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## THE NOTION «MECHANISM» IN CONTEMPORARY ECONOMICS

In the article the methodological bases of forming the notion «mechanism» in economic science are under consideration in this article. Evolution of development of the notion and variety of mechanisms is the key point of the article as well as the relationships of different mechanisms and their influence on the development of economic subjects; the composition and structure of organizational-economic mechanism.

*Keywords:* mechanism, managing mechanism, economical mechanism, mechanism in agricultural.

### INTRODUCTION

Deep realizing of the essence of management mechanism, the rules and principles of the interaction of organizational and economic relations and interests is a methodologically important problem of the theory of economic study, which raises a broad circle of disputable questions, the successful solving of which, mainly defines the efficiency of functioning the market system in agricultural sector. Assimilating the market relations, legal acceptance of property relived active entrepreneurial activity, which needs thinking over and aiming.

Studying the mechanism in economic theory attached attention of Ukrainian and foreign scientists. Some questions of this problem are highlighted in the works of the following authors: V. Tambovtsev [4], V. Ambrosova [6], A. Kulman [7], D. Levchuk, M. Kruglov [8], Y. Osipov [9], Izmodenova N.K. [17-19] and other economists. The being situation in economics drew attention of many scientists-economists of national and foreign schools: P. Sabluk [10], L. Abalkin [1], S Kamenitser [11], K. Marks [3], J. Keins, R. Holt, M.U. Kyssiyu [16] and others.

### FORMULATION OF THE PROBLEM

*The aim* of this research is the investigation of the source of the term «mechanism» in economic science, its development and evolution, composition and structure. The definition of the completest notion «mechanism».

## RESULTS

Deep realizing of the essence of management mechanism, the rules and principles of the interaction of organizational and economic relations and interests is a methodologically important problem of the theory of economic study, which raises a broad circle of disputable questions, the successful solving of which, mainly defines the efficiency of functioning the market system in agricultural sector. Assimilating the market relations, legal acceptance of property relived active entrepreneurial activity, which needs thinking over and aiming.

The term «mechanism» in scientific works devoted to the economics of socialism was introduced in the second half of sixties of the XX century and notwithstanding its novelty became widespread. L. Abalkin [1] defines this term in such a way: «managing mechanism of the socialistic society has a rather complicated structure. Among the most important its structural components the following may be singled out:

- forms of organization of collective production (the differentiation of work, specialization of production, its placing and so on, with the modernization of which, society influences the development of productive factors and provides the increasing of the efficiency of their using);
- forms of managing ties due to which the so-called «metabolism» in economics is fulfilled, including the circulation of modes of production, financial-lending relations and so on...;
- structure, forms, methods of planning and managing in composition of which on one level there may be juridicial, economic and socio-psychological forms and methods;
- the amount of economic levers and stimuli, and the stimuli of influence on production and the participants of farming managements, with the help of which the agreement and stimulating of farming management is supplied [1].

This definition has very wide properties. Taking this into account, any economic, organizing process in managing system may be included into the notion of mechanism. Nevertheless, the term mechanism got into circulation and contemporary economic research are full of such terms as «financial mechanism», «organizational-economic mechanism», «managing mechanism», «farming mechanism», «mechanism of social and economic development» and others. However in one case the mechanism is understood as the amount of states of the system (e.g. «financial mechanism» (the amount of states of the system); «mechanism of social and economic development» (the amount of the states of the farming managing system)), in other case the mechanism is realized as the main engine of development (the main element of the structure of the system, the peculiarities of its interaction with other elements) [2].

The word mechanism (from Greek «mechane» — machine) in one of its meanings is translated as the system, composition which defines the order of any kind of activity. We should mention that the character of mechanism of one or another producing or social system is being formed under the influence of economic policy of the country, which defines the system of directed ways of their realization, which were proposed for all farming entrepreneurs or half of them to solve some economic task. The system of measures may be added by the setting of the priorities, terms, concrete quantitative showings and parameters, which, in general, will form economic program, developed on the basis of concrete conceptions.

To our mind, the mechanism, independently from the branch where we use it, is the lever to be influenced for getting the result.

Economic mechanism is, on the analogy with the technical term, a system of organs and key factors. Organs may be law-making, executive, administrative and others. The key factors may be economic, organizational, loyal, socio-psychological and others.

Theoretical bases of farming management were identified by K. Marks in the 1<sup>st</sup> volume of «The capital», where he firstly uses the term «economic mechanism», further he develops the meaning of this notion; in the 3<sup>rd</sup> volume the forms of the shift and metamorphosis of the capital are accepted by him as the «social mechanism» of the realization of private property.

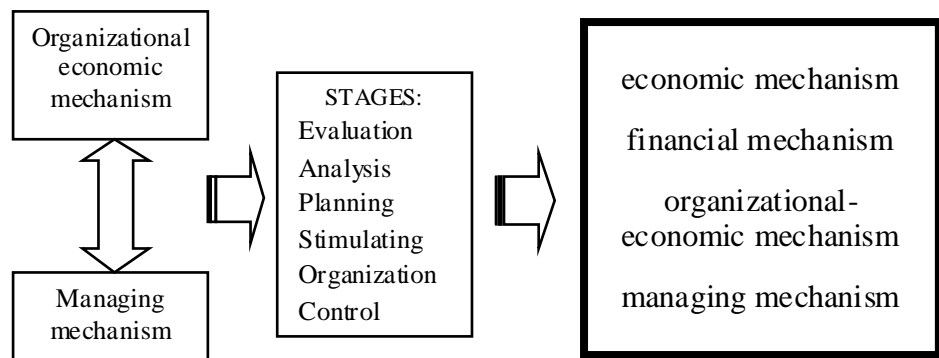
Not taking into account the discussions, discrepancies in ideas and thoughts, the soviet scientists worked out some positions in the definition of the essence and principles of farming mechanism, its structure and main directions of improvement. The farming mechanism is characterized as the system of economic forms and methods of regulation and organization of farming activity of the society, directed to effective decision which agrees with the certain way of producing of socio-economic tasks.

Nowadays there is no one accepted definition of the farming mechanism. The economists, as Tambovtsev [3] mentions, treat «mechanism» rather differently: «starting from the idea that farming mechanism is a system and a form of making a plan and organization of farming bonds till the idea that mechanism is a part of fulfilling economic laws». Moreover, it is considered that on the one hand the mechanism is a specific, objective form of realizing of producing relations (planning, norms, standards, price, income and so on), on the other hand — is used in practice as the method of farming management.

The producing relations are realized through inner connections between the events which are the economic laws. Objective laws are the fundament of any mechanism: ecological, social, economic. Only the relation to economic laws makes farming mechanism vitalible, gives it necessary traits for successful functioning. The

work of farming mechanism presupposes functioning not only one concrete mechanism but all laws in their interaction and interdependence, with their direct and reverse connections, first-hand interaction.

If we realize the farming mechanism as the whole system of methods of social influence on econo-



**Fig. 1.** Stages and methods of organization-economic mechanism (Developed by the authors)

mics so it is wider than the mechanism of action of economic laws and concrete forms of their realization, because it includes political, moral, loyal, ecological and other relations which make active reverse influence on the basis.

The investigation of scientific literature showed that the majority of authors accept the fact that farming mechanism is dependent on economic laws that provide its regulating and stimulating functions in the development of reproductive process. Farming process is the system of farming which contains the ruling of economics and producing relations concretely in production, giving services. Farming mechanism which is realized through the totality of economic forms not only includes these forms but also characterizes the methods of their change. In structure of farming mechanism this part of its content is realized through managing. To our mind all definitions of farming managing mechanism in the sources mentioned are not complete, casting light to only some sides of the question discussed Taking into account all inaccuracies of the learnt definitions, what concerns contemporary conditions of farming we consider farming managing mechanism to be the system of methods of organization of farming connections, forms and methods of management, consciously developed by the subject of management on the basis of objective economic laws on account of the variety of forms of property, developing marketing relations, oriented to maximization of economic, social efficiency including ecological aspect.

While analyzing the composition of farming mechanism it is necessary to take into account the circumstance that it presents a complicated integral system which consists of different, a bit independent but at the same time interdependent structural chains and elements.

The essence of the category «farming mechanism» may be defined as the system of main forms, methods and key factors of applying economic laws, solving the contradictions of social producing, realization of relations of privacy, achieving the main aim of producing and also forming the demands, creating the system of stimuli and agreeing the economic interests.

### CONCLUSIONS

In a result of implemented comparative analysis of «mechanism» concept indications, the following distinguishing features of economic mechanism were detected.

1. The mechanism can not exist without process, because it is a component of it and it is intended only to implementation of process functions.

2. The mechanism has no its own management, it is though «irrevocable» and it remains in the condition of process management expectancy.

3. Joining of mechanism with management represents internal keeping of process, its «know-how».

We offer the following determination of the mechanism for economic: mechanism — it is the complex of economic process resources and methods of its joining.

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