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FORMATION OF AN ANTICYCLIC POLICY: THE THEORETICAL BASIS

The subject of this article is the development of world theoretical concepts that justify the emergence of cyclical fluctuations in the economy. The purpose of the article is a critical analysis of the possible causes of cyclical fluctuations in the economy from the point of view of different authors. In the article the research tools of cyclical fluctuations in the economy for further opportunities to clearly display their manifestations. Theoretical and methodological basis of research is fundamental tenets of modern economic science and scientific works of scientists. The results are aimed at simplifying procedures for the investigation manifestations of cyclical fluctuations in all areas of the economy. The results of the research can be applied in managing the development of enterprises in order to increase the validity of decisions taken under the influence of the effects of cyclical fluctuations.

Key words: cyclical fluctuations, theoretical concepts, types of cycles, phases of cycles, crisis, anticyclic policy.

Periodic changes in market conditions, which are called cyclical fluctuations, affect all business entities without exception. Cyclic fluctuations can be regular and irregular. Irregular fluctuations arise accidentally, have a complex structure, often do not have an established cause. Regular fluctuations are subdivided into seasonal and cyclical¹. Seasonal in nature are caused by natural and climatic factors.

Cyclic fluctuations have many theories justifying the root causes of their occurrence. Each of these theories has its root causes, the main factors that influence their appearance.

However, there is a need to reduce the negative impact of the effects of cyclical fluctuations, both on the economies of states and on the activities of individual economic entities. Therefore, there is a need for a comprehensive study of the main causes of the occurrence of cyclical fluctuations, which is the basis for the formation of an effective strategy for regulating the influence of cyclical fluctuations on the Ukrainian economy, taking into account the specific features of the country and the rich world experience in such regulation. The study of the root causes, the factors that affect the occurrence of certain types of cyclic fluctuations, today is relevant and significant.

In recent years, many scientists have devoted considerable attention to the study of cyclic fluctuations. Questions of cyclical fluctuations and their influence on the economy at the present stage have been studied by such scientists: Y. Bazhal, O. Bilorus, O. Bandura, V. Geets, V. Kucherenko, I. Lukinov, S. Mocherniy, B. Panasyuk, Yu. Pakhomov, V. Savchuk, A. Chukhno, and others. Although the root causes of the emergence of different types of cyclical fluctuations today require more detailed development and reflection. This issue requires further consideration, in view of the urgency of this issue to develop measures to reduce the impact of cyclical fluctuations on the activities of enterprises.

The issues that are being investigated are characterized by insufficiently complex scientific processing. The studies that are carried out are not systemic, but consider only certain aspects of the origins of the emergence of cyclical fluctuations in the economy. Solving the issue requires an integrated approach that should be based on a perfect analysis of the main theoretical concepts of the root causes and factors of the occurrence of cyclical fluctuations.

The purpose of this article is the theoretical substantiation of the main root causes and factors affecting the occurrence of cyclical fluctuations in the economy, taking into account the development of the world's leading theoretical concepts.

The world economy and the economy of any country is a dynamic system. It is in constant motion, changeable and unstable. There is a constant change in levels of production, consumption, change in the level of prices. Periodically there is a drop, periodically growth. Such dynamics are usually called economic cycles. Any country with a market type of economy is affected by the cyclical nature of the economy.

¹ Кучеренко, В.Р., Андрейченко, А.В., Грінченко, Р.В. (2013). *Моніторинг світових ринків харчової сировини та продукції АПК*. Навчальний посібник. Одеса: Прес-курер, 8.

Market economy implies freedom in the balance of the equilibrium level of demand and supply, which leads to the emergence of economic cycles.

Economic cycles are also called business cycles. Although it is very difficult to single out a precise periodicity of the occurrence of cycles. We will highlight the main three groups of cycles: short, medium and long-term. Each of these groups of cycles has its own causes and consequences for the country's economy. Therefore, they should be regulated in different ways.

Let's consider the basic general reasons of their occurrence of cyclic fluctuations according to different theoretical concepts.

In economic theory, there is a lot of theory of the occurrence of cycles. The main reasons for the occurrence of cycles in theories are as follows:

- 1) impulses affecting the economy (R. Frisch).
- 2) change in the level of solar activity, the appearance of sunspots (S. Jevons).
- 3) differences in the rhythms of production of organic and inorganic matter (V. Zombart).
- 4) the relationship between the level of pessimism and optimism in people's activities (V. Pareto).
- 5) the contradiction between the social character of production and the private form of appropriation of the created product (K. Marx).
- 6) excess production of means of production over the production of consumer goods (M. Tugan-Baranovsky).
- 7) expansion and narrowing of bank credit (K. Zhuglyar).
- 8) a change in the discount rate of interest (R. Hawtree).
- 9) excessive savings (the theory of under-consumption) (S. Kuznets).
- 10) the insufficiency of the income consumed in comparison with that produced (R. Malthus and J. Sismondi);
- 11) surplus savings and lack of investment (J. Keynes).
- 12) sectoral conjuncture is viewed from the point of view of the "Kitchen cycles" – 3-5 years.
- 13) lag in the response of market actors to changes in the economy (R. Lucas, R. Barro).
- 14) the actions of government officials manipulating monetary and fiscal instruments in their political interests (M. Kaletsky, U. Nordhaus).
- 15) J. Hicks also believed that the main reason for the occurrence of cycles is the change in the volumes of output (or revenues). The mismatch of market demand and the volume of supply leads to the emergence of cycles.

16) According to the results of the famous scientist N. Kondratieff, except for short and medium-term cycles, the economy is also subject to long-wave fluctuations, the duration of such a cycle is 45-60 years. The main reasons for these cycles are technological upheavals and structural shifts in the economy. The frequency of occurrence of such cycles is every 45-60 years. Kondratieff associated with the period of active human activity. When generational change occurs, cyclical fluctuations occur.

In each of the theories one can find shortcomings and dignities. But when analyzing and considering a larger number of possible root causes, there is more chance of finding the right way out of the crisis.

With all the variety of types of cycles, one can single out their common features:

- 1) May arise in all countries without exception with a market economy;
- 2) They are inevitable, on the one hand, and on the other hand, lead to new stages in the development of the economy, thus providing a stimulating effect;
- 3) Any cycle consists of identical phases.

Regarding the constituent phases of each cycle, there are two main approaches:

- supporters of the first approach divide each cycle into two phases: the phase of recovery and the phase of decline;
- supporters of the second approach distinguish four main phases of the cycle: crisis, depression, recovery or recovery, peak.

4) there are common groups of reasons for the emergence of different types of cycles: short, medium and long-term;

5) the globalization of the economy and the intertwining of international relations lead today to the fact that the emergence of a crisis in one country can lead to a global crisis. Crises move from regional, local levels to national, and then – to the world level;

6) there is a gradual reduction in the duration of cycles associated with the acceleration of processes occurring in economies;

7) one can not ignore the factor of chance, which can also affect the cyclical nature of the economy.

Analyzing various theoretical concepts of the emergence of cyclic fluctuations, we can draw some conclusions. Part of the theoretical concepts rather narrowly considers the possible causes of the emergence of cyclical fluctuations, focusing on natural or psychological factors. Some authors, on the contrary, see the main reasons within the capitalist systems themselves. The study and identification of the main causes of cyclical fluctuations in the economy make it possible to focus attention on these reasons when developing measures aimed at increasing the competitiveness of enterprises under dynamically changing operating conditions, and reducing the negative effects of cyclical fluctuations on the activities of enterprises.

Modern scholars of cyclical fluctuations suggest some aspects of which may analyze cyclical fluctuations and their impact on the economy.

To analyze the cyclical fluctuations in the economy can be in terms of wavelength. This analysis is called harmonious. Depending on the wavelength distinguish the following types of vibrations¹:

- Long wave;
- Cycles of average length (small business cycles);
- Waves;
- Ultrashort wave.

Analysis of the essence in terms of oscillation wavelength has become the most widespread in the world economic literature, which makes it possible to apply the experience in this area to develop a counter-cyclical policy. Also for the study of cyclical fluctuations used spectral analysis, ie analysis of the frequency and amplitude of oscillation.

Since the main method of study cycles is the allocation period, which is made by different functions, the main problem of the study of economic cycles serving definition of these functions. It should be noted that the greatest impact of cyclical fluctuations engaged in companies that produce capital goods and consumer durables. Production of durable goods does not depend in such a large extent on the manifestations of cyclical fluctuations in the economy.

To study the cyclical fluctuations in the economy can be applied to general scientific methods of investigation, analysis, synthesis, induction, deduction and analogy.

The historical and logical approaches, the method of comparison. But economics often uses methods of economic-mathematical modeling as a way of simplified description of the actual manifestations of cyclical fluctuations. These economic models make it possible to identify the causes, factors and patterns of cyclical fluctuations in the economy.

Due to the non-linear nature of the market economy is the most common simulation of economic processes using dynamic systems.

Models which investigate the cyclical fluctuations be discrete or base their research on a continuous time period. Basic discrete model proposed by P. Samuelson, J.R. Hicks, L.E. Metsler, D. Leydler. The basic model with continuous time model of O.U. Phillips.

However, these models do not take into account external factors influence and help simulate cyclical fluctuations only to a specified list of options².

To investigate the regular cyclical fluctuations in the economy harmonic analysis is applied.

It should be emphasized that the totality of the harmonic components that create the signal nesynusoidalnoyi form called inharmonic range of analysis. With this set emit harmonics and distinguish amplitude and phase spectra.

Called amplitude spectrum set of harmonic amplitudes, which are usually a set pattern of vertical lines, which are proportional length (at the selected scale) amplitude of harmonic components, and place on the horizontal axis is determined by the frequency (number of harmonics) of the component. Similarly, considering the phase spectra as a combination of initial phases of harmonics; they also represent the scale as a set of vertical lines.

Phase harmonic fluctuations – a state of harmonious process. Since the phase spectrum of the signal – a set of initial phases of harmonics.

Cyclical fluctuations very negative impact on the economy and on the efficiency of enterprises in the country. Without regulatory measures can not achieve stability and reduce the negative impact of cyclical

¹ Андрейченко, А.В., Горбаченко, С.А., Грінченко, Р.В., Карпов, В.А., Кучеренко, В.Р. (2014). *Аналіз ринкової кон'юнктури*. Навчальний посібник. Одеса: ОНЕУ, 41.

² Серветник, Н.О. (2014). Методологічні аспекти дослідження економічних циклів. *Ефективна економіка*, 2. <<http://www.economy.nayka.com.ua/?op=1&z=2764>>

fluctuations on the formation conditions in the country. World experience of leading countries confirms the need for countercyclical regulation in the country. Modern processes of globalization and the rapid pace of innovation required to form a countercyclical regulation in the country.

Experience the world's leading countries regulation has allowed the following the global crisis, which should take into account developing countries, the formation of its policy of economic regulation¹:

- The current financial sector (for example, such as in the US) is no longer considered as a general model to be copied by other countries.

- Liberal relationship between the state and business negatively reflected on the economy. It promotes inequality and opaque financial schemes.

- Economic and financial globalization contributes to the vulnerability of the negative influence of the environment, and hinder development. Countries should be able to protect themselves from negative outside influences as the crisis spread quickly and painfully. The interdependence of national economies in the world is higher than talked about this before. The roles of business and government should be balanced at the national level. Globalisation needs "global governance."

- Developing countries should pay more attention to macroeconomic, monetary and financial policy. Macroeconomic regulation must go beyond price stability and revenue. Many countries follow the narrow and tight macroeconomic policy, while increasing liberalization of trade and privatization programs typically do not provide success in terms of economic growth and job creation.

- Means countercyclical regulation of monetary and financial policies should be considered and applied as necessary mainly targeted macroeconomic growth.

- Must be traced the benefits of active fiscal policy and promoting domestic demand compared to the export-oriented growth.

The economic and financial world crisis has shown that there is a need to reform global economic governance by reducing the impact of global financial markets on the economy of countries and enterprises themselves. There is a need to create a multilateral mutually agreed set of rules, techniques and methods of regulating the world economy. Today, institutions regulating the financial markets are still organized on a national basis. At the same time, this regulation must have a multinational character.

It should also be emphasized that the effective functioning of economic entities – enterprises should be subject to a separate list of rules. These rules are needed to create sustainable development prospects of the company and the conditions for open and fair mutual activity of the companies in the market. Compliance regulation provides opportunities for companies to reduce costs, and detect the need for state intervention and to develop measures for intervention in a particular field. However, excessive government interference or incorrect rules reduce the efficiency of enterprises and the whole society.

The main problem is the regulation of the adequacy of regulatory measures the current state of the economy. There is considerable circumstantial evidence rather Expenses related to anti- cyclic regulation. Therefore, you must carefully measure the amount of expenditures and their implications for the economy and activity. First, countercyclical regulation may significantly affect the competitive environment in certain markets. Second, countercyclical regulation can very negatively affect investment activity. These negative effects can lead to lower economic growth.

Countercyclical regulation is particularly relevant for developing countries. With the increasing manifestations of the crisis, tax revenues are reduced, which contributes to the reduction of some public spending and international assistance in times of crisis it becomes quite difficult. Therefore, the development of countercyclical measures of economic regulation for such acts is very relevant.

In reforming global economic governance need to find a balance between consistency of the world trade system and mechanisms of monetary and financial relations. Reform should be aimed at reducing the impact of financial markets on the activities of the state and enterprises.

The manifestation of the negative effects of the global crisis, due to the presence of cyclical fluctuations, highlights the need for the government to consider and prevent manifestations of cyclical fluctuations in the economy through the development and implementation of a comprehensive anti-cyclical economic regulation. Therefore, research tools and improve the diagnosis, monitoring market conditions favor this same current as the development of measures anti-cyclical regulation. Takeover mechanisms of anti-cyclical regulation leading countries by the Government of Ukraine will not bring the desired effects as

¹ *The financial and economic crisis of 2008-2009 and developing countries* (2010). United nations report, 21. http://unctad.org/en/Docs/gdsmdp20101_en.pdf

a result of varying initial conditions anti- cyclic regulation. However, using this experience and improve mechanisms for anti-cyclical regulation under conditions of operation in the Ukraine stands today is extremely important. Today Ukraine is the current countercyclical measures aimed at improving the regulation of innovative country.

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