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APPLICATION OF KEYNESIANISM IDEAS IN CONDITIONS OF MODERN CRISIS

The topicality of the explicated material is agreed upon the necessity in finding ways of prevention and counteraction of various crises. The main ideas of keynesianism and possibilities of their introduction on modern stage of economic development have been examined in this article. The Keynes's conception made a significant influence on the economic theory and economic policy development. Governments of many countries put into service this conception, that's why an experience of its application may be helpful in present crisis consequences overcoming.

Keywords: keynesianism, demand, employment, crisis

Актуальность изложенного в статье материала обусловлена надобностями в определении путей предотвращения и противодействия разнообразным кризисным явлениям. В статье рассматриваются главные идеи кейнсианства и возможности их внедрения на современном этапе экономического развития. Концепция Кейнса произвела значительное влияние на развитие экономической теории и экономической политики, а также была взята на вооружение правительствами многих стран, поэтому опыт её применения может стать полезным в преодолении последствий современного кризиса.

Ключевые слова: кейнсианство, спрос, занятость, кризис.

Актуальність викладеного у статті матеріалу обумовлена потребами у визначенні шляхів запобігання та протидії різноманітним кризовим явищам. У статті розглядаються основні ідеї кейнсіанства та можливість їх впровадження на сучасному етапі економічного розвитку. Концепція Кейнса справила значний вплив на розвиток економічної теорії та економічної політи, а також була взята на озброєння урядами багатьох країн, тому досвід її застосування може виявитися корисним у подоланні наслідків сучасної кризи.

Ключові слова: кейнсіанство, попит, зайнятість, криза.

From everlasting people faced the crisis phenomena in economy, trying to find out their reasons, to determine them and to prevent or at least to soften their destructive consequences. During the last 40 years financial crises caused nearly 30-40% loses of national financial assets in a number of countries. The recent episode of financial destabilization is a world financial crisis which has begun at the local American mortgage market in 2007 and lasts till now, striking world financial and bank systems.

The crisis expanding now is a unique one according to its scales and global influence. A lot of scientists compare the present crisis with the years of the Great Depression. Some researches

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assert that the crisis is even deeper. But in spite of the world community long-term experience in dealing with the financial crises, there are still no universal recipes to prevent or to resist different crises. That means that the theme of the work is urgently actual and needs to be discovered.

The purpose of researching this question is an attempt to find out the alternative methods of overcoming economic crisis consequences. Some specialists consider that the neoliberal world economy development model has exhausted itself, that's why to recover from nowadays recession some other methods, not inherent to neoliberalism conception, should be used. In this article the main ideas of keynesianism and possibility of their application on the modern stage of economic development have been examined.

While considering a world financial crisis, it is necessary to address to the studies of a famous British economist John Maynard Keynes. Keynesian economics played an important role in the development of the western economic theory. It tried to answer a number of difficult questions connected with the crisis of 1930s. Keynes pointed out the number of weak points of bourgeois economic science of his time. He tried to bring new elements in the analysis of the capitalist economy; drew economy nearer to the needs of economic development; marked new tendencies in the capitalist development and proved the necessity of the state to take part in the economic life of the country.

Keynes's conception made considerable influence on development of economic theory and economic policy. The Keynes's ideas were put into service by leading authorities of capitalist countries. Especially it concerns to the theory of national income, theory of cycle, theory of growth and other aspects of macroeconomics. That was the Keynes's theory that initiated wide embodiment of economy government control and working out of concrete methods of such regulation (thatcherism in Great Britain and reaganomics in the USA).

Microeconomic approach dominated in a prekeynesianism political economy that is an economy analysis from the point of separate economic units. Prosperity conditions of a firm were equated with the prosperity terms of nation on the whole, increasing of its national riches.

Keynes extended the research scopes considerably, making an attempt to consider a national capitalist economy on the whole, to operate mainly on modular categories - consumption, accumulation, savings, investments, employment, i.e. by the quantities that determine a level and rates of national income growth. The main in the Keynes's research method was that he aimed to set the correlation of cause and effect, dependences and proportions between them, while analyzing combined national economic quantities. It initiated such direction of economic science, which is nowadays called macroeconomic.

Unlike the theories of Clark, Marshall, Pigou and others, Keynes came to the conclusion, that all vitally important problems of highly developed capitalist society must be searched not in the field of resources offer as the neoclassical economic idea did till now, but in the field of demand which provides realization of these resources. Keynes tried to show that a mechanism of automatic equalization of demand and supply, that a neoclassical theory is based on, is utopia.

Experience of the late 50s showed that anti-crisis measures did not provide the durable raising, high and stable economy growing rates. The American economists came to the conclusion that it was necessary to concentrate attention not on anti-crisis measures, but on growth stimulation measures that would prevent from crises at the same time. Thus, main motive of public economic policy measures direction was changed.

According to the Keynesianism point of view a deficient demand is the main reason of the present crisis. During the last years the production was increasing and volumes of the world trade were the biggest in history. A special increase of mortgage crediting was observed through-

out the countries and turned out to be rather harmful for a bank system. The reasons of the increase were the follows:

- rise in the price of real estate caused by the inflation processes;
- accessible mortgage;
- investment attraction because of the big prices of dwelling.

The further expand of the financial crisis is rather predictable. That's all because of the capital mobility and considerable binding of a great number of countries' economies to the economy of America that have influenced the development of crisis processes in the countries.

The ways out of the crisis proposed by Keynes in the sphere of state regulation would be very useful. From our point of view, Ukraine needs more strict state control. The ideas of liberal market economy are not acceptable for a young country with unstable economic situation and not properly developed entrepreneurship. The system is not powerful enough to be self-controlled. Ukrainian economy depends on metallurgical, extractive industry and reprocessing products export. As a result we have instability at the outer markets. That's why today is the moment for a state to begin to regulate the situation in the country.

Keynes supposed that to solve the problem of market balance we need to turn to the demand sphere. So it is needable to renew the demand on the majority of goods by inducing the population to spend money rather than to save. The population needs to have incomes that can be provided by giving people work. But how to supply people with work when a lot of enterprises that depend on export and can't market their products because they do not have orders from abroad have stopped for today? As for us, it would be reasonable to create a system of state orders and purchases that would form a demand on the products.

Why not start roads building as it was in America during the period of the Great Depression? It would be a good variant for Ukraine. It would solve the problem of employment and rebuilding of the roads state of which leaves much to be desired. At last, Ukraine would have a chance to approve its status of a transitive country situated in the centre of Europe.

Of course, it would be a mistake to affirm that the Keynesian theory is the only right. In fact on verge of 70-80s it and its conception of government economy control met serious tests. Deep world crisis 1974-1975 showed a weakness and vulnerability of Keynesian practical recommendations. But we shouldn't finally reject the ideas of D. Keynes. But what is needable is to synthesize the main Keynesianism and liberal ideas combining freedom, democracy and private property with the institute of state regulation. The governments of entire countries try to take under the control some spheres of economy functioning for the sake of economic recession processes slowdown and softening of their consequences. Ukrainian authorities also try to restrain a cutback of country's economic activity by controlling banks activity. But, possibly, it is worth inculcating such measures that have already proved themselves correct, for example, social works organization, system of the public purchasing and others.

We are certain that present crisis is not the last in the history of mankind. It is possible, that financial crisis of 2008, possibly, will change the contours of modern state economy administration radically. Their essence: strengthening of regulative and consolidating role of the state in many spheres of country vital activity. But that is now that we should do some conclusions and reconsider the aims of development. Presently we can surely speak about simultaneous connection of different crises, as for example, global crisis of liquidity and mortgage crisis in the USA, which influenced other countries. A crisis affected all spheres of human activity that are the basis of the cyclic economy increasing. Consequently, aims of human development should be reinterpreted. The institutes of global economy should be thoroughly reconstructed to coordinate policy. Due to the new values and new aim of civilization it is worth to change the way

of policy realization. The accents should be put on the above national coordination. And only than in the nearest future, if we want to avoid big crises, we would move in the areola of an out of the common triangle of a development balanced in social, ecological and economic spheres. The apexes of this triangle are determined by values, institutes and policy. To do so, we should always remember that the development strategy and economic policy are effective only if they are based on a correct economic theory.

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