правоприменения. На их основе выверяются все другие решения, принимаемые органами государства. Они осуществляют определенное влияние на формирование конституционно-правовой доктрины, выступая в данном случае «положительным» законодателем.

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## DEMOCRACY IN THE CONSTITUTIONAL ECONOMY

Democracy comes from the Greek words demos meaning people and kratos meaning authority or power. The ancient Greeks who established a direct form of government in Athens coined the word democracy. All adult males would gather to discuss issues and they would vote by a show of hands. Slaves and women did not have the right to vote. This mode of government is time-consuming and it is impossible for large populations to meet every time a decision has made.

Therefore, the step from direct democracy (in which people vote directly on issues) to representative democracy (in which the people vote for representatives or politicians who make decisions on their behalf) was inevitable as larger and more diverse societies established democracies. Today there are forms of direct democracy such as referenda, petitions, plebiscites, and propositions, but these appear most often in the older and more technologically resourced democracies. U.S. president Abraham Lincoln defined democracy as: "Government of the people, by the people, for the people" [2].

The experience of developed countries shows that democratic stability depends on respect for society and the state of democratic values. R. Inglhart noted that the evolution and survival of mass democracy provides for the public some habits and preferences that support it, including are: interpersonal trust, support for democratic institutions, recognition of individual rights and freedoms, sense of self "efficiency" [3]. Democracy can base on the state of civil culture that

combines the activist and subordinate cultures. This reflects the duality, on the one hand, the need for democracy active participation of citizens, and the other – the subordination of law, the decision of the majority.

In the sense of civic culture as an important factor of democratization focuses A. Merkel. In her study, researchers found that those states which are dominated by others (other than civil) types of political culture, democratization is a long and lead to the emergence of "defective" democracies with democratic institutional requirements. The essence of state and government relationship is still largely authoritarian, distorting democracy in these countries.

The economic analysis of constitutions, also known as "constitutional economics" or "constitutional political economy," is a young research program. Standard economics used to focus on the analysis of choices within rules, thus assuming rules to be exogenously given and fixed. Constitutional economics broadens this research program by analyzing the choice of rules, using the established method of economics, i.e., rational choice [4].

The creation and improvement of institutions guaranteeing human rights and freedoms directly affect economic development in constitutional economic. For example, democracy means freedom to be involved in the business. Individuals who become entrepreneurs, mostly able to increase revenues and accordingly give its share in the total gross domestic product.

Experience shows that democracy provides the basis for effective constitutional economic policy. Perfect market mechanism and democracy do not contradict, but complement each other, promoting greater transparency and predictability of market rules and modalities.

A country's economic performance depends on various aspects of government policy, but no aspect is more important than the quality of political, legal, and economic institutions. Differences in institutions have proven empirically to be among the most important determinants of cross-country differences in rates of economic growth and investment. Consequently, basic reforms that improve institutions provide one of the best routes for transforming a country over the long run from poverty to prosperity. This view, which underlies a good deal of recent empirical research on economic growth, is also the central theme of The Heritage Foundation's annual Index of Economic Freedom [1].

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