

### **Civil International Committee**

(created because of the moral support of outstanding persons of the world: the President OF THE USA George Bush; General director of the International Biographical Center in Cambridge of Nicholas S. Law; the Editor Chief of IBC John Gifford; the President of American Biographical Institute J. M. Evans; Writer Mindy Aloff; the Managing Editor of "Who's Who in America" Karen Chassle; Former Kongresmen of the USA Bill Green; the President of the New York Academy of Sciences Rodney W. Nichols; the President of the Union of the economists of Ukraine George Dzis and by many others)

### **Azov Department of the Academy of Economic Sciences and Owner's Activity**

(AES&E of Mariupol, Ukraine; AES&E of Russia, founded by the Nominate of the reward to Alfred Nobel's memory on the economy of 1973 Wassily W. Leontief and by the expert OF UNITED NATIONS, professor Vadim N. Kirichenko)

**Institute Olge W. Wasilievoy-Catholic of Economical and Sociocultural Researches** (lawful successor of DESMC DSC AS of Ukraine; scientific consultant, the academician of NAN of Ukraine Nikolai G. Chumachenko)

### **Union of young people of the Rishel'evsk's Novorossisk Odessa National University name I. I. Mechnikova "Odessa- Europe"**

(representation in Odessa AO AES&E; the members of the trustee Council: the academician of the Academy of economic Sciences of Ukraine, Men of 2005 Year (ABI), professor, Dr. econ. Turkish O.A., docent, cand. econ. sci. Vovchuk B.V., docent, cand. econ. sci. Oshchepkov A.P., the master of culturerology Kovalenko N.B.) in accordance with the recommendations of the first stage of the forum -2005 (see document 146 on [www.cic-wsc.org](http://www.cic-wsc.org)), dedicated to the fifth anniversary of the creation of civil international committee, THEY DECLARE about the continuation of the work of forum -2005 and about THE CONDUCTING

## **The second stage of International practical-scientific conference, which is devoted to the laureates of the reward to Alfred Nobel's memory on the economy**

### **"THE SEARCH FOR THE BEST WAY OF THE IMPLEMENTATION OF FINANCIAL FRAMEWORK 2007-2013: The law OF PRESERVATION OF LABOUR in the world economy "**

(with the materials of preliminary consideration (June- September 2005) you can be introduced on site [www.cic-wsc.org](http://www.cic-wsc.org) (FORUM)).

All, who are interested in the retention of the high standard of living in West Europe, Japan, USA and Australia, and also in raising of the standard of living in all states of Europe, Asia, Africa and America on the basis of universal participation in the development of high technologies for the purpose of an increase in the balance of intellectual- spiritual increase on all continents and in all countries, we request to participate in the conference through the system the INTERNET. Discussion of questions in the regime of real time takes place 19-21 October and 19-20 December of 2005 from 14.00 to 17.00 via interactive contact.

Focus attention of scientific economists, that today from the dynamics of the development of integration processes in Europe depends directly of the state of entire world ECONOMY. The successful realization of FINANCIAL FRAMEWORK "Agenda -2000" during the years 2000-2006 and an increase in the orientation of FINANCIAL FRAMEWORK 2007-2013 to the development in Europe of high technologies (proposal of Great Britain - Tony Blair) will affect the national economies of practically all countries of the world community. This influence will be perceptible both in Asia and in Africa, from it will be impossible been abstracted (to leave) both in South America and in Canada.

World became so correlated, globalizirovannym that even all attempts to plunge it in the psychological wars (the higher level of immoral state of conflict in comparison with the Cold War) no longer succeed. Humanity confidently goes to the beginning of the solution of specific objectives by the mastery of near space - on the taking to itself of responsibility for the positive dynamics of development during the first stage in the solar system with the afterexpansion of the sphere of influence. And this is the not removed fantasizing and "philosophizing". If we do not reject the "possession of celestial space" (position of Fedorov N.F., XIX century), then we will be able to solve "economic questions here on the earth", creating the foundation of "moral existence of humanity generally" (determination of Fedorov N.F.). For all thinking people this conclusion became axiom.

Therefore the organizers of Forum -2005 are manifesting this deep and sincere respect for the Nobel Institute (Committee), as a whole, and for the laureates of the reward to Alfred Nobel's memory on the economy, in particular.

For us all names of the great economists of the World: Ragnar Frish, Jan Tinbergen - 1969; Paul A Samuelson - 1970; Simon Kuznets - 1971; Kenneth J. Arrow, John R. Hicks - 1972; Wassily Leontief - 1973; Gunnar Myrdal, Frederich August von Hayek - 1974; Leonid Vitaliyevich Kantorovich, Tjaling C. Koopmans - 1975; Milton Fridman - 1976; James E. Meade, Bertil Ohlin - 1977; Herbert A. Simon - 1978; Sir Arthur Lewis, Theodore W. Schultz - 1979; Lawrence R. Klein - 1980; James Tobin - 1981; George J. Stigler - 1982; Gerard Debreu - 1983; Richard Stone - 1984; Franko

Madigliani - 1985; James M. Buchanan Jr. - 1986; Robert M. Solow - 1987; Maurice Allais - 1988; Trygve Haavelmo - 1989; Harry M. Markowitz, Merton H. Miller, William F. Sharpe - 1990; Ronald H. Coase - 1991; Gary S. Becker - 1992; Robert W. Fogel, Douglass C. North - 1993; John C. Harsanyi, John F. Nash, Reinhard Selten - 1994; Robert E. Lucas Jr. - 1995; James A. Mirrlees, William Vickrey - 1996; Robert C. Merton, Myron S. Scholes - 1997; Amartya Sen - 1998; Robert A. Mundell - 1998; James J. Heckman, Daniel L. McFadden - 2000; George A. Akerlof, A. Michael Spence, Joseph E. Stiglitz - 2001; Daniel Kahneman, Vernon L. Smith - 2002; Robert F. Engle III, Clive W.J. Granger - 2003; Finn E. Kydland, Edward C. Prescott - 2004, not only are orientators in the scientific search, but also they associate with the new design directions of economic thought, with more fundamental understanding of social and economic reality.

We want to propose to the researchers to economists and continuers of the scientific schools of the Laureates of the Prize of Alfred Nobel's memory on the economy at the leading Universities to examine the applicability of the Law of Preservation of Labor in the economy of National States and in the World from the height of those scientific achievements, which are noted by the Nobel Institute (Committee).

Certainly, this work assumes the adoption of methodological installation about the materiality of thought and our treatment of the category OF LABOR, namely, "labor is considered the practical realization of the creative concept of that manufactured or understood, directed toward the satisfaction of needs".

It is also expedient to use the category of capital in the contemporary treatment, which is differed in no way from understanding of this category in the beginning XIX of century - "capital - accumulated supplies of food mental and physical labor, which uses or which is powerful to serve for the production purposes and facilitating as acceleration in the time of production process, so the growth of its result" (S.Y.Vitte, 1902).

With the theoretical-methodological analysis it is desirable to continue to examine (like Adam Smith and David Ricardo) three factors of production, but in the extended understanding: NATURE (but it was the "earth"), LABOR (accordingly our treatment, which includes both owner's abilities) and CAPITAL OF THE NOOSPHERE (but it was simply "capital"). By the way, it is probable, in the near future in the methodology the economists will switch over from capital OF NOOSPHERE to THE POTENTIAL OF THE NOOSPHERE, when will be achieved the intensive mastery of space objects (Mars, the Moon, etc.). All this for the economists of West Europe and America does not present difficulties, since much of that given above for them became ordinary and trivial, which one can see well with the acquaintance with the Nobel lectures.

But the realization of the law of Preservation of Labour will nevertheless require efforts, and that is more its use in the practice of social and economic analysis. Briefly the essence of the law of Preservation of Labour consists of the following: the summary level of live and materialized labor of necessary for preparing of articles (product) or rendering of service with design and qualitative identity of end product (service) is approached a constant steady value independent of unprincipled technological changes and modernizations of production (i.e. constant - without a change in the technological foundation), which increase only relative percentage of the materialized labor in the sum total of expenditures.

This made it possible, in the first place, to place on the foundation of objective economic calculation the evaluation of the innovation solutions from the discoveries to the rationalizing suggestion, while this actually contributes to an increase in the scientific significance of the conclusions of economists (where mathematics - there science; Leonardo da Vinci). In the second place, accuracy and validity of conclusions in the econometrics must increase (but this still it requires proofs). And the third, the economy acquired the solid soil of the fundamental law, which correctly explains the circulation of real labor expenses and immanent to them the mechanism of an increase in the arming of capital, and also whole series of the revealed regularities on the intellectualization of the labor (see documents 54, 55 [www.cic-wsc.org](http://www.cic-wsc.org)).

To all how much this importantly becomes clear, when we become acquainted with the work of the first laureates of the reward to Alfred Nobel's memory on the economy Ragnar Frish and Jan Tinbergen, which obtained her "for the creation and application of dynamic models to the analysis of economic processes" in 1969. They were inspired by the task of overcoming of depression and the possibility to check unemployment, after showing in the dynamic macroeconomic models the value of random shakings (war, panic on the stock exchange) to the economic fluctuations.

But if we try to explain these economic models, relying on the concept of the retention of labor, then panics on the exchange have more correct treatment. The same it is possible to say also about raboakh of the native of Kharkov, honorable professor Garvardskiy University Simon Kuznets, who in 1971 obtained the reward to Nobel's memory on the economy "for the empirically substantiated interpretation of economic increase, which led to new, more a fundamental understanding as economic and social structure as the process of development". Its long waves (20- years the summer periods of the alternation of a rapid and slow increase in the technical progress, population, nation income) showed the threshold rates of increase (10%) in the national income and the need for investment into human capital.

It is the opinion of the member of the Swedish Royal academy of sciences Bertil Ulina - "S.Kuznets... operated with the truly enormous statistical material, which underwent this deep and thorough analysis that this material sparked by thought and spilled completely news-writer on the problem of economic increase." But is it possible this analysis to carry out relying on the concept of the Preservation of Labour? Actually theme worthy of young and talented graduateej Garvardskiy or Cambridge of Universities. But the main thing - he will with its successfully manage and will reach actually the conclusions of of deeper outgoing on real business of the economic solutions. And possible this work will become his first step toward the reward to Alfred Nobel's memory on the economy. To us, to the members of the Academy of economic sciences and owner's activity, is most close personality of one of the founders of this Academy - Wassily Leontief, who in 1973 received of the Prize of Alfred Nobel's memory on the economy "for the development of method" expenditure- release "and for its application to the most important economic problems".

Much connects us with this talented person, beginning from the invitation to participate in 1990 in the international competition to the convertibility of ruble and obtaining of "honorable certificate" (F.Fersa), and ending with the article, dedicated to the Memory of Wassily Leontief in the Polish publications in 2001. And today we can confidently say that

the calculated by him models both for THE USA and the calculated under his management models for the entire World Economy as a whole confirm the concept of the Preservation of Labour. Certainly, this must be more argumentatively proven and in the more expanded form, and for this it is expedient to compare the results of the studies, executed by the scientists of different economic schools. Therefore we with the impatience will await reports and communications.

In 1975 Leonid Vitaliyevich Kantorovich and Tjaling C. Koopmans there have received of the reward to Alfred Nobel's memory on the economy "for the contribution to the theory of the optimum distribution of resources". By the way, Leonid Kantorovich recommended more widely using the concealed prices with the distribution of service resource the even and using of the interest rate for the expression of the concealed price of time during planning of capital investments. It is possible that the concealed price of time destroys the concept of the Preservation of Labour (on what it insists professor Zveryakov), while possibly also no. It is desirable to try to verify and as fast as possible.

For the economists of the Institute Olga W. Wasilieva-Catholic of economical- sociocultural researches the somewhat great interest cause the works of Milton Fridmena, which nearer than all remaining Nobel Prize Winners was to classical liberalism of Adam Smith and John Stewart Millya. And it is possible to completely agree with the estimation that "different approach to the economic policy, especially for the unenlightened, results in essence because of a difference in the forecasts of the subsequent economic actions, but not as a result of the dissimilarity of fundamental principles and concepts".

Therefore, in spite of the absence of unanimity between the specialists, we completely divide the resolution of the Nobel institute (committee) of that honored the rewards to Alfred Nobel's memory by the economy in 1976 of Milton Fridman "for the achievements in the region of the analysis of consumption, monetary history and development of monetary theory, and also for the practical demonstration of the complexity of the policy of economic stabilization". Specifically, relying on the developments of Milton Fridmen it is possible to try to show the possibility of the concept of the Preservation of Labour in realizing of the policy of economic stabilization in the implementation of FINANCIAL FRAMEWORK 2007-2013, and also the value of the practical realization of this concept in the monetary history. Exceptionally interesting direction of studies not only for the Europeans.

A real increase in the intellectualization of labor in all spheres of economic activity, and consequently an increase in the necessary level of the special and humanitarian training of workers, was the foundation of the increased attention to the psychological aspects. Thus, if Bertil Ohlin and James E. Meade obtain the reward to Alfred Nobel's memory on the economy in 1977. "for the first contribution to the theory of international trade and international capital movement", then already Herbert A. Simon in 1978 is obtained the reward to Alfred Nobel's memory on the economy "for innovative studies of the process of decision making within the framework of economic organization".

But in 2002 Daniel Kahneman and Vernon L. Smith obtain the reward to Alfred Nobel's memory on the economy "for the realized integration of psychological studies into the economic science, special features relative to human judgments and uncertainty in decision making, and also for the substantiation of laboratory experiments as tool in the empirical economic analysis, especially in the study of alternative market mechanisms". Specifically, with this serious psychologization of the economy the use of a concept of the Preservation of Labour acquires new applied aspects. On the basis of this concept becomes possible to conduct the objective evaluation of the real level of the qualification, acquired by managers at the universities, the business schools, also, in all possible courses, and also in the process of practical activity. Specifically, this is necessary today during the estimation of the effectiveness of educational programs by commission THE EUROPEAN UNION in new member states EU-25, when stands the task objectively estimating the effectiveness of draft on funds from the Financial Framework 2000-2006 "Agenda -2000".

With great interest we will become acquainted with all developments and specific proposals in this direction from the Universities of Europe. And we promise to make the qualified reviews and to bring their content to the management of the European Commission.

Causes sincere respect the attention of Nobel Institute (Committee) to the economic problems of the countries of the "third World". In 1979 this for the first time was expressed in the awarding to the reward to Alfred Nobel's memory according to the economy to Sir Arthur Lewis and Theodore W. Schultz "for innovative studies of economic development... in the application to the problems of developing countries." And in 2004 the reward to Alfred Nobel's memory on the economy was given to Finn E. Kydland and to Edward C. Prescott "for their contribution to the macroeconomic dynamics: the temporary consequences of economic policy and the setting in action forces of business cycles." And in his Nobel Lecture "Quantitative general theory" Finn E. Kydland showed dynamic economic model developed for Argentina, in which was examined the dynamics of gross domestic product on one worker, and also the dynamics of the investment of capital into the economy of Argentina. Model is representative on the graphs. Otherwise there must not be, since for the erroneous theories the Nobel Prizes are not awarded (!). But indeed actually analogous work in the econometrics was noted by the Nobel Institute (Committee), also, in 2003, when to Robert F. Engle III and to Clive W.J. Granger "for the methods of the analysis of economical series with the inconstant temporary changes and for the methods of the analysis of economical series with the simple trends" was given this prestige reward.

In this work was simulated the future of forests of Amazonia in Brazil under the conditions of different market conditions, and also it was considered the influence even sunspots (!). I all this makes the intellectual elite of the developed countries for the countries of the developing World, in this case for Brazil.

And very correctly emphasizes Clive W.J. Granger that now Nobel Prize winners on the economy in the econometrics are counted eight people (15 % from all Prizes), but in the course of millenium their percentage increased to 44 %. And necessary to note that a good tone it became to make serious works in the field of econometrics for the developing World. This makes it possible today to leave to the realization of the purposes of the Forum Millenium 2000.

Therefore, especially, promising will be the analysis of the possible consequences of the development of the new recommendations, which, probably, will be obtained with the examination of dynamic models from the position of conscious observance by the state administration of the concept of the Preservation of labour in the national economies (Argentina, Brazil and other developing countries). The work actually necessary to begin and let our Forum -2005 it will

be the first step in this direction. Specifically, from these positions are expedient to examine models of Lawrence R. Klein, noted in 1980 by the reward to Alfred Nobel's memory on the economy "for the creation of economic models and their application to the analysis of the fluctuations of the economy and economic policy", and also the approaches of James Tobin, which deserved the reward to Alfred Nobel's memory on the economy "for the analysis of the state of financial markets and their influence on the policy of decision making in the field of expenditures, for position with the unemployment, by production and by prices".

It is expected that the concept of the Preservation of labor it will make it possible on the new to look at the works of George J. Stigler; Reward to Alfred Nobel's memory on economy 1982), Richard Stone (Prize of Alfred Nobel's memory according to economy 1984), Franko Madigliani (Prize of Alfred Nobel's memory on economy 1985), James M. Buchanan Jr. (Prize of Alfred Nobel's memory according to economy 1986), Harry M. Markowitz, Merton H. Miller, William F. Sharpe (Prize of Alfred Nobel's memory according to economy 1990), William F. Sharpe (Prize of Alfred Nobel's memory on economy 1990), Ronald H. Coase (Prize of Alfred Nobel's memory on economy 1991).

Apparently, it will give more valid resolutions of questions to the organs of government control and even ecological problems. But not only in the concrete economic developments and in the solution of the applied problems possibly reaching interesting results. Probably considerably great successes we will be received when we will be working with the concepts gravitating towards to the theoretical-methodological generalizations. Namely, with the works of Gerard Debreu, which in 1983 (the Nobel Prize) seemingly accepted relay race in John R. Hicks (Nobel Prize 1972). If to John R. Hicks and to Kenneth J. Arrow they appropriated reward to Alfred Nobel's memory on the economy "for the innovative contribution to the general theory of equilibrium and theory of welfare", then Gerard Debreu - "for the contribution to our understanding of the theory of overall equilibrium and conditions, with which the overall equilibrium exists in a certain abstract economy".

Those researchers - participants in the Forum -2005, whom will want to use materials of the classical work of 20 centuries according of the economic theory "Theory of cost, axiomatic analysis of economic equilibrium" (1959) Gerard Debreu and also monograph "Cost and capital" of John R. Hicks, they can find new aspects with for their recommendations, directed toward the reaching by the countries of the European Union (Continental Alliance) of balanced condition with the execution of Financial Framework 2007-2013.

We place before the second stage of forum -2005 the specific goal:

To develop on the basis of the contemporary theoretical-methodological approach of the recommendation of the Commission of the European Union, to the European Parliament and to Council, which will allow all 25 states of the European Union in 2006 to come to agreement along Financial Framework 2007-2013, oriented to the priority of high technologies (contemporary position of Great Britain - Tony Blair) and to the more active and coordinate policy in the agrarian sector.

Apparently the value of 404,655 milln. Euro- or 39,5 % (from the Financial Framework) is somewhat overstated and it is expedient, relying on particular sector and small business, to reach the stated goals.

For the participation in the conference you should direct communications toward our electronic address: [committee@cic-wsc.org](mailto:committee@cic-wsc.org) until 18 October, 2005, with the mark "Forum-2005".

We will be grateful to all, who on 19 October with 14.00 registered on the site of the Civil International Committee [www.cic-wsc.org](http://www.cic-wsc.org) (FORUM) and signs participation in the interactive consideration.

Our contact telephones: 380 (0629) 37-39-79; 380 (0629) 37-67-18

#### **ORGANIZATIONAL COMMITTEE**

/Corrected Maria Malyhina, President of Union "Odessa-Europe"/