

### **ECONOMIC CYCLICITY: CONFLICTOLOGICAL CONCEPT**

During the explanation of reasons and mechanisms of medium-term cycle the economic theory is at a loss. And using the best practices of conflictology it is possible to break this deadlock. Conflictogene of the modern financial and economic cycle is the opposition together with the interrelation of swap subjects. On the one hand, a seller and a buyer have different interests wishing to get the maximum profit from the exchange. On the other hand, the social character of production makes these subjects inter-related whereas neither of them can realize their interests without another. In such a way both signs of bipolarity are in evidence.

Conflict-free function of economy is observed in case when both groups of subjects (for the most part) abide compromise behaviour. If even one of the sides takes up a position of conflict behaviour the situation becomes conflict altogether.

Expansion of the scale of crediting has positive influence with the economic dynamics encouraging compromise behaviour of economic subjects. Budget restrictions as a deterrent for the compromise discontinue regulating purchases effectively. They go up disproportionately to growth of incomes encouraging appropriate growth of supply.

Crediting above the real money holdings represents in fact financial pyramid formation. The width of its base depends on the given credit payment term and possibility of on-lending. That is why it is possible to observe different in duration growing phase of economic cycle. However when borrowers face with the problem of lack of incomes for credit repayment and depletion of possibilities of on-lendings, the sharp reduce of possibilities for their compromise behaviour with respect to both sellers and creditors takes place. But the first ones and the second ones form behaviour orientated to the previous level of demand and "compliant behaviour" of a counteragent provided the level of profitability inapproachable in new conditions. Creditors and sellers achieve their minimal level of profitability (formed in previous conditions) and also transit from compromise behaviour into a conflict one. Unwillingness of sellers and creditors to meet halfway in changed conditions is interpreted by buyers as unfairness of exchange together with distribution and intensifies their remonstrative behaviour. In such a way all signs of a conflict are forming. Incidents transform a contradiction into a conflict. The society transits into the state of crisis.

During the crisis and depression disturbed proportions are recovering step by step, vision of borders of compromise behaviour are changing, the parties are adapting to new conditions of economic management. A conflict is being solved and compromise behaviour of the great number of economic subjects is dominating in the society. However the backgrounds for a new conflict are being prepared in its bosom.