

**THE PROBLEM OF COMPATIBILITY OF ECONOMIC POLICY OBJECTIVES, INSTRUMENTS AND ORDER POLICY PRINCIPLES**

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**Abstract**

*The concept of the economic policy determines direction of the economic policy, but this does not necessarily mean that it predetermines what changes in the economic policy will take place in future and how the economic processes related to it will develop. Therefore, in terms of operationalization, the goals set out in the concept are not considered questionable. At the same time, the purpose of the doctrine of management is not to quantify the laws of the economic policy. The economy is not characterized by such regularities. It is the ever-changing social conditions that make their legitimacy limited in time. As for the concept, it provides a system of long-term relationships between the goals and means. Therefore, on the one hand, it provides us with information about the area of action in which this or that tool serves to achieve the goal of the concept, and on the other hand, it determines its compatibility with the principles of the order policy.*

**Keywords:** *The concept of economic policy; the policy of economic order; goals and instruments of the economic policy; conformity towards goals; concept and system*

**JEL Classification:** *E60, E61, E65, E69*

**I. INTRODUCTION**

The concept of economic policy is associated with the politics of order, as indicated by the relationship between the goals, means and principles of the economic order provided for in the concept. In such relationships, predefined coordination procedures are also implied. The concept is consistent and convincing when the goals, tools, principles of the economic order, etc., from the point of view of making a specific decision, meet the condition of coordinated and harmonious actions (Gvelesiani, 2014).

An economic order based on the concept of the economic policy is not an end in itself. This is an expression of the basic views of a society. Based on this, we need to understand two aspects of a regulated market, one of which is related to the management of a coordinated market system, and the other determines whether it is possible to manage economic and political processes. There are two alternatives in the form of a market economy and a centralized managed economy. But, here we should find out exactly what position in this alternative will be taken by the type of economic order that is based on a regulated market economy. Decision making depends on how personal freedom and justice are determined from an economic point of view. When the main emphasis is made on maintaining the acquired social status and the subjective perception of justice, then market coordination and the autonomy of private property based on it need some restrictions and adjustments. But, if the main attention is paid to the success and ability of an individual to adapt to changes in progress, then along with a high level of subjective autonomy, it is necessary to have material incentives as well. Their distribution should have completely different, but acceptable and patient results for everyone

**II. METHODOLOGY**

Both general and specific research methods were used in this article, namely – the methods of analysis, synthesis, historical, logical, induction, deduction, scientific abstraction, comparative analysis, statistics (selection, grouping, observation, dynamics, etc.), static, as well as the methods of experimental evaluation.

**III. RESULTS**

The concept of economic policy can be defined as the general framework conditions for the functioning of economic policy, its basis and focus. When such a concept is based on the principle of rationality, it is a well-designed and reliable system of common and ambitious goals. It also includes principles of order policy,

compatibility with them, and conformist goals. The concept of economic policy facilitates the adoption of rational economic and political decisions and allows us to pre-select opportunities for action. It is he who sets the rule of intervention as a criterion for using tools (Tuchtfeldt, 1982).

In order for the concept of the economic policy to fulfill its task and become a solid and sustainable basis for economic policy, it is necessary to ensure long-term political consensus. It should take into consideration that the economy is a structural link in the system, and in this respect its goals are an integral part of larger-scale public goals. The creation of the concept of economic policy has the same reason as all the problems of economic policy in general. This is the difference between the current situation and the desired economic development (Gvelesiani, 2014). It is necessary to gain the support of the majority in order to implement the concepts in representative democracies. It depends on how attractive the goals they set and the means to achieve them are attractive. They need to be confirmed in terms of analyzing the views about the technology. On the other hand, since it is a matter of individual assessments of goals and means, it is impossible to avoid conflicts of interest. In order to gain the support of the majority, it is necessary that they (goals and means of achieving them) offer sufficient compromises and compensations. It cannot be excluded that the proponents of the concept are guided by their own combination in their assessments (existing management skills, socially established goals, principles of order policy and conformist means to the goal), which is very similar to the ideal concept model. If we make assessment according to such a model, then scientific research may show that the concept, which should have the ability to gain the support of the majority, offers an insignificant compromise (Gvelesiani, Gogorishvili, 2018).

The economic policy is designed to eliminate specific shortcomings on the basis of consistent diagnosis and to take into account the consequences as much as possible, during the further actions. It must demonstrate how to implement consistent reforms based on social technology. If the problems in the field of the economic policy are understood rationally, then each stage of their implementation, must be in agreement with each other, on the one hand, and must be in line with global assessments of the state and development of society, on the other hand, The concept of the economic policy as a framework program serves this very purpose. It must be verified periodically, based on assessments and changes in technology knowledge.

After analyzing the concept of economic policy as a program framework for economic policy, it is necessary to consider what tools to choose when making and implementing specific decisions. In order to guide rationally the process of using economic policy, we must consider three rules of intervention: Conformity towards purpose, conformity towards concept and conformity towards system (Streit, 2005). We must first consider the extent to which the given means contribute to the pursuit of the goal. Such a tool can be evaluated by considering how conformist it is to the goal. We must then evaluate the means on the basis of conformity to the concept and the system. This determines how conformist the event is in relation to the concept. This allows making a preliminary choice. A final assessment of the measures requires analysis of the costs and benefits of the economic policy. Here it is necessary to consider both the main and accompanying means as well as long-term and short-term results of using the results and to compare the analyzed measures.

In order to make a rational decision in the economic policy, it is necessary to check and understand the importance of conformist instruments towards the goal. This should be done in relation to the whole system of goals, including the ones which are recognized as core values. Decision-making costs require a criterion that will facilitate such evaluation. We also need to explore which tools can be used to solve a particular problem based on the economic policy program. Such the program forms a concept of the economic policy. It provides us with sufficient and unambiguous information on the essential and politically important consensus. The case concerns the consensus that the economy, as a component of a more inclusive system of public goals, has a subordinate position. This condition determines its value. Considering these circumstances, it is easy to determine whether the goal is conformist to the system (Gvelesiani, Gogorishvili, 2018).

Conformity to the system is precisely the criterion by which it is measured what is the core issue in the concept of a given economic policy. The main axis is the methods of coordination that characterize the economy as a subordinate sphere (subsystem). It is important to choose this axis of support, since the existence of the economy as a subsystem depends on the functioning of the methods of coordination. Economic status and development, on the one hand, have an independent value; while on the other hand, it is an opportunity to achieve larger (global) public goals (Streit, 2005).

The criterion of conformity to the system is very important for a manageable market economy. It can be used to assess the quality of management measures, first and foremost, in terms of market coordination capabilities. Improving or worsening the functioning of coordination methods means that some of the goals we pursue on the basis of a particular dualistic system have had a positive impact, while others have a negative one. This is where the problem of evaluation comes into play. In dealing with a particular type of regulated market economy, it is necessary

to find out what the intended outcome of the measure will be. Based on the goals of the distribution, the case concerns whether the market coordination has been "damaged" and whether the accuracy of the distribution has been reduced (Gvelesiani, Gogorishvili, 2018).

The use of conformity criteria for concept and system in the context of an adjustable market economy should prevent disoriented interventionism. Such interventionism is primarily preconditioned by the two following factors:

- First of all, the limitations of the visions of those people who are engaged in the analysis of specific problems of the subsystem of the economy. At the same time, he/she is directly affected either as a political official or as a defender of the certain group of interests;
- Second, a political figure is always under pressure to achieve at a success, as he/she tries to take measures that will bring maximum repercussions during the short parliamentary term. He/she calculates the short-term impacts of the target and does not envisage long-term perspectives. (Streit, 2005).

#### IV. CONCLUSION

The danger of interventionism is, first and foremost, that it has undesirable cumulative effects. There are many situations in which the system is evaluated as having no ability to function. But such an assessment may turn out to be wrong. The matter is that there is no possibility of checking and correcting the measures taken. In this case, the question remains unanswered as to whether the system will still be able to function after the correction of the measures. In general, it is not excluded from the very beginning that after such an adjustment it will be possible to approach the hard-to-achieve goals, due to which the system was assessed as not functioning.

When examining conformity to the system of the economic policy measures, it is advisable to rely on those institutions that establish the market-economic order. They are characterized by universal properties and meet the criteria of universality, transparency and definiteness. As for interventions, they are neither transparent nor universal. Conversely, in this case, specific economic outcomes are often driven only by certain groups of interest. Experience has shown that the more difficult it is to implement economic policy decisions, the greater the damage to the functioning of the self-regulating market, the more the relevant rules deviate from the universality feature - the requirements of international economic order.

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