

ECONOMIC THEORY AND HISTORY OF ECONOMIC THOUGHT

EVOLUTION OF VIEWS ON THEORY OF ECONOMIC GROWTH

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The article examines the evolution of views on the theory of economic growth. It has been found out that over the past two hundred years methodological foundations of economic growth, its essential features have been a subject of research by many scholars. In particular, the problem of long-term economic growth attracted the attention of economists since the days of mercantilism, where the main role in creating income belonged to the exchange area and a wealth of the nation was defined only by treasure and money. However, according to mercantilists, a major role is not played by the definition of "wealth" itself, but research of sources that were in foreign trade. At the stage of a late mercantilist economic growth priorities have changed somewhat – its main condition was to ensure a positive trade balance through a protectionism policy, support of export-oriented industries, the legal limit wages, which in turn, was to ensure benefits of price competition on world markets.

Laying the base of the economic theory, Adam Smith linked the increase in wealth of

any nation with improving returns on factors of production (land, labor and capital), resulting in productivity and increase of the size of functioning capital. Joseph Schumpeter developed an ideology of economic growth, which is based on the paradigm of its innovative character. In general, over the last 60-70 years in the economic literature, there were three waves of interest to the scientific community for economic growth. The first wave was associated with the work of John Maynard Keynes, Roy Harrod. The second wave associated with the development of the neo-classical growth theory approach, particularly in the work of Robert Solow. Third Wave is based on the research of Paul Romer and Robert Lucas within the so-called "new neo-classical direction".

It has been proved that at the present stage the endogenous growth theory provides answers to a large number of unresolved acute problems of economic development, which meet the vast majority of countries. Accordingly, in order to maintain optimal economic growth it has been proposed to use a model of endogenous growth.