

## Elementary Unit of Mechanism of Interests Implementation of Economic Intercourse Subjects

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**Abstract:** This article is about aspects of mechanism of implementation of economic interests. It was developed the elementary unit, considering object's, subject's of business relationship features and nature of their interrelations. There were estimated conditions of stable development of the seller and resources consumers. And also shown the structure of real matter reflection of economic subjects interests implementation unit.

**Key words:** Economic subjects interests • Mechanism of interests implementation • Elementary unit of economic systems • Conditions of stable development of economic system • Conditions of implementation of economic interests.

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### INTRODUCTION

Economic interests process of realization and phenomenon of their protection, are in focus since establishing of economic thoughts are still actual at modern stage of economic relations. This is explained that in system and structure of subject-object relations there are some linkages, which are not studied properly. [1, p. 435]

Many persons investigated the elementary character of this idea. Democritus and Epicurus believe that elementary component of all matters is atom and suggest atomic concept of existence. G.V. Leibnitz tried to find «nature of the world» [2, p. 413-429], that is basic of all things. Actual things consist of simple basic and consequently, the basic elements should be units, that can not be separated any longer. G.V. Leibnitz defines them as monads – basis for all things, excluding spiritual centers of acting force, metaphysical points without embodied, temporal and areal properties. Different investigators tried via finding the elementary component get into essence of phenomenon and processes being investigated. Economists tried to define elementary components and compositions, being the basis of economic relations.

According to A. Smith idea, elementary unit, being the basis of all matters is labor, spent for production of goods. While studying the change relations between business units, he points out labor as basic element comparing the goods values: «only labor, whose cost is constant, is single and actual unit of measurement, suitable for valuing and comparing cost of all goods in all times and all places» [3, p. 102]. As a result a person would be «rich or poor depending on amount of labor he can dispose or he can buy» [3, p. 99]

K. Marks as the basic unit of commodity-money relations suggested goods, defined by him as «elementary unit»: «commodity form of labor product, or form of goods value, is form of economic unit of bourgeois society» [4, p. 6]. K. Marks comes to the conclusion that commodity acts as initial component of the analyses, as it is the «elementary unit» [4, p. 709-738] of the capitalist society: «Wealth of societies with the capitalist way of production, is as «large stock of commodities» and single commodity – as elementary unit of this wealth» [4, p. 43]. Apparently that commodity, defined by K. Marks as elementary unit, acts as media in economic relations of subjects.

The examined units, indicated by the authors, are object of economic relations, but the subject of business relations are not taken into account. At present moment

it is actual to find out the elementary unit, considering not only objects features, but also subject's features and nature of their interrelations.

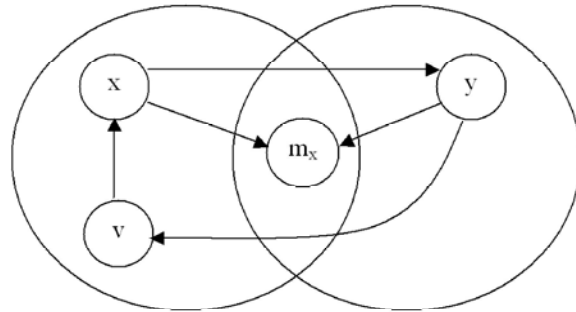
**MATERIALS AND METHODS**

Using possibilities of positive and metatheoretic analyses made it necessary to move to empiric level of studying, that is level of active testing. We use elementary unit as a tool to make model of investigated relations, this unit reflects system of interrelations of subjects who are part of business.

**Main Section:** Investigation of processes of beginning, showing, realization or disappearance of economic interests stipulates necessity analyzing of their background, interrelations with subjects of interests mechanism implementation criteria [5, p. 24]. Background of interests are real content of economic relations as for recourses and benefits. Interrelations of backgrounds with interests criteria is as reflection of real content elements on information, used for evaluation of subjects for implementation of relations [6, p. 1950].

Economic relations are as implementation of business units. Investigation of their interconnection in the mechanism of purposed behavior of business relation subjects defines necessity of investigating the elementary unit of relations at the level of their actual content, whose analyses lets us to define reflection of actual content of its units and linkages on information, necessary for business units for defining their economic interest. Each economic subject has his shown or latent function of own interests evaluation. Certain subjects make economic relations, if they provide maximum criteria of each of their interest evaluation, selecting their composition from lots of alternative. In this case they are satisfied with evaluation of subject's interests, that is their interests match with each other [7, p.11].

We interpret the elementary unit of economic system of A. Dyachenko [8, p. 39-42] as relation of economic subjects interests implementation at the level of actual content. There are the following definitions of elements and linkages:  $x$  – scare resources;  $y$  – manufacturing product of subject, with whom the seller (manufacturer) of scare resource  $x$  made the compromise resolution  $m_x$  on exchange, meeting the subjects of relations interests;  $v$  – benefit, given (got) in exchange on resource  $x$ ;  $xm_x$  – relation of proposing resource  $x$ , that is showing



Picture 1: Elementary unit of economic interests implementation at the level of actual content

of economic interest of the seller;  $ym_x$  – relation of demand for resource  $x$ , that is showing of economic interest of the buyer;  $m_x x$  – relation on performing of resolution  $m_x$  on changing of property right for resource  $x$  and benefit  $y$ , that is the result of meeting interests of the subjects;  $xy$  – relation on delivering of resources  $x$  to the subject, who makes the product  $y$ ;  $yv$  – relation of getting benefit  $v$  in exchange on resource  $x$ ;  $vx$  – relation of reproduction of resource  $x$  for getting benefit  $v$ .

According to described elements and system of their relation the unit has the structure, shown on drawing 1. The unit consists of subsystem of the subject elements, who gives the scare resources and subsystem of subject who consumes them (seller and buyer). Relations  $xm_x$  and  $ym_x$  are demonstrating the economic interests of the seller and buyer and due to them there are relations  $xy$ ,  $yv$ ,  $vx$  with actual contents.

It is reasonable to manufacture something if its selling lets to compensate expenses connected with manufacturing of benefit and provide the consumers of scare resources with net profit. Therefore, consumption of scared resources is interesting for their processor if

$$P_y > P_{y'} \tag{1}$$

where  $P_y$  is buyer's evaluation of benefits and recourses of the higher level;  $P_{y'}$  is buyer's evaluation of production costs, including wear of labor tools and benefits costs, that were requested by scare resource suppliers and paid.

The most preferable score resources are those, who provide the maximum value  $\Delta p_y = P_y - P_{y'}$ , where  $\Delta p_y$  is buyer's evaluation of additional advantage he gets from transaction (increasing of product  $y$ ). As amount of expenses of different manufacturers of scare resources, reflecting changing of their productive forces, institutes and production relations, the value  $\Delta p_y$  changes. The consumer of the restricted resources, trying to minimize  $P_{y'}$ ,

and maximize  $\Delta P_y$ , inclines to changing of production relations, if this changes increase  $\Delta P_y$ . Thus is explained the consumer of score resources influence on adaptation processes of economic relations structure changing. The got result (1) is the condition of stable development of resource consumer. At providing of  $\Delta P_y > 0$  he is interested in getting and processing of score resources.

For providing of stable development of the resource seller should be provided increasing of resources as the result of its consumption and following recovery. Condition of stable development of the resource supplier we gat as following:

$$P_{x1} \geq P_{x0} \quad (2)$$

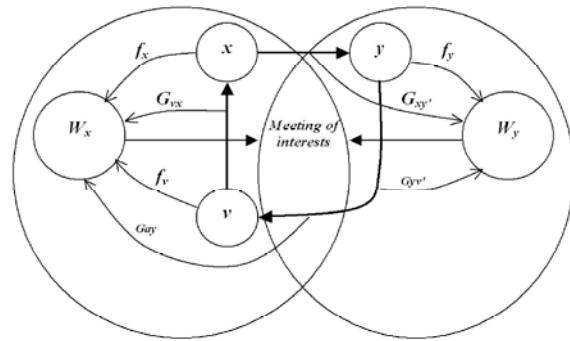
where  $P_{x0}$  is seller's evaluation of sold for manufacturing of products resource;  $P_{x1}$  – seller's evaluation of recovered resources cost for the expenses of benefits, got for sold resources.

Economic relations of the seller and buyer are and consequently, are determined by results (1) and (2), which define the necessary conditions of stable development of economic system of buyers (processors) of the score resources and their sellers relations. If results of prognosis show violation any of these condition, transformation of the corresponding set of score resources to the manufactured products is not reasonable [9, p. 56]

The investigated mechanism of elementary unit reflects content of economic relations, implemented with real content of resources, manufactured products and benefits as for selling and buying, production and recovery. Taken decisions as for making operations with actual content is the result of evaluation of actual content of resources, benefits, manufactured products by the seller and buyer, with the following maximization each one of them their criteria of interest. That is result of actual content reflection of economic relations shall be the information, used for evaluation and maximization of economic interest of the subjects.

Demonstration of economic interest can be only in case if according to information on relations of economic subjects, are met criteria conditions of their harmonica development [10, c. 88]. In case information of evaluation of actual content of economic relation shows not performing one of the mentioned above conditions of harmonic development of the seller and the buyer, there is absent the objective background of interest of the respective subject.

Moreover, the subjective nature of the interest defines, in case of evaluation defacement, included in



Picture 2: Structure of reflection of actual content of economic relations unit

conditions of harmonic development of the seller or buyer, lack of fit of respective subject interest to the backgrounds of his existence, that is subject's interest can exist at the time when economic relation is not reasonable from point of view of its effective development and vice versa. That is economic interests are determined as by adequate reflections of elements and linkages of economic relations, as well as by adequate reflection of elements of conditions of harmonic development of relations' subjects, as well as by criteria elements (expressions) of interest evaluation (effectiveness of relations implementation). [11, p. 77-78].

Picture 2 shows the structure of reflections of the actual content of implementation unit of economic subjects interests.

On picture 2 there are the following definitions:  $f_x$  – function of isomorphic reflection of actual content of the resource  $x$  on the information, use by the seller for evaluation of own interest for keeping the resource  $x$ ;  $f_v$  – function of isomorphic reflection by the seller of the actual content of benefit  $v$  on the information, used by him for evaluation of interest of getting the benefit  $v$ ;  $f_y$  – function of isomorphic reflection by the buyer of the actual content of the product  $y$  on the information, used by him for evaluation of own interest for manufacturing products  $y$ ;  $G_{vx}$  – function of homomorphous reflection of relation for recovery of resource  $x$  of the seller for the account of benefit  $v$ , got by him from buyer;  $G_{yv}$  – function of homomorphous reflection by the seller relation of delivery of benefit  $v$ ;  $G_{vy}$  – function of homomorphous reflection by buyer relation of delivery the benefit  $v$ ;  $G_{yv}$  – function of homomorphous reflection by buyer relation of delivery of the resource  $\delta$ ;  $W_x$  – criteria of interest of the seller of resource  $x$ , defined got by him in exchange of benefit  $v$ , used for recovery of resource;  $W_y$  – criteria of interest of the buyer of resource  $x$ , necessary for manufacturing of product  $y$ .

Criteria  $W_x$  and  $W_y$  of interests respectively of the seller and buyer of resource  $x$  define their wish of cooperation (in case of having the same interests and presence of compromising resolution). According to condition (2) of the effective development of the resource seller criteria  $W_x$  should be defined by the following system of equations [12, p: 330]:

$$\begin{cases} \Delta P_x = P_{x1} - P_{x0} \\ P_{x1} \geq P_{x0} \\ \Delta P_x \rightarrow \max, \end{cases}$$

where  $\Delta P_\delta$  – is seller’s evaluation of the additional advantage, got by him from transaction (increasing of resource  $\delta$ ). Criteria  $W_y$ , according to condition (2) of effective development of the resource buyer, should be defined by the following system of equations:

$$\begin{cases} \Delta P_y = P_y - P_{y'} \\ \Delta P_y \geq 0 \\ \Delta P_y \rightarrow \max. \end{cases}$$

Used definitions  $\Delta P_\delta$  and  $\Delta P_y$  are evaluations of seller and buyer of their economic interests. From the set of alternative economic interests the subject would choose the one, whose implementation would be maximum profitable for him.

### CONCLUSIONS

According to synthesize description of criteria of getting the economic interests of the seller and buyer it was found out content of system of economic interests conditions of implementation. Implementation of economic interest of the seller, directed for getting the defined increasing of resource, is provided on the basis of his evaluation of delivery factors, sold resources and got benefits at keeping to adequacy condition of used evaluations to the actual content. Implementation of economic interest of the buyer, oriented on getting the defined increasing of benefit, is provided on the basis of his evaluation of factors of delivery, got resources and transferred products at keeping to adequacy condition of used evaluations to the actual content.

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