modern scientific and educational literature. The author summarizes the positive experience of economic reforms, conducted at different times in different countries and in different historical conditions, but based directly on the aforementioned methodological principle. Thus, the critical evaluation of the modern Russian socio-economic reforms is given in the article.

Key words: Methodology • Economic theory • Economic reforms • “Organic system” of economic relations • Crucial role of production • Progressive development of economic knowledge • Synthesis of achievements of the general method and system • Scientific conscientiousness

INTRODUCTION

Acute social problems, which could lead to all kinds of social shocks and disasters, continue to be the world's problems in the 21st Century. Although for their conservation still there are objective reasons, well known ossification of traditionally opposed ideological systems plays an important role in their artificial injection. This key-factor is eliminated, as a rule, during the discussion about current global socio-economic problems. However, both task for overcoming the social instability in society and task for overcoming the dehumanizing of the culture and degradation of personality rest against directly this factor.

Old ideological confrontation and hostility become an anachronism in modern conditions. It is primarily due to the movement of world community to a new qualitative state. A new form of human life is born, sandwiching a whole variety and all the contradictions of world history. Informative-computer technology basis of modern civilization and also the logic of geopolitical and economic development increasing interdependence and integrity of the world, which is characterized by global, all-human relationships and problems. This general trend, no matter what twists and turns were in its contradictory development, dictates the need for building integrative tendencies everywhere, including in science. Integration is carried out in all possible dimensions here: from intra-and inter-sectoral integration directly in science to interpenetration of science

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and nonscientific knowledge. However, we can state significant lag in convergence of opposing systems of scientific views. So the more active search for common ground and crossing of all significant theories, concerning formation of planetary consciousness, is necessary today.

Economic science, as the fundamental basis of all economic systems, plays a special role in this process. The author does not say about the “deideologization” (extremely fashionable utopian slogan of the first stages of “perestroika” in the Soviet Union) – the focus of the research is aimed at the trend of convergence of opposing ideologies, overcoming their confrontation, forming a kind of “superideology” (by A. Toffler). Today this possibility is due to the given fact: the modern objective reality of advanced capitalism evolution, which that the economic science has to demonstrate, directed towards erasure of sharp antagonisms and extreme forms of exclusion, building processes of gradual democratization and social justice elements in all the spheres of public life.

There were a lot of moments in the history of economic science, when directly the problems of its methodology become particularly actual and palpating not only for the theory, but also for the practice. Today it is due to the complexity of the process of economic systems, their movement in the direction of the post-industrial stage of civilization with the strengthening of the regulatory role of the Government, achievements of such a new science as “General Systems Theory”, development of the information society, increasing interdependence of national economies and globalization.

The phrase of Carl Menger, the Head of the Austrian School of Marginalism (appeared 130 years ago): “the moment, when scientific interest must focus on the methodological research in the field of political economy has come” [1, p. XXIX], is also very actual nowadays.

The finest examples of economic analysis as an “organic system” is “Capital” by K. Marx. The interest in Marx’s economic theory in the West European countries in the conditions of the current global economic crisis not just perked up, but literally has excessive character. It is necessary to note that similar phenomenon has been observed before: during the crises of 20th Century, each time the interest in Marxist ideology increased dramatically. Examples: period of Great Depression (1929-1939), acute crisis of the world monetary system in 1970-ies, global economic crises in 1975 and, especially, in the end of 1990-ies, when, according to a major Western Marxist historian E. Hobsbawm, “many people - not only the supporters of leftist, but also businessmen and economists, began to realize that Karl Marx really predicted the nature of contemporary capitalist globalization” [2, p. 3].

However, interest in the method and theory of Marx and frequently their tacit using, occur not only in crisis periods and not only in European countries. The famous French scientist Louis Dumont notes that although Marxism seems to be not recognized in the United States officially, modern American social scientists “seem to us, Europeans, adherents of Marxist theory, unsuspecting of the theoretical kinship of their ideas with the theory of Marx” [3, p. 125].

Russian economic science, having rejected the Marxist method, largely impoverished itself, placing, in particular, severe restrictions to justification and using of systematic approach to reformation. Doing such a “bare denial”, Russia, how it usually occurs in such situations, advanced not forward, but backward. It should be noted that the relative ease of this “rejection” has largely been achieved by small using and vulgarization of Marxist method in theory and in practice (already during the Soviet period). Austrian Marxist Leo Mashe-Sunica in correspondence with well-known Soviet economist V.V. Valov noted: “I am always amazed and surprised how regularly the bourgeois political economy uses Marx’s economic doctrine in private matters and how often the soviet economists, verbally declaring faith in Marx’s theory, essentially push off from him” [4, p. 381].

Of course, since the beginning of Russian reforms, the number of domestic “anti-Marxists” has increased dramatically. We can fully address to many post-Soviet social scientists (more than to their colleagues from the Eastern countries) the words of recognized leader of the left post-Keynesian direction of Cambridge School Joan Violet Robinson, who in the early 60-ies of the last century stated: “if Marx was studied as a serious economist, instead of handled with him, from the one hand, as with infallible oracle and from the other hand, considered as a target for cheap epigrams, it would have saved us a lot of time” [5, p. 7].

Indeed, we were losing time when turned Marx into an icon, turning into a dogma and vulgarising his method and lose precious time now, completely swinging his method under the pretext of “obsolete” and even the original “fallacy”. Thus, by witty remark of A. Melentyev, the level of aggressiveness of our “eaters of Marx”, as a rule, “inversely proportional to the extent of their competence and theoretical culture” [6, p. 72].

It should be noted that some of our grateful admirers of different areas of the Western economic science, for example - marginalism in its neo-classical version, do not know that within these areas some important methodological points are partly based on Marxism (often - silently, sometimes - frankly). Refer, for example, the statement of A. Marshall (the end of 19th Century): “the influence of the material conditions of life on personality has received in the social sciences generally recognition as a critical factor” [7, p. 105].

The factors, acting in the sphere of material conditions (relations of production, distribution, exchange and consumption), does not equal, but are subordinated and interact with each other, identifying the decisive (main) factor. Economic science must reflect it, defining the place and role of each factor not only in real life, but also in the theoretical scientific system. All these points are present in Marxist political economy, similar approaches (with slight nuances) are also present in neoclassical theoretical system. Therefore the delight of currently fashionable in Russia historian of economic science J.S. Yadgarov, saying that directly marginalist approach is, ostensibly, “finally allowed eliminate the problem of primary and secondary economic categories, which was very important for the classics”, because they considered “the sphere of production primary relative to the sphere of circulation and the cost - the original category of economic analysis” [8, pp. 273, 275], looks strange. Yadgarov found the most compelling logic of harsh criticism of such an approach of classics at S.V. Braginsky and J.A. Pevsner, who at the beginning of the 1990-ies categorically declared insolvency and even some ridiculousness of the most important provision of the classics (including Marxism) about the primacy and the crucial role of production. They noted: “How justified is this method? If you keep in mind that it is necessary to produce something before exchanging, distributing and consuming – it is a banality lying outside science. Economic science as a science does not start with production, it starts with the exchange, trade, market” [9, p. 7].

Without going into the details of the fundamental differences of Marxist and neo-classical approaches to the analysis of economic systems (it is the discrete issue requiring special consideration), it is necessary to notify that A. Marshall, as the biggest neoclassic, setting out his microeconomic theory, regularly explained to the reader, that conclusions of this static analysis are unreliable, microeconomic theory is not able to reach the vital issues of economic policy. Marshall said that “Mecca of the economist” is not in the comparative statics and not even in the dynamic analysis, but in the “economic biology”. The famous English historian of economic science Mark Blaug, commenting on the Marshall’s phrase, wrote: “saying about the “economic biology”, Marshall apparently means the study of the economic system as an organism develops in historical time” [10]. But it was Marx, who first thoroughly outlined “Mecca of the economist” in his analysis of the bourgeois economic system just as “organic” system developing a historical time!

However, the author of the article would like to py the reader's attention to another aspect of the problem. The modern Russian enthusiastic admirers of the neoclassical approach, wanting at all costs to refute the Marxist method, actually show scientific dishonesty, impute neoclassic such methodological positions, which frankly misrepresent their actual views and contrary to the intentions of admirers, downplay the significance of the contribution of neoclassic in economic science.

As an example – denial of the crucial role of the production and its primacy in relation to the sphere of circulation, issued as a special merit of neoclassical marginalists. J.S. Yadgarov, describing the evolution of the marginalist ideas from the first stage to the second and comparing their position in relation to the classics, concludes: “at first marginalism in its subjective during focused attention on the importance of the economic analysis in terms of the problems associated with the consumption (demand) and the classics based on the priority of the problems of production (supply). But then the neoclassical (second stage of “marginalism’s revolution”) substantiated the necessity of simultaneous (systemic) studying of two spheres, without singling out any one of them and contrasting them with each other” [8, p. 280].

But, firstly, production and consumption in every society (capitalism - is no exception) is a *dialectical unity of opposites* - interdependent, interacting, interpenetrating and seeking to move into each other. Regardless of our wishes, they anyway "opposed" in their organic unity and their transition into each other provides a gradual development of the whole economic system, rising every time at a new level. Therefore A. Marshall, identifying the subject of political economy, very clearly states that it "studies the sphere of individual and social actions, which closely connected with the creation and using of the material foundations of the welfare" [7, p. 56].

Secondly, systematic study in any science does not mean simultaneous study of everything without isolation of the specific areas of their specific characteristics and patterns. Allocation of the problem of consumption (demand, supply) in the main Marshall's work indicated quite clearly (book III), also as production problems (activities, efforts by the factors of production and its organization) – book IV.

Thirdly, these two areas not only marked by Marshall, but also, which is especially valuable, methodological notes to the nature of the interaction of these areas and their importance ratio (both in real system and scientific knowledge of economic). Marshall strongly objects to a number of authors that directly the theory of consumption (needs, demand) is the basis of economic science. "In fact, many of the most interesting in the needs studying borrowed from the studying of efforts and activities. Both sciences complement each other, one without the other is defective. But if one of them has more right than the other to claim on the explanation of mankind history, whether it is economic aspect or any other, it will be the studying of the activity, but not studying of the needs [7, p. 152-153].

That is why (in book III) Marshall explains that consideration of demand's problem "needed to be limited by its elementary analysis of almost purely formal order. The deeper study of the problem of consumption must be done after, but not before the main stage of the economic analysis" [7, p. 53]. Marshall describes the main stage of the economic analysis in the next (IV) book, devoted to the factors of production and its organization. Indeed, only after this (in book V) he returns to the analysis of the problem of consumption (demand), enriched now by the studying of production (supply). Therefore this book is named "General relations of demand, supply and value".

As we can see, Marshall sees nothing ridiculous in the consideration of the analysis of production as the main stage of the economic analysis, because it depends not only on the preference of a particular researcher, but also objectively defined by the role of real production relations in the economic system. Such a position of Marshall, concerning this methodological problem, much closer to the position of classical political economy, rather than to the position, which is attributed to neoclassic by modern Russian authors. "Distortion" of neoclassical theory by Russian authors has not innocuous character. They not only prevent the urgent need of synthesizing the overall achievements of economic science. They cause direct and indirect damage to Russian reforms.

Economic reforms in Russia started with the installation to overcome such a "banality" as the crucial role of production. From the very beginning Russian economic reform was not aimed at the production, increasing of its efficiency, growth of labor productivity, creating new incentives for innovation. It is the main reason of many setbacks and failures in the reform of the Russian economy. "It is not just that during the years of reforms, the country has lost half of its economic potential. It is much worse that Russia still can not stop the processes of production primitivization, de-intellectualization of labor and social degradation" [11, p. 6].

Many Western scientists have expressed serious concerns of continued deterioration of social production in Russia. For example, Jacques Sapir (Professor of Economics at the Paris School of Social Sciences), indicating that economic growth based only on the export of natural resources, poses a serious threat to the economy, notes that "there is a certain probability that the Russian economy will gradually be subjected to de-industrialization, ie positions of the industry will be undermined. This is a very serious threat" [12, p. 38]. That's really got to the point of Friedrich Nietzsche's famous aphorism: "the most expensive fee we have to pay for neglect of platitudes"...

Meanwhile, the idea of the production's primacy was used by practitioners of economic reforms in many countries and in different historical conditions (Soviet reform in the period of New Economic Policy (NEP), "New Deal" of Roosevelt

in the difficult 1930-ies in the U.S., Erhard 1948 reform in post-war Germany, reform in post-war Japan, reform of the Chinese economy in 80-90 years of 20th Century). The theoretician of neo-liberalism Walter Eucken rightly proclaimed: “all social reformers must first achieve economic order, acting with the highest efficiency” [13].

Particularly clearly and available to the public understanding this reform was carried out in Germany in 1948. To the beginning of the reform of the overall production index reached only about 50% of the level of production in 1936. For 8 years of the reform the highest level in pre-war Germany was exceeded. For 8 years, “the performance of the economy has grown by more than 60%” [13, p. 33]. With great confidence Erhard stated: “none of the other ratios can not be more convincing to show all the beneficial effects of the reform as on the growth of output per working hour” [13, p. 37]. Only on such a basis may be provided reliable and real growth of the welfare of the general population.

Thus, we have shown the importance of only one methodological principle - crucial role in the production of a real system of economic relations and, accordingly, in the system of economic knowledge, find certain points of convergence and even crossing of Marxist and neoclassical positions. But this is only one example. It is necessary to look carefully for the most valuable things in other areas of economic theory, in the major works of scientists from different countries, including young, which often ate more advanced toward each other.

However, the true aim of science is not to collect and present disparate concepts, but organize them, put in one common bond. “Methodological pluralism” is useless here, it can only produce a mutation, an ugly hybrid. Finding the relationship of concepts, their complementarity, coordination and (most importantly) subordination of positive moments can help in the methodological approach (but not only simple addition and integration of concepts). Synthesis of alternatives is needed (not their simple mash).

Methodological synthesis, also as synthesis of theoretical achievements should be carried out on a single deep basis, reflecting a fundamental in objective reality. Any unbiased researcher can not get around two very general points here. Firstly, it is necessary to consider the world as he is in fact, without counting it non-existent properties (to consider it on the base of materialism). Secondly, it is necessary to consider the world in its development, because it is a developing matter (to consider it on the basis of dialectic, which in a general expression, by the words of classics, is consistent, held until the end and properly understanding materialism). The principles of materialist dialectic should be the systematizing basis of general knowledge. They are in the basis of Marxist method of economic science.

The author emphasizes once again: actual synthesizing, although it involves the selection of one of the methodological trends as *general*, at the same time requires a careful and complete records of other areas. Nobody surpassed Marx in the essential approach, but his method, based on this approach, is incomplete, because the task of science and its method is just to “bring to the surface the essence of the phenomenon” (Hegel). At certain stage of such an “elimination” the essential approach, although not lost out of sight, but the center of gravity moves to the positivist and functional approaches. Thus the scientific method “being completed”, turning into a complete system. Only in such a property the method is able to reflect the dialectic of essence and phenomenon, to ensure the unity of the qualitative and quantitative analysis.

Of course, the methodological synthesis of opposing systems of economic theories requires the collective efforts both from Marxist and from other directions of economic science. Confirmation of the importance of this synthesis can be found not only in increasing harmony of economic theory, but also in the success of economic practice, based on the “values of the common method and system” [14, p. 66].

Such a convergence can significantly help to overcome the methodological discordance not only in Russian, but also in international economic science, to improve the effectiveness of further methodological discussions. The barren methodological divergent (concretely), reminding the dispute of deaf, promoted the formation of neglect of the methodology among Western economists (“methodophobia” as it was named by Fritz Machlup), reducing the level of “methodological skills of the majority of modern economists” [15, p. 53].

Of course, the synthesis of the methodological bases of various systems of economic views should not be implemented in isolation from the theoretical analysis of the specific problems of science, first of all – from fundamental

analysis, which perform a methodological function in relation to a particular scientific and practical problems. The methodology is not formed for the sake of the methodology. The disease of “methodophobia” is very harmful for the science, but the disease of “methodophilia” is also very dangerous. Therefore, the author of the given article draws the attention on her own attempt to show the refraction and the specific embodiment of the methodological synthesis in addressing one of the fundamental and controversial problems of economic science – the theory of value [16] and also in the development of a number of pressing practical problems of the Russian economy [17].

CONCLUSION AND RECOMMENDATIONS

The process of synthesizing advances in methodology and theory of economics and also in practice of using stackable knowledge is not one-off and rush process. But the gradual and progressive nature of this process does not have to turn the scientific community in a mere observer. Especially it should not be artificially slow process. On the contrary, the conscious efforts of scientists, politicians, businessmen and others should speed up the process of synthesizing of scientific achievements, as the need and feasibility of this process is objective increasing worldwide. As a result it benefits everyone and not only in the economic sphere, but also in socio-economic [18], public [19], etc.

It seems that in order to successfully advance along this path, it is wise to recall at least two of the parting phrases of great economist A. Marshall:

- “At first glance, some of the best works of contemporary authors are in conflict with the works of their predecessors. Meanwhile, when these new investigations eventually fall into their place and their critical sharpness disappears, it turns out that in fact they did not break the continuity of the process of scientific development. The new doctrines only complement the old, expanding them, develop, sometimes correct them, often give them a different tone, placing a new emphasis, but very rarely subvert them” [7, p. 45].
- “Scientific knowledge, wherever it has been received, soon becomes the property of the whole civilized world and it should be considered as cosmopolitan wealth, not only national” [7, p. 118].

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