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Economic Theory

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ECONOMIC THEORY OF EARLY XXI CENTURY: CRISIS OR DEVELOPMENT

Abstract

During recent decades, the range of assessments of the condition of the modern economic science has greatly increased – from very optimistic to extremely pessimistic ones. Increasingly frequent are opinions about decay and crisis of economics science calling its condition «a cancer disease» and referring it as «a victim of formalism» etc. Such rhetoric is casting despair on the intellectual community. And what is happening in reality?

The author shows a reserved optimism in his assessment of the development of economic thought. His arguments are based on the results of the pioneer research conducted by economists who are Nobel Prize winners. And though the talented Swedish inventor Alfred Nobel did not initiate Nobel Prize in economics, the corresponding initiative by a group of Swedish scientists and bankers appeared to be a very successful experiment developing his ideas (this year is the year of its 40th anniversary). That is why the comprehension of that phenomenon is an impetus to important changes both in economic science as a whole and in economic theory as its fundamental part.

Key words:

Modern economic science, crisis of economic science, range of acquired knowledge, economic nobeleology.

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On the verge of XXI century, increasingly active are different, often contradictory assessments of the condition of economic science. In particular, Honorable Professor of Princeton University William Baumol is convinced that «our [economic] branch of science is living and prospering; it is ready to start to the twenty first century» [1]. At the same time, the famous American economist and historian of economic thought Robert Heilbroner considers: «The contribution of modern economic science in the expansion of our knowledge about social processes is not simply disappointing, it is simply poor in comparison with what was done by Adam Smith, John Stewart Mill, Karl Marx, Thorstein Veblen, Alfred Marshall, John Maynard Keynes or Joseph Schumpeter. If we judge about modern economic theory by its' philosophic and historic content, we will have to define its' place at the lowest, not the highest point of its' history» [2]. Russian economist Yevgeniy Balatskiy analyzing the regularities of the development of economic science, points out that «the earlier economic works were characterized by better balance. Probably, as economic science develops, certain centrifugal forces begin to grow in its interior, which tear the integral economic knowledge into separate fragments ... such a state of things may be qualified as the beginning of a crisis» [3].

Even more categorical assessments come from various economic-theoretical centers. Thus a researcher from Cambridge University (Great Britain) Tony Lowson considers that «economic theory is suffering a serious crisis in explaining events that take place in the real world and in conducting analysis suitable for economic policy» [4]. Some researchers from Moscow State University argue that «the crisis of the whole system of modern economic thought that is widely recognized in the West consists in the fact that none of the now existing theories is able to embrace and explain the aggregate economic activities» [5]. In their joint work published by Harward University, Robert Heilbroner and William Milberg associate the crisis of the modern economic theory with the absence of a widely used set of political and social principles which characterized the macroeconomics of the past [6].

Interesting arguments as to the presence of «a deep and protracted crisis of modern economic theory» is provided by the Russian Academician Vitaliy Polterovych: «The crisis shows itself not only in the fact that theoretic economy has failed to find any efficient solutions of the current problems of economic policy, in particular, in the countries where reforms are going on, but also in a deeply internal theoretical way: theoretical facts are accumulating, which testifies about a principal scantiness of its methods» [7]. Unfortunately, such a categorical character of the scientific statements does not always strengthen their arguments. Moreover, the above mentioned V. Polterovych impresses with his sincerity stating that «… I do not see any clear ways out of the crisis» [8]. A conclusion by a well known professor from Hartfordshire University Jeffrey Hodgeson (Great

Britain) sounds like a continuation of the above statement: The resent condition of economic theory could be called farcical if it were not so tragic «[9].

One could abstain from reacting to such statements, understanding that pluralism of thought is the only way of scientific development. But, the lack of reaction to the criticism is followed by … absurd accusations of the economic science. For example, Mykola Rudenko argues that even «Argentina's decline is explained by the general imperfection of the modern economic science» [10]. In such a case, one can not remain silent. True, during the 1990s, Argentina several times declared default. But it is also well known that, during the recent 30 years, default on bonds and bank debts have been declared by over 70 countries. But a question arises: why did the general imperfect character of the modern economic science become the reason of the decline exactly in Argentina? Were the defaults in Salvador (1981-1996) or Venezuela (1995-1997) not so painful? Or maybe in the Solomon Islands (1995-1997) and in Russia (1998) they learned different theories? And maybe in Angola (1992-1997) such theories were not learned at all and in Croatia (1993-1996) people paid them excessive attention?!

First: One need not be an intellectual to understand that default, in most cases, means a form of non-payment of banking credits. And, usually, the problems of the infringement of primary obligations have been solved through the exchange of the outstanding bonds for new ones or pre-term repayment of the debt. Secondly, in most countries, economic systems are not functioning in the full accordance with market logic, but as a combination of market, organization, networks, and administration, which are differently combined in concrete geographic and historical conditions. Hence, the incorrect actions and the lack of knowledge, by some officials of those countries, of the fundamentals of economic science should not be concealed with the shortcomings of that science.

Even following the critical attitude to certain theoretical provisions of the modern economic science, one can not agree with its general negative assessments, because realities of life are changing, the world is becoming more complex, and the amount of knowledge doubles every several years. The advance of civilization is not only characterized by globalization, but also by disintegration. The technotronic age is approaching, in which a new economy is emerging – that of dynamic knowledge with the most demanded good which is information. The previous economic system can no longer function in accordance with those rules that it has functioned during almost 500 years, i.e. since the moment of its appearance. The system of knowledge it is acquainted with can no longer either explain the essence of many radical transformations or foresee the course and consequences of their further progress. Many people, including some scientists, are now in panic and consider such a situation a global crisis and, in particular, a deep crisis of science.

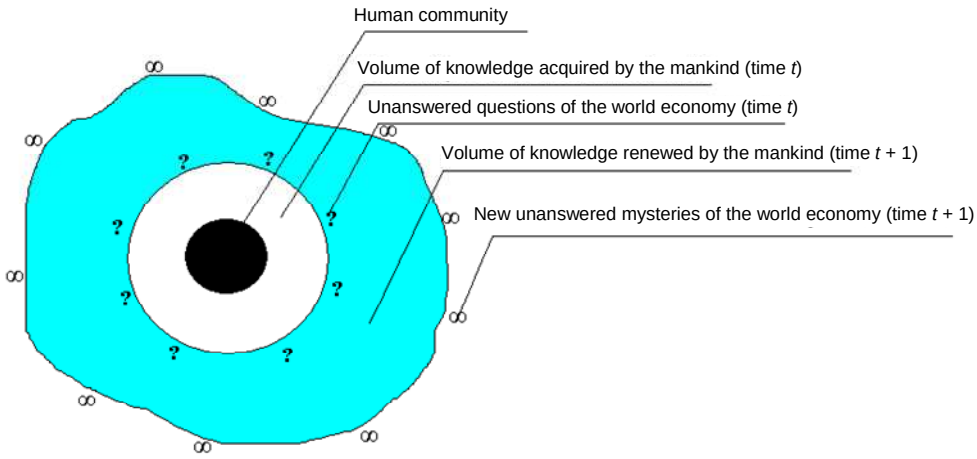
At the same time, one should: a) remember that dynamics of civilizational and economic changes has existed always, and crisis moods have appeared during every transition age; and b) realize that, in the above mentioned many-

sided world system of phenomena, the already learned interactions and interdependences always disappear and unfamiliar ones constantly appear, and there appear completely new economic laws, concepts, and hypotheses.

And realization of that fact is based on the fundamental understanding of the reality. In the course of the unique process of the cognition of the world, the mankind forms a circle of acquired knowledge (see Picture 1). At the same time, outside this circle remains a whole series of unanswered questions (???...). With the uninterrupted and unequal accumulation of knowledge, also increases the horizon of ignorance (∞,∞,∞,∞...). That road leads to infinity (because movement is eternal) but the mankind, all the same, is following it, as there is a special fun in meeting another idea or imagination, or in improving people's life.

Picture 1.

The expanding circle of knowledge accumulation



Nobody can deny the above mentioned objective process, and it should be understood. Even under the influence of the omnipenetrating uncertainty, we should understand that what we are dealing with is not a crisis of the system of knowledge. That is why we can not agree with the opinion of Russian scientists Doctor of Economic Sciences V. Kulikov that «meanwhile, the opinions of the problem of economic development and, in particular, of the general concept of the world we are living in, leave many questions unanswered. Hence, our science is in the state of crisis» [11].

Due to the constant changeability of the nature, including due to human activities, the inexhaustible process of its cognition will be always a permanent problem of the mankind. In the same way, breakthrough into the unknown will remain the essence of research activities in the future, and science will constantly encounter new circumstances that will require non-traditional approaches and methods. Following that road, one should use the very process of cognition for human benefit. Even taking into account the fact that most today's natural regularities and social institutions will exist tomorrow, one can hardly make a complete prevision and duly assess the colossal transformations in the production and production relations. That is why economic thought should every time reveal novelties, and investigate and formulate them. A simple extrapolation of the past tendencies is absolutely inadequate here. In the same way, unsteadiness of the economic environment leads to limited possibilities of forecasting.

In its essence, economic theory is a system of economic knowledge. First, it is an open, misbalanced and many-sided one. Secondly, it contains such a heterogeneous knowledge that is not an absolute truth, but a dynamic essence, i.e. possible knowledge, being its production an infinite process (see Picture 1). And thinking can not be stopped. And, as knowledge is never and can never be a stationary state, so economic theory can not suffer a systemic crisis, or «crisis of the whole system of modern economic thought». Expansion of the sphere of influence of the economic knowledge through the appearance of new theoretical constructions makes that knowledge adapt to the new requirements to maintain order in the intellectual space (the circle of the accumulation of knowledge), that constantly changes its borders. In other words, there takes place an evolution, i.e. a natural process of the development of productive knowledge.

That process may take two development forms: *the translational one* (O. Khudokormov calls it «innovative-regular»), which represents «a mechanism of regular improvement of the economic science built on systemic and constant «fundamental» and «improving» innovations» [12]. And *the crisis-methodological one*, which represents a radical change of individual theoretical constructions (when the situation radically changes as cognition progresses). That is not a decay, nor the end or death of the whole economic theory, because economic knowledge does not disappear, but transforms into another quality. The latter form is a kind of «purgatory», where the «ill» part of the system is surgically (i.e. painfully, but quickly) cured. That is a natural process of essential updating of productive knowledge: 1) which during many years has not been «therapeutically cured» or whose moment of development has been artificially postponed; 2) when such an updating is realized through lifting the prohibitions on different views, renewal of the channels of information exchange etc.; and/or 3) if the accumulated facts contradict the existing separate theoretical construction and form an alternative and competitive (relative to it) hypothesis (it is impossible to change traditional knowledge just by pointing its shortcomings and contradictions, it is necessary to propose an alternative). Hence, what we are dealing with is rather a crisis of the methodology of the updating of old economic-theoretical ideas and their reconsideration.

In economic science, including in the modern economic science, there has been and will always be a crisis of the methodology of renewal of individual economic currents, concepts, and models. It has a constructive potential, because it clears the system from low-realistic and low-professional knowledge, concentrates on the prospects, shapes new innovative signals and preconditions for the creation of the new, and obliges the theoreticians to adapt to the existing order in the intellectual space. For example, between the two world wars, institutionalism was practically the dominant school of American economic thought. But, neglecting the task to elaborate its own fundamental theory and limiting itself to descriptive «realism», it gave up its place to neoclassical formalism. But even such a mistake of predominantly methodological and epistemological character was not sufficient to «bury» that scientific current. And as early as in mid-70s,owing to the development of methodology and methods of the economic science itself and revision, on that basis, of many traditional economic problems, and the use of new methods in various branches of law, sociology, politology, economic history, and international relations, there takes place a burst-like turn of the development of the new institutional economic theory. Now «on the credit side» of institutionalism are Nobel Prizes of such classics of the renewed institutional current as R. Coase and D. North. Undoubtedly, institutionalism has gained additional prestige from awarding that reward to E. Astrom and O. Williamson.

Comprehension of the fundamental mechanism of the accumulation of knowledge makes it possible to clear up contradictions and enrich our understanding of the complex process of the appearance of crises of the methodology of individual economic currents, concepts, and models. Through lifting the contradictions: a) between the rates of changes in the contents of economic processes and those of changes in theoretical provisions as the main source of such crises, and b) between the integrity of economic theory and its differentiation by individual research guidelines and programs, - the foundations for the appearance of novelties and prospects are formed. Those ideas which are based on systemic scientific research on the condition of the contradictions in economic knowledge are among the most demanded in life.

At the same time, statements similar to those by M. Rudenko lead to distorted concepts of the theoretic-methodological processes taking place in the economic science. Then by what means will the economic science attract young people and impress the society? Moreover, critical expert assessments of the condition of economic science, which are far from being objective, would unreasonably overshadow its real achievements.

Analysis of a considerable number of monographs and articles published during recent almost twenty years testifies that scientists of different countries and scientific schools have been able to propose the society a whole series of intellectual novelties. And most of them are of considerable scientific value and practical use. Against that background, especially indicative are the results of innovative research by economists who are Noble Prize winners. Beginning with 1969 – the first year of the Noble Prize in Economics, – it has been awarded to

64 nominants. The all-round independent assessment of the winners' scientific contribution and their annual selection is a unique event exerting an extraordinary influence both on the development of economic theory, and on economic practice. Within the modern range of all scientific rewards (not only economic ones) Nobel Prize occupies the highest place consolidating new reality in the intellectual community.

While the unbiased character of the attitude of the Nobel institutions to determining the best economic contribution is almost undoubted, the opinions about «the gap between economic theory and practice», catastrophic lack, for the economics, of «its own subject of research», and the alleged facts that «most economic theories fail to explain anything that exists in reality», and «the deep economic science separates us from reality, and hence from the truth» continue to appear in the professional literature [13]. In such a situation, not every economist can decide which current promotes renovation of the theory and what its progressive character consists in. Probably, that is the reason why the reprimands are heard that, allegedly, «the amount of talent and activities of the outstanding economists is gradually decreasing over time and now, one can say, it has practically reduced to nothing» [14].

Is the situation really that hopeless? Certainly not. Because there are talents who have led the society to the technotronic age and are shaping the economy of dynamic knowledge! But general public does not know very much about their contribution to the society's intellectual potential. Poor awareness and lack of understanding of the theoretical foundations in the context of globalization both lead to populist accusations similar to those by the above cited Rudenko).

Regarding «the gap between economic theory and practice»: One of the best ways to deny such opinions is to give the examples of economic theories, which are proving the opposite based on today's realities. Such facts are very numerous. In particular, Sweden's economic policy has been supported by a theoretic concept, which is close to Keynesianism, and whose foundations had been laid as early as in the beginning of XX century. The ascension towards «social welfare» began in 1920–1920s and was especially active after the Great Depression. It is exactly then that eight Swedish researchers (K.K. Wiksell, G. Kassel, and D. Davidsson, who were later joined by young scientists G. Myrdal, B. Olin, E. Lundberg, E. Lindal, and D. Hammarskjold) published a series of works whose main provisions, firstly, led to major conclusions made independently of J. Keynes about the state's role in the economy and about the need to maintain a high level of employment as a guarantee of the country's rapid development. Secondly, they promoted the creation of a fundamental concept of economic policy.

It is characteristic that the above mentioned young scientists whose theoretic works were later called the Swedish macroeconomic school, in 1937-1939 abandoned academic science and began to realize their projects in practice. They entered the government, headed political parties, trade unions, and leading research institutes. Interestingly, D. Hammarskjold later became UN Secretary-

General, and G. Myrdal who is considered the school's founder and B. Olin both became Nobel Prize winners in economics.

D. Hammarskjold, B. Olin, G. Myrdal are no longer, but even now the main provisions of their concept of active interaction between economy and social sphere are being implemented in practice. In 1950-1970es, Sweden became a leader of scientific and technological revolution in Europe, showing the highest living standards and educational level, full employment and the smallest differences in family incomes. Even the economic crisis that hit the country in early 1990s was rather quickly curbed. And now too, the Swedish government, relative to US Administration, assumes a much higher responsibility for social welfare. Thus it ensures a high level of health care, unemployment benefits, and age pensions. By the share of social expenditures in GDP, Sweden has occupied the first place in the world. During many years, Sweden has been leading the world's ratings of human development index.

Yet another argument to deny the statement that «the deep economic science separates us from reality» is the realization of the well known theory of optimal currency areas proposed in early 1960s by American economist R. Mundell. According to this theory, if the degree of a country's integration into the world system of financial agreements, movement of production factors and commodity flows is high, then fixed exchange rate is the more efficient way to attain domestic and external balances relative to floating rate. It becomes profitable for several such countries to introduce a single currency. It is exactly thanks to his pioneering works that this scientist created an intellectual bank for the common European currency. His conclusion that more than one country may gain benefits from the use of a common currency inspired the governments of the European countries to the creation of euro. First that union consisted of 11 countries, and then all new EU Member Countries that accessed the Union in May 2004 (Slovenia, Czech Republic, Poland, Hungary, Estonia, Slovak Republic, Croatia, Latvia, Rumania, and Bulgaria), at once expressed their intention to join the European Monetary Union. By the way, Slovenia passed to euro as early as 1 January 2007, and Slovakia did so on 1 January 2009.

The urgent character of the theory of optimal currency areas is being clearly proved by Saudi Arabia, Kuwait, Qatar and Bahrain, who signed the agreement on the creation of a currency union on 7 June of 2009, being the working name of their currency «khaligi' and preliminary time of its introduction - the year 2010. Besides, China, South Korea and Japan are negotiating a common currency in the Asian-Pacific Region, which will be probably called AKU. The time of its introduction will mainly depend on China, because recently, its rates of economic development have been difficult to forecast. The failure of the framework based on floating exchange rate in 1974-1985 was an additional proof of the importance of the theoretical construction proposed by R. Mundell, for which he was awarded Nobel Prize of the year 1999.

One could cite many more examples of the successful work of famous economists. However, the intellectual achievements, both the above cited ones

and those covered by mass media all testify about the following: the essence of the high prestige of the Nobel Prize is the principle in accordance with which they are awarded for real scientific merits. Most Nobelians (although some of them consider themselves pure theoreticians) have provided recommendations for their wide use in different areas of economic management. Analysis of many monographs and pioneering articles shows that, during several recent decades, in economic science, despite the obvious discrepancies existing between the economists on many principal issues, all the same, a cardinal step of theoretical transformation has been made, which shows itself on the following fundamental guidelines:

1) *Increase in the role of and improvement of the quality of man as capital and as an agent of creative activities.* A considerable contribution to the solution of various scientific-concepual questions related to deeper understanding of the essence of human development and regularities of its qualitative condition was made by the Austrian Nobelian of the year 1974 Friedrich von Hayek. On the basis of his research, the modern historic turn has taken place from expectation for organizational systems to the hopes for a free, creative and independent individual, towards the creation of the Institute of Human Being, which is now so widely covered in mass media. Then, factorial analysis of the main sources of material accumulation led the researchers to a new level of vision of human being's place and meaning in the economic world. By way of evolution, economic science approached the notion of «human capital», which promoted the emergence and propagation of the theory of human capital whose authors became American researchers Theodore Schultz and Gary Becker. Important results were obtained thanks to economic psychology (D. Kahneman, A. Tversky) And modeling of limited rationality (H. Simon). They are more accurate in reflecting reality, they enrich us with facts about individual behavior, which not only gives a volumetric picture of economic behavior, but also favors the development of economic theory. In view of the above developments, a conceptual reconsideration of the development tendencies of the world community is going on, Which shows itself in changing emphasis from the rates of economic growth and progress of material production to social «production», humanization of the society, and introduction of human measurement in the determination of the efficiency of economic processes. The rates of progress in human development in XX century have no precedents;

2) *Development of the market mechanisms of economic organization* During a long time, science was dominated by concepts of a simplified market construction. Theory and economic practice were oriented to the general model of market equilibrium by L.Walras who considered that, in every given moment, in the society, there exists a single market with a single system of prices (independently of whether there exists an equilibrium or not), which are equal for all economic clients. The French Nobelian of the year 1988 Maurice Allais proposed another model, which is a system of markets for different goods, when the same good may be sold and bought on different markets. The system lacks a single price set, market exchanges are realized not simultaneously, but con-

stantly. The scientists justified plurality of the markets and a great number of systems of prices as a reflection of their real change towards economic optimum. And the proposed by R. Coase pioneering provisions on transaction costs and property rights became a leading methodology in the formation and development of the market economy. Developing and complementing each other's investigations, the prominent Nobel Prize winners economists M. Friedman, J. Stigler, G. Akerlof, M. Spence, J. Stiglitz have essentially formed the modern opinion of market system as an integral complex open world economic system. It radically changes the traditional understanding of the world (with its ideas of linearity, absolutization of the objective over the subjective, and unchangeable traditions) for a new approach with such notions as evolution, non-linearity, Probability, and uncertainty. The above mentioned Nobelians have created a new terminology, and the described and complemented by them market mechanism has been implemented in various economic areas. Practically, one of the decisive traits of the civilizational economic development is domination of market fundamentals, market paradigm and market relations, which shows itself in the functioning of the totality of the world markets, such as those of goods and services. ideas and institutions, investments and technologies, labor, exchange and financial resources etc;

3) *Enrichment of the instruments of applied analysis in economic theory.* The list of instruments has been added with the following novelties made by the Nobelians: a) counter-factual models, forming part of cliometry, used to study the trajectories of past economic processes to assess the present and forecast the future. While, in the past, the main tool used by economists to learn the world, was the method of regression or comparative method (by posing the question How the results really changed under the influence of changes in output or exogenous conditions), then the developed by R. Vogel and D. North model simulation poses the question how the results *could* be changed; b) *controlled experiment* proposed by B. Smith is the most evident form of measurement to establish scientific facts (by posing the question how the results may change); c) *«Nash equilibrium»* is an addition to the game theory representing a flexible method to analyze particular problems and situations on markets. It Has evidently brought to economics a powerful mathematical set of tools whose revolutionary significance consists in the freeing the economists from the exclusive dependence on the formal mathematical apparatus of physics; d) *The Jovelmo distribution* is a laborious, though impressing way of giving a model its own «credentials», i.e. assessment of economic models by checking their congruence to certain selected data and to a system of measurements and information contained in competitor models; and e) *ARIMA based analysis of time series,* which is a methodology developed by K. Granger and R.Engle methodology representing a comparatively new generation of the means of forecasting based on analysis of probable (stochastic) properties of time series;

4) *Formalization of economic research* It is exactly the mathematical approach that made it possible to turn ethical postulate into mathematical axiom, and justify the fullness and non-contradiction of the principles of justice. In the

second half of XX century, researchers became increasingly active in their search of mechanisms of just distribution of results obtained by means of cooperation between the participants of a partnership. Two main guidelines took shape: He newly born theory of collective choice based on the proposed by K. Arrow analysis of collective choice and individual assessments and the game theory Developed by Nobelians J. Harsanyi, R. Selten, R. Aumann, and T. Schelling. Thanks to them, a partnership can find answers, for example, to such questions as «what to choose if the variants are incompatible?» «how to act in a situation of choice between equality and efficiency?», «how to take into account the interests of group, which has seceded from the partnership?» and «how to protect collective decision making from manipulation?» American economists L. Hurwicz, E. Maskin and R. Myerson proposed a scientific technique to form optimal mechanisms for efficient distribution of available advantages, produced goods, resources, and efforts spent on the production of undividable product, non-admission of manipulation of the mechanisms of social decision making, for which they were awarded the 2007 Nobel Prize.

Naturally, the above mentioned list of the achievements of economic thought can not be considered either exhaustive or detailed. However, it is important to emphasize the main point: understanding the above mentioned key points allows adequately presenting the integral concept of the problematic area of the modern economic science and completely disagreeing with the opinions that economic theory is allegedly in a crisis condition. Such opinions most probably are caused by an erroneous concept about what one can and can not expect from that branch of knowledge.

As a conclusion let us point out that, since ancient times, i.e., since the emergence of the first states, attempts have been constantly made to systematize economic opinions (concepts) into a single economic theory, which the society would consider an effective tool in economic policy. In the process, with the changes in economy, science technologies, including informational and communicational ones, and in culture, the economic theory would constantly renew and improve. All the more so as, with the current radical changes in the world economic system, when the traditional economic theory fails and the ongoing fundamental transformations, as never before, require conceptual reaction.

The constantly growing arsenal of economic knowledge, which is constantly becoming more and more complex, represents an extremely uncoordinated and unsystematized array. On the one hand, it makes that knowledge even less understandable for non-specialists. The ongoing changes are so rapid and systemic, that the process of their realization often lags behind (sometimes the unclearness and obscurity of the theoretical patterns even scares people away). On the other hand, every year it becomes more difficult not only to study, but, what is essential, to select, from it, those practical recommendations, which are badly needed to coordinate the mechanism of optimal functioning of the world economy, and to create technologies of its transformation according to man's interests and needs.

Under the conditions, when globalization has acquired unprecedented rates and intensity, an urgent need arises to lay intellectual foundations of a new strategy for the creation of a knowledge based society, which should develop based not so on a rapid output growth, as on the rapid propagation of scientific knowledge and modern technologies. In such a world, different forms of competition are higher by an order of magnitude. But creation of competitive advantages becomes possible through the formation of an economy based on dynamic knowledge.

The world continues to intensively saturate itself with knowledge and is becoming more complex. Modern science has turned into the most powerful productive force, being the fundamental knowledge the essence of innovation. If we consider the economy based on dynamic knowledge from applied and practical positions, a series of urgent issues arise. Such as, *which* innovative economic knowledge should be selected for intensive expansion of such an economy, *what is the criterion* of its selection of its choice (because what used to be progressive at a certain stage of socio-economic development, usually begins to degrade over time), *how to intellectualize* the education and make its development more relative to the rest of the economy and, *what is the measure* of the progress of economic science?

Establishing the Nobel Prize in Economics was not actually a will of Alfred Nobel (as was the case with five branches of scientific and social activity during 1901). It was a kind of experiment initiated by a group of Swedish scholars and bankers based on the conditions of the will of that outstanding Maecenas. The long period of existence of the Nobel Prize in Economics (as many as 40 years) is a proof of its success. During that time, a large volume of information has been accumulated, is contained in the pioneering works by the Nobelians. Based on our understanding of the nature of economic explanation, we have made an attempt to investigate that valuable intellectual array. That very fine and complex theoretical matter is a reliable base for a purely logic analysis, revealing objective regularities in the development of economic theory, working out practical recommendations, and putting forward scientific hypotheses. Actually, during the last third of XX century, we obtained a new branch of economic science which could be conventionally called economic nobeleology.

Based on that theoretical conclusion, it is advisable to formulate two practical proposals. Under the conditions when globalization is gaining an unprecedented intensity, it becomes evident that the education as a whole and the high education in particular, in terms of their essence, are lagging behind the ongoing rapid processes and the needs of intellectual provision of the construction of a society based on dynamic knowledge and high technologies. An important shortcoming of education in many countries including Ukraine consists in the gap between education and science. According to the President of the Academy of Sciences of the High School of Ukraine M. Drobnokhod, «today over 60 per cent of Ukrainian high education institutions … do not conduct any scientific research» [15]. At the same time, practice of many universities, especially those

that brought up Nobel Prize winners testifies that science should be done in high educational institutions as well.

A kind of compass in the world of science has become Nobel Prize in Economics. Against the background of numerous new and modern currents, areas and research methods, it gives a clear distinction which of them are the basic ones. The concepts developed by the Nobelians, and the ideas proposed by them both are serving as a kind of map of the achievements of economic science, and an important basement for the improvement of economic argumentation (which is the reason why constant analysis and its critical reconsideration are needed). The layer of pioneering economic knowledge proposed by the Nobelian economists for the world community continues to increase. How one can use it and promptly bring it to general public?

Presently, very urgent becomes the problem of professional and lucid interpretation of new knowledge, its propagation in the society and, which is probably the most important, its introduction to the system of high education. Because in Ukraine and in some other countries we are facing the inability of the existing curricula, textbooks and manuals to reflect the radical changes in the country's economic life. Most of them are characterized by a striking similarity for bachelor, master and post graduate courses. In is impossible to correct the present situation just by making cosmetic amendments to curricula and textbooks on the history of economic though, economic theory or political economy.

It is absolutely essential to divide the educational material between bachelor, master and post graduate courses. For example, the course of economic theory for masters should be a continuation of that for bachelors and should rely on it as on a basis. At the same time, the post-graduate course should be quite different in its contents and should serve as a set of tools of the new economic ideas and achievements. In this context, as a basis of the mechanism of constant renewal of the curricula may serve the introduction, in high schools institutions, of a new fundamental course of economic theory called economic nobeleology [16].

Introduction of that course would provide the following benefits:

- overcoming the historic limits of knowledge, overcoming the lags in assimilation and teaching new knowledge, especially interdisciplinary knowledge. Nobeleology is interested under the influence of what conditions the opinion of economic reality are changed, how the interpretation of the basic categories evolves, and how the methods of economic research improve. It helps understand the general direction of the development of economic science, transformation of its guidelines, and its interconnection with economic policy and practice;
- stimulation, in students, of receptivity to novelties, and active participation in creative scientific research. Nobeleology is a real way to revival of the youth's interest in scientific work;

- creation of a diversified system of curricula in economic high school institutions, which would include different volumes of the subject of «economic nobeleology» for bachelor, master and postgraduate courses;
- a qualitatively new level of retraining of teaching staff, because, in the modern world, any accumulated knowledge quickly begins to lag behind the need of the intellectual environment. For example, in the countries with socially oriented economy, the duration of education of adult population has been constantly increasing. Thus, during the last quarter of XX century, it increased in Italy from 5.5 to 13.5 years; in Japan – from 9.2 to 16.1 years; and in France – from 9.8 to 17.2 years. In other words, shaping an economy based on dynamic knowledge requires an outstripping development of education, in particular, the professional one. And the need to constantly improve their knowledge brings the teachers to a new educational space.

Changes in the technologies of high economic education is a response to a certain social request, and a precondition of the consolidation of the new ideology of the preparation of economists, retraining of the teaching staff, And realization of the ideas of the Bologna declaration. That is the first point.

And the second point: the dynamic and multipronged character of the ongoing socio-economic changes compels the researchers to review many important theoretical provisions. That is why what matters is not which outdated concepts or doctrines the scientists refuse, but rather with which paradigm they propose to advance to the future, and with which approaches they propose to adapt (systemically and consistently) into the world economic space.

In the process of the penetration of scientific achievements into the essence of our reality, theoretical knowledge functions as a complex system of interactions between different current of economic science and external ties with other branches of science. It is well known that, in the process of scientific development, there appear radical changes of paradigms and patterns of cognition activities, which determine the progressive system of ideals and research rules [17]. Problematic situations appearing on the way of the infinite process of cognition constantly become more complex covering more and more phenomena of reality many of which require inter-disciplinary research. In the process, a new trans-disciplinary theory (and probably a new branch of science) emerges and the iteration process (from given disciplines – through inter-disciplinary research – to a new discipline with a new research subject) infinitely repeats moving closer to an integral general-science picture of the world.

Many fundamental economic problems are impossible to understand using only methods of a single discipline; they require knowledge from different branches. To solve such problems, the inter-disciplinary approach is necessary. A sensible synergic effect could be reached just by a simple synchronization of scientific research. The essence of such synchronization consists in monitoring and systemic analysis of the integral condition of different branches. Hat ap-

proach is urgent for the economic theory, which having realized a qualitative breakthrough in 1960s, is now at another stage of energy accumulation to pass to the next convolution of the development spiral. On its fundamental basis, different scientific currents and concepts are using different conventional notions, methodologies, and types of abstraction and hence different languages of knowledge transfer. Establishing interconnections between those languages is one of the ways of development of the inter-disciplinary interaction.

Presently, it is no longer enough to establish the fact that «economic theory is becoming integral, it considers the economy in its development and in the interconnection of its main aspects and problems» [18]. New socio-economic conditions create the need of renewal of the systemic composition of the modern economic theory. Ne of the elements of that process could become the use economic nobeleology as a basic hypothesis. That would help overcome the separation between individual economic currents and disciplines, and hence revive coordination in the activities by different research institutions and in their research fields. Addressing the works of the Nobel Prize winners dynamizes the development of economic theory through the exchange in paradigmal provisions, notions and methods of different sciences, which is a reflection of the essence of the inter-disciplinary problem.

He scientists have passed a long and thorny path to understand that the World is infinite. And it is exactly that its trait stimulates the need of constant cognition. Then can be right a categorical statement of success or failure of the whole economic science?! Cognition (or intellectual race for new ideas expanding the horizons of our understanding of the world) should go on.

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