

HUMAN CAPITAL AS AN OBJECT OF SOCIAL MANAGEMENT IN ECONOMICS AND POLITICS

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ABSTRACT-- *The global historical experience has shown that technologization of entire industries of manufacture, management and public administration can notably lead to abolition of once quite popular professions. Therefore, the human capital that does not contribute to development of the country and system of its innovative economy branches will be defined as passive. The task of public administration bodies is to form active human capital, capable of advancing development in the long-term perspective of rather distant future, taking into account market environment and global development trends. The main goal of the study is to analyze state policy prospects of investing in human capital in conditions of stimulating national civil society model (in the context of Russia). The methodological background to the study of human capital as a key factor in economic and social development was formed by ideas of political economy classical scientists. The modern theory the human capital is treated as an autonomous source of income, depending on the skills, knowledge and abilities of a person, including physical and mental state. The study of specific aspects and general dynamics of state investment in human capital allows for the conclusion that Russian citizens generally have a fairly high level of human capital, mainly due to high level of education; the state in Russian socio-political and economic realities can be considered as the main investor in human capital of population. However, high risks associated with loss of human capital remain in the area of insufficient funding for medicine and support for educational initiatives. The results suggest that human capital participating in total economic growth must be: adaptive to real technological projects; liquid, capable of moving in different economic environments, generating high income; easily integrated into various investment projects; resistant to market challenges and the consequences of global crises. Scientific novelty of the study consists in totality of the obtained results, revealing the features of formation and implementation of human capital in the context of global challenges and threats.*

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I. INTRODUCTION

In recent years, the most developed countries of the world are more and more relying on human capital investments in the framework of tough competition (especially from a number of "developing" countries). Public administration entities treat investments in human capital as a necessary socially-oriented component of comprehensive modernization of any society that can ensure acceptable pace of innovative development. In relation to the global process of "introduction of science in technology" (Habermas, 2007), there is a definite problem of fundamental understanding of human role and impact of accumulated intellectual activity results on the growth rate and quality of economy and social environment innovative development.

The global historical experience has shown that the technologization (and in fact, robotic application) of entire branches of industrial production, management and public administration can notably lead to abolition of once quite popular professions. Therefore, *human capital* will be defined as *passive* if it does not contribute to development of the country and system of its innovative economy branches. The task of public administration bodies is to form active human capital capable of advancing development and the ability to act in the long-term perspective of rather distant future, taking into account global development trends and market conditions (Tastan & Davoudi, 2015).

Thus, social and economical state management should be much more focused on care of true health of the country's citizens and their educational needs in accordance with the challenges of macro-environment technological development. At the same time, they shall consider such an important feature of human capital as nonseparability from a particular person.

II. LITERATURE REVIEW

Works of the classics of political economy A. Smith (1776) and K. Marx (1867) focused on worker's qualification were forerunners of the modern human capital theory. In direct connection with the subject of the study, A. Smith (1776) noted that, with a special training, a person who has studied any of professions that require a lot of labor and time, can be compared with an expensive machine (Smith, 1776, 179). In this regard, K. Marx also treated improvement of worker's mental and physical forces as main productive and social force (Marx, 1867, 183).

The modern theory of human capital was justified later, in the works of American economists T. Schultz (1958, 1971) and G.S. Becker (1964). It was considered to be an autonomous source of income that depends on personal skills, knowledge and abilities, including health and psychological state. J.J. Heckman (2006) also confirmed the suggestion that investments in human capital should be made from an early age.

In general, modern domestic researchers: M.K. Gorshkov and N.E. Tikhonova (2016), N.E. Tikhonova (2017), A.L. Lukyanova (2010), R.I. Kapelyushnikov (2012) V.A. Anikin (2017, 2010), T.M. Regent (2018), S.B. Shaposhnik (2017), et al., treat the human capital concept as a source of innovative economy formation (knowledge-based economy), in which increasing demands for living environment, health and comfort of workers

are a matter of principle. Therefore, the concept of human capital is often directly linked to the quality of population's life. In turn, life quality has ideological character: it is important how the government raises living standards of the citizens and not so important what views (right-wing or left-wing) it adheres to.

III. METHODOLOGICAL FRAMEWORK

In scientific literature, *human capital* is defined as a key factor of economic and social development; as a set (stock) of knowledge, skills and competencies that has almost every individual. All that allows a person to carry out the most effective labor activity in conditions of technosphere changes intensification. Human capital is the main strategic resource of any state. Formation and development of human capital are the main goals of national state policy. A key role in this process is assigned to the younger generation, which, due to its age-related socio-cultural characteristics, is able to activate the pace of innovative development. It is necessary to recognize that in Russia, in the context of state capitalism dominance, the state should be considered as the leading investor in human capital of the citizens.

A fundamental premise for the emergence of human capital theory in its modern form was the recognition of an expanded understanding of "investment" and the concept of "capital" itself. For example, in the works of T. Schultz (1958), it was proved how, through the education system, the financial costs of training are transformed into human capital, including developed intelligence, the ability to creative activity, etc. According to G.S. Becker's (1964) deep preferences (attitudes to fundamental life aspects, including health, prestige and leisure) have a significant impact on formation of human capital. Moreover, accumulation of human capital requires profound energy costs and necessarily includes investment strategies to maximize profits that involve significant time costs (for example, training) as well as physical capital.

The emphasized modern theories still retain their heuristic value and serve as a theoretical and methodological foundation for the study of civil society development and national policy of human capital investing in Russia.

IV. RESULTS

Human capital is largely personalized and requires attention to personal problems. To increase its concentration there is a need to study the areas of private and everyday life. However, this does not mean that individuals must "take care of themselves on their own" (for example, of health and working ability), on the contrary, a "social" state must do everything to help them and become a chief investor in human capital.

In fact, the requirements for innovative development of any state presuppose human capital concentration, without which modernization cannot be performed effectively. But, unfortunately, Russia currently ranks only 90th in the world in terms of health spending. Moreover, it shall be understood that "life expectancy is now 72 years, developed countries have passed this mark 45 years earlier. At the same time, modern "optimization" of health care does not lead to decrease in mortality" (Regent, 2018, 101). Moreover, in the near future (post-crisis conditions) the situation is likely not to improve radically, in general that creates a rather negative background for modernization of the national system of social public administration.

Thus, human capital includes the concept that society's income is not only an abstract result of time and labor. It is the result of complex use of health, embodiment and well-being resources of individual. "The ability to work,

the competence, the ability to do something - all that cannot be separated from the competent and able person. In other words, the worker's competence is truly a machine, but a machine that cannot be separated from the worker himself, which does not mean that, as economic, sociological, or psychological criticism has traditionally stated, capitalism turns the worker into a machine, and therefore alienates him" (Foucault, 2010, 283-284). But at the same time, "alienation" is not understood here (in the practices of public administration and theory of human capital) as a completely negative process of men being exploited by men. K. Marx (1974) believed that capitalism, alienating the worker from his own "patrimonial essence" and nature turns him into a "slave of capital". This does not fully happen, since the worker can simultaneously act as an investor in his unique future.

In that respect, we first of all consider the fact that homo economicus, as a type of working entity, represents the entrepreneur himself, whose actions and productivity in general depend on investments in human capital. "It needs to be recognized that the competence that makes up the body together with the worker is, so to speak, worker's facet as a machine, but this machine is understood in a positive sense, since it produces the revenue stream" (Foucault, 2010, 283-284). Perhaps health and well-being of an individual, for example, will depend not only on working skills and competencies, but also on ability to make creative decisions.

Therefore, there is good reason, that human capital is a concentration of bodily (and spiritual) forces of the working individual, formed under the influence of certain practices, where the key role is played by "self-care". At the same time, human capital includes not only human health (which makes it possible to work effectively even in advanced age), but also education and ability to get additional education almost all the time in conditions of increasingly developed technosphere environment and the information society (Vodenko et al., 2019a; Vodenko et al., 2019b).

However, in this issue, Russian management class continues to demonstrate "backwardness", and according to the results of empirical research, we can say that «Russian managers traditional underestimation of investing in human capital and scientific potential development seems short-sighted. According to Russian Federal State Statistics Service and Statistical Office of the European Communities data, only 2.8% of Russian small businesses (10 - 49 employees) provided ICT trainings in 2013, while in the EU this figure reached 16% in 2014. A similar gap can be observed for medium-sized enterprises (5.6% of Russian and 39% of EU enterprises were trained) and large enterprises (14.9% and 68%, respectively)" (Shaposhnik, 2017, 30). In turn, we are talking about the fact that investments in human capital should ensure the possibility of permanent labor and professional integration of individuals, taking into account the risks (for workers) associated with emergence and active introduction of fundamentally new (especially digital) technologies.

Empirical studies show that more than 74% of all citizens who independently invest in their human capital, as a rule, have higher than vocational secondary education. It turns out that getting higher education autonomously "encourages professional groups for which it is the norm (primarily managers and specialists) to invest in their human capital. And, on the contrary, its absence reduces this probability. For example, among managers, the share of those who get education and develop professionally in their spare time is 11%, among professionals – 13%, while among average and low - skilled workers in the sphere of trade, consumer services and physical labor - only 2%. It is no coincidence that managers and professionals are statistically more likely to believe that the most important thing in raising children in modern conditions is to give a good education (68%) than other professional groups, compared to 55% among trade and consumer service workers" (Anikin, 2017, 103).

Thus, we can conclude that the most stable desire to invest in human capital, correlated with the desire to improve cultural level, is demonstrated by representatives of the middle class (Gorshkov & Tikhonova, 2016). Therefore, we can say that this particular group of people (although within Russian society it is quite difficult to differentiate) acts as a trigger for strategic development of human capital, since it actively seeks development, expanding its own cultural and professional competencies.

V. DISCUSSION

A sufficiently high human potential of the country has yet to be turned into a true human capital that will work within the country (professionals shall not seek to work abroad). So it is true that "capitalization of human potential of the Russian Federation refers to the process of transforming human potential of formally non-profit values in liquid funds through its valuation and public shareholding taking into account the balanced interests of personality, economic and territorial-economic regions of the Russian Federation and nation as a whole" (Alekseev et al., 2016, 12). It is also necessary to observe the appropriate proportions between the functions of civil society and the state, which can both compete and cooperate in the field of investment in human capital.

At the same time, there is no doubt that Russia is still ahead of other BRICS countries in terms of formal criteria for scientific content, including the level of education of specialists involved in engineering projects, as well as a fairly high share of scientists in the overall population structure of the country. But, on the other hand, Russia lags far behind other BRICS countries in terms of organization and effective management of science-intensive infrastructure and technosphere environment. The salaries of Russian high-ranking officials, whose activities are determined not by the level of real competence, but by power positions and party hierarchy, disproportionately exceed the salaries of high-class specialists (scientists, University professors, engineers, doctors) in the areas of human capital increment. All that cannot positively affect the processes of internal modernization of the state and society.

In this regard, researchers note that if there is an acceptable "comparability of the quality of institutions, market and business development, the BRIC countries show the greatest differences in the level of human capital and levels of knowledge and technology. In the first case, the best positions are taken by Russia, in the second – by China. Brazil and India, with a low level of human capital, nevertheless look toward aggregate figure in the level of knowledge and technology. The results can be called "economy quality", being expressed in degree of its creativity, where the BRIC countries show almost the same values: China-36, Brazil-34, Russia-31 and India-29" (Mikhaleva, 2015, 32). Thus, we can conclude that the system of potential and its human resources management leaves much to be desired, the state policy in this direction still has a declarative character.

A different matter is that a harmonious national model of civil society is not fully defined, especially when it comes to the degree of its maturity. For example, Zh.T. Toshchenko (2016) notes, that many researchers of modern Russian society "interpret the maturity degree of social citizenship in different ways. As a measure, they often use the number of people (population) that can be attributed to so-called middle class. Some researchers state, that this figure ranges from 7-10 to 40-45%. However, despite this spread, everyone agrees that it is not yet necessary to talk about fully implemented requirement for mutual consideration of state's and social interests..." (Toshchenko, 2016, 56).

Moreover there has intensified the recent trend in disengagement of the state and civil society. It originates not so much on the issue of active citizens' political participation in governance and problems of elective nature (Shogenov et al., 2018) but on acute question of social responsibility of «paternalistic" state, triggered in 2018 by so-called "pension reform". On the other hand, there is a rather controversial opinion that the pension reform will contribute to activation of economic activity of citizens who will rely more on their own strength.

In this regard, it is important to take into account the risks of recent years, due to the fact that in modern Russian society there may be a threat of breaking the consensus between the government and the main part of population, which was formed in previous period of the zero years, being to a great extent rooted in the worldview of "late Soviet" period (Kirdina, 2014). It is no accident that, in this regard, experts believe that "Russians hold the state responsible for the lack of job security, weak social protection, and low standard of living of many social groups. This assessment is particularly acute in times of crisis. For example, in 2014 and 2015 there was an increase in "below the poverty line" population from 12 to 22 million" (Toshchenko, 2016, 57). Therefore, against the background of "impoverishment" of a large part of the population and authorities' attempts to reset the social ballast, it is quite difficult to talk about state investment policy or strategy in terms of human capital investing.

VI. CONCLUSION

It is obvious that public investment in human capital should be stimulated by the national model of civil society, which is focused not on confrontation with the state power, but on fruitful cooperation with it, being largely determined by the prevailing patterns of paternalism in socio-cultural environment (Bayanova et al., 2019). In Russia they still expect the state to help in solving economic problems, many do not represent the state as "cold Leviathan monster" as they often do in the West, but, on the contrary, perceive it as an important ("fatherly") pole providing social assistance. Moreover, the majority of Russians still associate the possibility of effective social lifting and true career growth with the public service.

Thus, the analysis of modern state human capital investing policy has helped to identify the significant risks that threaten effective modernization of the country. In general, the risks are associated with insufficient funding for the sphere of medicine and education, which directly affect the indicators of human capital, as well as with the pension reform of 2018, which strikes a blow to the consensus around recognition of social state existence by Russian citizens. Due to the growing distrust of the population towards the authorities it is also formidable to stimulate the national model of civil society, which is aimed not at confrontation but at cooperation with the state (Kovalev, 2019).

As a result, we can conclude that the actual accumulated human capital involved in total economic growth of the country should:

- be accumulated and able to work in a actual world technology projects;
- become liquid by moving in different economic environments and able to generate high income;
- get "plasticity", to be easily integrated in various investment projects;
- be resilient to market challenges and consequences of global crises.

Therefore, despite the significant advantages accumulated in previous years, (for example in technical education), they can generally be poorly implemented, that is, do not become actual capital. Therefore, any

advantages (for example, health, higher education, free time, etc.) must still be successfully capitalized, that is, become the energy of production and growth of national wealth. Thus, it is possible to reach a significant human potential, but it is inefficient to use the available opportunities in order to get "short-term" profit (due to the rent of raw materials), but not "human resources profit" as a result of strategic planning.

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