

INSTITUTIONAL ENVIRONMENT OF THE HUMAN CAPITAL IN THE TRANSITION TO SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT

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National of the Republic of Belarus for the period up to 2020 is based on the following principles of sustainable development [1]:

- ✓ «man – the goal of progress and the level of human development – a measure of maturity of the society, the state and its social and economic policies;
- ✓ increase the welfare of the nation, poverty eradication, changing consumption patterns;
- ✓ development of health, education, science, culture – the most important spheres of spiritual life, the factors of long-term productivity growth, the creative activity of the people, the evolution of the economy. "

The above leads to the conclusion that the social imperative in Belarus is the need of development and effective use of human capital, best meet its needs.

In addition, consider the following features incorporated in the majority of cases occurring in the period of institutional change [2, p.13–14]:

1. Evolutionary processes dominate the institutional changes.
2. Institutional changes are largely dependent on the institutional matrix.
3. the most important property of evolutionary institutional change – dependent on the previous path of development.
4. The evolution of institutions (based on paragraphs. 2 and 3) can not provide a radical change of hindering the development of the institutions of society.

Social and economic institutions provide inheritance, because they contain a historical experience of past generations passed through information. The transmission of information through the institutions in time and in the economic environment is through training and socialization. Social and economic institutions also have variability. They respond to changes in the social, cultural, political and natural environment. Aggravation of the contradictions of the institutional system leads to constant change. Economic actors, trying to resolve these differences and thus provide more favorable conditions for the reproduction of human capital, are changing the rules and regulations. Institutions can change and chance, under the influence of both external and internal factors, including the conscious, deliberate actions of individuals.

The need to resolve these contradictions institutional objective requires the establishment of a process of institutional change corresponding to these goals of social and economic institutions.

Market rules and regulations, providing a special type of coordination of individuals, allow execution of transactions in the market and achieve a balance on it. They solve two important problems:

- ✓ First, create positive incentives for the expanded reproduction of human capital;
- ✓ Secondly, a functioning market economy, based on which the reproduction of this.

One of the most important market institutions reproductions of human capital is the institution of economic freedom. Freedom here means a set of rules, regulations and enforcement mechanisms that provide individuals the opportunity to exercise independent choice of limited resources for the expanded reproduction of human capital. Freedom in the positive sense is not denying the influence of others on individual behavior. A person living in a society can not be completely free from the constraints of other people. Freedom means that the individual, organizing economic activity, can count primarily on themselves with a conscious use of the influence of others.

Freedom provides opportunities for individuals on your own form or another special quality of human capital, to find the place and means of their economic targets, in accordance with the criterion of maximizing revenue. Restriction of freedom or its absence means that someone else, not the person, sets the criteria based on which are formed and used her physical and intellectual abilities. Freedom for the individual is of the highest significance, if it acts as an economic freedom. Economic freedom does not simply provide an individual to exercise self-selection of limited resources for the expanded reproduction of human capital. Economic freedom is open to individual's access to limited resources in some degree. The greater the possibility of such access, the higher the level of economic freedom, the greater the economic base for the expanded reproduction of human capital.

Important social and economic institutions that ensure economic freedom is the right to private property. On this occasion, Hayek said: "Private property is the principal guarantee of freedom, not only for those who own the property, but for those who does not know it" [3, p.128]. Institution of private property

rights and one of the forms of its manifestations — the ownership of human capital expresses a complex system of relationships between the owner and the community of human capital on the creation and appropriation of the product that receives the commodity form, as a result of the economic realization of human capital. Private ownership of the human capital and social form of appropriation of the product created by him, initiates an effective system of incentives to ensure its extended reproduction.

Development of social and economic institutions of liberty and private property contribute to the emergence of yet another social market economic institution – competition. This institution is crucial for the reproduction of human capital. It means fighting the competition of individuals for the creation of socially important properties of human capital and the possibility of their most effective use.

The presence in society of economic freedom, well-functioning private property and competition contributes to more than one market socio-economic institute complex utilitarianism. This institution involves awareness between individuals to obtain useful and their productive activities. Under its influence such important form of human capital as diligence, initiative, commitment and perseverance.

Human labor becomes more productive, if the household is formed high status of labor as such, if there is a norm of respect for a human worker. Communication work effort and welfare of the individual is a strong motive for work in the reproduction of human capital.

Amount of income is increasingly dependent on the specificity of human capital and the ability of the most profitable way to implement it in the labor market. Thus, the institutional system of the state of the market type contributes to the formation in individuals as internal standards institute stable complex utilitarianism. This institution is an important regulator, stimulating and directing the activities of the individual to the formation of the quality characteristics of human capital, which are the most competitive in the labor market.

To a market economic and social institution of reproduction of human capital should be referred as an institution – trust. In a market economy the reproduction of human capital, is largely carried out through contractual relationships. That the contractual relationship can successfully maintain the relationship between the owner of human capital and its many contractors, you must trust. Norm of trust as an internal institution of human capital is born originally as the rate the credibility of the family. Practice shows that the rule is traditionally high. This is due primarily to the implementation of the family of its protective function. In the future, it helps to ensure that the process of interaction with other actors on the reproduction of the human capital of an individual in a position to put yourself in the place of any counterparty to understand his feelings, interests and intentions. This creates favorable conditions for the interacting agents of socio-economic standards of empathy, it is necessary for the functioning of a market economy. However, one must keep in mind those households themselves unable to make socio-economic norms of empathy. It is crucial to the content of the institutional system of the state. In the command economy and the total deficit of respect not just get party interaction, and, above all, one who had access to limited resources.

Based on the above institutional changes we proposed a matrix of institutional innovations reproduction of human capital in the Republic of Belarus (table).

Table – Matrix of institutional innovation reproduction of human capital in the Republic of Belarus

Contradiction	Type of institution	The level of institutional	The injected Institute	The expected effect
1. Between the requirements of the innovation economy to the quality of human capital and institutional capacity to ensure the reproduction of such quality.	Formal	Macro	Institute of economic freedom	The ability to self-selection of limited resources for the expanded reproduction of human capital
2. Between the levels of institutional reproduction of human capital, this is reflected in the mismatch targets at various levels of the	Formal	Macro	The institution of private property	Initiates an effective system of incentives that enhance the reproduction of human capital

institutional system.				
3. Between the institutions of the various stages of reproduction of human capital in the country	Informal and formal	Micro / Macro	Institute of Competition	Enables individuals fighting for the creation of socially significant properties of the potential of human capital and the possibility of its most effective application
4. Between formal and informal institutions.	Informal	Micro / Macro	Institute of confidence	Will successfully maintain the relationship between the owner of human capital and its many partners
5. Between domestic and imported institutions.	Informal	Micro / Macro	Institute complex utilitarianism ¹	Will be an important regulator, stimulating and directing the activities of the individual to the formation of the quality characteristics of human capital, which are the most competitive in the innovation economy

Our proposed institutional innovations will initially occur at "higher" levels of the institutional system (micro and macro), which act exogenous environment in relation to the nano-scale, however, over time, in the process of evolution endogenization ("implantation") of these institutions in nano-level, institutional system acquire the integrity and consistency that will allow for the expanded reproduction of competitive human capital.

Assessing the overall readiness of the Republic of Belarus to the formation of an innovative economy, we can conclude that the economy is able to adapt to new conditions. This is due, first of all, a high educational potential, significant potential innovation and creation in the short term, an effective national innovation system. On the other hand, can not be ignored, and with the elements that are to some extent constrain progress towards Belarus and innovative economy. First of all, it should be noted the unresolved problem of building an innovative economy needs an adequate national institutional system. In particular, this applies to the formation of the institutional conditions for the expanded reproduction of human capital, competitive in the innovation economy.

References:

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¹Complex utilitarianism - understanding the relationship between individuals to obtain useful and their productive activities (author)