
State and future of political economy

Mikhail Voweikov*¹

¹Institute of Economy of Russian Academy of Sciences – Russia

Abstract

The report examines the new role of the state, which in modern conditions plays a key role in the economy. The state is gradually replacing the market. It modifies the economy itself. The market economy is fading away. In the modern economy, the market process of profit maximization is being replaced by the process of maximizing social utility. The comparison of the useful effect of human activity and costs is preserved, but the main thing is not the profit, but the social utility. Some branches (like education, science, culture) begin to enter the sphere of economic activity, but do not become branches of the market economy. The provision according to which in the spheres of human activity with a predominance of creative labor (science, education, culture) market mechanisms cease to work, it has long and successfully been developed in the new socio-economic science. Here, the economy is not limited only to the market, but covers a wide field of human activity, where the economic principle of measuring costs and benefits continues to matter, but already has a different content. Costs and results of activity can be expressed not only in money, but in saving time, effort, more pleasure and well-being, i.e. in increments of public utility. Here you can recall the famous statement of Karl Marx that "any economy ultimately boils down to saving time." Economy and economic activity acquire new properties and quality. All this leads to the transformation of economic theory and political economy. Political economy begins to explore and explain the importance of economic processes in society, which are not limited only to profit. These processes consist in priorities for different strata and groups of the population, rent seeking, in the actions of the elite, economic inequality.

Keywords: state, market, economic activity, political economy

*Speaker