Model shaping Forms Of State Intervention in The Economy
And Economic Model Of The Country

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Abstract – The main goal of the research is to substantiate the distinction between economic systems and national economic models through introducing a new concept "modelshaping forms of state intervention", as well as to identify their connection with political programs. Through comparative analysis, historical and dialectical synthesis, we distinguish the economic system from national economic models, which are connected with the levels of government intervention. The economic system is a dynamic interconnection of legal, political and economic institutions, as well as normative and legal acts and mechanisms for their implementation. The economic model of the country is the measured static state of the economic system in a certain period of time. The economic system of the country is a real and dynamic expression of specific economic models. The economic model of every country is determined by the modelshapingshaping forms of state intervention in the economy. There are two opposite poles of the modelshapingforms of state intervention. They are social protection of the population and development of the business environment. Thus, only these forms of state intervention into the economy become the subject of political right-left struggle.

Keywords – economic system, economic models, modelshaping forms of state intervention, political struggle.

1. INTRODUCTION
It is known that one of the functions of economic science is the development of solutions aimed at certain changes in the real economy. They are the theoretical bases of economic policy. This function of the economic theory is becoming increasingly practical now. Proper (best) answers to the questions "what to produce?", "how to produce?" and "for whom to produce?" contribute to the right decisions and efficient economy development. At the same time, the answers to these questions are multivariate. This determines not only the possibility, but also the need for choice.

The activity of economic entities: consumers, producers (business) and the state directly involved in the implementation of decisions taken, is a complex process that ensures the economic system functioning. In its turn, the economic system can be considered as a wide network of interacting institutions. These institutions organize and provide the whole cycle of production, distribution, exchange and consumption of goods and services. It is the character and boundaries (spheres) of the activities of these institutions that are one of the most important criteria for the differentiation and classification of economic systems. The study of economics as a system begins with A. Smith. Many other economists, including D. Ricardo, J. S. Mill, K. Marx, C. Menger, A. Marshall, J. M. Keynes, P. Samuelson, developed a systematic methodology of economic research.

The system approach involves the classification of economic systems according to their basic properties. According to the widespread classification in the economic literature, there are four system types: 1) traditional economic system; 2) administrative economic system; 3) market economic system; 4) mixed economic system (McConnell and Brue, 1992). Some authors divide economic systems into "open" and "closed", others - capitalist and socialist. From a historical point of view, such classifications are quite acceptable. However, they are insufficient for modern analytical purposes. All the above mentioned classifications lost their practical meaning after the collapse of the USSR and, in general, the socialist camp. However, this does not mean that the differentiation of economic systems has neither cognitive nor constructive significance or has become impossible.

The problem is complicated by the fact that in the modern world, the economic systems of all countries are "mixed" systems. At the same time, they are characterized by different ratios of market self-regulation and administrative (state) intervention. In some countries market management mechanisms dominate, but in others administrative regulation prevails. Therefore, while classifying economic systems, the main goal is to determine to what extent the economy of one or another country is liberal or administrative. In other words, to what extent it corresponds to the principles of liberalism (laissez-faire) or dirigisme. It is very important that the ratio of dirigisme and liberalism can be measured.

This feature, which makes the country's economic system different from others, is the basis for its "economic model". The form and degree (level) of state intervention into the economy determine various and often divergent system forming features, which in different proportions come together in the economic system. In the Institute of Economics of ANAS such forms of state intervention in the economy are called "modelshaping". It is interesting that these model forming forms of economic intervention are a constant topic for discussion between political and "near-political" groups that form the country's economic policy (or claim it) or influence (or try to influence) it. This concerns, first of all, those
individuals and organizations that are directly or indirectly connected with politics. They are political parties and leaders, social movements and activists, non-governmental organizations and even independent experts.

Thus, it is possible to formulate several questions on the analyzed topic. The answers to these questions have serious theoretical and practical significance:

• What are the main characteristics of economic systems from the historical point of view? (features of the object);
• Are the economic models with a degree of dirigisme related in a mixed system? (classification of the object);
• How are the economic model and state intervention in the economy correlated? (the relationship between the object and the subject);
• What are the distinctive features of the modelshaping forms of government intervention in the economy? (features of the subject);
• Why are the modelshaping forms of state intervention in the economy becoming a subject of political battle? (planning the activity of the subject);
• Is it possible to describe the economic model of a country with quantitative indicators?
• How is the economic model of a particular country reflected in its internal political life? (the relationship between the object and the subject).

The purpose of this research is to study the relationship between the economic model, the degree of state intervention in the economy and the economic platforms of political parties in the country.

1. The economic system of every country is a real and dynamic expression of specific economic models reflecting the "static state".

2. The economic model of every country is determined by the degree of model forming forms of state intervention in the economy.

3. Only modelshaping forms of state intervention in the economy become the subject of political battle.

There is no unambiguous (universally accepted) definition of an economic system. It is defined as a combination of economic institutions. Institutionalism has gained such high popularity that some authors interpret economic systems as an integral part of economic institutions. For example, D. North thinks that institutions are a more inclusive term than an economic system. According to him, political, economic and social structures, as well as institutions create restrictions in social relations. Moreover, institutions encompass both the formal rules (for example, laws or sanctions) and the informal ones (traditions, customs). In other words, institutions can be regarded as a set of rules that determine the behavior of economic agents [18]. P. Gregory and R. Stuart, on the contrary, interpret the economic system as a broader concept than the "set of institutions". According to their definition, economic systems are a network of institutions and mechanisms that ensure the adoption and implementation of decisions on production, income and consumption in a particular geographic region, for example, in a country [10].

The role of institutions in economic development has been studied in another research by D. North [17]. Institutional economics is of interest for two reasons. First, institutions play an important role in the transformation of the former socialist economy in Eastern European countries [7]. Secondly, as shown by D. Acemoglu, S. Johnson and D. Robinson, institutions are the main determinant of long-term economic growth. Institutions and mechanisms determine the economic system [1]. The role of institutions in economic development was also studied by Z. Lazarus and Pierre Le Roux [14]. They regarded economic institutions as the fundamental basis of economic growth. In
their opinion, economic institutions influence the economic growth through the distribution of physical and human resources. L. Tamilina and N. Tamilina [21] analyzed institutional effects on growth rates in post-communist countries. They showed that the rate of economic growth depends on the nature of institutions, especially on the quality of institutions. Economic institutions in post-communist countries are more dependent on political institutions.

P. Hall and D. Soskice, taking into account the diversity of economic systems in various capitalist countries, use the concept of “capitalism options”. According to this approach, capitalist economic systems differ from each other in their subsystems, for example, financial system, labor market, the nature and forms of relationships between firms, etc. These subsystems must be coordinated to make it possible to create an institutional competitive advantage [12]. R. Hall and D. Gingerich empirically substantiated the main differences between capitalist systems. The nature of these differences is in the fact that different models can be formed within different economic systems [11].

M. Aoki and G. Jackson, taking into account the diversity of relations between corporate management and organizational structure, distinguish four economic models in the capitalist economic system: Anglo-American, German, Japanese, and Silicon Valley [3]. Analyzing the historical development of capitalism L. C. Bresser-Pereira [15] distinguishes five models of capitalism: liberal-democratic (or Anglo-Saxon), social (or European), endogenous social-integration (or Japanese) and Asian liberal model-dependent.

Using the above mentioned approach of “capitalism options”, S. Mizobata explains the various capitalism options that were formed in the former socialist economies. He believes that not only economic models of developed countries differ from each other, but also the models formed in developing countries. The differences in the activities of economic institutions and decision-making procedures, in the mechanisms for the implementation of decisions and in other areas make it possible to conclude that these countries apply different economic models [16].

The analysis of the literature shows that the choice of the economic model (modification) of an economic system, as well as the “success” or “failure” of the chosen model largely depends on two factors. They are the volume and quality of state intervention in the economy and economic behavior of the society. For example, Singapore’s Prime Minister Li Hsien noted that before the reforms, Singapore was a country where “everything that is not allowed is forbidden” and Hong Kong was the place where “everything that is not forbidden is allowed”. Singapore was one of the countries with the largest share of state intervention in the economy, and Hong Kong with the least [19]. T. Geiger and F. Geiger note that the economic models of Singapore and Hong Kong correspond to their development strategies. They empirically prove that an increase in state intervention in the economy in Hong Kong, and a decrease in Singapore in recent years have led to the fact that these countries use a mixed model of economic development. It is a “mixture” of free economy and state regulation [9]. Unfortunately, the authors do not measure their ratio in the study.

Some researchers single out economic models and economic systems. For example, J. Baocheng identifies the following main features of the economic model of China: 1) the existence of other entrepreneurship types along with the leading role of state entrepreneurship; 2) wide-state intervention in the economy, which is still based on the market
principles; 3) phased reform implementation; 4) competition between different regions with certain financial independence. China's mixed economic model combines the features of two fundamentally different economic systems (not “pure capitalism” and not “pure socialism”). In recent years it has ensured high rates of economic growth of the country [4].

The so-called “Anglo-Saxon model” is also an attempt (not very successful) to characterize the economy of a group of countries with a mixed economic system. This is usually the name of the economy of English-speaking countries. However, it does not accurately reflect the economic features of each country. But, the similar economic institutions and laws of the United Kingdom, USA, Canada, Australia and New Zealand have significantly different economic models compared to Japan, Germany, Italy and other developed countries. However, these similarities are not sufficient grounds for finding out the identity of their economic models. The consequences of the financial crisis in 2008, the pace of economic development and the standard of living of the population in these countries demonstrate serious differences between their economic models. In these countries, the degree of state intervention into different areas of economic activity also varies. For example, the degree of state intervention in the economy in Canada, Ireland and New Zealand is quite close, but very different from Australia. The level of state intervention in the economy of Australia is close to that of Japan rather than Canada. Even the neoliberal modifications of the so-called Anglo-Saxon model differ from country to country.

The economic system of Germany, like that of the Anglo-Saxon countries, Japan or France, is also mixed. Meanwhile, there are strong differences in the economic models of these countries. This fact confirms the necessity for differentiating between the concepts of “economic model” and “economic system”. As A. Fabre noted, in Germany the market economy principles are applied if the social protection of the population is ensured [8].

The comparative analysis of the economic models established in developed and developing countries gives ground to conclude that the basis of any economic model is the hidden confrontation of two basic institutions: the state and the market. When a country chooses an economic model, it can be guided by different priorities, including the ratio of economic growth and public well-being.

Political organizations play an important role in choosing the economic model. Historically, the approaches to economic systems differed according to political and ideological views. For example, anarchists supported non-intervention (or, at least, minimal intervention) of the state in the economy. However, now with the modern capitalist system, they recognize the need for some state intervention in the economy. For example, one of the ideologists behind modern anarchism, N. Chomsky, notes that state intervention in the economy is inevitable if we want to reduce the devastating effects of predatory capitalism and protect human life and the environment. All political ideologies based on economic liberalism advocate the reduction of state intervention in the economy, but at the same time they recognize the need for its existence. J. Adams noted that the state will no longer be required when people are pure and holy like angels [2].

In the economic platforms of political parties in the United States and the EU, the issue of state intervention in the economy is extremely important.

2. RESULTS
The analysis of the distinctive features of the economic systems described in the economic literature makes it possible to classify them as follows.

**Traditional economic systems:**
- They are mainly used in Asian, African, the Middle East and Latin America countries. In these economic systems, employment and production, the choice of "what, how and for whom" to produce, the use of resources, goods and services are based on social traditions. Such economic systems are not dynamic. The exchange of goods and services is slow and the standard of living is static. Economic behavior and relationships are more predictable than in other systems.
- The economic activity is concentrated around the family, tribe, ethnic group. The economic activity experience is directly transferred from one group to another. The necessary production resources and real estate are inherited.
- The development of production (especially with the use of new technologies) in the main economic activity areas is weak.
- Economic decisions are mainly made under the external environment influence.

**Administrative economic systems:**
- Decisions on economic development are made and implemented by the state (government, government body).
- The company is involved in making economic decisions at the minimum level.
- The economy is managed by the state.
- There is no market competition between economic entities.
- The main goal of economic entities is the production of goods and services, but not getting profit.
- Production enterprises can't use resources without quotas.
- Consumer opportunities in the selection of goods and services are extremely limited.

**Market economic systems:**
- Economic decisions are made by individuals and companies competing to maximize profits.
- Resources belong to economic entities, including individuals.
- The economic activity is motivated by the lack of production quotas and the inability to get profit without competition.
- The cost (price) is determined by competition between individual entrepreneurs and companies on the basis of demand and supply. This contributes to the improvement of goods and services.
- Individual freedom is very important. People are free to make economic decisions.

**Mixed economic systems:**
- Combine all the elements of market and administrative economic systems.
- Both the state and individuals take part in making economic decisions.
- The state regulates the production of certain goods and services.
- All economic entities, including individuals, may be the owners of resources.
- The state seeks to protect producers and consumers from unfair economic policies and practices.

Economic development is mainly aimed at public well-being, political freedom and personal freedom.

It is also possible to separately classify the weaknesses of economic systems in relation to each other. The main disadvantages of traditional economic systems are: a) economic development is largely ignored; b) slow changes; c) society practically does not have the opportunity to choose the activity types; d) poorly developed technological innovations; e) no public control over the environment.
The main disadvantages of administrative economic systems are: a) resources are not sufficiently distributed; b) poor innovation initiatives; c) personal freedom is limited; d) corrupted state elite; e) limited possibilities for implementing ideas and making changes.

The main disadvantages of market economic systems are: a) the opportunity to overcome poverty and earn a decent living is not guaranteed for all members of society; b) it is difficult for the government to take the necessary measures to provide social services to the community.

The main disadvantages of mixed economic systems are: a) the possibilities for optimal use of resources are limited; b) excessive state intervention in the economy can slow down economic development.

Nowadays, three of the above-listed economic systems (traditional, market and administrative) "in their pure form" do not exist in any country. On the one hand, there is no country in the world where there were no elements peculiar to the traditional or administrative economy. On the other hand, there is no such administrative (command economy) economy that is completely devoid of market elements. Thus, all currently existing economic systems are actually mixed. However, while dirigisme dominates in some countries, liberalism dominates in others.

The characteristic features by which the economic systems differ fall into two groups: 1) property relations, actually, the proportions of the public and private sectors in the economy and the features derived from their correlation; 2) the dichotomy that manifests itself in the contradictions between the social protection of the population and the freedom of economic activity, and the features derived from it.

The economic system and the economic model are different things. We use the term "economic model" to refer to a specific economic system that is peculiar to a particular country in a given period of time. This system consists of specific economic and legal institutions, producers and consumers, as well as laws, standard rules and established traditions which govern the behavior of these subjects. With this approach to the economic model, it appears as the "static state" of the economic system. In this sense, every country has its own economic model. It differs from others not only by the behavior of economic agents, but also by the effectiveness of the existing institutions.

When state intervention concerns property relations, social protection of the population and the economic activity freedom, essential changes occur in the economic system. The essence of the economic model is determined by the ratio of liberalism and dirigisme, which distinguishes the economic system of one country from another.

It should be noted that not all forms of state intervention in the economy are related to any of the three mentioned spheres. For example, the majority of the state anti-corruption measures are not related the maintenance of property relations, social protection and economic freedom. Although, they suggest some intervention in the economy, they are not model-shaping.

Since the economic model of a country is determined by the model-shaping forms of state intervention in the economy, these (and only these) forms of intervention are always the topic of a dispute between socio-political groups claiming to form the economic policy. And this does not depend on the classification of economic models. The differences between the economic platforms of political parties are not at all accidental. In many cases, the fundamental provisions of these platforms directly contradict each other. At the root of these
contradictions are the contradictions of a deeper order: in property relations, between the freedom of economic activity and the social protection of the population. There are many "vectors" of state intervention in the economy. There are two opposite directions of the vectors. They can be either “leftist” or “rightist”. It depends on how and into which economy sphere the state intervenes. Even if the state simultaneously intervenes into different economy spheres, introducing multidirectional changes, the final result (“sum”) of these changes will be either of a leftist or a rightist nature. The only exception can be the hypothetical case where the multidirectional changes absolutely mutually balance each other and the degree of liberalism-dirigisme of the economy remains unchanged. The final result of the changes introduced into the economic system characterizes the tendency (direction) of economic development.

The presence or absence of some vectors is perceived by the society as a state obligation from the point of view of the social protection of the population and the improvement of business conditions. In order to take steps for the social protection of the population, the government (state authorities) often has to intervene in the economy. This worsens business conditions and hampers economic development. As a rule, it is impossible to improve the entrepreneurship conditions (for example, to reduce taxes) and to expand social programs at the same time. Therefore, the state intervention aimed at strengthening social protection of the population moves the economy "to the left". And if it is aimed at business climate improvement, the economy is moved to the "right".

State intervention in the economy is measurable. It is possible to estimate the degree of state intervention in the economy and its dynamics. It is done with the help of one-dimensional coordinate system, which has left and right poles. The quantitative measurement of state intervention in the economy is methodologically significant. An increase (economic shift to the “left”) or decrease (economic shift to the “right”) in this intervention almost always lead to serious macroeconomic and social consequences. For example, state regulation of prices directly affects aggregate demand and supply. Changes in the proportion of the state budget in GDP directly affect the level of social protection of vulnerable groups of the population. Raising or eliminating the minimum wage will affect the unemployment rate of low-skilled workers. Or establishing stronger labor law will affect business conditions. Therefore, a quantitative assessment of state intervention in the economy in a certain period of time makes it possible to judge the success of the government economic decisions. Economic decisions on individual economy sectors have the same consequences. The state intervenes in the monetary system and tax system through monetary policy and fiscal policy respectively. However, the changes (increase or decrease) only in the modelshaping forms of state intervention shift the economy to the left or to the right.

Such bipolar forms of state intervention in economy have always been the subject of the political battle. The political positions on these issues are of great (sometimes crucial) importance to gain voters' support. State intervention in the economy is implemented through laws, other legal acts and management decisions. The economic policy of the political party in power is implemented through the adoption of certain measures. They increase or reduce government intervention in the economy. Right-wing political parties announce that if they come to power, they will privatize (or expand), reduce taxes, liberalize foreign trade (simplify import), etc. Left-
wing parties, on the contrary, promise to increase the public sector share (through the nationalization of property), expand social programs (which often involves the raise of taxes), protect the domestic market (for which it is necessary to raise import duties), etc. Each political force shapes its policy, relying on its supporters, and promotes its ideas in the periods between elections.

The economic issues discussed by the political parties of a country at a given period of time fall into two groups: a) issues on which all political parties have identical (or very close) points of view (for example, all parties in all countries are against corruption; otherwise they can't rely on the support of the population); b) the issues on which they have different (sometimes - opposite) points of view (for example, tax increase or tax reduction).

In most cases, cross-party political struggle is connected with the second group of economic issues. Discussions about the first group of issues are important only from the point of view of weakening the political party in power (in other words, just for coming to power). In the fight against political rivals (in particular, with the government, faced with socio-economic problems), political parties mostly advocate for the opposite economic policy. For example, if the "left" wing, supporting "socially-oriented economy" and failed to achieve the promised economic development is in power, the opponents' right wing political slogans will certainly be met with sympathy by society. Reverse is also true.

In democratic countries, there are numerous political parties with different political and economic platforms. Despite the variety of goals, strategies and tactics, forms of struggle for power, these parties are divided into two main groups according to their attitude to economic problems: a) supporters of strengthening (increasing) government intervention in the economy; b) supporters of mitigation (reduction) of state intervention in the economy. The former are called the “left”, and the latter - the “right”. Regardless of their official names, all political parties fall under this division. At the same time, of course, it is quite possible that any political party can have a "leftist" or "rightist" point of view on a particular economic issue.

Moreover, even the same pole political parties, let's say the left ones, can differ (and most often differ) in the degree of leftism. That is, you can stick to more leftist (rightist) views than the other left (right) wing. For example, both hypothetical political parties, one of which argues for raising taxes by 15%, and the other by 5%, should be qualified as left. However, compared to the second party, the first should be recognized as a more leftist one. This fact clearly demonstrates the relativity of the concepts of being "leftist" and "rightist".

It should be noted that the majority of political parties in their programs, and especially in their election manifestos, try to avoid the provisions on state intervention in the economy or economic development models. As a rule, this terminology is incomprehensible for most voters. The parties show their position on such concepts as, for example, economic freedom, social protection and business environment improvement because it is much easier. In any case, a voter does not cease to be a “hired worker”, “entrepreneur”, “retired person”, “student” or “unemployed person”, as well as a “consumer”. In this case their interests are quite definite. Each entrepreneur voter prefers to pay less taxes and have more freedom in managing their business. An employed or an unemployed voter is, obviously, interested in enhancing the social protection even if it is achieved through restricting the economic freedom of entrepreneurs. All electors expect the
state (government) to take measures to guarantee more accessible and high-quality education and health care.

Choosing between these two contradictory goals political parties try to attract “hired worker”, “retired”, “entrepreneur”, “student” voters and voters from other social groups. At the same time, they act as leftists supporting state intervention in the economy. And if they are in favor of the reduction of state intervention, they act as rightist political organizations.

As N. Muzaffarli noted, the supporters of the leftist and legalist political and economic worldviews have the opposite approach to the use of protectionist tools and measures. The first advocate for their expansion and tightening, the second - for their abolition or the most possible "softening". The first way involves strengthening of state intervention in the economy, the second - its weakening. However, both right and left political organizations have to take into account the fact that the more economically developed the state is and the higher its foreign market competitiveness, the more interested it is in removing tariff and non-tariff barriers restricting international trade [26].

Since the political groups activities are focused on specific groups of voters, not all forms of state intervention in the economy can be a subject of discussion. The forms showing the balance of social protection and the improvement of business conditions become the topic of discussion. Otherwise, any economic platform loses its value for the voter.

Thus, comparing the economic platforms of political parties (especially in developed countries), it is possible to classify the main model shaping forms of state intervention in the economy. They are both the subject of a political dispute and the main criterion for interpreting the economic models of countries. Taking into account the fact that the political parties of developed countries (especially of the US and the EU) play a leading role in shaping both the political and economic "landscape" of developing countries, this criterion can be applied to other countries.

Bearing in mind the “scope” of state intervention in the economy, researchers and politically active groups very often use the term “size of government” [20]. Some political parties (for example, democrats in the USA [6], laborists in Great Britain [22], social democrats in Germany [13], greens in all European countries, etc.) preach social and economic programs. These programs involve greater state participation in public life and an increase of the government size. But the parties with the opposite points of view (republicans in the United States, conservatives in Great Britain, Christian democrats in Germany and others), on the contrary, call for limiting participation and reducing the government size. For example, the first group advocates for an increase of government expenditures (state budget) in order to improve population welfare. It is even ready to increase taxes if there is no other way. The increase of the state budget share in GDP indicates a higher level of national income redistribution and, consequently, increased state intervention in the economy. Therefore, political organizations that come up with similar requirements may be classified as leftist. In contrast, the second group of political parties preaches reducing the government size, limiting the social expenditures of the state and reducing taxes. This makes it possible to refer them to the right pole of the political spectrum.

Left-wing political parties advocate for higher taxes for the rich and lower for the poor. They believe that we need targeted programs aimed at improving the social conditions of the poor, minimum wage increase, tighter regulation of entrepreneurship, financial assistance to poor countries, free medical care for the
population, state control over education, strict environmental legislation, reduction of the use of hydrocarbons and so on.

The right-wing political parties advocate for the adoption of single tax rates for all. They believe that raising the minimum wage seriously hampers the development of business, since this leads to an increase in wages, increasing total production costs. They consider excessive state regulation of business to be harmful and advocate for its reduction to the minimum possible level. They believe that health care and education are more effective if they are financed by the society itself. Therefore, the participation of the state should be minimized and educational institutions should be controlled only by local authorities. They believe that the economy development is a priority; and if it requires greater use of natural hydrocarbons, their production mustn't be reduced.

Nevertheless, it is impossible to predict that the right-wing political party will carry out the reforms of the right (liberal) sense in all directions and the left-wing party of the left (dirigiste) one. This largely depends on the current state of the economy. For example, at present, the economy of Georgia is one of the rightmost in the world. The “Georgian Dream” party, which has been in power for the last 6 years, continues to pursue pragmatic economic policies. The fact is that the "right" direction of the economy still brings positive results for Georgia. It allows the country to use capital, human and natural resources effectively.

On the contrary, Spain has one of the leftmost economies in Europe. Its current development is also quite effective. Meanwhile, the right-oriented Spanish People's Party is in power and it continues to “keep” the economy of the left pole, which is similar to the preservation of the “status quo”. Although the economic policy of the government is based on the fact that left-wing political parties are strong enough in the country. This can be extended to Germany. The ruling Christian democratic party is a center-right. But in recent years it has not implemented any serious liberal reforms, considering that the economy of the country is being optimally developed.

As we have already noted, the measurement of the degree of state intervention in the economy in various countries is extremely important both from the economic and political points of view. The economic significance of these measurements lies in the fact that by evaluating the macroeconomic and socio-economic consequences of state intervention in the economy, it is possible to substantiate scientifically the need to increase or decrease it. Moreover, on the basis of the measurement results we can make a judgement on optimal limits (minimum and maximum) of such an intervention in the economy of a particular country at a given period of time. These limits suggest that a sustained degree of state intervention in the economy will ensure rapid and effective economic development of the country despite the change of political power.

The political significance of measuring state intervention in the economy is determined primarily by the fact that political parties that use its results will be able to move away from abstract populist slogans and draw up programs for the country's economic development on specific, scientifically-substantiated provisions on strengthening or weakening the model shaping state intervention in the economy. For example, a political party claiming power in Georgia would have little chance of winning if it came out with slogans on tax reduction, since taxes in this country are extremely low. In a similar way, it would be wrong to build election manifestos on the slogans on increasing taxes, since the current taxation creates favorable conditions for the development
of entrepreneurship and the economy. Therefore, the left parties do not include the increase of taxes into the political agenda, and the right parties do not advocate for their reduction. Secondly, if the economic policy (economic reforms) of the left party in a particular country does not ensure sufficiently high economic growth and does not lead to a sufficient improvement of public welfare, a change in the current government is very likely. The chances of a political party with opposing (in this case, right-liberal) views are great. Therefore, the research on the measurement of modelshaping state intervention in the economy can contribute to the more accurate prediction of political processes.

Political power forms the economic model of the country through increasing or decreasing the modelshaping intervention in the economy. This model turns out to be more or less durable if it ensures effective economic development of the country. And otherwise, it gives a relatively quick way to a new model.

3. CONCLUSIONS

1. The economic model of a country and the economic system are not identical concepts. The economic system is a dynamic relationship between legal, political and economic institutions, as well as regulatory legal acts and mechanisms for their implementation. They affect economic relations to some extent. An economic model of a country is a measurable static state of a country’s economic systems in a certain period of time.

2. The economic system of a country is a real and dynamic expression of specific economic models that reflect static conditions.

3. The economic model of every country is determined by the modelshaping forms of state intervention into the economy.

5. Only the model forming forms of state intervention into the economy become the subject of political battle.

6. Modelshaping forms of state intervention are not limited to fiscal and monetary policies. They also include foreign economic, social, socio-economic and other state policies that have two opposite poles.

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