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# SOCIALIZATION OF THE ECONOMY AS A COMPONENT OF THE ANTHROPOCENE AGE: ECONOMIC AND LEGAL DIMENSION

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## ABSTRACT

The article is devoted to the consideration of one of the defining trends in the world and domestic economy of the third millennium – socialization. Its inevitability is caused by the fact that one of the main challenges hindering the establishment of the ideals of humanism in today's globalized and supercivilized society is the problem of growing social inequality. This issue is acute for the former post-Soviet states, including Ukraine.

It is stated that the formation of socially-oriented economies should be grounded on both the ideological principles of humanism (for example, social piety and sacrifice of business) and the socialized economic component. It is fulfilled by the economic relations based on the consensus of interests of social groups with different levels of income and wealth and different in their functional purpose of social institutions. It is proposed to consider such relations as a socio-economic partnership.

The key features of socio-economic partnership are highlighted. It is argued that in modern conditions it is not enough to consider the socialization of the economy only as the establishment of the ideals of social partnership (social dialogue) between employer and employee.

It is pointed out that the experience of developed countries with a high level of public assessment of the state execution of its socio-economic functions allows to identify at least two other important areas of socialization of the domestic economy: public-private partnership and implementation of advantages of the socially-oriented economy model (Scandinavian socialism). A brief description of these areas is given.

Attention is paid to a set of objective preconditions that determine the need for socially-oriented evolution of the modern economy. The range of subjects of socio-economic partnership in Ukraine is highlighted.

The characteristic of the existing in Ukraine normative-legal basis for realization of the recommended directions of socialization of the domestic economy is given. Normative innovations to the legislation of Ukraine on social partnership and public-private partnership are offered, the main branches of legislation that need to be reformed in order to establish the ideals of the model of socially-oriented economy in domestic practice are named.

**Keywords:** socio-economic partnership, humanization of economy, socialization of economy, legal means, model of socially-oriented economy

**JEL Classification:** A13, B59, K30, K31, J50, J58, O15

## INTRODUCTION

The third millennium is today called the Anthropocene era. A person has become the center of public attention, the highest social value. The ideas of civil society development have received a new lease of life. At the same time, analysts single out the problem of social inequality among the challenges that hinder the establishment of the ideals of humanism in the today's globalized and super civilized society. The gap is growing exponentially between rich and poor, employers and employees, different social groups. Therefore, the question of finding ways to overcome the property and social gap be-

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tween different segments of society is especially relevant today. In our opinion, particularly economic factors should be at the heart of the mechanism for combating inequality. Socialization – the process when all components of economic circulation acquire social functionality – inevitably becomes the driving force of modern economic transformations [1, p. 141].

## ANALYSIS OF RESEARCHES AND TASK SETTING

Today, domestic and foreign scholars are actively studying various issues of socialization of the economy as an important form of its humanization. The works of V. Heitz, O. Grishnova, A. Kolot, I. Krasnova, E. Libanova, G. Nazarova, O. Stativka, Y. Strilchuk, K. Cherkashin and many others could be mentioned. At the same time, the study of the main directions of the formation of a socially-oriented economy through the achievement of a compromise of economic interests of different social groups and strata requires increased attention.

With this aim the possible main forms (directions) of socialization of the modern economy in general will be described, in particular the components of socio-economic partnership, the state of its legal support under domestic law will be analyzed.

## RESULTS

Socially-oriented economy – the economy of the future civilized, highly developed, highly humane society. However, it cannot be developed and established only on the ideological basis of humanism: social piety and sacrifice of business, social support of the state in the broadest sense, high human-oriented culture of the national community and so on. These factors must be based on the economic component. Therefore, talking about social compromise, which is largely (despite all discussions of material and idealistic priorities) based on the existing system of economic relations in a broad sense, about the consensus of interests of different social groups with significantly different wealth and standard of living, it seems appropriate to consider such a phenomenon as socio-economic partnership to study these processes (Scholars and practitioners are more likely to use the term «social partnership». Our position is argued in the text of the article).

*Socio-economic partnership* is a term formed from the three words «social», «economic» and «partnership». Considering their etymology. According to the Great Explanatory Dictionary of the modern Ukrainian language, the term «social» is interpreted as: related to the life and relationships of people in society, public, common. // Generated by the conditions of social life, a certain environment, order. // Existing in a certain society. // Implemented in society. // Caused by the division of society into classes [2, p. 1360]. The term «economy» (derived from the term «economic») – is a set of socially industrial relations [2, p. 339]. The term «partnership» is considered as: agreed, coordinated actions of the participants in the common cause; mutual relations, contacts of states, public groups, enterprises and so on based on mutual benefit and equality (economic partnership) [2, p. 890]. S. M. Panchyshyn defines partnership as a union of capitals and talents of several people [3, p. 182]. Based on the above, certain features of socio-economic partnership as a phenomenon can be identified, namely: it is a certain group (category) of social relations; these relations are of the productive or related to it character; the subjects of such relations are the employer and the employee, social groups, classes, the state, enterprises, etc.; such relations are based on the consensus of interests and various forms of cooperation of the named entities; the unifying principle of such relations should be the common goals, ideas, ideals, etc. of different social groups and institutions of society.

Since the basis of industrial relations is human labor, experts today use the term «social partnership» to denote its ideal organization, considering it, for example, as a system of relations between participants in the production process, which determines the differences of the parties' interests (employees and employers) and their right to defend own interests using various means, including negotiations, finding compromises, mutually acceptable solutions [4, p. 141].

The humanization of the economy means, first of all, its socially-oriented development and coordination of the interests of the individual, social group, society. This is manifested in those spheres of social life in which people fulfill their economic and social needs. Today it is primarily socially labor relations. In developed countries, there is a predominantly consensual type of such relationship, which involves taking into account the interests of the employee and the employer. Such relations are characterized by the concepts of «social partnership», «social dialogue» [5, p. 339].

The subject matter of such relationships is expanding nowadays. Today, in addition to the employer and the employee in socially labor relations, the state plays an important role. However, is this enough to prevent the possible negative consequences of the colossal gap between rich and poor? In our opinion, no. According to V. Geets, for the success of TNCs' business, the state limits its social interaction with the population, but socially interacting with business creates conditions for the development of the latter [6, p. 12]. As a result of such interaction, inequality among the population is growing,

which is already a rather long-term trend that destabilizes public life. The Ukrainian state by the means of establishment ensures the redistribution of the accumulated public goods in favor of the ruling elite and big business representatives and loses the opportunity to promote self-realization of the individual on the basis of social cooperation of the state, business and the individual which, by self-realization, could ensure the increase of both its well-being and of the degree of socialization and expansion of social interaction [6, p. 15].

Tracing the causes of the revolutions of the early XXI century in different countries, geopolitical, ideological and economic factors can be discussed. At the same time, it should be noted that the intolerance of the revolutionary desired part of society to the state power was due to its perception as a tool to ensure the interests of oligarchs and the bureaucracy, which is illegally enriched through abuse of powers and corruption schemes. Poor society very often does not accept rich leaders and distrusts the rich elite of the top state power. Given the small amount of the so-called middle class in the social structure (this is typical for Ukraine), at the background of certain adverse internal or external factors (such as the COVID epidemic), the state is facing the threat of a social explosion.

And here, the sole social partnership as a progressive form of socially labor relations is not enough.

Taking into account the experience of developed countries with a high level of public assessment of how the state performs its socio-economic functions, at least two other important directions of socialization of the modern economy can be identified.

The first – is the development of public-private partnership. Scientists and practitioners, against the background of a certain instability of the world economy over the last decade, have been discussing the necessity, expediency, importance, etc. of state regulation of the market economy. There are arguments regarding the strengthening of state and legal influence on the economy and vice versa. In our opinion, it is necessary to talk about strengthening the cooperation between the state and business, as the main subjects in globalized economic relations. Forms of such cooperation can be different. Of course, legal, organizational, managerial, financial and even political (nay at the international arena) state support is important for successful business (the China's experience seems illustrative in this regard). In the context of domestic realities – the economic weakness of the state and the importance of the development of entrepreneurship as a «mass» form of citizen participation in its economic development – such cooperation can be implemented through the establishment of public-private partnership. One of the means of such development is venture entrepreneurship. As the sources of venture capital can be free financial resources of pension and charitable funds, government agencies, corporate venture capital, private investors, small business investment companies, foreign investors, banks, insurance companies, profits of venture funds reinvested in innovative projects.

The second – is the implementation in the domestic economy of the advantages of the model of socially-oriented economy (the model of Scandinavian socialism). Certain (at least external) equality of different social groups, a broad social package provided by the state, society's confidence in public authorities, active participation of citizens in public life, etc. – these are the characteristics of the state which are the basis for establishing in it the foundations of civil society. Virtually all domestic politicians at various stages of the formation of the Ukrainian state asserted their commitment to the ideals of the legal state and civil society. Of course, the implementation of individual components of such a model in Ukraine should be carried out taking into account our domestic characteristics. For example, the construction «high taxes – various social benefits» should be modeled in another way – «high taxes – new jobs and adequate wages for workers». Some balancing of incomes of different social groups should be carried out not through social subsidies, but through adequate wages for the employee and the corresponding restriction of excess profits to the employer.

Today, objective preconditions for socially-oriented economic development of the economy has been formed in Ukraine. Here are some of them.

The rapid development of technology and scientific and technological progress has led to the evolution of the employee – from the subject of doing manual labor to a highly skilled user of the complicated computerized and robotic technology. And this is already another «more expensive» subject of the production process, the interests of which the employer must take into account, especially in terms of material incentives of work.

The formation of the information society, globalization challenges and competition, technological breakthroughs, etc. challenge the employee not just automatically to perform their functions, but more to involve mental and creative work. This requires proper conditions – for work, rest, recovery. And even more: the success of many projects today depends on having a common goal in terms of development between employer and employee. But this is a completely different level of relations.

Intensification of labor, increase in the share of mental labor, questionable influence of external factors (harmful production, ecology, radiation of electronic devices and means of labor) – all this negatively affects human health and therefore the efficiency of the main economic resource – labor power. Under such conditions, the employer must take care of his employee in some way. As a result, relaxation rooms, sports rooms and rest rooms appear next to the workplaces.

A market economy is inseparable from private property. The scope of the challenges, the economy of the new millennium faces, especially in countries that are not in the G7 or close to them in terms of development, requires a combination of government and business efforts, especially in terms of solving general social problems. It brings together the state and the economically active part of society, forms mutual trust and common social ideology.

Statistical surveys show that most Ukrainians are currently dissatisfied with their standard of their living. According to the happiness index, the Scandinavian countries with their socially-oriented economic model are in the first place today. The principle of a certain social equality propagated in these countries is «interesting» for the citizens of Ukraine and other post-Soviet states, where there is a sharp differentiation of various social groups in terms of income. An illustration of the advantages of such a model is that the Scandinavian countries with the least losses and the most quickly restored their national economies and overcame the negative effects of the COVID-19 pandemic. It is easy to observe the unity and cohesion of the state and all social strata in the context of global crises and challenges and the viability of particularly this type of socio-economic relations.

The most important challenge during the COVID-19 crisis is not to stop the economy, to do everything possible to support business. Therefore, governments, in collaboration with scholars, are trying to find best practices to stimulate economic growth and support entrepreneurship activity. Thus, the Swiss government has taken effective measures by introducing credit guarantee programs for enterprises, which on the one hand support business and simultaneously help banks to continue their lending activities without creating major risks [7, p. 56]. A person was not left without attention either. Loans to individuals have remained the most significant in the loan portfolio of banks, their share was 66% at the end of 2020 [7, p. 63].

The example of Iceland can also illustrate the benefits of the Scandinavian economic model. The assets of the pension funds of this country are twice the size of GDP, which is about 50 billion US dollars [8].

Scandinavian socialism is based, among other things, on the state's strong support for the socially vulnerable groups of citizens (many scholars consider this to be a kind of disadvantage, since this approach demotivates the productive work of the working population), which is a form of the manifestation of the principle generally declared by almost all countries – a person is the highest social value.

Another argument in favor of a broad approach to the main forms of socialization of the domestic economy is the range of subjects of socio-economic partnership in Ukraine. In our opinion, a narrow understanding of the subject composition of such relations as the relationship between employee and employer, needs to be significantly expanded. It is also necessary to talk about the consensus of interests of different social groups (e.g. government officials, entrepreneurs and retirees), representatives of different professions (e.g. those who work physically and mentally), government and business, big and small business (in conditions of a market economy), people with different income levels, etc.

Based on the judgments of lawyers, the main forms and means, by which modern state performs its functions, including economic, are legal. This encourages to pay attention to the legal basis of socially-oriented evolution of the Ukrainian economy.

Legal support of the main directions of socialization of the domestic economy today is multifaceted, both real and also that, which is in need of its development.

Social partnership in Ukraine today is seen as a type of labor relationship grounded on the balance of interests of employers and employees. This undoubtedly positive economic and social phenomenon is based, first and foremost, on the norms of the Law of Ukraine № 2862-VI of 23.12.2010 «On Social Dialogue» [9]. This Law defines the legal basis for the organization and procedure of social dialogue running in Ukraine in order to develop and implement state social and economic policy, regulate labor, social, economic relations and improve the standard and quality of life and social stability in society. Experts, who positively assess the mentioned normative legal act, point out a number of issues that still require legal support. The issue of revision of the criteria of trade union representativeness provided by the Law of Ukraine «On Social Dialogue» is raised [10]. In the Labor Code of Ukraine, it would be appropriate to clearly define the legal status and relevant powers of participants of the social partnership relations. On the basis of the audit of the normative legal framework, which governs all aspects of the participation of social dialogue partners in the implementation of socio-economic policy in Ukraine, it is advisable to develop a «Green Book of reforms of social dialogue in Ukraine» [11, p. 8].

Public-private partnership as a form of combination of state and business efforts is currently implemented in Ukraine on the basis of rules established primarily by the Law of Ukraine № 2404-VI of 01.07.2010 «On public-private partnership» [12]. Today, there are still many directions for improvement of this important economic institution, including through the mechanism of legal regulation. As an example, the recommendations of the National Institute for Strategic Studies, proposed in the analytical note «On the development of public-private partnership as a mechanism for intensifying investment activities in Ukraine» can be cited [13].

Assessing the conditions of the legal basis for reforming the Ukrainian economy in the direction of socially-oriented, its actual absence can be stated. Creation of a legislative basis for meaningful socialization of the domestic economy requires the appropriate will of political elites and society. Tax legislation, labor and social security legislation should be the firstly renewed in case of the presence of such an attitude in most of the society grouped by humanistic ideals.

## CONCLUSION

Summarizing the above, we can state that one of the defining trends in the development of the economy of the Anthropocene era is its socialization. The inevitability of socially-oriented evolution of the economy is caused by the ever-increasing social inequality, which has become a serious challenge for humanity. Today, a set of preconditions is formed for the establishment of economic relations, which are based on the consensus of interests of social groups with different levels of income and wealth and social institutions which differ in their functional purpose. The main form of such relations can be socio-economic partnership. The socialization of the domestic economy should be carried out through the improvement of social partnership (social dialogue): the development of public-private partnership; implementation of the benefits of the model of socially-oriented economy. The progressive human-oriented evolution of the Ukrainian economy should be ensured by a high-quality normative legal framework. For these purposes, yet it is necessary to reform tax, labor and social legislation, improve legal acts on social partnership and public-private partnership.

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## **СОЦІАЛІЗАЦІЯ ЕКОНОМІКИ ЯК СКЛАДОВА ЕПОХИ АНТРОПОЦЕНА: ЕКОНОМІЧНИЙ І ПРАВОВИЙ ВИМІР**

Присвячено розгляду однієї з визначальних тенденцій розвитку світової і вітчизняної економіки третього тисячоліття – соціалізації. Її невідворотність обумовлена тим, що одним серед основних викликів, які перешкоджають утвердженню ідеалів гуманізму в сучасному глобалізованому й надцивілізованому суспільстві, є проблема усталено зростаючої соціальної нерівності. Ця проблема є гострою для колишніх пострадянських держав, зокрема і для України.

Констатовано, що формування соціально орієнтованої економіки повинно базуватися як на ідеологічних засадах гуманізму (наприклад, суспільній благочесності та соціальній відповідальності бізнесу), так і на соціалізованій економічній складові. Її основою є економічні відносини, що базуються на консенсусі інтересів різних за рівнем доходів і статків соціальних груп та різних за своїм функціональним призначенням суспільних інституцій. Такі відносини запропоновано розглядати як соціально-економічне партнерство.

Виокремлено ключові ознаки соціально-економічного партнерства. Аргументовано, що в сучасних умовах недостатньо розглядати соціалізацію економіки лише як утвердження ідеалів соціального партнерства (соціального діалогу) між працедавцем і працівником.

Зазначено, що досвід розвинутих країн із високим рівнем оцінки суспільством стану виконання державою її соціально-економічних функцій, дозволяє принаймні виділити ще два важливі напрями соціалізації вітчизняної економіки: розвиток державно-приватного партнерства та імплементацію переваг моделі соціально орієнтованої економіки (моделі скандинавського соціалізму). Зроблено коротку характеристику цих напрямів.

Звернено увагу на комплекс об'єктивних передумов, що обумовлюють необхідність соціально орієнтованої еволюції сучасної економіки. Виділено коло суб'єктів соціально-економічного партнерства в Україні.

Дано характеристику наявного в Україні нормативно-правового підґрунтя для реалізації рекомендованих напрямів соціалізації вітчизняної економіки. Запропоновано нормативні новації до законодавства України про соціальне партнерство і державно-приватне партнерство, названо основні галузі законодавства, що потребують реформування задля утвердження у вітчизняну практику ідеалів моделі соціально орієнтованої економіки.

**Ключові слова:** соціально-економічне партнерство, гуманізація економіки, соціалізація економіки, правові засоби, модель соціально орієнтованої економіки

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