The Specifics of Social and Cultural Determination of the Current Economic Activity

Konstantin V. Vodenko1,2*, Elvira Y. Cherkesova3, Lyudmila A. Shvachkina4, Svetlana V. Fateeva5, Irina Y. Erosheva6

1Don State Technical University, Russia, 2Platov South-Russian State Polytechnic University (NPI), Russia, 3Don State Technical University, Russia, 4Don State Technical University, Russia, 5Don State Technical University, Russia, 6Don State Technical University, Russia. *Email: vodenko-kv@rambler.ru

ABSTRACT

The paper considers the problems of modern economic activities in the socio-cultural context. We study the differences of methodological approaches to the specific understanding of the socio-economic development (in the face of a materialist method of Marx and the method of interpretive sociology Weber). The conclusion is that at the present time there is awareness of the need for cultural, ethical and religious institutions in shaping economic behavior in the context of the methodology of Weber. The specific character of philosophical concepts which should underlie modern economic activity. It is noted that such philosophical categories as morality, human-dimension, socio-cultural specificity should be the basis of a modern economy. economic development philosophy appears as a philosophy of social wealth, access to, and use of the population for the development of human capital.

Keywords: Economics, Philosophy, Society, Morality

JEL Classifications: B41, Z13

1. INTRODUCTION

It seems quite reasonable to agree with the position of corresponding member of RAS RS Greenberg that there is “a kind of general philosophical worldview reason described above, the alarming situation in which the economy of the modern world,” as even Keynes pointed out that, ultimately, only ideas rule the world (Keynes, 2007). Now very often write about the crisis of the philosophy of market fundamentalism, but in spite of everything continues to dominate the mainstream of economic thought, in spite of the fact that the idea of unconditional beneficence of the free market have not explicitly productive and undermines the foundations of the modern society. There is quite a specific question: What philosophy should be the basis for modern economic activity?

2. IN SEARCH OF THE RESEARCH METHODOLOGY OF SOCIO-ECONOMIC DEVELOPMENT: MARX AND WEBER

Differences of methodological approaches to the specific understanding of the socio-economic development and socio-economic activities result in different and even polar interpretations of social mechanisms and their regulatory capacity, initially affect the formation of certain types of social mechanisms and principles of the regulation of economic processes. Two main theoretical and methodological trends can be identified: The materialist method in the person of Marx and the method of interpretive sociology Weber (Vodenko, 2016). Marx studied the laws of economic development through the prism of the interests, activities and relationship
classes, apart from the core of the social mechanism of economic development of the class struggle of the proletariat and the bourgeoisie. Weber main regulatory mechanisms of economic life is considered a political, ethical and religious institutions that form the necessary spiritual qualities, special characteristics of human nature and nurture receptiveness to innovations related to their work as a spiritual vocation (Vodenko and Tikhonovskova, 2015). More than a traditional Marxist approach, but should not be underestimated, and Weber’s methodology, which is becoming increasingly popular.

For Weber, first of all stops on the concept of “socio-economic phenomenon.” “The fact that our physical existence and equally satisfying our highest ideal meets the needs everywhere on the quantitative restrictions and the lack of quality required external resources that to meet this need systematic training, work, the fight against the forces of nature and bringing people together in society, this fact is fundamental, which is associated with all the phenomena, called us socio-economic” (Weber, 1990).

Giving the definition of socio-economic phenomena, Weber divides them into three groups: The actual economic; economically relevant; economic conditionality.

The first group of phenomena is, as a rule, the actual economic developments, the importance of which lies in their economic side and may be explained by economic categories and methods of economics. Although this limitation is conditional, because there is an economic phenomenon in its pure form, it is studied history in this regard, and along with that it is presented in the framework of a wide variety of cultural ties, which are taken into account when considering the sociological.

The second group of economically relevant phenomena. These are events that indirectly have an impact, we are interested in economic terms. It is to this group include culture, education, religion, science, and with them are hard to define the category as a way of thinking, worldview, and many others.

The third group included economically conditioned phenomena, i.e., those sometimes be influenced by economic motives. So, it is from this perspective, Marx regarded the history of Europe, explaining it as due, primarily, to economic factors. Marx talked often non-economic phenomena as deterministic economic conditions. Absolutization this method has led, along with some other factors, to a one-sided interpretation of the Marxist historians of events, though not always in the spirit of Marx (2012).

Specificity approaches of Weber and Marx is well illustrated in their consideration of the process of the genesis of capitalist relations in Europe in the context of the reformation. A well-known concept of Weber about the origin of modern European science (Vodenko et al., 2015). The first person to put the problem of economic relations and the relations between capitalism and the reformation, was Marx, who drew attention to the period of primitive accumulation of capital and at the XVI century as the time of the birth of capitalism. This heroic XVI century also saw the revival of arts and sciences, the ancient Christian Reformation, the national policies of the Kings and the medieval internationalism opposing theologians and church people. Economic revolution are derived from one and the same phenomenon, guiding and ruling all of them - to Marx’s revolution in politics, intellectual revolution, religious revolution. He was born out of the reformation of capitalism: “The reformation, the great and mighty reformation, was born in the XVI century, - The daughter of the new form of economy, which emerged and then quickly imposed himself the conquest of its world - the capitalist economy” (Marx, 2012), - Marx wrote. Forming, capital creates capitalist consciousness. He dictates the capitalist policies. It gives color capitalist thoughts, feelings and beliefs. Political events, religious, intelligent - everything is changing mask, which hides the true face, the one and only - the face of capital.

According to Weber, are important intangible capitalist relations, and the Spirit of Capitalism. This he says in his famous book “The Protestant Ethic and the Spirit of Capitalism.” Weber believes that at all times, both in ancient Greece and in ancient Egypt and ancient Rome - were people thirsting for profit. There were people who were selling and speculating, building, ruined. But it was not capitalism. For capitalism, Weber argues, needs a special person. He first raised the issue of the “spirit” of capitalism. Capitalism without this spirit, according to M. Weber, existed in China, India, Babylon, in ancient times and the middle ages, but it lacked the distinctive ethos (Weber, 1990). All moral rules in this context have a utilitarian justification: Honesty is useful, because it brings credit. The same is true with punctuality, diligence, moderation. All these qualities are precisely why we are virtues. This is a fundamental difference from the medieval man. He is honest, not because it is useful, but because it pleases God. Here honesty is useful because it brings credit and money. The highest good of ethics above all in profit resulting from complete failure of the pleasure, bestowed the money from all the hedonistic moments. This gain is thought to such an extent an end in itself, it becomes something transcendent and even simply irrational. The new consciousness states that “only those who work earn. Who works, the richer or may become rich. As it is now relating to wealth? Cursed? Yes, if the wealth entails idleness. Yes, if the rich throwing work for pleasure. Not wealth - evil and idleness and pleasure. To work for the enrichment - evil? No, if a person is working in the sweat of his brow, not for contemptible pleasures of the flesh and of sin, and to fulfill the will of almighty God in his place and in his profession, guided his hand. Hence, before concluding that a person successful in business, blessed be God, there is one step. It is known that the Puritans made it very soon” (Fevvre, 1991).

It is possible to say that at the present time there is recognition that the main regulatory mechanisms of social and economic life are the cultural, ethical and religious institutions that form the necessary cultural, ideological and spiritual qualities of human nature, bringing up certain behaviors that contribute, in the among other things, the economic behavior.

3. MODERN PROBLEMS OF SOCIO-ECONOMIC DEVELOPMENT

What are the challenges facing humanity puts a modern economy? For example, in the US there is a certain “discouraged” over
virtually zero growth, in spite of the powerful infusion of money ("quantitative easing"). This gloom threatens to turn into a panic because just start automatic sequestration of the national budget as a result of the inability of the executive and legislative authorities of the country to agree even about the common challenges of further economic policy, not to mention the details and methods of its implementation. Status of Europe, appears to be even worse, since the public finances is only translates into a policy of “austerity.” As a result of this policy continues to narrow the middle class of the European Union, as it is perhaps the most remarkable achievement and a guarantor of stability and prosperity policy of previous years, “the welfare state.” The “QE” as well as in the United States, has not brought the desired results. In China compared to the US and Europe, the situation seems to be much better, but even here, given the close dependence of the economy on the state of the American and European markets, lethargy which is obvious and does not seem to short-lived, the economic growth slowed down obviously. Today, it is only 6-7% per year, not 10-11, as it was before the onset of the global recession. In addition, we must bear in mind that China’s 6-7% annual economic growth - is, in fact, stagnation, because the population is increasing every year, virtually the same amount. As for Russia, its economy is also included in the global trend and it cannot affect the overall stagnation of foreign markets (Greenberg, 2013).

The current crisis of socio-economic development of Galbraith (University of Texas, US) crisis calls restriction. It consists of the problems that were present, but did not have decisive significance during previous crises, but now these problems constitute a single matrix of issues that require study and a coherent conceptual approach. These problems (Galbraith, 2013):

• Firstly, the economy is growing and unpredictable prices for energy and other resources has an impact on importers, and also threatens the investment attractiveness and economic growth prospects for exporters.

• Secondly, the economy is the era of change in technology innovations. With the invention of the internal combustion engine is no longer necessary to use horses as draft animals. But what about university professors, whose work can be replaced by distance learning?

• Thirdly, the economy in general accounting fraud and financial fraud in particular. Institutional failures of the current crisis caused by the collapse of reliability and trust.

We have to admit the fact that more than 30 years the dominance of market fundamentalism with its demonstrative disregard for the interests of society as such has led not only to the widespread increase in inequality and social polarization fraught with explosions. As notes Greenberg, was “clear that the construction of egoism in social virtues Rank causing serious harm to the ethical scrapie society. At the same time all the more acute the need for an alternative model of a more humane social order” (Greenberg, 2013). First of all, it should be directed against the “financial nomenclature of the World” - A cosmopolitan phenomenon that has developed as a world outlook installation on the primacy of the individual interest and the demonization of government activity, and to resist it can only move to a truly social market economy, where freedom and justice are not exclusive but complement each other.

It requires certain organizational forms and institutions, on the basis of which it is necessary to develop a vision, strategy and program of rational opposition to neo-liberalism. These are the objectives pursued Moscow economic forum. One of the authors of a very brief answer to these questions, someone introduced a broader vision of the problems, some limited analysis of the individual areas of the world economy. But in general, most of the foreign and Russian colleagues combines concern about the state of affairs in the modern economy and the desire to transform the first of its ideological basis.

Saving the dysfunctionality of the modern economy, according to Monchinskaya (Warsaw School of Economics, Poland) is associated with a kind of theoretical monism. Indeed, as the basis for an economic choice for a long time in Western countries dominated efficient Mai hypothesis (Neo-liberal doctrine, based on the uncritical acceptance of the fundamental hypothesis of the neoclassical economic theory for the safe and efficient operation of market mechanisms) (Monchinskaya, 2013). It is also associated with a priority given to monetary policies, which resulted from the domination of monetarism in the theory of economy, which resulted in the “financialization” excessive development of the financial sector. That’s why you need a change and economic thinking. It is necessary to abandon the idea of stability, efficiency, and the mouth of the liveliness of unregulated markets.

This crisis has shown the validity and necessity of the eclectic and holistic approach to economic analysis. After all, every economic school, for every economic theory reveals some important features of the national economy. Liberalism here should be the basis and play a key role, but liberalism is different. It is crucial to distinguish between the classical liberalism of Adam Smith, neoliberalism and ordoliberalism. These three varieties of liberalism different approach to solving the problem of the formation of the economic order, as well as the role played by the state and values, including moral and ethical. Unlike classical liberalism and neoliberalism, which originate from the spontaneous formation of the economic order, ordoliberalism theory recognizes the need to determine the scope of the state socio-economic system. Ordoliberalism thus based on the principles of responsibility and ethical businesses. In turn, Neoliberalism and classical liberalism combined market fundamentalism, i.e., the position that the free market, the market mechanism is so clearly form the economic order, the role of the state can be reduced to the role of night watchman. These two currents are different and the approach to the moral and ethical issues. Characteristic for the rejection of the neoliberal ethical and moral problems derived from its initial position that the free market will solve these problems well. This also applies to social problems. It is no accident neoliberalism is sometimes perceived as a kind of caricature of classical liberalism because the liberal neoliberalism concern for individual freedom, equality and human rights have been distorted by bringing them exclusively to the economic doctrine (Monchinskaya, 2013).

This points to the need to place more emphasis on ordo-liberal theory and its different from the neo-liberal orientation equality of economic and social objectives, as well as on the institutional order and the formation of an equilibrium system. For the “ordo”
means order. Modern farming procedure is required as the air. System quintessential ordoliberalism serves as a model of social market economy. Even though this model is adopted in the constitutions of some countries, including Poland, as well as in the Treaty on European Union, it is not being implemented in practice. This indicates “demoralizing hypocrisy constitution” (Monchinskaya, 2013).

**4. UPDATED VERSIONS OF THE PHILOSOPHICAL FOUNDATIONS OF SOCIO-ECONOMIC DEVELOPMENT**

What are the options for updating the philosophical foundations of socio-economic development offers modern thinkers? Thus, the domestic economist Yavlinsky said that morality (in the sense of social representations of the good and befitting of misconduct, as well as social promotion or, on the contrary, a conviction for appropriate behavior) plays in the economy of a much bigger role than is generally assumed (Yavlinsky, 2013). That it is the basis for the confidence (trust), which is a fundamental condition for the effectiveness of the market economy. With all the abundance of intermediaries increase the level of confidence in the economic system leads to increased efficiency, complexity of mechanisms and higher economic growth, and its decline - To reverse effects.

Indispensability same morality as the basis for mutual trust is associated primarily with the fact that the force forcing economic agents to fulfill their obligations is accompanied by costs and therefore limited in their capabilities. Therefore, the weakening of public morals dramatically reduces the possibility of a market economic system.

The moral - in fact, the only way to direct entrepreneurial energy in those areas that have a positive (constructive) effect on society as a whole. Few activities in respect of harm which there is broad agreement (the drug trade, an unqualified treatment, etc.) Can simply be banned, the rest - the choice is limited only by the scope of the activities of moral considerations. If we remove this factor, the lion’s share of the energy business in the long run will be redirected to the psychological impact on the consumer (which, by definition, highly cost-effective) to the detriment of their physical and mental health. Finally, without morality cannot be the normal functioning of the public sector, without which none of the real development of the economy cannot do without. As market competition in this field is either absent or is transformed or slow running form (change of management team as a result of the general election), high-quality and efficient operation of the sector is largely determined by self-control and moral control. Accordingly, the erosion of public morality will inevitably reduce the quality of management (Yavlinsky, 2013).

According to contemporary authors Buzgalin and Kolganov, the main imperative of the new economic philosophy should be the priority of the human dimension of the economy (Buzgalin and Kulganov, 2013). Man must be put at the forefront: Human development - the main goal of economic and human potential - The main means of ensuring economic progress. It must be understood the need for a reorientation of economic policy goals with self-contained passion macroeconomic stability primarily to achieve social outcomes for which the provision of certain macroeconomic indicators merely acts as a necessary means. In unity with this approach advocates and environmental orientation of the economy (Cherkesova et al., 2013, Cherkesova et al., 2015).

It is essential that this “philosophical” setting can be tough, “translated” the economic language. Primacy of the human society and nature requires the orientation of economic processes to achieve such results, which are measured by the human development index, given gross domestic product (net of production used nonrenewable natural resources), and others.

No less significant component of this philosophy - Approval imperative unity of freedom, economic efficiency and social justice, for the modern economy positive human freedom and economic actors is based on a high level of social guarantees and the priority of human qualities with respect to profit as such. The latter, in particular, directly interfaced with the imperatives of accessibility and mostly free education, health, culture, that allows you to create and use the creative potential of the majority of society, not just a narrow “elite” (Buzgalin and Kulganov, 2013).

Another author of the domestic author Dzarasov believes that the foundation of modern social and economic development must be based on a philosophy of taking into account the Russian specificity in the global economy. Russia, like the rest of the country may have to move on pillar of global development the road, but it does not mean “pulling the clothes from someone else’s shoulder.” Following the example of successful developing countries such as China, Vietnam, India, Brazil, we, too, must reject the principles of the “Washington Consensus” of the market and take the other model of the market, in line with our interests and specificity (Dzarasov, 2013).

Unfortunately, not only for the past but also for the current Russian leadership, as shown by the recent Gaidar Forum “terrible cat no beast,” and it is unreasonable to cling stubbornly does not meet our needs, and alien to the mentality of Russian market model. Meanwhile, the world science is richer than many people realize. In it there is much that is more in line with our conditions than laissez faire. As such an example should first point out the Keynesian theory (Dzarasov, 2012).

Back in the early 20s of the last century by Keynes wrote about our specificity: “The genius of Russian Slavs proved to be a poorly adapted to the modern business and entrepreneurship in the framework of an increasingly complex economy of the industrialized world, which is so often delegate or semi-foreign forces; more than other Europeans Slavs should be grateful to his Jews. Russian, which range between unconscious arrogance and vague universalism, not very much inclined to individualism organized in the style of Western Europe. The contribution that the creative power of Russia contributed to the treasury of world value - of a different kind” (Dzarasov, 2012).

“The main thing - the people, not profit,” - said Artner (Center for Economic and Regional Studies, Hungary) and Kraus (Budapest
Socialization of the means of socialized ownership of the means of production. State property or the market - A false alternative. Violence and war are used in order to establish control over markets and natural resources to exploit people and nature. This gives rise to the class struggle, ethnic strife, poverty and unemployment, growing inequality, the criminalization of everyday life, the destruction of the environment, etc. As an alternative to modern capitalism, we have to create a new system of mixed economy consisting of state property used in the public interest, private property, used in the framework of the market forms of production, as well as a variety of free forms of co-operative and self-regulated property, organized by the producers, the workers (Artner and Kraus, 2013).

Some results of the problem under discussion is supplied modern domestic researchers Fedotova et al. (2008). According to them the foundation of the economy should be a philosophy in which the economy is once again becoming a part of society, both theoretically and software, virtually. In theory - it constitutes a waiver of the economic imperialism of human treatment as an economic entity. Economic science arose early sociology. And this is one of the reasons that sociology is obviously the economy standing lower in the hierarchy of sciences. However, the economy managed by social facts, not natural factors. Therefore, its social origins. That is the idea of social conditioning of the economy, the market and the embeddedness of economic action in social practices is needed. Almost economy works for the company and under its control.

Philosophers are many challenges involved in modernizing, exploring its history and theory. Today develops a new model of modernization - based on the decision of problems of its own, based on their own culture. Upgrading is not currently catching character under it is not meant solely or exclusively economic growth, new technologies. This is a holistic process of transformation of society, a kind of reformation.

Classical political economy examined the creation of social wealth. Today it is the subject of interdisciplinary study. And the philosophy of economic development appears as a philosophy of social wealth, access to it of the population and its use for human and social development - human and social capital (Fedotova et al., 2013).

5. CONCLUSIONS

The crisis of modern social and economic development makes it necessary to search for the philosophical foundations of modern social and economic policy. In the context of the crisis of market fundamentalism philosophy necessary to find a new philosophy, laid in the foundation of modern economic policy. Based on the reference to the methodology of Max Weber, according to which the main regulatory mechanisms of social and economic life are the cultural, ethical and religious institutions that form the necessary cultural, ideological and spiritual qualities of human nature, raising a certain model of economic behavior, we tried to find out the specifics of the philosophical concept, which should underlie modern economic policy. It begs the conclusion that such philosophical categories as morality, human-dimension, socio-cultural specificity should be the basis of a modern economy. Economic development philosophy appears as a philosophy of social wealth, access to, and use of the population for the development of human capital.

REFERENCES