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INSTITUTIONAL THEORY AS A MANIFESTATION OF EUROPEAN TRADITIONS OF PLURALISM IN MODERN ECONOMIC SCIENCE

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Annotation. *The article is devoted to the consideration of the theoretical foundations of institutional economic theory, which emphasize the features of the modern development of economic science in Europe and the world.*

The paper highlights the trends in the development of modern economics and identifies signs characteristic of economic theory at this stage.

The basic economic categories that constitute the theoretical core of modern institutionalism are identified and described.

Keywords: *modern economics, pluralism, institutional economic theory, new institutionalism, neoinstitutionalism, institution, institutional environment, transaction costs, institutional changes.*

Modern European and world economic science differs significantly from that of the past centuries. The economic theory of the 21st century is a science that develops in conditions of constant competition and complementarity of the ideas of various theoretical schools and trends, for which characteristics such as the diversity of problems and ideas by which they can be solved are characteristic; multivariate hypotheses and concepts; the plurality of research methods.

Along with the existence of the mainstream, increasingly important today are alternative economic theories. Thus, most economists-theoreticians believe that today the mainstream of economic theory must add an institutional line with all the diversity of its theories.

The purpose of the study is to characterize the theoretical foundations of modern institutionalism as an embodiment of the main tendencies of the development of the European and world economic theory of the present.

It should be noted that pluralism, which is inherent in contemporary economic science, is also observed within the framework of institutionalism itself. Modern institutional economic theory

emerged as a synthesis of traditional institutionalism and neoclassical synthesis, combining in this way the features of the economic mainstream and alternative economic theory. The peculiarity of the institutional methodology of the study is the consideration of interdisciplinary connections in solving economic problems.

The consequence of the diversity of the institutional direction was the pluralism of the approaches of economists to determine the role of the state in the economy, however, they all regard the state as one of the most important institutions of the modern institutional environment.

Basis, the core of the modern institutional theory are the following institutional categories as the institutional environment, institutional changes, transaction costs, property rights, trajectory of previous development.

According to the results of the study, the following conclusions can be drawn:

- trends in the development of modern economic science differ significantly from the previous stages;
- economic science at this stage has certain features, the most significant of which is the pluralism of modern economic theory;

- institutional economic theory is a rather new theoretical concept, which became an active alternative neoclassical synthesis;

- theoretical models and concepts of new institutionalism and neo-institutionalism allow to substantially expand the subject area of economic research;

- today, when studying the acute issues of economic theory and business practice, it is expedient

to use theoretical developments and methodological approaches, both the new institutional economy and neo-institutionalism.

Institutionalism is an integral part of contemporary European and world economic science, which embodies all its features at the present stage, while completing and in some parts denying the theoretical core of the mainstream.

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