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## THE USAGE AND MEANING OF THE TERM «COMPARATIVE ADVANTAGE» IN PRE-RICARDIAN ECONOMICS

**Abstract.** The goal of this paper is to show how historical usage of the term «comparative advantage» developed from random mentions of the term in papers from various fields of science in the beginning of the

18th century to a more specific usage in agriculture, and later in international economics. We apply computerized text analysis using 3 voluminous databases operated by GALE CENGAGE Learning. Based at 50 million pages of text from the 18th/19th centuries, we have identified mentions of «comparative advantage» in pre-Ricardian texts. Our results show that before the 1820s, the term «comparative advantage» was used in a context more similar to the principle of «absolute advantage» than to its modern use and meaning. No research studying usage of the term «comparative advantage» has been published up to this date; hence, the present paper opens discussion in this field.

**Keywords:** comparative advantage; absolute advantage; Pre-Ricardian economics; classical economics; text analysis.

**JEL Classification:** B12

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### ВИКОРИСТАННЯ І ЗНАЧЕННЯ ТЕРМІНУ «ПОРІВНЯЛЬНА ПЕРЕВАГА» У ДОРІКАРДІАНСЬКІЙ ЕКОНОМІЦІ

**Анотація.** Метою цієї статті є показати, як історично розвивалося використання терміну «порівняльна перевага» – від випадкових згадувань терміну в роботах із різних галузей науки на початку XVIII століття до більш конкретного його застосування в сільському господарстві, а потім і міжнародній економіці. Автором проведено комп'ютеризований аналіз 50 млн. сторінок текстових матеріалів XVIII–XIX сторіч, щоб виявити згадування про порівняльні переваги в текстах епохи до Рікардо. Отримані результати засвідчили, що до 1820-х років термін «порівняльна перевага» скоріше асоціювався з абсолютною перевагою, ніж із поняттям, яке вживається сьогодні. Дотепер не було опубліковано жодного дослідження, яке б вивчало порівняльні переваги, а отже, ця стаття відкриває дискусію у цій царині.

**Ключові слова:** порівняльна перевага; абсолютна перевага; дорікардіанська економіка; класична економіка; аналіз тексту.

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### ИСПОЛЬЗОВАНИЕ И ЗНАЧЕНИЕ ТЕРМИНА «СРАВНИТЕЛЬНОЕ ПРЕИМУЩЕСТВО» В ДОРИКАРДИАНСКОЙ ЭКОНОМИКЕ

**Аннотация.** Целью данной статьи является показать, как исторически развивалось использование термина «сравнительное преимущество» – от случайных упоминаний в работах из различных областей науки в начале XVIII века до более конкретного его применения в сельском хозяйстве, а затем и международной экономике. Автором проведен компьютеризированный анализ 50 млн. страниц текстовых материалов XVIII–XIX столетий, чтобы выявить упоминания о сравнительных преимуществах в текстах эпохи до Рикардо. Полученные результаты показывают, что до 1820-х годов термин «сравнительное преимущество» скорее ассоциировался с абсолютным преимуществом, нежели с понятием, которое используется в настоящее время. До сих пор не было опубликовано ни одного исследования, которое бы изучало сравнительные преимущества, а следовательно, данная статья открывает дискуссию в этой области.

**Ключевые слова:** сравнительное преимущество; абсолютное преимущество; дорикардианская экономика; классическая экономика; анализ текста.

**Introduction.** It has been almost two centuries since one of the most beautiful results in economics came into being. The principle of comparative advantage is an unbelievably simple, yet counter-intuitive law with strikingly profound implications for trade theory and policy. In its most basic form, it shows that even if a country has absolute advantage in producing all goods, it will still be better off if it participates in international trade and imports some of the goods it produces comparatively less efficiently in exchange for the goods it produces most efficiently. Over years, the principle has been critically reviewed by 10 generations of economists, has undergone numerous extensions and led to creation of new, modern theories, but it still remains one of the key pillars of international economics.

Most often, authorship of the principle of comparative advantage is attributed to David Ricardo. However, several economic historians have been debating the roles of Robert Torrens, James Mill and two anonymous authors in formulation of the principle. While the name of the original author is

arguably not the most important issue of today's economics, the debate has some interesting features that are worth looking at. Even more fascinating is the question of who invented the term «comparative advantage». A typical answer would be David Ricardo. However, Ricardo's whole work contains the term only once and even that one occurrence is not related to the principle of comparative advantage itself. The first 'correct' use of the term appears to have been made by Robert Torrens in 1826. Nevertheless, «comparative advantage» appeared in different contexts in hundreds of earlier works.

The goal of the present paper is to analyze changes in usage of the term «comparative advantage» in pre-Ricardian economics using computerized quantitative text analysis based on 3 voluminous databases that include more than 50 million pages of text mainly from the 18th and 19th centuries. We argue it developed from random mentions in papers from various fields of science in the beginning of the 18th century to a more specific usage in agriculture, and later in international econom-

ics. It has been in use at least since 1701, but in most cases its meaning was limited to «advantage when compared to». The term did not assume its modern connotation until the 1820s.

**Brief Literature Review.** Since David Ricardo published his famous example about trade with wine and cloth between England and Portugal in 1817, the principle of comparative advantage has been firmly associated with his name. While as early as 1826, in the 3rd edition of his *Essay on the External Corn Trade*, Robert Torrens (1826) [1] claimed his priority in inventing the principle, no economists paid attention to his words. After all, Torrens was known to be «inclined to overstate his own originality and importance» and consequently he was not very popular among his peers. With a single exception of Emanuel Leser (1881) [2], no-one took Torrens seriously until the beginning of the 20th century.

The academic debate on the authorship of the principle of comparative advantage began in 1911. Eight years before, Edwin Seligman had published a paper where he asserted that «not only the principle itself, but many of its applications, are found in Torrens» [3], namely in his 1815 work *Essay on the External Corn Trade*. This resulted in strong opposition from Jacob Hollander (1911) [4], who gave a list of fifteen reasons why Torrens' account of the principle could not be considered satisfactory. Since then, some economic historians have sided with Torrens, while many others remain unconvinced of his merits.

The majority of arguments used in the authorship debate refer to the section of Torrens' *Essay* (1815) [5, p. 263-265], where he shows that «if England should have acquired such a degree of skill in manufactures, that, with any given portion of her capital, she could prepare a quantity of cloth, for which the Polish cultivator would give a greater quantity of corn, than she could, with the same portion of capital, raise from her own soil, then, tracts of her territory, though they should be equal, nay, even though they should be superior, to the lands in Poland, will be neglected; and a part of her supply of corn will be imported from that country.» For advocates of Torrens' authorship, such as Jacob Viner, Lionel Robbins, John Chipman (1965) [6; 7; 8] and to a certain extent also Joseph Schumpeter (1954) [9], this wording is satisfactory. They consider it an acceptable, essentially complete formulation of the principle of comparative advantage. As it was published two years earlier than Ricardo's *Principles*, the argument goes, there is no reason to contest Torrens' authorship.

However, some other economists hold a different opinion. One of the most prominent critics of Torrens' role in formulation of the principle of comparative advantage is Roy Ruffin (2002; 2005). In two influential papers [10; 11] he set out to show that the example Torrens used in his *Essay* to illustrate gains from trade was incomplete and under certain circumstances even incorrect. His main arguments include the fact that Torrens did not state the key assumption, that factors of production are relatively immobile between countries when compared to goods, he did not spell out a comparison of the real costs of production of manufactures and corn in England and Poland, and most of all, he was a strict defender of the principle of absolute advantage.

While the debate has mainly focused on the roles of Ricardo and Torrens, at least two other economists have been suggested as possible authors of the principle of comparative advantage. William Thweatt (1976) [12] and Murray Rothbard (1996) [13] claimed the principle was originated by James Mill and that the most famous section of Ricardo's *Principles* was either written by him or Ricardo wrote it on his behest. Giancarlo de Vivo hypothesized the principle might have been created by the anonymous author of a nearly forgotten pamphlet titled *Considerations on the Importation of Foreign Corn* which was published in 1814 and which Torrens acknowledged he had read and has borrowed «one or two arguments» from it [1].

John Pullen directed the attention of historians of economic thought to another anonymous pamphlet called *Letter on the True Principles of Advantageous Exportation* published in 1818, which arguably contains a very complex formulation of the principle and whose author speaks of it «as if what he is saying is common knowledge amongst commodity traders» [14]. He comes to the conclusion that the principle of comparative

advantage might have been a well-known rule long before Ricardo, Torrens and Mill published their works, and therefore none of them could have originated it.

Finally, Leonard Gomes had a very different opinion. He argued that Torrens, Ricardo and Mill might have reached the principle independently of each other and it could simply be «a case of multiple discovery, evidently fairly common in science» [15]. However, this seems highly unlikely. First, their texts were far from being published simultaneously, and second, it is hard to believe that they were not aware of each other's works and did not influence each other. Mill was Ricardo's good friend and mentor, and contemporary correspondence provides evidence that all three of them knew each other.

The short literature review provided above shows that the question of who is the real author of the principle of comparative advantage has no easy answer. As shown in Grancay and Szikorova (2013) [12], the major problem is that there is no consensus on what is a satisfactory formulation of the principle. As a result, some economic historians see Torrens' formulation as satisfactory, while others consider it incomplete.

While the debate on authorship of the principle of comparative advantage is far from over, it is generally accepted that the first economist to correctly use the term «comparative advantage» in connection with international trade was Robert Torrens. He did so in the 3rd edition of the *Essay on the External Corn Trade* published in 1826. In the preface Torrens states that «commodities, the cost of producing which is greater in foreign countries than at home, may, nevertheless, be imported, provided the comparative disadvantage of the foreign capitalist in producing the imported article, be less than the comparative advantage of the domestic capitalist in producing the articles exported in exchange» [13].

This is not to say that Torrens invented the term, let alone that he was the first economist to use it. On the contrary, an earlier use of «comparative advantage» can be found in the original edition of David Ricardo's *Principles of Political Economy and Taxation*. However, connection of his use of the term to its modern meaning is not as obvious as it is in the case of Torrens. Ricardo mentions that «a new tax [...] may destroy the comparative advantage which a country before possessed in the manufacture of a particular commodity» and also that «rise in the price of most of our own commodities [...] could not materially interfere with the foreign trade, and would not place us under any comparative disadvantage as far as regarded competition in the foreign markets» [18]. These quotes can be found in different chapters of Ricardo's book and are not linked to his famous sections on trade with wine and cloth between England and Portugal or mutually advantageous exchange between a shoemaker and a hatter.

As surprising as it might sound, many authors used the term «comparative advantage» in their works even before Torrens and Ricardo. A brief search in any library with access to pre-19th century documents will show the term occurred several hundred times in books, pamphlets and papers of the era. But does this mean that the principle of comparative advantage was well-known long before Ricardo, Torrens and Mill published their famous works, and the whole debate about the authorship of the principle is on a wrong track? Probably not.

**Purpose** of this paper is to analyze usage and meaning of the term «comparative advantage» in pre-Ricardian economics, specifically in the 18th and early 19th centuries.

To the best of our knowledge, little attention has been paid to this issue so far. No papers have been published on the topic and even the highest authority in the field, Andrea Maneschi, devotes only a few lines to it in his celebrated monograph, simply focusing on the question of priority in terminological usage of the phrase and mostly quoting earlier arguments of Jacob Viner and William Thweatt [19].

**Methodology & Data** The present research was conducted using 3 voluminous databases operated by GALE CENGAGE Learning. The databases include more than 240 thousand books and pamphlets, and 71 titles of newspapers published mostly in the 18th and 19th centuries, giving a total of almost 50 million pages of text (Table 1). The coverage of *The Making of*

the Modern World focuses specifically on trade and economics, whereas the other two databases (The 18th Century Collections Online and The British Newspapers 1600-1950) include also sources from the fields of history, literature, religion, law, fine arts, science and many others. In line with the goals of our research, we used the advanced full-text search tool of the databases to find the terms «comparative advantage», «comparative advantages», «comparative cost» and «comparative costs» in the works issued before 1826, i.e. before the 3rd edition of Torrens' Essay on the External Corn Trade was published.

Each search result was carefully analyzed to verify whether at least one of the terms of interest was present (some search results were erroneous) and to determine whether it was related to the principle of comparative advantage. If it was not, contextual meaning of the term was ascertained from the text. Usually, this required reading the sentence highlighted by the search engine and one or two preceding paragraphs. The whole analysis was conducted by the same person (the author) to ensure consistency. To minimize fatigue-related errors we limited the daily text analysis time to four hours.

Table 1: Databases used to search for the term «comparative advantage» in pre-Ricardian economics

| Name                            | Period covered | No. of titles | No. of pages |
|---------------------------------|----------------|---------------|--------------|
| 18th Century Collections Online | 1701-1800      | 182,898       | 32 million   |
| The Making of the Modern World  | 1450-1850      | 61,000        | 12 million   |
| British Newspapers 1600-1950    | 1600-1950      | 71            | 3 million    |

Source: Own elaboration

**Results.** Out of the four terms searched for, the one that appeared most frequently in the databases used was «comparative advantages» with 764 occurrences, followed by «comparative advantage» with over 300 occurrences. «Comparative costs» appeared only 7 times and was by far the least commonly used term (Table 2). The order of frequency is not very surprising, given that the variability of contextual meanings of «comparative advantages» is much higher than the variability of meanings of «comparative cost» or «comparative costs». As will be seen, the term «comparative advantages» can be used in any field of science to indicate that something has advantages in comparison to something else no matter what the nature of those advantages is. Conversely, it is difficult to find a use for the terms «comparative cost» and «comparative costs» that would not be connected to economics or business; hence their frequency of occurrence must be lower. One can easily test this claim using Google and searching for the four terms on the world-wide web. On 12 December 2014, the internet included the term «comparative advantage» approximately 772 thousand times and «comparative advantages» 840 thousand times. The sum of search results for «comparative cost» and «comparative costs» was a mere 486 thousand.

Table 2: Frequency of occurrence of comparative advantage-related terms until 1826

| Database                        | «comparative advantage» | «comparative advantages» | «comparative cost» | «comparative costs» |
|---------------------------------|-------------------------|--------------------------|--------------------|---------------------|
| 18th Century Collections Online | 123                     | 295                      | 3                  | 0                   |
| The Making of the Modern World  | 110                     | 307                      | 24                 | 6                   |
| British Newspapers 1600-1950    | 76                      | 162                      | 9                  | 1                   |
| TOTAL                           | 309                     | 764                      | 36                 | 7                   |

Source: Own elaboration

The coverage of the 18th Century Collections Online and The Making of the Modern World databases overlaps, therefore, some search results appeared in both of them. Moreover, even within the same database many duplicates or near-duplicates were identified. Typical examples of this would be different copies of the same book, different editions of the same book, or a work published both as a separate pamphlet and a part of a book. The frequency of duplicates was between 40 and 50%.

The first use of one of the comparative advantage-related terms was identified in a book titled «An essay towards the theory of the ideal or intelligible world» by John Norris published in 1701. No earlier use was found in the three databases, Google Books or Google Scholar applications. The author offers a philosophical account «of the comparative certainty of faith and reason» and in comparing «intelligible and natural worlds» in one of the paragraphs he reaches the conclusion that «it may be [...] considered as another comparative advantage on the side of the intelligible world, that the abstract objects are most knowable, as being more universal and more necessary, and the abstract reasonings are most certain, evident and conclusive» [26]. Obviously, the contextual meaning of the term «comparative advantage» in the passage above is «advantage when compared to» and it has no link to the principle of comparative advantage as we know it from international trade theory.

The first economics-related use of the term appears to be the one found in Frederic Jebb's Thoughts on the discontents of the people last year, respecting the sugar duties published in 1731, where the author criticizes a claim by an Irish refiner that the refiners enjoy no benefits from duties on inferior sugar and molasses, and in doing so uses a phrase «comparative advantage on the inferior sugar and the molasses» [27]. While it is unclear what he means by the statement, surrounding paragraphs show no trace of the principle of comparative advantage and focus purely on discussing the duties on sugar.

It should be noted that the first books to use the term «comparative advantage» or «comparative advantages» were from various fields of knowledge, including literature, history, philosophy, medicine, law or religion. As can be seen in Table 3, the context was nearly always the same – to indicate that one thing, be it a type of medical treatment, revolution or solitary imprisonment of convicts, has advantages in comparison to something else.

In the second half of the 18th century, the term «comparative advantage» began appearing regularly in pamphlets and books dealing with agriculture. Specifically, it was commonly used in two debates – a debate on advantages of using oxen instead of horses in husbandry and a debate on advantages of drill and broadcast methods in the cultivation of different crops. A typical use and meaning of the term can be seen from the following two extracts:

«The comparative advantage of oxen is great where they are bred by the farmer who uses them, and fed on commons in summer, and on straw in winter, till three years old, (but not so much where they are bred in inclosed lands, or bought at four years old) and worked till six or seven; they are less liable to sickness than horses; and if accidents befall them, they are of some value. Two oxen will do more work than one horse of equal value with them, nearly in proportion as six to four, and they cost less in keep.» [28]

«Few objects seem of so much importance to agriculture, as the ascertaining the comparative advantage, of the drill and broad-cast method, in the culture of wheat, barley, oats, beans, & c. and in the Vth. vol. of these Transactions, an account is given of a large quantity of land having been sown in drills, by Mr. John Boote, of Atherstone upon Stour.» [29]

It is once again obvious that none of the uses of the term «comparative advantage» has a connection to the principle of comparative advantage. In fact, our text analysis did not find a single pre-1826 use of the term that would correspond to the definition of the principle. The same is valid for the terms «comparative advantages», «comparative cost» and «comparative costs». Only in two cases from the period 1817-1826 did we find indications that authors could have been aware of the principle and might have used the term correctly; however, their texts provide no compelling evidence that this was the case. Both are connected with the name of John R. McCulloch.

Table 3: Examples of 18th century usage of the term «comparative advantage» in various fields of science

| Name       | Author, year, title and a short example   |
|------------|---|
| Literature | «The poet, in his continued work, has the varied advantage of what the great critic describes in his rule for an epic poem, 'a beginning, middle, and an end.' [...] Such being the <u>comparative advantage</u> of the poet, the question is, whether the respective superiority of the painter, in general and instant effect, be sufficient to counterbalance it, and to give him on the whole equal sway over the mind.» [20] |
| History    | «In the full conviction of the <u>comparative advantage</u> of this spirited revolution, the protestant chiefs drew out their troops from their three posts, chose their ground, and ordered the battalia with all the composure and intrepidity of men, who prepared to engage in the most equal combat.» [21]   |
| Religion   | «Upon the <u>comparative advantage</u> of forms in which the congregation take [sic] an audible part, of those which the minister alone recites, and of extempore prayer, it is not so easy to decide as some persons imagine.» [22]  |
| Philosophy | «Among the errors to which man is exposed, in his first attempts to form a notion of good and evil, one is peculiarly dangerous to the peace of society, and apt to empoison the mind with vice; namely, the mistake of precedence, or <u>comparative advantage</u> , whether in respect to rank, power, or wealth, for excellence.» [23]   |
| Medicine   | «[On the] <u>comparative advantage</u> of mild and severe treatment – observations respecting the use of music in cases of melancholia.» [24]   |
| Law        | «Computation of the cost of the convicts working on the Thames; and the <u>comparative advantage</u> of the pecuniary saving by solitary imprisonment.» [25]  |

Source: Own elaboration

The first case can be found in J. R. McCulloch's article on Ricardo's economical and secure currency published in *The Edinburgh Review* in 1818: «It is not the ratio between the supply and demand for such money [money consisting of gold and silver or of any other commodity whose cost of production is considerable], which can operate any permanent effect on its value; but it is the comparative cost of its production, or, as Mr. Ricardo has demonstrated, the comparative qualities of labour necessary to bring it to the market. If a guinea ordinarily exchanges for a couple of bushels of wheat, or a hat, it is because the same labour has been expended on its production as on that of either of these commodities» [30].

The other text is a short article from *The Morning Chronicle* published on April 23, 1824. The author comments on a lecture by J.R. McCulloch that had taken place a day before: «He [McCulloch] set out with stating, that those employments which yield the greatest profit, were not only the most advantageous to individuals but to the country, and showed the error of Dr. Smith, Mr. Malthus, and most Political Economists, in supposing that capital employed in agriculture will yield a greater produce and afford employment to a greater number of workmen than if employed in manufactures or commerce, and consequently, will be more advantageous to the public. There is no test for determining of the comparative advantage of the employment of capital, but the average rate of profit» [31].

Both texts appear to be more related to the law of absolute advantage than to the principle of comparative advantage. Clearly, further paragraphs could develop the ideas further and bring them close to the principle of comparative advantage. However, the first text is based on David Ricardo's 1816 work *Proposals for an Economical and Secure Currency* which has no relation to the principle; the second text continues with a paragraph from which it is obvious that it does not deal with the principle. Moreover, McCulloch was known to be a proponent of Smith's trade theory – it would have been ironical if he had achieved priority in using the term «comparative advantage».

The analysis of more than 1,100 search results from the period of 1701-1826 did not find any occurrence of the terms «comparative advantage», «comparative advantages», «comparative cost» or «comparative costs» that would be consistent with the principle of comparative advantage. Hence, it seems it was Robert Torrens in 1826 who coined the term. The research also showed that the usage of the term developed from random mentions in papers from various fields of science in the begin-

ning of the 18th century to a more specific usage in agriculture, and later in international economics. It has been in use at least since 1701, but in most cases its meaning was limited to «advantage when compared to».

**Conclusions.** In his famous monograph, Andrea Maneschi [19] agreed with Jacob Viner in that the quest for the original author of the principle of comparative advantage was a futile and unimportant activity. Viner had once stated that «terminological usage by the classical economists must have been so influenced by their oral discussion as to make the record of priority in print have little bearing on the question of priority in use» [6] and it appears that he was right. Ricardo, Torrens, Mill and many other contemporary economists knew each other and it is hard to believe that they wouldn't have been aware of each other's work. It is therefore difficult, if not impossible, to offer a definite answer to the questions of who invented the principle or who gave it the name

under which it is known today. However, a thorough analysis of old literature, which does not aim to address those questions, can show some interesting facts about how economic ideas and economic terminology developed over time. This was the aim of the presented research.

We have shown examples of how historical usage of the term «comparative advantage» developed from random mentions of the term in papers from various fields of science in the beginning of the 18th century to a more specific usage in agriculture, and later in international economics. The term had been in use long before Ricardo and his peers formulated the principle of comparative advantage, but the meaning was different – it was simply meant to indicate that something has advantages in comparison to something else no matter what the nature of those advantages is. The key element of the principle, comparison of ratios, was not involved. This is hardly surprising. Outside of economics, the term has been used in this way until today, as can be easily verified by searching the term on the internet and excluding all economics-related results.

The results of our research have a three-fold importance. First, they contribute to the debate on authorship of the principle of comparative advantage, showing that before the 1820s, the term «comparative advantage» was used in a context more similar to the principle of absolute advantage than to its modern use. Second, the text analysis confirms that no-one correctly used the term «comparative advantage» in the modern context in connection with international trade earlier than Torrens in 1826. Finally, the methodology can be used to analyze further issues of terminological priority in economics.

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## SYSTEMATIC AND EVOLUTIONARY APPROACH TO MARKET RESEARCH

**Abstract.** *Problem statement.* The evolution of views on the functioning of the market and its relationship with the state and society necessitates development of an approach that would meet the requirements of post-industrial society. *Purpose of the article* is on the basis of systematic and evolutionary analyses, to

summarize the approaches to the definition of the category «market»; to identify the main characteristics of the markets of transition countries and the mechanisms of balance of market power on them. *The main results of the study.* The definition of the «market» category has been generalized as an economic and social structure of relationships in which there are mutually beneficial and voluntary exchanges between economic agents, which are governed by institutional rules and cultural structures. The author has analyzed the main characteristics of the transition countries markets and the mechanisms of market power balancing by the state and civil society. *Conclusion.* The model of economic-socio-organizational market mechanism, built on the ideology of social partnership between community, government and business, has been proposed. It is based on institutional compromise between efficient allocation of resources and the fair distribution of goods.

**Keywords:** market; market power; social partnership; state regulation; transition countries.

**JEL Classification:** B40, D12, D40

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#### СИСТЕМО-ЕВОЛЮЦІЙНИЙ ПІДХІД У ДОСЛІДЖЕННІ РИНКУ

**Анотація.** У статті проаналізовано сучасні погляди на категорію «ринку». На основі системно-еволюційного підходу сформульовано узагальнене визначення цієї дефініції. Окреслено головні характеристики ринків транзитивних країн та механізми врівноваження ринкової влади на них. Запропоновано модель економіко-соціально-організаційного механізму ринку, що побудована на ідеології соціального партнерства між суспільством, державою і бізнесом.

**Ключові слова:** ринок; ринкова влада; соціальне партнерство; державне регулювання; транзитивні країни.

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#### СИСТЕМО-ЕВОЛЮЦИОННЫЙ ПОДХОД В ИССЛЕДОВАНИИ РЫНКА

**Аннотация.** В статье проанализированы современные взгляды на категорию «рынок». На основе системного и эволюционного методов сформулировано обобщенное определение данной категории. Очерчены характеристики рынков и механизмы сбалансирования рыночной власти на них. Предложена модель экономико-социально-организационного механизма рынка, основанная на идеологии социального партнерства между обществом, государством и бизнесом.

**Ключевые слова:** рынок; рыночная власть; социальное партнерство; государственное регулирование; транзитивные страны.

**Introduction.** One of the main elements of the economy along with the production, distribution and consumption is the market in which through the exchange, competition, and information signals are formed for individuals on the value of this or that good. The evolution of views on the functioning of the market and its relationship with the state and society had changed

considerably depending on the specific conditions of the development of the world economy. It was based of approaches based on economic liberalism, according to which the free market is able to automatically achieve macroeconomic equilibrium without government intervention. Keynesian methods of fiscal policy, involving the active state intervention in market relations