Human capital in an industrial impasse

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Abstract. Crises, shaking developed economic systems, force us to look for strategic ways of development, alternative to the usual paradigm, in which the main vector of development from a pre-industrial to a post-industrial economy leads to a global model of a consumer society, beyond which there is a social abyss. The latest shock to the global economic system is the COVID-19 pandemic. To overcome this misfortune, authoritative experts propose a series of radical organizational and economic measures, but their goal is old - to preserve consumption as the main economic motive of social behavior. This, in turn, leaves in force the global civilizational risks and preserves the status of a myth for the concept of «sustainable development». The proposed article contains an attempt to substantiate an alternative vision of the model of history, in which it is proposed to consider the pre-industrial type of economy as basic on the basis of such criteria as efficiency, prospects and adequacy of the reproduction of human capital. Finally, sustainable development of a socio-economic system of any scale is possible only if such antagonistic indicators as production efficiency and employment of the population are reconciled. And this is possible only in a pre-industrial type of economy.

1 Introduction

Russian social sciences have already changed paradigmatic models of history. Marxist theory of socio-economic, in the categories of which scientists were forced to think during the 1920-1980s. disappeared somehow suddenly, although, like any other scheme, it remained quite applicable within certain limits. [1, P.4] The most widespread argument among experts against the formation model is that it has become out of fashion.

Another hobby that has become noticeable and even widespread since the 1980s. - civilizational paradigm. The availability of the works of N.Y. Danilevsky, O. Spengler, A. Toynbee. But the direct driver of intellectual fashion was, of course, S. Huntington.

But at present, the most widespread model of the historical process is rightfully the theory of post-industrial society. I do not presume to judge what is the reason for such popularity – the dignity of the scheme itself, or external influence, but there is reason to suspect at least a partial manifestation of an uncritically perceived fashion.

The more painlessly expected a reaction to a critical revision of this paradigm. And there are grounds for «editorial correction», and there are serious grounds.

The problem of the artificial and inadequate character of the three-stage structuring of the historical process has been brewing for a long time (see, for example, I. Wallerstein

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«Analysis of world systems and the situation in the modern world»). Scholastic Marxism at one time buried itself in the problem of the «Asian mode of production», not being able to fit it into the dogmatic scheme of the «patchlink» (that is, the five socio-economic formations set a priori and applicable only to Europe). The post-industrialism scheme is even simpler; and even without empirical verification, one could guess that applying such a template to the real diversity of societies, economies and cultures is a difficult and thankless task.

This time, the Covid-19 pandemic gave rise to a critical rethinking of the habits of socio-economic typing. Let's omit the duty lamentations about the trials that have befallen humanity and focus on the meaning of the economic crisis and the ways out of it.

The greatest losses in terms of efficiency are now borne by the industrial sector. This is due to the fact that the real production of GDP, where the mass of workers and equipment is concentrated in compact volumes, needs the greatest efforts and investments.

The sectors characteristic of the postindustrial economy have suffered very unevenly. From the service sector, perhaps only the delivery service thrives, others - the tourism industry, hotel, restaurant businesses collapse before our eyes. But high-tech industries, especially online social media platforms, have added a lot.

But in the scientific literature of recent months, there is practically no mention of the fact that, in addition to high-tech industries, there is another economic structure that has almost not experienced the destructive impact of the pandemic - small peasant and subsidiary farming, that is, in generally accepted terminology, loci of a pre-industrial type of economy.

We ourselves have encountered this fact empirically. Examining the manifestations of economic depression in rural areas (the territory of the Republic of Khakassia and the south of the Krasnoyarsk Territory), we expected to meet an aggravation of social deprivation in connection with the pandemic crisis. However, expectations were pleasantly not justified: the epidemic penetrated here to the least extent, the economic situation of small farms practically did not change, and so did social well-being.

This circumstance prompted us to think that the pre-industrial economy - of course, in its modern version - is not inferior to the industrial and even post-industrial one, at least in terms of reliability. Indeed, the prospects of the IT sector of the economy in the context of a pandemic crisis are discussed everywhere and constantly. In our opinion, the time has come to raise the question of all the other criteria for the priority of the pre-industrial economy – prospects, efficiency and, what is most important for us, compliance with the conditions for generating human capital in its regional specification.

Based on the problems formulated above, we set out to carry out a critical revision of the theory of post-industrial society and identify the features of the application of such a revision to a particular region.

2 Materials and methods

The empirical part of the presented study is a set of methods used to analyze the problems of generating and effectively using human capital in the South Siberian region (the Republic of Khakassia and the south of the Krasnoyarsk Territory). For two years, with the help of expert and formalized interviews, questionnaires, a unique array of data has been collected, the analysis of which is partially used here. [2]

The need to adapt the concept of «human capital» to the specifics of a particular region has become the basis for terminological and theoretical reconstruction. So a general hypothesis arose, according to which the pre-industrial type of economy is paradoxically promising for individual socio-territorial entities, and possibly on a universal, global scale. (Human development report. (2014) United Nations Publications, New York).

Representation of this hypothesis, in turn, demanded that the analysis be turned to a wider array of statistical information and scientific literature on the issue.

3 Results

The global problem of overpopulation of the planet, posed by the Club of Rome, as it was later recognized, has its own regional specifics. Population density, its load on the economic and social infrastructure, its impact on the life and social well-being of people are very uneven. [3, P.6-8]

The latest sensational statement on this topic is contained in the book by Klaus Schwab and Thierry Mullere, «COVID-19: The Great Reset» [4]. This article is, in a sense, a reaction to this speech. Not a review, since only a narrow thematic segment will be touched upon, but not without general remarks.

Firstly, K. Schwab is the founder and chairman of the Davos Forum, and, if only for this reason, the point of view of the authors should be perceived as a significant trend. Second, and this has also been noted by commentators, this point of view contains little innovation compared to previous globalist theoretical constructs, starting with the Club of Rome program. So we have good reason to draw a bold line connecting the books *Human Traits* and *COVID-19: The Great Reset*. Third, as we move along this line since the 1970s. degradation of humanism is becoming noticeable to this day.

Here in a little more detail, since it concerns us directly. A. Peccei and the Club of Rome headed by him were, of course, humanists in the most beautiful sense of the word. Globalization was presented by them as an event designed to make humankind happy, or at least save it from universal problems. (Peccei A. *Human qualities*. M., 1985)

Modern globalism is much calmer and more cynical. K. Schwab proclaims a new globalist revolution, the instrument of which should not even become, but a total lockdown. «New» forms of ownership will emerge that will consolidate and legalize irresponsible consumer behavior; the products of the industrial era – nation states – will disappear. Against this background, the «aggravation of the struggle against backward elements» is foreseen. «With the introduction of a lockdown, our affection for our loved ones increases ... But the downside is that it causes an increase in patriotic and national feelings ... And this toxic mixture brings out the worst in us ...» [4, P.94]

In other words, the post-industrial society, through the mouth of K. Schwab, declares the object of elimination to be the historically previous types of societies – industrial and pre-industrial, in the hope of preserving the consumer type of economy. There is no innovation in this point either: in the United States, the cultivation of crops on personal plots is already legally prohibited.

And this is remarkable! A seemingly progressive economic order, without waiting for the natural «death» of the backward order to come, without relying on its natural superiority, is trying to drive the archaic economy into the grave by artificial, coercive means. So maybe there is no natural superiority?

Let's go back to the problem of overpopulation. K. Schwab, among the ways to solve this problem, suggests the forced dissemination of unnatural gender practices and identities. And this is not news. Only a pre-industrial society can guarantee positive demographic dynamics. The agrarian economy is structured in such a way that it stimulates expanded anthropological reproduction. To certain limits, of course. In prehistoric times, the productive capacity of the enclosing landscape was a limiting factor. A unit of territory can feed only a finite number of people and livestock. The superfluous migrated or starved to death. In our time, alcoholism has become the scourge of the rural population of the Russian hinterland. But in any case, despite the fact that many more children were born in

the pre-industrial family than died in general, overpopulation in the pre-industrial society was not a problem.

In all textbooks, the transition to an industrial type of social order is presented as a «natural-historical process». «Naturalness» can be understood as spontaneity, as an imperceptible «by itself», or as inevitability, the realization of which sometimes happens forcibly, violently. The advantage of the industrial type over the pre-industrial type would be indisputable only in the first case, otherwise the trans-industrial transition could be attributed to an accident, which was artificially given the status of regularity. For example, the reason for China's defeat in the Opium Wars is the military-technical superiority of Europe, but at the same time, the question is rarely asked what would have happened to the British contingent if a more energetic and implacable emperor had been in power in then-China.

The «enclosure» and, as a consequence, the appearance in England of millions of lumpen proletarians may have had signs of a natural process, but, in any case, it was a regional – British or European – history. According to the criterion of efficiency of production of GDP, Great Britain, and then the whole of Western Europe, stepped far ahead in comparison with themselves a century earlier. But this is not the only criterion.

The price that had to be paid, which became a long-term social cost, was the family and the city. Let's start with the family.

All dictionaries name the three main functions of this social institution, but none admits that the maximum load of the demographic, economic, and socio-psychological functions of the family takes place precisely in a pre-industrial society. Industrialization pulls women out of the family structure, education – children; post-industrial institutions isolate the elderly from it, and legal sex is generally turned into a rudiment. [5, P.63-65] But humanity has not yet invented any other institutional form of demographic reproduction. And if the population growth is -0.71%, then this is precisely the effectiveness of the demographic function of the modern Russian family. From the point of view of K. Schwab, who lives in overpopulated Europe, this is just wonderful. But is this wonderful in relation to Russia with its vast uninhabited spaces? (Regions of Russia. Socio-economic indicators. (2018). Mjscow, Stat. Sat / Rosstat.)

Another price is the city. The movement along the bold line from archaic to post-industrial society is accompanied by urbanization. Industrial society gives rise to million-plus cities; postindustrial – ten-million-plus. The enumeration and analysis of the functions of a modern city will take up too much space, and it will be superfluous, since in the context of our study, the emphasis is on one hidden and hidden function. Namely: *a city is a form and method of demographic utilization*.

In an industrial society, this fact is not yet so noticeable, since there are three serious factors that compensate for the slide into the demographic pit - pre-industrial demographic inertia, contraception and the inertia of religious consciousness.

For several generations, industrial cities have absorbed the rural population substrate. In Moscow, for example, the share of people who have come in large numbers in certain periods was up to 40%. Until 1936, the large industrial city of Nizhniy Tagil consisted of several workers' settlements. And there are hundreds of such examples. Such migratory activity, naturally, affected the human qualities used in the rapidly developing industry. [6]

Therefore, it is not surprising that the population absorbed by the city has maintained pre-industrial demographic standards for up to several generations. [7, P. 72] Living in barracks and communal apartments, spending the whole working day in isolation from children and the elderly, fathers and mothers, contrary to objective conditions, considered it possible and necessary for themselves to have as many offspring as possible. But objective conditions are also objective, which sooner or later take their toll. Families with many children are gradually becoming an exception to the rule.

And the point is not only in the physical absence of housing and communal conditions. Conducting interviews among several dozen representatives of large families, we found out that everyone, I emphasize, all of them at least once encountered the boorish attitude of social workers: «There was no need to give birth so much!» A large family in an industrial city is a stigma.

Industrialization and the scientific-technological revolution associated with it set in motion another factor – a set of medical and technological devices for managing fertility. Here you don't even need to resort to statistics and sociology, it is enough to get by with a socio-philosophical argument. As soon as you provide freedom of choice where it did not exist before, you can be sure that the audience will immediately disintegrate into statistically significant values. The archaic society did not know condoms and contraceptive pills and showed positive demographic dynamics; it did not know how to nurture premature and sick children, but it compensated for the inability by the number of those who had gone through natural (!) evolutionary selection. The industrial society has tasted the fruit from the tree of knowledge, and we have every reason to put this factor among the causes of demographic and genetic degradation. [8, P.48]

And, finally, the third factor that played a huge role in the transition to an industrial society is religious. It makes no sense to reproduce for the hundredth time the logic of M. Weber, who showed in detail how the Calvinist dogma of destiny was the driver of the industrial revolution. It is important here that Protestant ethics are not limited to the spirit of capitalism. Protestants also brought a new meaning into the code of family values: the family became a «small church», the processes of education and socialization were rethought, the role of women was sacralized both as a keeper of the hearth and as a full-fledged worker. No wonder the motto «Be fruitful and multiply!» for a long time, until the 1950s, allowed developed countries to maintain a «demographic face», acting as a compensator for the declining birth rate in the United States and Western Europe.

The religious factor shows more clearly than others how much the circumstances have changed with the further transition to a post-industrial society. More precisely, degradation, the disappearance of this factor. In the enumeration of the signs of the advancing post-industrialism, the secularization of public life is mentioned extremely rarely; and yet it is difficult to call it a mere coincidence the widespread (in developed countries) encroachment on conservative religious values and institutions, and above all on family and marriage. Returning to the topic of urbanization, it is not even necessary to specify that the epicenter of alternative gender practices have become super-large megacities. The «Pussy Riot» campaign is appropriate for the 10 millionth Moscow, but not for the village church.

Two more points of the Protestant social program, which were kept within it in a conjunctive bundle, but with the erosion of the religious fundamental principles of public consciousness, turned into a mutually exclusive disjunction: *efficiency* and *employment*.

For Calvinists, capital is a quantitative expression of how you please God. Therefore, its effective increase is literally a sacred cause. At this point, Marxists usually emphasize that the pursuit of profit (i.e. efficiency) overshadows normal human values. «There is no such commandment that the capitalist would not break for the sake of 300% profit».

But Marxists forget that they themselves are a product of the same Protestant social program. Her second point mentioned is caring for others. To get into the «target of destiny», it is not enough to make capital on your own; you need to help other members of the community to prove themselves in work for the glory of God. Thus, the organization and expansion of production (i.e. industrialization) fulfill a twofold task - they increase capital (for themselves) and create job-places (for others). It was this second point of the program that subsequently developed into utopian communism (Quakers, R. Owen) and the familiar theory of Karl Marx.

The inertia of thinking, and maybe ideological fears, still force him to use these two fundamental economic indicators – efficiency and employment – as side by side, separated by commas. Meanwhile, the expert community has been sounding the alarm for a long time, making sure that in conditions of saturation of markets, these indicators rise in the opposite proportion. The production efficiency is the higher, the fewer people are needed to produce a given amount of product. The USSR fell into a crisis by testing this correlation in the opposite direction: providing widespread forced employment, you inevitably lose efficiency.

Modern Russia is not the USSR, but the «rake» is still the same. Having declared itself a «social state», it is doomed to social obligations, including providing employment. Employment, which business, whose representatives have already frankly admitted this, is completely unnecessary. Employment, being an economic phenomenon, is necessary for reasons that are far from economics in the narrow, «industrial» sense of the word – 1) disciplinary-political and 2) reproduction of the required type of personality, that is, human capital.

Both of reasons are interrelated and flow into one another. The whole world has been facing the disciplinary and political relevance of employment, or rather its absence, for two or three hundred years. It's simple: idleness corrupts. And if you still gather the restless in a large crowd, then the slogans under which they will go to the barricades are no longer important. Large crowds – in big cities, the brainchild of industrialism. Therefore, employment is needed as a prevention of revolution.

It would seem that the problem has been solved: in addition to 10% of jobs that meet the real needs of the population, it is necessary to come up with another 90% that will only imitate employment. But the Soviet experience has shown that this is a dead end. The experience of the USA and Western Europe turned out to be more flexible: here the concept of «real needs» was revised under the brand name of «post-industrial society». If a person is taught that a fashionable rag or a luxurious car is something he cannot live without, then a whim turns into a «real» need. *The post-industrial economy is a system of production, distribution, exchange and consumption of whims.*

This option turned out to be more long-lasting than the Soviet one. But he also exhausted himself, because even the total volume of whims is not unlimited. The consumer society, trying to stimulate demand, inevitably inflates financial «bubbles» that have already burst more than once. Which, in our opinion, is inevitable, since the second of the above reasons is at work – the reproduction of a personality type set by socio-economic conditions.

Table 1. Comparative analysis of the sustainability of socio-economic types.

Economy type Criterion	Preindustrial	Industrial	Post-industrial
Organization scale	Local	Regional	Global
Environmental criterion	Balance with the environment	Intensive use	Intensive use
The purpose of the employee's labor activity	Insufficiency	Salary, capital	Virtual capital
Optional labor objective	Exchanging surplus	Super profit	«Self-realization»
Costs	Not required	Maximum	Sectoral
Employment	Overall	Unemployment as an economic constant	Hidden unemployment, turbulent employment
Capitalization of human qualities	Population	Electoral	Extremely selective

Due to the limited volume of the article, we cannot dwell on this issue in detail; for convenience, we will construct only two reference types, which we will place on both sides of the speculative scale and understand that real incarnations are somewhere in between. The first social type will be called «Redneck». It is an anthropological derivative of a pre-industrial society. The economic lifestyle of the Redneck encourages the creation and maintenance of a large and strong family; the need to serve a large farm fosters responsibility, a sense of duty, discipline in it; the purpose of his management is not capital, but wealth, hence another personality trait – modesty, unpretentiousness. In addition, by virtue of his lifestyle and management, the Redneck is a bearer of common sense. His organic social position is trust [9].

We propose to name the polar Redneck social type «Hipster». It is a product of a post-industrial metropolis with its fun free life. The Hipster does not want or cannot reproduce, create and maintain family relationships and obligations, therefore his gender is uncertain; he prefers the word «freedom» to the word «responsibility», and the phrase «to live on debt» to the phrase «to live on credit». Instead of common sense and modesty, clip thinking and a tendency to consumer hysteria are installed in it. [10, P. 392]

The contradiction between these social types is not only speculative. In the book mentioned above, K. Schwab is ready to reshape the forms of ownership in order to preserve consumption as a driver of the economy [4, P. 12-14]. As soon as Trump took not even a step – a small step back to reindustrialization, the whole hipsterian America grinned at him. In our country, Prime Minister D.A. Medvedev, the destruction of paramedic points and rural schools inflicted irreparable damage to deep Russia.

What is more necessary for Russia, which social type is economically more promising – Hipster or Redneck? The answer is obvious, just look at the map. To master, humanize these spaces can only be the prevailing type «Redneck».

Let's go back to the efficiency-employment dichotomy. The urban hipster does not want to get up at the machine, does not want to take on the janitor's broom, he wants – if he really wants – to shift papers in the office in a fictitious position. To attach him anywhere is not a problem for him, but for the state, because the loitering Hipster is prone to rebellion.

With regard to the Redneck, the employment problem does not arise at all. He is self-employed in the most ancient sense of the word. He has no free time either on Black Fridays or on Maidan. And even if the Redneck carries some kind of threat, the place of his deployment is not a metropolitan metropolis, but a remote village, and there no anti-government rallies are visible even through binoculars.

And, finally, the animation of the social type «Redneck» is the simplest, most effective and decisive way to get out of the economic paradigm of consumption. It is impossible to inflate a financial bubble in a village courtyard. Our research, for example, showed that the pandemic crisis in our region affected the «private sector» the least.

4 Conclusion

Our previous idea that industrial and, moreover, post-industrial societies are independent and self-valuable historical types of societies, should be recognized as a delusion. All the more erroneous should be recognized the progressive arrogance of pre-industrial societies, based on the idea of ascending linear succession. The basic, reference and basic type is a model of a society that is in homeostatic equilibrium with the environment, based on the natural mechanisms of economic, demographic reproduction and generating human capital in the specifically Russian version of this concept.

At the same time, the return to the original socio-economic positions does not require artificial coercive measures. The postindustrial consumer society, if no purposeful attempts to support it are made, will die out by itself as a result of the natural implementation of the

function of demographic utilization. Simply put, «Hipster», if not given the opportunity to replenish his contingent through social adsorption, already in 3-4 generations becomes a demographically insignificant value.

The main problem for this perspective is the state with its bureaucratic apparatus. [11] Only one thing will be required of him: leave me alone! The Redneck does not need his social guarantees: «Thank you, you've seen enough!» This means that the fiscal burden on the self-employed population should be canceled. This is what the state apparatus is most afraid of. And fear is an irrational element, and in this case, not science, but a psychotherapist is needed.

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