

# THE CONTRIBUTION TO ECONOMIC DEVELOPMENT MADE BY SEMEN (SIMON) KUZNETS, NOBEL PRIZE LAUREATE

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*Full PhD, Professor, Professor of the  
Department of Banking  
and Financial Services, Simon Kuznets  
Kharkiv National University  
of Economics*

**Nataliya Vnukova**

*Dear participants! Welcome to our Round-  
Table Conference taking place on **May 27,**  
**2021***

**“For his empirically founded interpretation of economic growth which has led to new and deepened insight into the economic and social structure and process of development” Simon Kuznets (1971)**

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- **(Simon Smith Kuznets; April, 1901, Pinsk; July 8, 1985, Cambridge, Massachusetts) was an American economist.**



# Relevance of research

- 2017, a historical search for the concept of changes in the definition and calculation of GDP
- The research is aimed to facilitate the scientific inquiry with regard to the best experience in the world economic history represented by Nobel Prize laureate, Simon Kuznets.



# The beginning of S. Kuznets' career

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- S. Kuznets' views formed in Kharkiv where he studied economics under the guidance of Professors **P.I. Fomin, N. Antsyferov, V.F. Levytskyi, S.N. Bernshtein**, and others at Kharkiv Commercial Institute in **1918–1921**
- It was due to the fundamental academic training that S. Kuznets acquired exceptional erudition in economics



# S. Kuznets' contribution to economic development

- Approaches to determining **changes in the pricing policy**, which can not but affect the financial support and accounting.
- The peculiarity of S. Kuznets' research is his devotion to the processing of **empirical data**, which corresponds to the essence of all accounting operations.
- The study of economic growth factors and the relationship **between savings and capital formation** is the basis for further calculations in the financial science targeted to find the priority areas of national economic policy.
- He applied a "double counting" method to calculate the national income from two angles: as an aggregate demand based on **investment** and government spending, and supply addressed, in particular, through the lens of **profit** and rent.



# S. Kuznets' contribution to economic development

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- Among the economic growth studies, the financial science highlights the **problem of forming and conserving fixed capital**.
- Soon after he established the unevenness in the growth of the share of savings in the national product when compared to the national income growth in the long run, S. Kuznets put forward a hypothesis regarding **the life cycle of savings** that is relevant to date.
- **It is necessary to measure and take into account "human capital"**, as well as consider demographic changes.



# Conclusions

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- S. Kuznets is regarded as **an outstanding modern economist**
- The basic category that influenced his work was **profit**, as well as competition, which indicates a great contribution to the development of finance made by the scientist.
- S. Kuznets' views on reducing the dominance of the technocratic approach in investment and innovation and taking into account **the role of human capital** have become significantly relevant recently due to the global migration of labor resources and their shortage.
- Careful attitude to **empirical data** and their constant verification emphasizes the **scientist's contribution to the formation of general approaches to accounting procedures.**

