

O. Minochkina,*PhD (Economics),**State University of Fiscal Service of Ukraine, Irpin***FORMATION OF SOCIAL CAPITAL OF THE NATION**

Stating the problem. Prolonged crisis in the world economy has a negative impact on all the countries, especially the countries of the so-called "periphery", complicating their efforts to establish a path of transition to a new stage of socio-economic development, which is defined as postindustrial by the modern economic science. The dominant and central element of social reproduction is capital. As the object of the study capital is expressed in different forms, types and models of operation in almost all economic schools and directions.

Over the past two decades, social capital has occupied a central place in economic and social science as a theoretical concept and as a matter of empirical research. About 40% of the economic growth in different countries was due to the quality of the social capital of a nation [1]. Social capital is seen by Western scholars of the nation as one of the key fundamental causes of social and economic differences between countries.

World experience shows that large-scale transformation, usually accompanied by the development and implementation of relevant programs (concepts). The post-war revival of the Japanese economy has already become a textbook example, where they have not only caught up, but been ahead of world economic leaders for 80 years. At the heart of the National Program (concept) development, worked out by the end of the century, lay national goals and priorities which have been identified as "turning" in the society and the economy. The whole program was permeated with the central idea - mobilization, reproduction and accumulation of social capital of the nation [2].

Ukrainian scientists confessed that they were late with the study of the concept of social capital, "that is why the nature and definition of theoretical and methodological aspects which can clarify this phenomenon remains largely undigested." We pay attention to the problems of formation of social capital of the nation due to underdevelopment and inefficiency of the institutional structure of the state. We have summed up that "in national economic literature, there is virtually no developments that would regard the role of social capital in economic development of local communities, which has become increasingly significant under modern conditions" [3].

In Ukraine there is "typical for the economy" [4] situation where the new formations have not formed the adequate to its content and institutional mechanisms to identify their values on existing functional tools.

Currently, it is important to understanding the systemic integrity of two basic structures that lay the basis

for the foundation of convergent economy - "instrumental arrangements of social capital" and "qualitatively new mechanisms of self-regulation" [4, p. 14], so the question arises as to direct their development and implementation in real life.

Analysis of recent research and publications. Methodological approaches to contemporary social and economic theories on the concept of social capital (if talking not about the name, but the essence) were created in the nineteenth century and were connected with fundamentally new directions in the development of economics, such as the German "historical school" and institutionalism. At the heart of the modern concept of social capital is the nation's thesis of the prominent German economist XIX century, founder of the "historical school" F. List that nation's ability to create wealth is far more important than just wealth. This ability and its social and historical intangible factors are based on the teachings of F. List productive forces. Social capital of the nation is that fundamental institutional component of its productive forces, which characterizes the nation's ability to create wealth and is one of the important factors of socio-economic development. Later research methodology of social capital of the nation, including approaches to determine the components of the social capital of the nation, was done in the works of famous foreign scientists. The theory of social capital was actively developed by M. Weber, F. Hayek, W. Baker, M. Schiff, A. Portes, J. Turner, J. Brennan, J. Buchanan, D. North, H. Becker. For the two decades social capital has occupied a central place in economic and social science as a theoretical concept and as a matter of empirical research. Social capital has been studied in the works by such famous foreign scientists, as P. Bourdieu, M. Vukok, J. Coleman, R. Putnam, A. Portes, F. Sabatini, F. Fukuyama and others. The Ukrainian and Russian authors presented some aspects of social capital researched by A. Bova, N. Busov, E. Huhnina, O. Gulevich, A. Demkiv, I. Disken, V. Eremenko, A. Kolodiy, M. Lesechko, V. Onikiyenko, V. Privalov, V. Radayev, A. Rogozhin, Y. Saenko, V. Sikora, V. Stepanenko, L. Strelnikova, S. Sysoev, A. Chemeris, V. Chepak, N. Chernish and others [3, 5].

The concept of social capital is actively researched by the Ukrainian scientists. They studied and systematized the approaches to defining the essence and structure of the social capital of the nation, investigated its socio-economic importance in building a socially oriented economy, developed methodological principles of the study of social capital forms. They have focused on

the various factors of its formation, carried out quality evaluation on certain indicators in Ukraine and others. However, the question how social capital can be formed in our country, in the current context of decline in all spheres of economy and social life, almost hasn't been researched yet.

The aim of the article. We are going to consider the current state of theoretical and practical aspects of social capital, its tools and mechanisms for their possible application in the global transformation of Ukrainian society and reforming the national economy.

Presenting the main material. The article is a continuation of previous works by the author devoted to clarifying issues related to the methodology of research property, the development of theoretical and methodological basis of practical implementation of the transformation of property during the deep transformation of the Ukrainian state in the transition society and economy to a post-industrial stage of development. The results of the author's research is the institution of property as a system of a common resource system, its convergent mechanisms in conjunction with the system of functioning capital at the national and global economy [6]. Creating a single management of the mechanism system of capital is associated with the functioning of the institutions and mechanisms of control, according to the developed concept of "The system of property as common resource system" ("SPCRS") [7-10]. Building SPCRS, its convergent institutional mechanisms is a condition of formation of social capital formation and convergence of the economy, followed by transforming it into a

postindustrial society deliberative system [11, 12]. Understanding the mechanisms of social capital and its formation and accumulation reveals the possibility of the economic impact on the high quality of social relations, which is achieved in societies united by the national idea. The national idea for further development of Ukrainian society lays in the content developed by the author of the concept and can be formulated as "The property system of Ukraine - a common resource system of its citizens".

The phase of transformations of the modern civilization is characterized by systemic doubling of modern global economic processes and their association in the structure of industrial and post-industrial relations (Fig. 1) [13]. Currently the significance of convergence and its growth in the economic relations, which is linked to the general civilization process of transformation, has become more obvious. There is a fundamental transformation in the economy, including the system of competitive market relationships that gives the way to convergent market economy. Considering the concept of "convergent market" A. Halchynskiy describes convergence as "an attribute of relationships with the partners in the sphere of "production" of information and knowledge, the increase of intellectual wealth as a tool of exchange "trust on trust", the mechanism of accumulation and realization of social capital. In the aspect of corresponding economic relations interacting market actors do not absorb each other Well, they enrich each other retaining their uniqueness identical, remaining themselves" [4, p. 6].

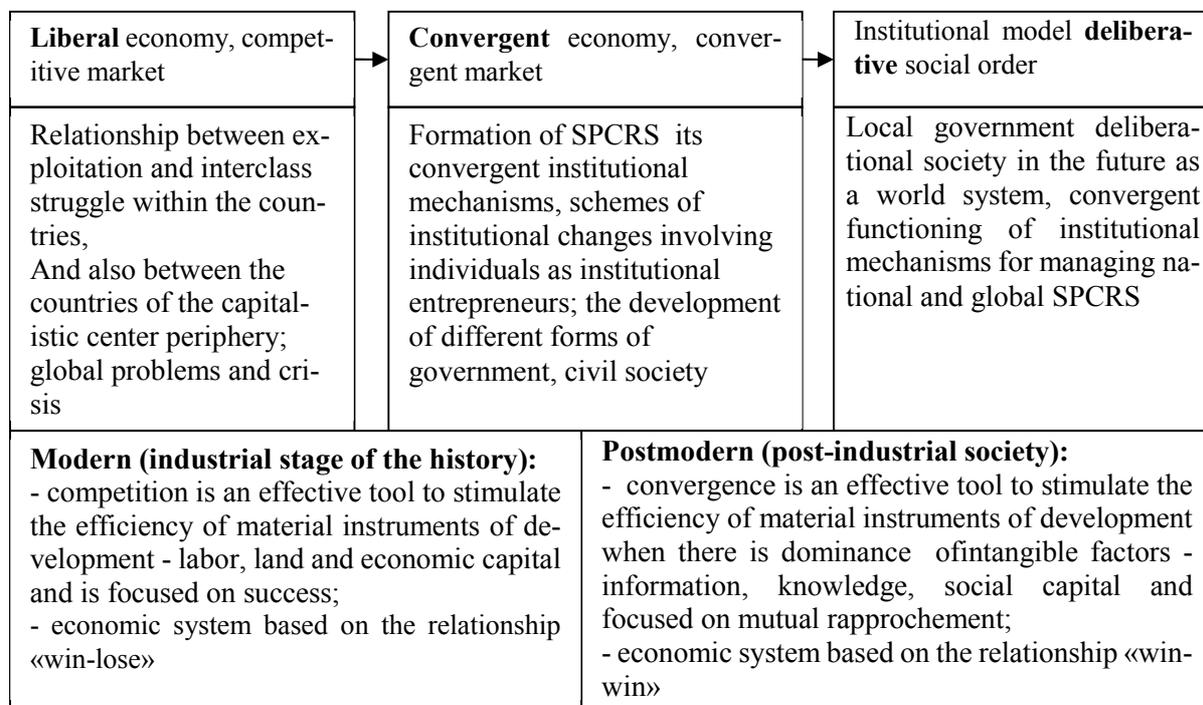


Fig. 1. General trends of civilizational transformations (developed by the author basing on the works by A. Halchynskiy [4], V. Zinchenko [11, 14] and their research)

The works by V. Onikiyenko and L. Emelianenko (the article "Social Capital Nation: methodological aspects of the research of the areas of economic cooperation" [3]) attract our attention. According to the scientists the process of economic development requires a combination of different types of capital "and social capital is defined as" a factor of movement "in the manufacturing process. Researchers cite the position of the famous American scientist F. Fukuyama, who noted that a healthy market economy - this economy, in which society has so many social capital that promotes self business, corporations, network structures, the formation of democratic political institutions.

Basing on the works of A. Halchynskiy [4] and V. Zinchenko [11, 14] we can note that the market economy is not so "healthy", but rather yields convergent relationship. A. Halchynskiy explores the formation of a converged market as an alternative form of a competitive market, stresses that at present its condition is still "neither adequately formed nor identified by science as a reality, the reality of perspectives" [4, p. 6]. The scientist formulates the research objectives of convergence as "organizational and moral foundations of functional

post-industrial economy" [4, p. 8] and convergent market as new models unorthodox functional market economy.

We believe that under the converged economy the conditions for active development of different forms of government and formation of civil society are formed that are directly associated with the growth of social and human capital that can not be limited in any way, or is a regulation social capital amounts to serve the class of exploiters. Building SPCRS, its convergent mechanisms are a condition of formation of social capital formation and convergence of the economy and then transforming it into a postindustrial society deliberative system [11, 12], which is based on the deliberative model of democracy and management. That is, in the future there should be a local government of deliberative society as a world system with unlimited amounts of human and social capital that should be available to every person.

Thus, there is (it appears) the dependence on the level and quality of social capital model of economic development, which can be expressed schematically (Fig. 2).

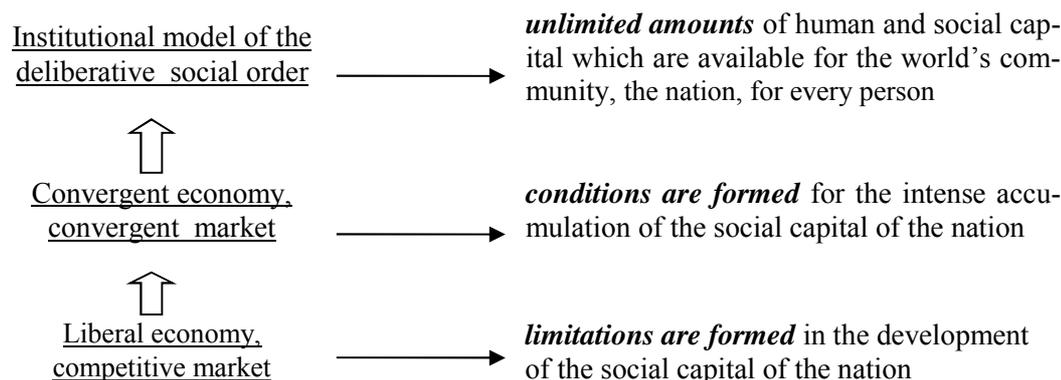


Fig. 2. Connection between the level and quality of social capital and the model of economic and social development

Researchers [3] define social capital as the nation's "public relations result in all organizational and economic levels of social interaction in the state, a synergistic effect of which is possible on the basis of ensuring the institutional development of the country. Social capital - these are the forces that increase the potential of the economic development of the society by creating and maintaining social relationships and patterns of social organization. These forces operate at the macro, meso and micro levels. «The researchers state: "Ukraine has a great potential for social and human capital," but it is worth adding that this potential was as heritage of Socialist Ukraine, but it was not only implemented, but also rapidly destroyed, even together with its carriers - citizens. Scientists believe that the formation of human and social capital is happening in the sphere of education as an institution, where, in their view, human capital

is accumulated by individuals and the social capital of society is emerging. And why haven't we still formed it?

The answer can be found in the works of contemporary representatives, of social philosophy, sociology and globalistics.

Ukraine is in the position of "peripheral" capitalism, which is exploited by the "center" of the capitalist world. V. Zinchenko analyzes critical trends in the modern industrial society and starts from the crisis of the personality and its causes. "The alienation of the individual in the industrial society of the capitalized type ("early", "transition", "late" capitalism), including by means of education and training, is so obvious that it is recognized by the economic and political research, modern management, and social philosophy, sociology, except perhaps the most conservative representatives of movements" [14, p. 258]. Regarding efforts to offer "effective"

measures to overcome the crisis of personality he explains: "... modern Western educational utopia does not go beyond the personal self, just trying to put it on the basis of modern science and technology. The force of human uniting, collective action is underrated by them as competition and willful opposition is a natural product of capitalist social relations" [14, p. 259]. V. Zinchenko criticizes modern "alluring of social and educational utopia" which "work out" the family, school and other institutions of socialization that are currently "remain the mechanism of reproduction of social inequality. This is the basic premise of educational discredited utopias: directly humanistic nature of education and training, ensuring comprehensive development and to overcome the alienation of the individual" [14, p. 265]. The scientist describes in detail the essential content of education, which "is a mechanism of appropriation of culture for the harmonious development of personality" and the following warning - "capitalization of education can result to the formation of the labor with ideologically controlled and educationally controlled, one-dimensional and socially disoriented individuals" [14, pp. 271].

V. Onikiyenko and L. Emelianenko stress the need "to consider different types of economic interaction in the context of social mediation on the basis of empirical research materials and to evaluate the functioning of social capital to open and show the relationship of scientific concepts of social capital and social support networks. It is advisable to explore current patterns of changes in the nature and extent of economic relationships and interpret this process as an important element of the dynamics of social capital ... informal economic practices as the specific features of everyday economic communications". Scientists also admit that "the most difficult thing is to show a clear link between social capital and economic growth" [3]. In response to the questions asked by researchers there is some theoretical and empirical research by the scientists (eg, E. Ostrom "Manage the common: evolution of the institutions of collective activity" [15]) and the examples of international experience (among them, the success of Mondrahonsk cooperative corporation) that demonstrates that the formation of social capital in the established systems of government has their instrumental arrangements, and show a direct link between the quantity and quality of social capital and social and economic development of society, where these changes occur.

We must admit that for Ukraine the only way to survive and develop as a civilized country is a move to alternative positions of reorganization of society, creating a "society of government based on collective and individual autonomy" [14, p. 357], which is formed by the accumulation mechanisms and implementation of social and human capital, creating and perfecting them with the direct participation of individuals. "The objective is to limit and cancel routine of the impersonal labor as the

dominant form - the content of this process is to convert the necessary impersonal creative work in the general level of social creativity" [14, p. 336]. We offer a way to perform this task - the introduction of the concept of SPCRS, which provides the establishment of self-governing local communities, whose members are institutional owners and entrepreneurs, creating mechanisms for the management of common property system. If people seek and be able to organize themselves within the communities where they live, with the understanding of their role in the management of their shared resource system and converged management mechanisms that lead to cooperation and collective action and unite consumers and producers [14, p. 338] (who are the owners of the common system of property), they can jointly decide their own social life as being morally responsible for their future.

The authors of the work [3] found that social capital is formed at the "macro, meso and macro levels. Separation of these levels is justified by the fact that each one is characterized by "unusual methods" of formation of social capital, social capital "is crossed on all these levels and moves to the national level as a public good." The researchers propose that social capital in terms of "top down" and "bottom up", they concluded "the fundamental need for different approaches to interpreting the economic nature of social capital in order to develop a consistent theory of its operation and play identifying opportunities of this concept in solving problems of empirical research of economic relations" [3, p. 79 - 80]. Also it remains unclear the definition of the elements of social capital, which include human capital and institutional system, which scientists believe to be optimized "when formulating its priorities for development" [3, c. 81].

Note that our position is different from the above defined by V. Onikiyenko and L. Emelianenko because social capital as part of a system capital, is closely associated with the interaction of other elements (economic and human capital) [6], here, the problem stems forming a single management mechanism of the system. Priorities of development of the national economy of capital should be determined basing on the overall long-term strategy development, subordinate national idea of the society which deliberately chooses a society without external influences imposed and other interventions of various kinds, providing their own national interests.

Conclusions. "To prevent further deepening of the economic crisis, social humiliation and spiritual collapse of Ukrainian society and imposed on a questionable course of economic liberalism (with all its neocolonial country and immoral consequences for people) we should openly and strongly oppose the other, truly scientific, humanistic and highly moral principles and concepts of economic and social life produced by mankind" [14, c. 203]. Expanding the concept of SPCRS we demonstrate its fundamental theoretical basis - metho-

dological institutionalism and also give practical examples of its display basing on the works by famous scientists and real functioning alternative social systems. The basis of the formation of social capital is made by small manufacturing cells which accumulating this social capital are converted into self – governed societies, based on collective and individual autonomy. That is, the formation and movement of social capital begins with a "bottom up" economic and social life of individuals in the field, leading to an intense accumulation of social capital of the nation, and in subsequent generations an increase of human capital is ensured. Public authorities should not "consider social capital in developing ... the state socio-economic policy in the regions" [3] but being the organizer of the reforms decentralize the government, create a sovereign community and "do not disturb" them to cultivate social capital in the process of local governing and institutional designing. It should be noted that education and science (and other areas of public life system that chooses its own path, creating deliberative social order on the bases of deliberative democracy, management and self-government [11, 12]), it should also be subject to the overall development strategy and be able to intended implementation of the national idea. The scientists should develop and widen certain direction to the level of general knowledge, accompany these processes with relevant methodological and methodical developments and act as organizers and catalysts of institutional changes in the society.

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Міночкіна О. М. Формування соціального капіталу нації

Стаття є продовженням попередніх робіт, присвячених з'ясуванню питань, пов'язаних з методологією дослідження власності, виробленням теоретико-методологічного базису здійснення практичної діяльності з перетворення системи власності у період глибоких трансформацій держави на шляху переходу суспільства і економіки до постіндустріальної стадії розвитку. Досліджено сучасний стан теоретичних і практичних аспектів соціального капіталу, його інструментальні механізми та можливості

їх застосування в процесі глобальних трансформацій українського суспільства і реформування національної економіки. В межах концепції «Система власності – спільна ресурсна система» визначено та проаналізовано взаємозв'язок і взаємодія інструментальних механізмів соціального капіталу і конвергентних інституційних механізмів цієї системи. З'ясовується залежність рівня і якості соціального капіталу від моделі економічного розвитку. Розглядається питання як саме соціальний капітал може бути сформований та відтворюватись в українських реаліях.

Ключові слова: власність, капітал, методологічні підходи, система, управління, інститут власності, інституціональний механізм, система капіталу, соціальний капітал, інституціональна система, конвергентність, реформування, трансформація, самоорганізація, інституціональні установлення, глобалізація, деліберативний суспільний устрій.

Миночкина О. Н. Формирование социального капитала нации

Статья является продолжением предыдущих работ, посвященных выяснению вопросов, связанных с методологией исследования собственности, выработкой теоретико-методологического базиса осуществления практической деятельности по преобразованию системы собственности в период глубоких трансформаций государства на пути перехода общества и экономики к постиндустриальной стадии развития. Исследовано современное состояние теоретических и практических аспектов социального капитала, его инструментальные механизмы и возможности их применения в процессе глобальных трансформаций украинского общества и реформирования национальной экономики. В рамках концепции «Система собственности – общая ресурсная система» определены и проанализированы взаимосвязь и взаимодействие инструментальных механиз-

мов социального капитала и конвергентных институциональных механизмов этой системы. Определена зависимость уровня и качества социального капитала от модели экономического развития. Рассматривается вопрос как социальный капитал может быть сформирован и воспроизводится в украинских реалиях.

Ключевые слова: собственность, капитал, методологические подходы, система, управление, институт собственности, институциональный механизм, система капитала, социальный капитал, институциональная система, конвергентность, реформирование, трансформация, самоорганизация, институциональные установления, глобализация, делиберативный общественный строй.

Minochkina O. Formation of social capital of the nation

The article is a continuation of previous works devoted to clarifying issues related to the methodology of the property research, the development of theoretical and methodological basis of practical implementation of the transformation of property during the deep transformation of the Ukrainian state in the transition society and the economy to a post-industrial stage of development. The current state of theoretical and practical aspects of social capital, its tools and mechanisms for their possible application in the global transformation of Ukrainian society and reforming the national economy have been researched. It turns out that there is a dependence of level and quality of the social capital on the model of economic development. The question of how social capital can be formed and played in the Ukrainian realities has been considered.

Keywords: property, capital, methodological approaches, management system, the institution of property, institutional mechanism, the capital system, social capital, institutional system, convergence, reform, transformation, self-organization, institutional setting, globalization, deliberative social order.

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