

Revaz Lordkipanidze

For international antimonopoly policy against poverty
in effective structure of world economy
(Conception)

Tbilisi

2014

Doctor of Economic Sciences (Specialization: World Economy and International Economic Relations), academician of Georgian Academy of Economic Sciences Revaz Lordkipanidze offers conception for practical create of international conditions for collective antimonopoly policy against poverty in effective structure of world economy.

რევაზ ლორთქიფანიძე, საერთაშორისო ანტიმონოპოლიური პოლიტიკისათვის სიღარიბის წინააღმდეგ მსოფლიო ეკონომიკის ეფექტიან სტრუქტურაში (კონცეფცია), თბილისი, 2014.

ISBN 978-9941-0-6784-6

For international antimonopoly policy against poverty in effective
structure of world economy

With periodical short-time (for history) crisis, production and services of all world economic structure and even its different economic parts grow and grow, but some very difficult dictatorial international policy-economical monopolies disturb natural (rational) distribution of incomes and poverty also grows and grows.

Crisis of World Economy with 2000-2012 years and new rarely cardinal reforms of 2013-2014 years in UN and some big countries show, that we must think together for new effective economic system. In years of dictatorial economic system of USSR (1917-1990), economists often said about problems of communistic relations, but now we were in difficult crisis without Global Communism.

We don't need in different polar ism-s (for example "communism" or "capitalism") – Humans want good life and optimal effective economic structure. We remember, that dictatorial monopolies of state or private sectors made very bad examples in World History.

New America sincerely makes all for a Strong Middle Class [1] and only this will be base of Strong Economy. I like also interesting Healthcare methods of modern UK, German, Russia and Georgia for financial support of Humans in difficult times.

My theory of "real equilibrium" intends real objective equilibrium among private and state sectors of economy. Also, for practice optimal stimulation and Macroeconomic and any other economic structure marginal efficiency in every country, we must support to our effective branches and regions and rationally high level of the most active part of technical basis and after incomes from those elements of Economy, we will be able support nonprofit but necessary economic elements of post-crisis conditions and we will be able make significant State projects for ill and poor population.

For stimulation of marginal efficiency of Economy, I developed [2; 3; 4; 9, P. 17, 131] EU formulate of effective structural changes' estimate. By my formulation:

$$E = \sum_1^n [(E_{io} + E_{it})/2] \Delta ai$$

when E – Effectiveness of economic structural changes in t time;

E_{io} – Effectiveness of i element of structure for start of t time;

E_{it} – Effectiveness of i element of structure for finish of t time;

Δai – percent change (:100) of i element of used resource's structure in t time;

$i=1;2;\dots;n$ – element of structure (branch, region or age group of technique, etc.).

This formulation has different interpretations in conditions of crisis and if $E \geq 0$. World crisis deepened economic disproportions and this ultimately led to necessity of new economic system and success management (rational effective regulation) of finance in international business [5; 6].

For effective economic competition and minimization of possible harmful monopoly (in first priority almost eternal hidden oligopolistic conspiracies), I define The Force of Economic competition [7; 9, P. 41-45] approximately as The Force of Electric current. I think, that the less are output of monopoly and excess (non-quality or needless) production (or services) to a certain level, the more is the force of competition.

As we see from the formula, the bad monopoly is resistance for effective economy. This law I saw in my dream and then when I discussed the existing methods, my I_1 is very similar with definitions of Herfindahl-Hirschman Index – HHI [8], but my law adds additional components for different economic situations.

I define two constituents of force (I_0 and I_1) and their integral influence (K):

$$I_0 = U/R_0 ;$$

$$I_1 = U/R_1;$$

$$K = N \times I_0 \times I_1,$$

where U is total production (capacity of market);

R_0 – non-realized production;

R_1 – output of the largest firm (maybe monopoly);

N – number of firms.

Only with wise international antimonopoly economic policy we will be able to form a rich economic structure and win poverty and monopolists' polar distribution of incomes. From science we know, that in information theory, entropy [10] is the measure of the amount of information that is missing before reception and is sometimes referred to as Shannon entropy. Shannon entropy is a broad and general concept which finds applications in information theory as well as thermodynamics. It was originally devised by Claude Shannon in 1948 to study the amount of information in a transmitted message. The definition of the information entropy is, however, quite general, and is expressed in terms of a discrete set of probabilities p_i so that

$$H(X) = - \sum_{i=1}^n p(x_i) \log p(x_i).$$

Georgian Economist V. Papava [12] used this formulation for a very interesting estimate of economic structures and with my practical calculations I received very interesting results for estimate of level of rich independence of economic structure of world economy and macro and microeconomic objects.

As we see, each concrete difficult economic situation in world economy demands collective actions of all countries with structure of UN and appropriate deep inter-political, macroeconomic-math and micro-scheme (graphic) analysis of retro, current and perspective epoch periods, exposure of international monopolies, collective development of money and tax reforms, work out of principle-mathematical models and progressive business programs.

References:

1. The President's Plan for a Strong Middle Class and a Strong America, <http://OFA.BO/LdPFZi>
2. Lordkipanidze Revaz, About the Christian, Political and Theoretical bases of Economic Growth, <http://dspace.nplg.gov.ge/handle/1234/11421>, ISBN 978-9941-0-5303-0, 117 P, 432.65 kB
3. Lordkipanidze Revaz, Managerial Coasts in Helthcare, <http://dspace.nplg.gov.ge/handle/1234/11405>, ISBN 978-9941-0-5304-7, 275 P, 676.32 kB.
4. Lordkipanidze Revaz, Interpretations for Competition's Law, development of European Commission's formulation and Strategy of macroeconomic stability, <http://www.education.ge/index.php?do=definition/view&id=1374%20>
5. Lordkipanidze Revaz, Necessity of new economic system in conditions of world crisis, <http://www.education.ge/index.php?do=definition/view&id=1171>
6. Lordkipanidze Revaz, For success management of finance in business, <http://www.education.ge/index.php?do=definition/view&id=1372>
7. Lordkipanidze Law of Economic Competition, http://en.wikipedia.org/wiki/Lordkipanidze_Law_of_Economic_Competition
8. Herfindahl-Hirschman Index <http://www.justice.gov/atr/public/guidelines/hhi.html>
9. Lordkipanidze Revaz, Global competition for effective enrichment of a human, ISBN 978-9941-0-6301-5 <http://dspace.nplg.gov.ge/handle/1234/29377>
10. Entropy. - <http://en.wikipedia.org/wiki/Entropy>
11. Папава В. Г. Эффективность общественного производства и межотраслевые модели (Проблемы продуктивности). – Тб., Мецниереба, 1988, P. 218-240.
12. Independence Day (United States).
- [http://en.wikipedia.org/wiki/Independence_Day_\(United_States\)](http://en.wikipedia.org/wiki/Independence_Day_(United_States))

About author

From Wikipedia (the free encyclopedia): - http://en.wikipedia.org/wiki/Revaz_Lordkipanidze



Revaz Lordkipanidze is a Georgian economist, politician (winner of the first democratic election in Georgia), doctor of sciences (economics, world economy and international economic relations), gold medalist of Georgian Ministry of Education.

Revaz Lordkipanidze is author of publications about religious base of economic growth, US role in world progress and new world economic structure,^[1]stabilization of finance,^[2] law of economic competition, theories of economic relativity and competitive equilibrium, etc.

Revaz Lordkipanidze is author of Christian Chants.^[4]

He graduated Tbilisi State University with Honored Diploma (1986) and Institute of Economy and Law (Georgian Academy of Sciences, 1990), St. Petersburg State University with diploma of doctor (1998–1999), was member (first from post USSR countries) of The Academy of Political Science (NY, USA) with certificates (1998–2010), with successfully certify EU TACIS Project (Cleaner production, 2003) and University of Minnesota (The USA, Training program, 2011), elected academician of Georgian Academy of Economic Sciences (2013). He is in Georgian Economic encyclopedia as young economic doctor (See references: 5, P. 377 (Editor Avtandil Silagadze); 6, P. 89; 7, P. 117).

In theory of economic relativity (See references: 7, P. 24-26; 10, P. 355-358; 11, P. 50-55), Revaz Lordkipanidze summarizes the practice of price behavior. The author considers, that some Christian masterpieces (for example Wonder-working Icon), natural resources (for example uranium and any other resources for mc^2 by mass-energy equivalence) and scientific and technological innovations (for example computer) can have a huge price (even invaluable for Humanity) by relative big growth to the cost of their production. Revaz Lordkipanidze offers also conclusions for construction new economic system in macroeconomics of post-crisis conditions and competitive equilibrium (between private and public properties) as optimal way of marginal results of economic system.

R. Lordkipanidze is winner (1991, independently, without Communist party) in the first democratic choice of Georgia in center of the sea capital of Georgia - Batumi, after he was initiator for creation of Ministry of Economy in Georgia and the first acting head of this Ministry in significant geopolitical region - Achara (See Governmental decisions of Georgia in 1993–1998 years). He is also initiator for real free economic zone in Georgia, as base of fast economic growth and peaceful international cooperation, author of recommendations for healthcare reforms, structure of property, new rational (effective) economic relations, etc.