

# Harmonious management for sustainable development

*Evgeny Martishin<sup>1,\*</sup>, Svetlana Gladkaya<sup>2</sup>, Andrey Kolomeitsev<sup>3</sup>, and Nikolay Solokhin<sup>4</sup>*

<sup>1</sup>South Russian State Polytechnic University, Department of Production and Innovation Management Novocherkassk, Russia

<sup>2</sup>Southern Federal University, Institute of Tourism, Service and Creative Industries, Rostov-on-Don, Russia

<sup>3</sup>FSUE State ATM Corporation, Branch "Aeronavigation of the South", Rostov-on-Don, Russia

<sup>4</sup>Don State Technical University, Department of Higher Mathematics Rostov-on-Don, Russia

**Abstract.** The article shows that the concepts of harmonious and evolutionary management have significant heuristic potential in the development of institutional engineering, design and management of complex self-organizing systems, as well as contribute to sustainable economic development. The purpose of the article is to identify the mechanisms of conservatism and liberalism synthesis through the tools of harmonious and evolutionary management for productive sustainable economic development. Methodology: An interdisciplinary and systemic methodology is used, the logical and semiotic nature of economic genes and the genotype of the economic system determining characteristics, its orientation and content of the stability of its development are revealed. Results and novelty: basic genotypic concepts and their frames are identified, which determine the motives of economic growth and strategic directed development, mechanisms for implementing the synthesis of economic conservatism and liberalism, the principles of superposition, complementarity, interaction of individual and collective, parts and the whole, management of the economic genotype of the system with its structure – genotypic concepts forming the processes of harmonization, and its sustainable development.

**Keywords:** synthesis of conservatism and liberalism in sustainable development

## 1 Introduction

Harmonious management is the management of the interaction of parts and the whole, heterogeneous models of internal and external orderliness and synthetic consistency. Harmonization in management presupposes the contradiction of activity's individual and social forms, thanks to which harmony exists. Complementary parts of the whole increase the effectiveness, organization and stability of the system, its strength under the influence of external and internal destabilizing processes; harmonization is a condition for optimization. Heterogeneous diversified systems adapt better to rapidly changing, multidirectional and intense impacts.

---

\*Corresponding author: [martishin@bk.ru](mailto:martishin@bk.ru)

Harmonious management in the economy as an independent direction was formed at the turn of the XX-XXI centuries, although the ideas of harmony were developed in antiquity – Pythagoras, Plato, etc., in the Middle Ages – Aquinas, Fibonacci, etc., in Modern times Bastia, Carrie, etc. An example of a successful synthesis of economic regulation models was the Keynesian-neoclassical synthesis of the 1940s and 60s, which collapsed in the 1970s in the interests of neoclassicism and transformed into a new Neoclassical and Neoclassical theory. The Keynesian model with the dominance of public institutions over economic entities is conservative by nature; the neoclassical model is liberal, aimed at the predominance of individual forms of economic entities over public institutions. In the 1990s, these trends formed a new neoclassical synthesis. The new synthesis could not solve the tasks of forecasting and cycle management set by practice, fully take into account the socio-cultural, institutional specifics of management models, etc. All this, according to many authors, points to the crisis of the old and the need for a new consensus, a new "neoclassical synthesis"[1-6].

In recent decades, harmonious management has been expanding its horizons of research. The principle of the "golden section" is used [7]. Harmonious management is understood as "coordinated activities for the management and management of an organization in relation to the harmony of its development, which includes: the development of a policy in the field of harmonious development, planning of harmonious development (setting goals and determining the necessary operational processes)..." [8]. Harmony – "cooperation, synthesis, joint evolution... This is not consonance and not dissonance, but their proportionate combination in a significant period" [9]. G.B. Kleiner writes about the trends towards convergence of neoclassical, institutional and evolutionary theories [10], neo-institutional and post-Keynesian approaches are synthesized [11], the problems are investigated harmonious innovation management, etc. [12]. Harmonious production is characterized by optimization of production factors, competitiveness, logistics and marketing relationships, the main directions of achieving such harmony are highlighted [13]. There is an expansion of harmonious management publications topics, at the same time, the growth of publications on the topic is still "extensive", new directions of harmonious management are being mastered, the typology of directions within this topic is poorly represented, a more in-depth study of the mechanisms of formation and development of a harmonized synthesis of conservative and liberal approaches is required.

The purpose of the article is to identify the basic evolutionary and genetic mechanisms of conservatism and liberalism theories and practices synthesis as tools of harmonious management for productivity growth and sustainable economic development of the managed system. The achievement of the research goal involves the allocation of evolutionary and genetic methodological tools for the analysis of the main blocks of economic development, including: identification of the economy main spheres and subjects conservative and liberal structures – enterprises, the market, the state, households; complementarity processes determining the motives of economic growth and strategic development; principles of individual and collective superposition, complementarity, interaction; management of the system with its structure economic genotype – genotypic concepts determining the mechanisms of harmonization.

## **2 Materials and Method**

Economic evolution as a methodological tool for the study of harmonious management characterizes a systematic approach, since the integrity of the economic system is evolving. Sustainable economic development is associated with the mechanisms of stage and intrastadial variability that drive economic growth. Among the tools of evolutionary genetic methodology, an important role is assigned to the economic genotype (EG) - a set of economic genes that determine the economic system, its orientation and stability. In the

literature, economic genes are interpreted as semantic communications, memory images, instructions, mimes (imitations), routines (rules), etc. [14-16]; the article substantiates the logical-semiotic nature of economic genes and genotype. Semiotics is an interdisciplinary science that integrates natural sciences and humanities, studies the patterns of information transmission through sign structures.

Let us distinguish the following structure of EG concepts: 1) the concept of reproduction of the spheres of production-consumption (Pr-Po) by means of descriptors – needs-goals-means (factors of production) - other categories-results of production and consumption. All categories of the concept are connected and implemented through a causal narrative and subordination discourse (hierarchy of coupling of semantic meanings of elements), acting as control mechanisms of the components of this concept. The reproductive concept forms mainly conservative forms of EG with the dominance of public institutions, since society provides the reproduction process with resources, consumers, institutions, etc. There are a number of theories of conservative stimulation (coercion) of the growth of the spheres of Pr-Po.

2) An equilibrium concept that ensures equilibrium (socio-economic unity, balance, equality and justice) in the spheres of exchange-distribution (O-R). The descriptors of equilibrium are the social division of labor (industry structure) with its social groups, fiscal factors, and other economic genes-categories that form a social functional system of organization and regulation. Institutional relations of the O-R spheres economic subjects presuppose a narrative of functional interconnection (communication) and discourse coordination (coordination, information exchange) in the unity of which the institutional equilibrium of the subjects of these descriptors is formed through liberal mechanisms.

3) The concept of harmonization and optimization as an emergent overlay (superposition) of the named concepts and spheres of Pr-Po, O-R. The coordinated functional interaction of the equilibrium concept subjects, taking into account the causal relations of the reproductive concept narratives, including the ratio of individual and social components, characterizes the organization. The unity of relations between the discourse of subordination and coordination in the interaction of individual and social structural components of management characterizes regulation. The spheres of Pr-Po, O-R and their subjects – enterprises, households, the market, the state interact through mechanisms of organization, regulation, harmonization (optimization) of economic activity. The methodological approaches of implementation are instrumentalism of adaptability to the environment, conventionalism – the product of agreement, structuralism – knowledge of structural relationships, etc.

### 3 Results

It is important for management processes that the reproductive concept of EG with dominant spheres of Pr-Po forms a cost theoretical paradigm. The cost is determined by the socially necessary costs of resources, which are reimbursed by consumers to producers for their further normal functioning and development. The paradigm of utility is based on the balance of individual and social spheres of economic activity; utility is the degree of satisfaction of social needs by individual goods. The third alternative-cost paradigm incorporates the two preceding ones and, in the unity of costs and utility, determines the conditions of the optimum Pr-Po, O-R.

The concept of EG harmonization's and optimizations is an emergent unity of these concepts and spheres, narrative discourses. The superposition allows conservative and liberal management models, motives and incentives of management to be in opposite states at the same time and obtain effective results. The principle of superposition appears as the sum of the vectors of reproductive and equilibrium concepts, conservatism and liberalism,

forming the resulting third vector of the concept of harmonization and optimization. Harmonization is the merging of conservatism and liberalism various components, the relationship, the connection of public institutions and individual activities into a single organic whole. In the process of harmonization, the named models interpenetrate, the relations of which "do not intersect" with each other.

In accordance with the content of the harmonization concept, the enterprise performs the functions of organization, regulation, optimization of the economic activity main spheres, adapting the structure of individual production to the social structure of consumption, to social needs, goals, and economic values. The problems of the "general theory of the firm" are investigated in the literature, a consensus is being sought for different directions of enterprise theories [17-22]. The mechanisms and functions of conservatism and liberalism of the harmonization concepts, which allows us to bring the various theories of the firm into a single whole, play an important role in this, in our opinion. The conservative model is characterized by the institutional theory of the firm, the dominance of public institutions, norms and rules over the forms of individual (and group) activity. The conservative model refers to the contract concept of the company, adapting to the content of contracts. In the company's transaction concept, transaction costs are associated with the creation and maintenance of a contracts networks, with the conduct of purchase and sale operations, etc., which contributes to the cognitive analysis of the enterprise environment, the development of the enterprise cognitive theory's. Standards define the boundaries of the realization of private interests. The institutional direction also includes the management theory of "principal-agent" relations, which analyzes the relationship between the owners and managers of the firm.

The methodology of the firm neoclassical theory is the concept of utility. The company is a business entity, as an independent purposeful system based on the theory of production function, optimization, reflects the interests of managers and employees of the company, the dominance of the owners interests. The technological theory of the firm (often called functional) is the basis of the neoclassical approach, with the maximization of the output function at a given level of technology and combinations of production factors. The resource theory of a firm determines its competitive advantages, directions of cost reduction and optimization, quality management, business process reengineering, etc.

Genotypic concepts form the main functions of the market: organization of interaction between production and consumption, regulation of production for the needs of public consumption, optimization of costs and results of economic entities. The market of free competition expresses liberal (classical) relations, at the same time, in this market; sellers have already been set prices on which these sellers depend.

The activity of the state in accordance with the concepts of EG is also aimed at meeting social needs and achieving the goals of expanded reproduction, the equilibrium position of the state activity's main spheres – the budget, employment, socio-economic justice, etc., creating optimal conditions for the development of the economic system. For example, a number of the state functions in the Keynesian approach are security, lawmaking, production of public goods, etc. It has a conservative, subordinate (hierarchical) character, at the same time, institutional vertical relations in a strong civil society with developed private rights and freedoms coexist with horizontal, network, coordination institutional relations and organizational structures. The main social obligations here are shifted by the state to private and market structures.

Household activity is also associated with the reproduction of economic factors (for example, labor); the balance of production and consumption; optimization of management. Thus, the basic functions and behavioral models of the main subjects and spheres of economic organization, regulation and harmonization of the system are determined by the mechanisms of genotypic concepts. Enterprises, the market, the state, and households

function in both conservative and liberal regimes. At the same time, both conservatives and liberals have much in common, advocating for private property, equality of norms and rules for economic entities, etc. The harmony of conservatism and liberalism is realized based on the principle of *complementariness* and *complementarity* of individual and social activities. Complementarity characterizes the unity, interconnection and interdependence, integrity and consistency of system structures, as well as the sustainable development of the entire system as a whole.

Strategic management involves the implementation of socio-economic policy development goals and priorities (preferences). Such goals at the macro and micro levels are the content of genotypic concepts - the mechanisms of reproduction, balance, harmonization and optimization of the evolutionary system contents.

## 4 Discussion

In the literature, conservatism and liberalism are mainly correlated with state and market regulation, in the article, based on evolutionary and genetic processes, deeper basic, unified formations of conservatism and liberalism are considered. The system of economic genotype represents the unity of the realism and nominalism, conservatism and liberalism opposite models. The contradiction of these models is resolved by the periodic change in the stadiality and cyclical nature of the economic evolution of conservatism and liberalism [23]. Ultimately, complementarity creates reciprocity, orderliness, resilience and consistency, is an opposition to chaos and uncertainty. Because of complementarity, the reliability, stability and efficiency of economic relations increases. Complementarity theory is used in biology, medicine, psychology, and other fields.

A comprehensive theory of motivation of economic activity is being developed in modern literature. However, there is still no unified synthetic theory of motivation based on conservative and liberal approaches. There are no unified approaches to the development of effective methods of motivation management. At the same time, theories of motivation should be considered mainly as hypotheses that are tested in the course of practical research of the behavior of economic entities. It is the complex application of the provisions of various theories of motivation based on descriptors-categories and their concepts that, in our opinion, gives the most complete idea of the structure of motives of economic entities.

## 5 Conclusion

In the article, scientific synthesis is understood as a mechanism for the realization of the harmonious interrelation of the systems components, the consensus of their theories, the balance of private and public interests in society. The synthesis of conservatism and liberalism is based on genotypic mechanisms through which the object under study is considered as a self-developing system. For example, if the Keynesian concept is dominated by effective demand, then the liberals have a supply of goods. The latter advocated tax cuts and the provision of tax benefits, reduction of the state budget deficit, etc.

Complementary parts of the whole increase the effectiveness, organization and stability of the system, its strength when exposed to external and internal destabilizing processes. Heterogeneous, diversified structures are more efficient and adapt better to rapidly changing conditions. Diversification reduces the dependence and risks of the enterprise on one industry, gives synergy effects and the use of new markets, which is important for the strategic goals of the enterprise. At the same time, mutations of the economic genotype are possible – essential inherited genotypic changes that negatively (or positively) affect the effectiveness of systems, which may be the subject of special research.

The article was prepared with financial support of the Russian Fund for Fundamental Research. Grant of the RFFR 20-010-00323-A

## References

1. S.G. Kirdina-Chandler. Paradoxes of synthesis in economic theory. *Terra Economicus*. **19(3)**, 37-52(2021).
2. A.D.Nekipelov. The crisis in economic science is nature and ways to overcome. *Bulletin of the Russian Academy of Sciences*. **89 (1)**, 24–37 (2019).
3. M. De Vroey, P.G. Duarte. In Search of Lost Time: Neoclassical Synthesi. *The B. E. Journal of Macroeconomics*. **13 (1)**, 1-31 (2013). <https://doi.org/10.18522/2073-6606-2021-19-3-37-52>
4. V.A.Chreshnev, A.I. Tatarkin, S.Yu.Glazyev. Forecasting socio-economic development (IE UrO RAS, Yekaterinburg, 2011).
5. D.Kollander et al. Financial crisis and failures of modern economic science. *Economic issues*. **6**, 10-25. (2010).
6. P.Blacke, C.Wojcik. Credit booms, monetary integration and the new neoclassical synthesis. *Journal of Banking and Finance*. **32 (3)**, 458-470 (2008).
7. A.V. Beletsky. Nature of economic cycles and their impact on the economy. *Modern trends in economics and governance: a new view*. **4-1**, 14-18 (2010).
8. A.S. Muratov. The evolution of the theory of economic harmonies and its applied importance in the management of organizations. *Bulletin of Kemerovo State University. Economics and business*. **3-2**, 138-139(2013).
9. G.B. Kleiner. The economy must be harmonious! *Economics and Life*. **19**, 3 (2008).
10. G.B. Kleiner. Growth through integration (on the international conference "Institutional Economics: Development, Teaching, Applications," Moscow, GUU, November 17-18, 2009). *Journal of the New Economic Association*. **5**, 187-190 (2010).
11. A.Skorobogatov. Institutions as a factor of order and as a source of chaos: neo-institutional-post-Keynesian analysis. *Economic issues*. **8**, 102-118 (2006).
12. A.I. Ivanus. Harmonious innovative management (URSS, Moscow, 2011).
13. A.I.Klevlin, N.K. Moiseeva. Organization of harmonious production (theory and practice) (Omega-L, Moscow, 2003).
14. V.I. Mayevsky. Evolutionary macroeconomic theory. In D.S. Lvova (Ed.), *Introduction to the institutional economy* (URSS, Moscow, 2005).
15. A.N. Danilov. Culture as the genome of civilizational development. *Questions of philosophy*. **3**, 215-222 (2021).
16. R.R. Nelson et al. *Modern Evolutionary Economics: An Overview* Cambridge. (University Press, Cambridge, 2018).
17. G.B.Kleiner, V.F.Presnyakov, V.A. Karpinskaya. Enterprise behavior in models of firm theory. PART 1. *Economic science of modern Russia*. **2 (81)**, 7-23 (2018).
18. V.L. Tambovtsev. Strategic theory of the firm: state and possible development. *Russian Management Journal*. **8 (1)**, 5–40 (2010).
19. D.Shevchenko, W.Zhao. The relation between deindustrialization and reindustrialization: a new perception of industrial structure upgrading. *Journal of Economics, Entrepreneurship and Law*. **12 (9)**, 2363-2376 (2022).
20. C.C.Chang, L.Huang. How could business culture motivate enterprise innovation. Accessed on: March 24, 2023. [Online]. Available: [https://www.researchgate.net/publication/333830860\\_How\\_could\\_business\\_culture\\_motivate\\_enterprise\\_innovation](https://www.researchgate.net/publication/333830860_How_could_business_culture_motivate_enterprise_innovation).

21. A. Van Hoorn. Generational Shifts in Managerial Values and the Coming of a Unified Business Culture: A Cross-National Analysis Using European Social Survey Data. *Journal of Business Ethics*, **155(2)**, 547-566 (2019).
22. M.Munoz-Herrera, E.Reuben. Business Culture: The Role of Personal and Impersonal Business Relationships on Market Efficiency (Iza Discussion Papers, Bonn. 2019).
23. E.M. Martishin. Identification of cyclicity in the global economy. Issues of the new economy. **3-4 (55-56)**, 4-11 (2020).