

Methodological Discourse of International Economic Policy*

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ABSTRACT. This article analyzes the methodological discourse of international economic policy (IEP), which is considered, on the one hand, in the context of structural levels, and, on the other hand, from the perspective of international (global) political economy. In particular, distinctive features of using the philosophical, general science, specific science and applied methodology in the study of global economic problems, in creating the principles, forms, mechanisms and tools of international economic policy are clarified. The philosophical methodology is used to determine meaningful ontology of IEP, its epistemological dimensions are linked to the basic types of scientific rationality, its epistemological structure is directly based on the international (global) political economy. The full range of relationships that operate in the global economy between countries, regions, individuals and legal entities in the production, distribution, exchange and consumption of goods and services is reflected in the international political economy. Presence of several leading scientific schools makes it possible to outline the different aspects of a complicated methodological structure of IEP. However, none of the concepts has yet acquired the paradigmatic status in the international political economy.

KEY WORDS: Methodological discourse, international economic policy, international (global) political economy, philosophical methodology, gnoseology, epistemology, scientific rationality, the world economy, synergy, postnonclassical science, civilizational paradigm, global system analysis, liberalism, economic nationalism, Marxism.

Structural levels of methodological discourse

The international economic policy as a global concept requires the use of multilevel methodology. A methodological discourse involves philosophical, general science, specific science and technological methodology or methodology of applied research.

Level 1 (highest) is a philosophical level or a level of philosophical methodology. It contains general principles of learning and categorical structure of science as a whole (structural components), and also the whole system of philosophical knowledge (functional components);

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Level 2 is a scientific methodology or a level of methodology of general science research principles. This level covers all theoretical concepts that apply to all academic disciplines or most of them;

Level 3 is a specific science methodology or a level of specific science methodology. It is a set of methods, research principles and procedures used in some or other special science discipline;

Level 4 is a technological methodology or a level of research methods and procedures, i.e. a set of procedures that ensure the obtaining of reliable empirical material and its pre-processing, after which it may be included in an array of scientific knowledge.

So, what is the projection of the different methodological levels on the system of international economic policy, in what forms do they appear in this field?

The central point of philosophical methodology is a way of thinking of the era, which in turn consists of three components¹:

- general logic (concepts, ideas and their ideals);
- ethical, moral (values and ideals);
- practical (experience as a form of knowledge).

However, the way of thinking in two forms – «spontaneous», mass, unstructured and in the form of polished systems created by scientific community – resides in each historical epoch.

The next level of general science methodology in the context of international economic policy can be illustrated by an example of synergy as the leading trend in the system of postnonclassical science methodology. Two determinative principles of synergy, namely, homeostatics and hierarchy are of great importance for our analysis. They characterize the phase of order, stable operation of the system and its rigid ontology, transparency and relative simplicity of the content. In the international economic policy system the world economic order emerges on the basis of coexistence and interaction of economic structures which are different in terms of their content, nature and significance and which receive, on an agreed basis, certain social benefits. Effectiveness of the world economic order depends on the following main factors:

a number of countries and orientation of their national interests in international division of labor;

voluntary coordination of positions, which the harder and the less likely is the more countries participate in the discussion and the smaller an expected contribution of each of the countries to the general treasury of international union;

global economic initiatives of individual states, if expected politically motivated economic gains from participation in international division of labor are larger than the cost of their implementation;

¹ Orudzhev Z., Method of Era Thinking: Philosophy of the Past, 2nd ed. (M.: 2009), pp. 360—361.

attempts of individual states to take advantages over the others by violating the effective rules (trade restrictions, exchange rate manipulation, etc.);

possibilities of using by some dominant states their own legal regulations to obtain additional benefits (external issue, external funds), limited (controlled) exploitation of «Small» countries by «Great» states;

continued existence of the system because of the dominant legal discipline and presence of the dominant state, its readiness, either alone or in cooperation with other countries, to create incentives and motives for functioning the world economic order and thus, to reach a consensus in respect of gaining the benefits by each of its subjects.

At the same time, synergy is characterized by such principles as nonlinearity, instability, openness, dynamic hierarchy, observability¹.

The principle of homeostasis (invariance) means the ability of a system to retain its qualities, regardless of changes in the external environment. A significant addition to the principle of homeostasis is the concept of attractor, which is a certain multiplicity, which attracts the surrounding units. It is worth to note that attractors exist in open dissipative systems and characterize their established developed stages. Maybe, such attractor in the world economy is the European Union, which, since 1957 has consistently attracted to its environment more and more new members.

Some chaotic or strange attractors which, although having primary ability (capacity) to attract, are characterized by internal dynamics which enhances the differentiation are identified in the context of synergetic paradigm. The global economic dimension of such attractor may be the CIS organization, in which differences between the parties in respect of economic and political interests, selection of models of social and economic development, global and regional priorities, etc. deepen.

The importance of the hierarchy principle is that the international economic policy system is multileveled and structured in a complicated manner. There are complex vertical and horizontal links between the levels and components of hierarchical systems.

The system of a higher level is formed by lower level elements that lose their self-sufficient nature and are characterized by «collective» variables usually called the order parameters in synergy. It is they that express, in a concise form, the deep essence and purpose — the attractors of a system.

That nature of the order parameters gives rise to the principle of subordination, when a change in the order parameters simultaneously directs the behavior of lower level elements. The global economic

¹ *Budanov V.G.*, Methodology of synergy in post-neoclassical science and in education, 3rd ed, enlarged (Moscow: 2009), pp. 53—59.

system provides us with many similar examples (world prices, exchange rates of leading currencies, share quotations in the international stock exchanges, etc.).

The principle of non-linearity is briefly formulated so that the aggregate of impacts on the system is not equal to the aggregate of the results of these impacts. It should be noted that these principles in economics were formulated by V. Pareto as long ago as at the beginning of XX-th century.

The non-linear methodology facilitates the identification and structuring of general objective laws of systems that evolve (develop), fulfill themselves, and appear at the bifurcation points*.

It, i.e. the non-linear methodology, can be deployed in the following areas:

- bifurcation situations are provoked either by a change in a controlling parameter or by influences coming from the controlling subsystem, which eventually bring the system to a new state;

- after the system leaves a bifurcation situation, it is impossible to unambiguously predict in what state it would move.

This can be explained, on the one hand, by the fact that the system has a lot of potential evolutionary trajectories and, on the other hand, it is subject to environmental effects that are of random, stochastic nature;

- tendency of the system to some or other evolutionary trajectory is due to its sustainability. Only sustainable forms among the possible forms of development are realized, flimsy forms of development, if any, rapidly destroy;

- increase in complexity (differentiation) of evolution systems determines increase in options and scenarios of potential development ways and the number of states under which catastrophic manifestations are possible;

- every disaster changes the system's orderliness in the direction which does not always provide for its complication;

- a degree of heterogeneity of the system's elements and complexity of relations between them has a direct impact on its sustainability. The higher it is, the flimsier system is, the more resources it needs for its support;

- possible ways of development of the open nonlinear system correlate with a degree of its disequilibrium: its higher degree leads to a wider range of evolutionary trajectories, which are concentrated at the bifurcation point;

- close states of unbalanced system may result in very different evolutionary trajectories;

*Bifurcation points are crucial (critical) moments in the evolution of an open system; they are branching points of development options (V.Lukianets, Nonlinear thinking: the birth of a new system. In the book: Man, Thought and Reality. (Kyiv, Lutsk: 2001), p. 114).

– the temporal boundary of a disaster is determined by the principle of maximum delay, stating that the system makes a transition to a qualitatively new state only in a situation where it has no other choice.

The principle of openness means the inability to neglect the interaction of the system with its environment. In the system of international economic policy, these principles are of total importance because no closed economic system practically exists, that would not, more or less, interact with the environment. The dynamics of open economic systems is illustrated by data in the following table.

The non-sustainability of a system manifests through that its state, trajectory or program is unsustainable, if any possible smallest deviations from them eventually increase. These unsustainable states directly correlate with the bifurcation points at which extremely weak impacts may affect a choice of the system behavior, which would determine its future trajectory.

However, it is important to also take into account the problems of stability (sustainability) of the system, its steady state, which is predominant in economic processes. We are talking about two types of sustainability, which are dynamic and structural.

In the first case, the dynamic system is insensitive to small perturbations. This means that minor deviations from the initial conditions do not have a significant effect on its final state, do not change its fundamental characteristics.

The equivalent of such system is an attractor or a «basin of attraction». The dynamic sustainability equals a standard attractor. The presence of chaotic or strange attractors indicates different dimensions of dynamic systems.

The structural sustainability of dynamic systems is of great importance both in general science and economic dimensions. It means that the system received a certain momentum as a result of weak impacts, however, as in the previous case; its parameters are isomorphic as to the initial state. The given system, in terms of identity, is not subject to structural changes over a certain time, while maintaining quality invariants. However, the challenge is to figure out a possibility of structural changes due to change in its parameters or through transformation of the system's evolutionary trajectory.

In general science methodology the analysis of statistical behavior of dynamic systems is also widely used with considering both deterministic and stochastic (random) components.

The specific science methodology of international economic policy is related to the determination of economic systems orientation and their dynamics in space and time, their socio-historical development.

The two concepts: the civilizational approach and the world-system analysis become widespread in the specific science methodology of geo-economic development.

The civilization paradigm is fully presented in the works of A. Toynbi, O. Spengler, K. Jaspers and contemporary authors: S. Huntington, Yu. Yakovets, Yu. Pavlenko et al. The main idea of civilizational approach is to distinguish certain types and kinds of civilizations, to clarify the economic laws of their origin, heyday and decline.

The problems of interaction among civilizations, establishing a constructive dialogue between them are relevant, especially in our time.

The world-system analysis has been consistently and long advocated by the American scientist I. Wallerstein and French historian F. Braudel. Its essence is the fact that since the XVth century the core or center and periphery of the global economy has crystallized the spatial sphere of which and relationships between them change over time. If at the initial stage the centers of the world-economy were small city-states of Venice, Genoa, at the present time, this role is performed by a group of highly developed OECD member countries.

Another level being a semi-periphery is identified in the world-system analysis structure, which also includes Ukraine with a roadmap of either joining the center on condition that the market reforms deepen, the society is politically structured according to the European model and economy dynamically grows or otherwise drifting to the periphery of the world economy.

I. Wallerstein notes in his basic work «The End of the World As We Know It» that «society of the first half of the twenty-first century by its complexity, instability and openness at the same time would far exceed anything we saw in the twentieth century The modern world-system – he stresses – as a historical system has entered into the final crisis stage and is unlikely to exist in fifty years.»¹ This opinion can not be ignored in determining the options and scenarios of formation and implementation of international economic policy.

The world-system approach is based on two structures that are of epoch-making significance for geo-economic development: the Westphalian one, established by the Peace of Westphalia in 1648, and Philadelphian one connected with adoption of the US Declaration of Independence in 1776.

The geo-economic measurements of the Westphalian system are based on the idea of national economy, which development is stimulated by the state in the process of industrialization, which

¹ Wallerstein I., «The End of the World as We Know It», *Sociology of XXI-st century*, Transl. from English (M.: 2003), p. 5.

requires incomparably larger labor and capital inputs. These ideas are the most completely embodied in the concepts of the German historical school of political economy and politics of O. Bismarck.

The main geo-economic attributes of the Philadelphian system, for which, according to I. Wallerstein, not more than 50 years are left to function, are the global market, planetary competition, network economic systems, high technology etc. It should be noted that in the world's intellectual circles the contours of the new anti-utopian paradigm of the modern universe which geo-economic base is economic development as the main source of the global equilibrium support have been already discussed.

In the specific science field of the methodological discourse of international economic policy the important place is allocated to international property rights, which take various forms and reflect the balance of power between states, the target functions and constraints, information and transaction costs, etc. They impact the behavior of subjects of international economic policy; determine the scope and structure of their benefits or losses from participation in bilateral or multilateral economic actions. The three sets (schemes) of international rules and norms are of crucial significance: the behavior of performing economic actors as a function of the international property rights, contractual agreements and transaction cost; the logic of economic organizations and contractual arrangements under the international exchange conditions with emphasis on transaction costs and schemes of the international property rights; the economic logic of political institutions of international order.¹ Those problems are considered as summarized (synthesized) in international political economy.

Finally, the fourth, methodological level is a level of technological methodology or applied researches. It includes the principles of all previous levels and is ultimately the main tool of analysis. The results of applied researches are the basis for broad theoretical generalizations, extrapolations of the geo-economic processes, development of forecasts, etc. In particular, the three levels of rules operate in the international economic policy: supranational laws and regulations; national legal provision and national laws of the great powers, which often have extraterritorial effect, partial rules (private contracts) governing the transactions between individual firms in different countries².

One of the best examples of the applied research methodology is a global model of the world economy in 1970-2000, formulated under the direction of V. Leontief, an American economist and the Nobel Prize winner. The global interregional cost-output model was taken as the

¹ *Eggertsson T.*, Economic behavior and institutions, Transl. from English (M.: 2001), p. 336.

² *Streit M.E.*, Theorie der Wirtschaftspolitik, 6 Auflage (Stuttgart: 2005), p. 71.

base model. The baseline and alternative scenarios of global economic development were developed on its basis. It should be noted that many indices estimated in the model, concerning rates and proportions of the world economic growth were confirmed in the actual parameters in 2000. In particular, this applies to the economic growth dynamics in developed countries and developing countries, the structure of world exports, the share of exports in the world gross product, structural shifts in the economy of various countries, etc.

Thus, the methodology of international economic policy has at its disposal the necessary tools for a more or less adequate assessment of the current situation and identifying the key mega-trends of global economic progress.

International political economy as a theoretical basis of IEP

The need to develop a political economy concept of the modern civilization is conditioned by growth in the scale of the world economy, especially its financial sector, diversification of the world economy structure, the complexity of transformation processes, etc. The international (global)¹ political economy as an independent science emerged in the 70th of the twentieth century. It covers liberalization and protectionism, the impact of political factors on the process of economic globalization, the functioning of international economic organizations and other forms of international economic relations. The international political economy (IPE) as one of the structural units of the specific science methodology is based, firstly, on the world-system approach in which instead of the so-called «container»² conception of a state, where all aspects of social relations are primarily examined within the state as the main analytical unit, such units of analysis as the world-system (mini-system, world-economy, world-empire, etc.) are used. Secondly, different theories of hegemonic stability which is underlain by the existence of a hegemonic leader (or a group of leaders) supporting the liberal world order have had a significant impact on the international political economy. Recent studies are based on the examples of the United Kingdom and the United States.³ Thirdly, the international political economy places great emphasis on the operation of «international regimes» — systems of institutions — globally. These include study of economic preconditions for wars and conflicts, problems of international economic cooperation, global

¹ The terms «international and global political economy» are often used interchangeably (O'Brien R. and Williams M., *Global Political Economy. Evolution and Dynamics* (New York: 2004).

² The term was introduced by Beck U., a German researcher (Beck U. *Was ist Globalisierung?* (Frankfurt Main: 1997).

³ Eggertsson T. an Icelandic economist, when referring to C. Kindleberger, notes that «in recent years, the world economic order has been shaky because the U.S. reduced its offer of international public goods» (T. Eggertsson, *Specif. work*, p.336.).

governance.¹ The political frameworks of international economic relations comprise three elements: study of positions of actors, i.e., corporate players, in terms of their positioning in the world economy with regard to various economic policy measures; study of political institutes which form the positions of the actors; analysis of the negotiations between states on the content of these economic policy measures with considering the influence of the actors who articulate their position through the institutions.

The diversity of views of IPE concentrates within two scientific schools. The first one examines the relationship between national and international political economy. The second one prefers the relationships between politicians and political institutions, on the one hand, and private social actors, on the other. This refers, in a broad sense, to the interaction between the state and society, between national governments and representative social forces (civil society)². The core of this approach is to identify the place and role of the state in international economic relations.

Two opposite approaches compete in turn in the first scientific school, depending on what is preferred — national (domestic) or international (global) factors that have a decisive influence on the content and nature of IPE are priority (primary) in this complex system. The modern science uses, based on the methodological principles of classical political economy, the methodological tools of multidisciplinary integration and general science methods of cognition: a systematic approach, evolutionary theory, the principles of uncertainty and complementarity, the epistemological arsenal of synergy etc. Among the major political and economic issues, there are issues of formation of the global (world) property, global economic governance, pricing, taxation, etc. These and related issues are the subject of the international political economy, which is conceptually divided into liberalism, Marxism and realism³.

The liberal trend in IPE traditionally advocates the free trade and free markets, based on the neoclassical paradigm. The key position is the one on the need to achieve the fundamental harmony of interests between states as a result of free exchange of goods and services between them, the deepening of cooperation. The cornerstone of liberalism is to focus on the behavior of individuals, firms and countries. Given the receipt by countries of maximum benefits, the free trade does not create any economic grounds for international conflicts and wars. The liberal concept also implies the need to manage the international economic relations by a country

¹ Lybman. A. «Trends and prospects of development of political economy researches.» *Problems of Economy* No.1 (2007), p. 37-38.

² Frieden J.A. and Lake D.A., *International Political Economy, «Perspectives on Global Power and Wealth.»* Third Edition (New York: 1995), p.5.

³ *Global Political Economy, Third Edition*, Ed. by J. Ravenhill (Oxford University Press, 2011), p, 24.

through the establishment of appropriate trade regimes, rules, norms and standards to ensure the equivalent exchange between countries, the prevention of unfair competition, etc.

The Marxist approach¹ in the current IPE considers the two main provisions: the labor market and employment provided that capital internationalization, on the one hand, and poverty and weak development of third world countries, on the other, enhances. Continuous appearance of transnational corporations and globally integrated financial markets exacerbates the contradictions between the real and financial sectors of the world economy, significantly weakens the economic and political power of the working class, leads to deep social stratification globally. All of this gives rise to political conflicts both at an individual level and at the level of groups, classes and whole nations. First, the downward trend in the rate of profit intensifies the capitalist competition and causes reduction in levels of wages of employees. Secondly, capitalism is characterized by uneven development, when the wealth of particular centers grows at the expense of others. Thirdly, Marxism states about capitalist overproduction and under-consumption of the broad masses, which deforms the business cycle, undermines the social stability and inevitably gives rise to domestic and international conflicts and even wars.

Realism (nationalism) is rooted in antiquity, the Middle Ages and the modern era. When describing this trend, such concepts as mercantilism, neo-mercantilism, statistism, state-based theory, high-handed policy, economic nationalism are used². Ardent supporters of this policy were A. Hamilton (the United States) and F. Liszt (Germany). Both representatives were in favor of the introduction of protectionist measures during industrialization in their countries.

The essence of economic nationalism is to build the strong state, to which the economic development should be subordinated. According to the realistic approach, it is assumed that the state is the main actor of international political economy. The state has priority over the market, the political power forms market relations. There are no uniform rules in the international economic system, it is dominated by anarchy, states are sovereign and act at their sole discretion as subjects of the highest level, and all other actors who are guided in their actions by national laws are subordinated to them. Consequently, IPE is formed primarily as a result of rational actions of states in their struggle for power and wealth.

¹ In some works, the Marxist approach is seen as a component of the critical line of international political economy, which also includes the feminist theory and environmentalism (green), who collectively position themselves as heterodox economics. Neogramscism (followers of Antonio Gramsci) focuses on the role of transnational classes in the global economy (F.O'Hara, «Modern principles of heterodox political economy,» *Problems of Economy* №12 (2009), p.41-43. (O'Brien R. and Williams M. Op.Cit., p. 21—22.).

² O'Brien R and Williams M. Cit. Op., p. 14. These authors usually use the term «economic nationalism».

Relations between states are dominated by zero-sum game where winning of one subject necessarily involves the loss of other, which inevitably generates conflicts and economic wars. At the same time, these approaches are not closed and self-sufficient. In reality, they intertwine, use tools from the arsenal of all three concepts, thus transforming into two politico-economic dimensions: international-domestic and state-society. Each of the concepts represents certain areas, the key aspects of international economic life, a separate set of relations between actors of the global economy by reflecting the interests of states, classes, social groups and individuals. The liberal and neo-mercantilism approaches prevail in developed countries, in the activities of international financial and other institutions (IMF, the World Bank and WTO). The unorthodox (critical) views are inherent in the countries that suffer from globalization, are in the state of chronic underdevelopment and external dependence. The comparative analysis of main interpretations of the international political economy is given in Table 2.1.

Table 1. Comparison of major perspectives on the international political economy

Signs	Economic nationalism	Liberalism	Criticism
Period of origin	XVth century	XIXth century	XIXth century
Main representatives	Hamilton, Liszt, Krasner, Gilpin, Strange	Smith, Ricardo, Kant, Wilson, Keynes, Hayek, Keohane, Ney	Marx, Lenin, Frank, Koch
Components	mercantilism, realism	free trade, interdependence	Marxism, feminism, environmentalism
Level	state-centric, atomistic	pluralistic, atomistic	globally structured
Nature	Aggressive	Cooperative	Compliant
Subjects	State	firms, states, non-governmental and intergovernmental organizations	classes, genders, planet, global capitalism
Vision of the State	unitary actor	pluralist state: the interests of different groups	representation of class interests
Vision of TNC	beneficial/harmful	Useful	Exploiting
Behavioral dynamics	a state as a rational actor	an individual as a rational actor, but the results are not always optimal	domination and exploitation both within and between societies
Market relations	potentially negative	Positive	Exploiting
System structure	anarchy/conflict	cooperation/interdependence	hierarchy/conflict
Game metaphor	zero sum	positive (non-zero) sum	zero sum
Hegemony	importance of the state dominance	after hegemony cooperation	hegemony in the state and society
Role of international institutions	Minor	Important	servicing the interests of states, firms and classes

Source: O'Brien R. and Williams M. Cit. Op., p.26.

Among contemporary authors, nontrivial conceptual approaches are demonstrated by Susan Strange, Robert Keohane and Robert Koch. The position of S. Strange is characterized as unorthodox realism, which is based on the relationship between the state and the market. The provision on a structural force that shapes the rules of play in a particular area is initial. Those who form such rules create the operational framework for all business entities, while weakening the position of ones and giving benefits to others. S. Strange identifies the four key structures of the force as security, production, finance and knowledge and the secondary structures as transport, trade, energy and well-being. Much attention is also paid to non-state actors in international economic relations. The traditional interstate diplomacy is complemented with state-firm and inter-firm relations. Furthermore, among the actors, business associations, bureaucratic and even mafias' structures appear those that become transnational and undermine the authority of sovereign states.

R. Keohane is a liberal institutionalist who states that institutions, established rules and regulations can have a significant impact on the behavior of states with multilateral interests. The main issue is the manner in which institutions, including formal international organizations, international regimes and conventions, customs, can help countries to overcome the barriers encountered with in international cooperation. It is stressed that international institution structures properly worked out can help to create a more humane global system. The prominent position in the works of R. Keohane is allocated to the problems of «complex interdependence», which, under certain circumstances, allows countries to use international institutions to diversify and deepen the cooperation. In particular, when developing the regime theory, he argues that regardless of the size of countries, it is possible to gain benefits due to lowering the trade barriers and overcoming the uncertainty. At the same time, when analyzing the behavior of states as a response to market failure, transaction costs and uncertainty, R. Keohane sees the transformation of rational behavior in irrational and warns countries not to agree to cooperate because they do not know the motives of the opposite side. In general, he uses the methodology of rational choice in international political economy.

R. Koch believed that every era has its own features and characteristics, institutions and worldview. Organization of production and social relations associated with it is in the center of his analysis. R. Koch is supported by the works of Marx, Vico, Sorel, Weber, Gramsci and Polanyi in his work. The basis of international political economy consists of three components: international organizations, social environment (social forces) and

civilizations¹. One of the key provisions of R. Koch is a statement about the role of a hegemony state that dominates in the economic, political, social and ideological spheres (the United Kingdom, XIXth century, the United States, XXth century). This gives them a reason to believe their own interests and values universal and inherent in other states. They try to introduce such rules and principles in the activities of international organizations with using their dominant position. In theoretical terms R. Koch made an important differentiation by separating the critical theory and the theory of problem solving. In the theory of problem solving, the structure of existing (real) world and ways to solve problems within a given (current) system are considered. The critical theory focuses on how the current world order was formed and under what conditions it can be replaced by other more perfect forms. Thus, the theory of problem solving focuses on the system management, and the critical theory - on ways to change the system.

The current IPE is based, in terms of methodology, on three fundamental principles (concepts): the theory of rational choice, neo-institutionalism and constructivism. Thus, economic nationalism and liberalism tend to the theory of rational choice or institutionalism, and the critical approach prefers constructivism. The rational choice focuses on individual choice under uncertainty and is dominant in today's economic mainstream (neoclassics, postneoclassics). Its essence is to maximize utility on the basis of the excess of income over expenditure. An upgraded version of the theory of rational choice lately takes shapes of concepts of experimental economics and neuroeconomics². Institutionalism focuses, as known, on the role and importance of formal and informal institutions in the economic processes; neo institutionalism lays special emphasis on the rules and customs, all of which is indicative of importance of international organizations and the tendency to strengthen the supranational mechanisms of regulation and control in the context of globalization

Constructivism is built on the provision of proximity and relationship between individuals and the social world. If the rational choice takes cost (value) and trust as a determined postulate, constructivism considers them as something that needs to be explained (revealed) in the context of key element of formulation and definition of reality. While institutionalism focuses on the rules as driving forces of various restrictions and shaping an individual behavior within certain fixed limits, constructivism assumes that the

¹ Giving priority to international organizations is obviously due to the fact that R. Koch worked on various positions in the International Labor Organization for 25 years.

² *Smith, V.* *Experimental Economy*, Translation from Eng (M.: 2008); Guala F., *The Methodology of Experimental Economics* (Cambridge University Press, 2005); Harrison G, Ross D., *The methodologies of neuroeconomics*. In: *The Journal of Economic Methodology* 2:17 (June 2010), p. 185—196.

norms and values have a decisive influence on the economic interests of economic operators, determine their content and character.

Consequently, the international (global) political economy studies the material conditions, practices, facts and regulations that characterize the modern world and follows the rules and conceptual approaches of economics. It is not limited to one of the three above-mentioned concepts and rather appears as their aggregate that enables a comprehensive political economy analysis of the global economic environment.

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