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MODERN APPROACHES TO THE ESSENCE OF THE CONCEPT “ECONOMIC SYSTEM”

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Abstract — This paper describes main modern approaches to the interpretation of the essence of the concept "economic system" given by leading foreign and domestic scholars. Characteristics of the functional, informational, structural and morphological, and genetic approaches to the interpretation of the concept "economic system" are given.

Key Terms — approach, definition, economic system, system.

Despite the fact that the concept “economic system” is under constant study of the leading foreign and domestic scholars, there is no single interpretation of the essence of this concept.

An overview of the publications of leading scientists suggests that the concept "economic system" is considered in four areas. Functional, informational, structural and morphological, and genetic approaches to the interpretation of the essence of the concept "economic system" are distinguished.

One of the representatives of the functional approach to the interpretation of the economic system is P. Gregory. He gives such a definition to the economic system. It is an organizational structure through which management decisions are made and actions aimed at the production, distribution and consumption of goods within a particular geographical region are implemented [2].

According to the functional approach, the essence of the economic system is determined in accordance with its functional significance and the mechanism for solving the main economic problems that apply in it. In this case, the function is the main purpose of the system existence, which determines the structure of this system, it is given from the outside.

This approach makes it possible to trace the relationships between external influences on the system and its reactions, as well as the adaptability of the system. This is very important for understanding the essence of the economic system. However, in this approach, the function is the main factor in creating a system; if the function is determined from the outside, then this involves the presence of a more general system in which it is included as a structural element and interacts with other similar elements.

The following approach to the interpretation of the concept "economic system" is structural and morphological. It implies the disclosure of its subordinated hierarchical structure, first of all, distinguishing significant interconnections and constituent elements. The structure is considered as an invariant characteristic of relations in the system, while the functionality of the elements is only covered as a prerequisite.

Thus, according to [2], the economic system is defined as a holistic set of economic relations concerning the efficient production, distribution, exchange and consumption of goods and services, organized by a system of links between producers and consumers of tangible and intangible goods and services, as well as management of these and other socio-economic processes.

Proponents of this approach believe that in the narrow sense, the economic system is viewed as a set of mechanisms, institutions of functioning, development and regulation of the national economy, and in the broad – a set of subsystems of production, market, prices, money, credit, finance, consumption, and connections between them, mediated by the regulatory system, which is characterized by integrity of organization, integrability, self-movement, the ultimate goal [3].

The approach requires more detailed refinement, taking into account the complex

system of interconnections between the structural elements of the system and the identification and interpretation of the mechanisms for the development and operation of this system.

The genetic approach involves the interpretation of the economic system as a complex dynamic object, which is self-developing on the basis of coverage of the processes of origin, evolution and perspectives of the future existence of the system.

Within the framework of this approach one can consider the definition proposed by S. Rosefield, according to which the economic system is the totality of self-regulated and culture regulated activities aimed at achieving utility, which are carried out through voluntary exchange, mutual or unilateral duties or orders in limited resources [4].

Proponents of the genetic approach focus on the study of the processes of origin and evolution of the economic system, in particular its origin, the main stages of development and the prospects of future existence. The modern scientific community identifies such internal and external system-forming interconnections and interdependencies: genetic – reproduction of the genes of the old economic system in the new one; generational – reflect the interaction of different generations of economic processes; autosave – responsible for self-replenishment and self-renewal of the economic system; successional – provide an overlay on a previously existing system or its elements of different components of the new system; symbiotic – arise as a result of the coexistence of non-repetitive economic processes and phenomena; coevolutionary – promote progressive development, expanded reproduction of one-order economic processes and phenomena; competitive – orientation of the new economic system to the perception and increase of competitive advantages; communicative – predict not only economic agents, but personalities as factors; metabolic – determine the nature of the links between the system and the environment; epigenetic – predict the synthesis of various internal and external interactions, which provides an improvement in the quality of the evolutionary characteristics of the economic system [3].

Informational approach to the interpretation of the essence of the concept "economic system"

involves the study of the nature of the economic system based on the identification of its level of organization or disruption, the probable prediction of the reaction to some effects, to determine the order and evaluate the prospects for improvement.

One of the prominent representatives of this approach is L. Melnik, according to whom the economic system has a material and informative nature and is formed by the combination of two main elements: material element, the main purpose of which is to perform work for the realization of a metabolism (material – energy – information exchange with an external environment) and which consists of material assets and labor resources; information element that is intended to control the processes of metabolism and connects system elements to system integrity, ensuring its orderliness and dynamic stability in space and time. It consists of economic relations and institutions [1].

This approach reveals the essence and economic nature of the economic system as close as possible to the philosophical categorical notion of "economic system".

Thus, any economic system requires system reproduction depending on the goals and objectives of its functioning.

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