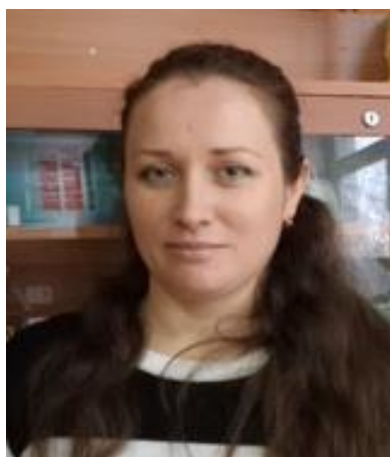


**U.D.C. 33.003.1:001“Tugan-Baranovsky”**



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### **SOME ASPECTS OF ECONOMIC THEORY IN THE WORKS OF M.I. TUGAN-BARANOVSKY**

In the galaxy of the most famous economists of all time glowing name Ukrainian economist and thinker Mikhail Tugan-Baranovsky – an outstanding Ukrainian and Russian scientist; first economist Eastern Europeans, scientific theories which recognized foreign scholars of different schools and areas; one of the best experts in the short-term economic cycles, author of numerous works on the theory of value and distribution of social income, history of economic development and cooperative foundations of economic activity; Doctor of Economics.

Today, the name of this outstanding scientist and public figure well known to the scientific community Ukraine and the world. In recognition of his services National Academy of Sciences of Ukraine in 1991 established the Prize. Tugan-Baranovsky for outstanding work in the field of economics. The Academy of Economic Sciences of Ukraine 1997 awards scientists "Gold Medal Tugan-Baranovsky" for his significant contribution to the development of economic, scientific and technical fields and an active social activities for the benefit and development of Ukraine [5].

However, in Soviet times, that is the end of 80 years of the twentieth century, the Soviet Union labor Tugan-Baranovsky not been released, his theoretical contribution has not been studied and is not investigated. Only in 1936 in the Soviet

Lviv has not been reissued his work with cooperatives. Came back from oblivion scientist only in 1989, when Moscow was given his fundamental monograph "The social basis of cooperation".

The purpose of this article was to highlight some economic aspects of national scientific research Tugan-Baranovsky.

Mikhail Ivanovich Tugan-Baranovsky was born January 21, 1865 in the village. Salt Kupyansk County in Kharkiv in a wealthy aristocratic family. His father, John Y. Tugan-Baranovsky Mirza, was a soldier. His mother, Anna Stanislavovna Shebelska, came from Ukrainian gentry, belonging to the genus ancient Lithuanian princes.

After graduating from high school, Tugan-Baranovsky in 1884 entered the Physics and Mathematics of Kharkov University. This was the amplification reaction in the Russian Empire, which most pursued free-thinking in national affairs. Ukrainian separatism in the Russian police was on exceptional account. And it is not surprising that the student Kharkov University Tugan-Baranovsky, who felt Ukrainian patriot, was expelled from the ranks of students. However, with a solid foundation, he finished two faculties external Kharkov University - Physics and Mathematics and legal choosing their field theoretical economy, which always felt quite confident [2].

This shows already the first printed work of the scientist, published in 1890 in Moscow magazine "juridical Bulletin" entitled "The doctrine of marginal utility of economic benefits, as the cause of their values".

Positively assessed the theory of marginal utility, highlighting the possibility of synthesis of the labor theory of what it stood for school economists Smith, Ricardo, a young Ukrainian scientist said on its original path in economics. What he did in Eastern Europe, Western Europe stood Englishman A. Marshall. Work Tugan-Baranovsky - is no ordinary publication, and a new approach to economics in general, not just in economic thought Ukraine. This is evidence that the Ukrainian scientist was on a new understanding of economic processes and phenomena, understanding the limitations of the labor theory, which so far boast supporters of Marxism [4].

In his master work Tugan-Baranovsky utterly destroyed the foundations of Marxist perspective that is based on the fact that the crisis-cyclical economy as a result of the narrowing of the market and the impoverishment of the proletariat leading to the collapse of capitalism. In this thesis, as we know, based Marxist theory of "scientific communism" which, according to the most "classic" differed significantly from socialist utopias are not Marxists. In fact, in the words of M. Tugan-Baranovsky, a utopian socialists no less scientific than the utopianism of Marxism.

Scientists have identified five groups of needs: physiological – in direct support of life and sense of continuity; sex; symptomatic instincts and needs; altruistic; needs that are not based on practical interests. "The motives and interests unmanaged kind, – said M. Tugan-Baranovsky – had a particularly large impact on the economy". Among the reasons unmanaged kind of special scientific importance to religion and patriotism. "Nationality – he said – often extreme limit for symptomatic feelings of modern man." "Religion – scientist wrote in the same work" Psychological factors of social development " – has always been until now one of the most powerful historical forces" [1, 18–19].

In social theory of distribution that is popular today, income distribution shows the results of the struggle between different classes of society for the distribution of the total product. The size of particles, which gets all of the classes of these positions is defined as the total amount of national income, and "social power" classes. The role of production is increasing the value of the product, as well as all classes are equally interested in increasing its efficiency. Dan theory of Tugan-Baranovsky outlined in the book "Social Theory of distribution" (1913).

Not the greatest influence on modern economic thought has found a different theory - the theory of economic cycles, which are widely used in theoretical constructs. In this theory, which is described in the book "Better Future" (1912), Ukrainian scientist attempted to give a synthetic picture of the nature of cyclical fluctuations [3].

Tugan-Baranovsky drew attention to the close relationship between the change

in the price of "capital goods" (means of production) and accumulative process of release of money capital, which is directed at, or investment or savings. By doing so, he laid the foundation of modern investment theory of cycles, the core of which is a bunch of "savings - investment" – the main "spring" cyclical fluctuations.

The theory of Tugan-Baranovsky, depletion investment opportunities created by the terms of use of credit capital, limited bank resources, and most importantly - the imbalance in the distribution of available cash capital between different fields of application. It Ukrainian economist saw the main cause of cyclical downturns.

One of the first in the Russian Empire Tugan-Baranovsky drew attention to the formation of monopolies in the form cartels and trusts, seeing them as a significant phenomenon in the development of the world economy. In the writings of "Principles of Political Economy" (1890) and "Industrial crises in modern Britain" (1894) it is shown that as a result of the formation of monopolies "consumers subject to a kind of tribute for monopolies", but concluded that the state can eliminate the harmful effects of monopolies by limiting their activities [10; 11].

Science scientist is closely intertwined with the politics of the time. During the Russian Revolution 1905–1907 pp. Tugan-Baranovsky entered the Cadet Party. The State Duma was formed Ukrainian community, which published "Ukrainian Journal", which published Tugan-Baranovsky. Then Tugan-Baranovsky involved in editing the first Ukrainian Encyclopedia "Ukrainian people in the ego and passed by this." The first volume edition was published in St. Petersburg in 1914, the second – in 1916.

He was fascinated by the idea of the Ukrainian national revival and the state. March 17, 1918 the moderate liberals from the Society of Ukrainian progressives led Chykalenko, Yefremov and D. Doroshenko together with the Social Democrats, headed by V. Vynnychenko and Petliura created their own organization - the Central Council, headed by M. Grushevsky. Central Council transformed from a representative body in different segments of Ukrainian national parliament [14].

At this time of great theoretical significance and justification Tugan-Baranovsky idea of the national currency in the absence of the gold reserves so-called "strategic goods" which he developed in the implementation in January 1918 the

currency of an independent Ukrainian state – the hryvnia, while as Minister of Finance of the Government of the UPR.

His theoretical activities Tugan-Baranovsky began as a Marxist, but later moved away from orthodox Marxism, founded in St. Petersburg with the famous Russian economists Struve (1870–1944) and S. Bulgakov (1871–1944) and other current so called "legal Marxism" which crystallized in the discussions of subjective idealist views of the Populists and the revolutionary ideas of the Bolsheviks. The existence of current "legal Marxism" is limited to the 90 years we XIX century. It collapsed in 1900.

Tugan-Baranovsky and other "legal Marxists" unequivocally rejected the idea of populists inability of capitalism. In Russia, using certain provisions of Marxist economic theory. However, they strongly objected to a number of its main thesis - the exploitative nature of the bourgeois state, the dictatorship of the proletariat, the nature of the transition to socialism, product realization and others. Specific objections led the article on the proletarian revolution. Conclusion on the possibility of reforming capitalism "legal Marxists" have previously from E. Bernstein. The revolutionary conclusions Marx and the Bolsheviks they called "biased and false."

After the collapse of the current "legal Marxism" one of his representatives fully went into opposition socialist ideas, while others (especially Tugan-Baranovsky) took the position of liberalism and reformism, become acquainted with social reformism.

As the ultimate social ideal, Tugan-Baranovsky identified anarchist communism – order completely free people, in which there is no suppression of the minority by the majority. However, he treated the future of society as a goal to which we must move consistently, but which may never reached will not [6].

In Ukraine, Tugan-Baranovsky is actively involved in the creation of the Ukrainian Academy of Sciences (UAS) and its Social and Economic Department, develops a bill on the formation of the Academy, structure and application of research. Establishment of the Ukrainian Academy of Sciences (UAS) – the logical result of not only the desire for national revival, but the whole previous development

of creative thought in Ukraine. Tugan-Baranovsky went to the first main body of UAS, he was elected Academician specialty "theoretical savings." When the Academy was supposed to create two permanent commission to study the social status of the population and the economy of Ukraine. Tugan-Baranovsky developing areas of research as a prospective comprehensive program that would contain a practical function in economic research in Ukraine and especially agriculture. These commissions were to record changes in market conditions and after an appropriate analysis of economic fluctuations curves use the statistical data with the goal of scientific analysis and prediction [13].

Scientists led by established on his initiative (December 5, 1918) The Institute for the Study of the economic situation and the national economy (Institute worked until 1922). In the study of economic conditions problem was reduced to institute collection and scientific analysis of materials that characterize the state of production, commodity and currency markets and the labor market - for prediction of phenomena and processes in the markets in the near future. Positive developments on studying the state conditions occurred only with the transition in 1921 to the New Economic Policy.

Tugan-Baranovsky is the founder Demographic Institute, from January 1, 1919 led M. Ptukha and Cooperative Institute. In addition, he headed the Ukrainian Scientific Society of Economists. In 1918 scientist elected chairman of the Ukrainian Central Cooperative Committee. A scientist manages the magazine "Ukrainian cooperation" [9].

Based on the economic reality of the twentieth century. We can say that the theory of crises and economic conditions Tugan-Baranovsky - a truly prophetic economic opening, which confirmed the practice of market and command planning system. In the midst of her scientist put the man he published a number of papers in the journal "Peace of God" and other periodicals in the late XIX–XX centuries. Statements against Russian "identity" were regarded as commitment Tugan-Baranovsky to the economic theory of Marxism. This may be prompted scientists to come up with a number of publications which criticized Marxist materialist

determinism.

In scientific heritage Tugan-Baranovsky occupies a prominent place theory of cooperation, fully described in the voluminous monograph "The social basis of cooperation" (1916). This work has withstood several publications around the world. She put the name of scientist on a par with the most prominent theorists and organizers of the cooperative movement in the world [14].

During the First World War Tugan-Baranovsky repeatedly returned to the cooperative movement problems and issues of paper money. Thus, in 1914 he published "The economic nature of cooperatives and their classification", and 1916 – the book "social basis of cooperation." There were other works, such as "Paper money and metal" which was seen growing problem caused by war "scarce" funding that was carried out by the tsarist government, and increasing inflationary pressures, which became its result. And finally, "In search of a new world." The book "The social basis of cooperation" – fundamental work, which analyzes the experience of the world and the cooperative movement. Treating co-operation as a result of the impact on social ideal capitalist society, Tugan-Baranovsky caused thereby regulatory convergence of ideas about its nature and by measuring abstract research.

During the First World War intensified scientific research in the theory of money, which is treated in accordance with the theory of recurrence. Tugan-Baranovsky many researchers considered the founder of the theory of paper money, which is effectively used John. Keynes in his pragmatic recommendations to government regulation of money circulation [7].

One of the most important final works of the scientist is to study "Impact of ideas in political economy and philosophy of science", which sets out its own concept of classification of sciences that come out of the unity of the world, are valuable material interpenetration of science, particularly economic, natural and philosophical. In their midst scientist put the needs and interests of man, these positions expressed fears dictatorship.

Based on the theoretical concepts of cooperative scientific research carried out deep analysis of the main types and cooperation in all areas and sectors of the

economy, analyzed in detail the foreign and domestic experience of the cooperative movement [8].

In recent works Tugan-Baranovsky justified by the benefits of centralized management planned economy, combined with the freedom cooperative form of production. According to these ideas, the state is the owner and manager of the supreme social "capital goods", passing them temporary use of labor cooperatives. The latter must supply a certain amount of public funds made product, and the remainder used to meet their own needs and development.

In the last period of his life Tugan-Baranovsky – professor based on his participation in Ukrainian Kiev State University, Dean of its Faculty of Law, where he teaches courses in political economy and monetary. It should be emphasized according to scientists the ability of science to solve social problems. The last book written by Tugan-Baranovsky and issued in Ukraine translated into Ukrainian language in 1919, were "Cooperation, its nature and purpose" and "The Political Economy: The course is popular" [5].

His idea was later accepted by most economists theorist XX century Englishman Keynes. What seemed to be such a meaningful invented Tugan-Baranovsky, saying that "the price of iron, not bread, is an important indicator of the industrial cycle phase"? Now they know it all, but then it was "a great step in the development of management theory".

The scientific legacy of the scientist is about 140 major works that affecting almost all areas of economics. Most importantly, his theory of periodic crises, which he dedicated to the study of a series of articles that appeared in translations into German and French and gained him worldwide name. Less popular his dualistic theory of value based on labor theories criticized David Ricardo and Karl Marx's theory of marginal utility and Austrian economic school. Tugan-Baranovsky much of his talent gave a theory cooperation and works in this field of science, he is one of the most prominent theorists of the cooperative movement in Eastern Europe [12].

Indeed, Mikhail Tugan-Baranovsky was one of the first worldwide who, aware of the limitations and imperfections as a purely market and regulators plan offered by



orthodox Marxism, introduced the concept of their synthesis. His ideas played a significant role in the revival of normal economic life during the NEP, but at the end of the 20s this area of economics was defeated by the Bolshevik government. His original works on issues of currency, agrarian and tax reforms, sociology and political economy were long forgotten as his name [15].

Today, more than ever, the Ukrainian government badly needs a multi-faceted research and scientific heritage of outstanding original economist and thinker the late nineteenth and early twentieth centuries Mikhail Tugan-Baranovsky. He is proud of the Ukrainian people.

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