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**MODERN PROBLEMS OF CAPITAL AND WAYS TO
OVERCOME THEM**

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Abstract

A new, generalizing definition of the concept of "capital" as the right to preferential distribution has been proposed. Based on this definition, a three-component model of a sustainable socio-economic structure of society has been developed. Logical constructions are based on two axioms: there is always not enough resources for everyone and there is no fair way of resource allocation. In the outlined scheme, traditional types of capital do not have the possibility of independent reproduction. Stability in the interaction of money and bureaucratic capital can only bring the capital of wisdom of the leaders of the state, a self-reproducing class of passionaries. The special role of mentoring work with children and youth is shown, as a concern for the preservation and strengthening of power. Propaganda should in every possible way raise the status of a Citizen. The main, status way of behavior for young people should be the desire to be a Citizen, to behave like a Citizen.

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1. Introduction

The global crisis is in full swing, it covered not only the economic sphere, but also politics, morality and ethics, manifested itself in culture (Gadzhiev, 2010). The comprehensive nature of the crisis suggests that crisis manifestations in various areas are in fact only symptoms, manifestations of a more general disease, which, as a cancerous tumor metastases to various areas of life (Malakhova, 2021).

Let us emphasize the subordinate role of the crisis in relation to a certain disease, its acute phase.

You can start treating a disease from three levels. The first is the level of the doctor, which corresponds to the treatment of the symptoms of the disease: to bring down the temperature, relieve pain, etc. The second level is the level of the doctor, which involves the treatment of the disease itself, which begins with the diagnosis and identification of the disease. But diseases do not appear by themselves. They arise due to the wrong life of the body. When it comes to a person, life consists of nutrition, actions, thoughts, morality, ... The third level of treatment of the disease is the lot of real healers who rely on a deep understanding of a person and great wisdom in understanding life in general.

Human society is in the acute phase of the disease, but so far only symptoms have been treated.

We will try to present the version of the current disease of society and discuss one of the methods of treatment.

2. Problem Statement

Let's start with the main thing. If you turn to the "Dictionary of Economics and Finance", then you can find out that "capital (from the Latin capitalis - the main, dominant, basic) - a set of property used to make a profit. In the "Big Economic Dictionary" Borisov (2005) capital is broadly defined as anything that can generate income. That is, the main thing is called the resources created by people for the production of goods and services.

There are different schools of economics that give different definitions of capital. In classical economics, it is one of the three factors of production; the other two are land and labor. From this point of view, any means of labor is considered as physical capital. However, a means of labor can become capital only when its owners directly or indirectly enter into economic relations with the owners of labor power.

Marx (1951) noted in *Capital*: "Capital arises only where the owner of the means of production and means of subsistence finds a free worker on the market as a seller of his labor power" (p. 181). Capital is not a thing, but a definite, social, production relation belonging to a definite historical formation of society, which is represented in a thing and gives this thing a specific social character. Capital is not just the sum of material and produced means of production. Capital is the means of production converted into capital, which in themselves are as capital as gold or silver are in themselves money (Marx, 1951).

Summarizing the various approaches, we can say that capital in the traditional sense is a set of assets (resources) that are used for production.

There is little difference between the concepts of capital and asset. Let's say the ability to work is not capital, but is an asset (resource). We sell our wage labor, and they buy it precisely because it is used in production and is an asset that has a monetary value on the payroll.

This understanding of capital focuses all our attention on production, on what is involved in production and determines its success. This concept of capital defines modern economic theory and modern economics.

It follows from this definition that where there is no production, there is no capital either. However, there are financial businesses such as banks. Today, up to 70% of world income is generated by the financial sector. The financial sector has grown to an unprecedented scale and is the source of most of the problems of the modern economy. And where is the production here?

The next reasonable question is: where is the capital here? It may be said that money is here as capital, and the service of selling it is production. But remember Islamic banking, which does not sell money because it lacks interest on loans. Is there no capital in Islamic banking?

This is all very strange. It feels like something very important is confused, overlooked, or misinterpreted.

3. Research Questions

Resources are needed to live. By receiving resources, we satisfy our needs for oxygen, food, shelter, knowledge, treatment and life.

The axiom of the existence of life is that there are always not enough resources for everyone.

When we live on our own, like Robinson, and we lack some resource, we either give up this need, or, if it is impossible to give up, we die.

In gregarious animals, this looks somewhat different. If the resource is not enough, then you need to somehow organize its distribution.

The second axiom of the existence of life is that there is no fair way of allocating a resource.

If there are 10 people in the hospital waiting list for an urgent heart transplant and only three hearts are available, then seven people will die with any distribution method, and five minutes before they die, they will tell you what they think of your “fair distribution of hearts”.

However, you can try to distribute a limited resource in terms of the best survival of the species, since there are many individuals, but there is only one species. This is usually how life in a pack is organized.

For example, in a wolf pack, the strongest male is the leader. The offspring of the first wolf of the pack takes precedence and is supported by all wolves in the pack. With a shortage of something, say, food, weak individuals suffer first of all, since the first individuals in the hierarchy of the flock receive food first. The established hierarchy in the pack is supported by the leader of the pack, since he is the strongest. From the point of view of the species, this is a very expedient scheme for organizing consumption.

It is obvious that along with the right to the preferential distribution of benefits, the leader of the pack also acquires certain difficult responsibilities: protecting the territory, organizing hunting, caring for offspring, etc. The organization of the balance of rights and obligations is the most important function of the pack life.

Since needs have to be met every day, distribution has to be made. You can, for example, select some special specimen from the pack, and instruct him to do the distribution. We get manual control over

the distribution. The peculiarity of manual control is that the priority of the right can change depending on the situation.

But too many resources are subject to distribution and it occurs constantly at every point where participants in the conditional flock are present. In this case, the leader may be absent. Therefore, distribution is done a little differently, through the DISTRIBUTION RIGHT of access to the distributed, which is a very constructive idea (Kuzin, 2019).

Every participant is vested with this right. It is from this moment that stability appears and it becomes a distribution law, but a changeable law.

Now the right is related to the participant in the distribution process. The latter, if desired, can change the results of the distribution in his favor, if, of course, he makes efforts to change his rights. This means that the boundaries of the distribution law should also include the rules for its change over time, namely, the rules of how to assign and how to change access to the distributed.

For example, you can fight with the leader and, if you win, change your distribution rights. From the moment when distribution is no longer just the will of the leader, but a property of the member of the pack himself, it is formalized into distribution law. This property of the participant himself is supported by his life in the pack (his place in the hierarchy), including by the leader of the pack.

Humans, like schooling mammals, have the same distributional problems. As Aristotle (1983) said: "The point is that distribution law, with which everyone agrees, must take into account a certain merit" (p. 76)

The right that we claim in the distribution will now be called capital. It says what the subject is allowed and what is not allowed, as much as possible and how much - not.

Capital is the right to preferential distribution. In this case, capital determines the very "known dignity" that binds with the subject certain social obligations that accompany the distribution law.

Anticipating the objections associated with changing the concept of capital, let us note that it is practically impossible to change the traditions of business turnover. In addition, this definition of capital is not strict enough, in the sense that it is difficult to measure and evaluate, it is a purely qualitative concept. The traditional concept of capital has a well-known formula that links MONEY and GOODS. This formula can be constructively used in various operations. But let us give arguments in favor of a new definition of capital.

First, since resources are always limited, any intelligent creatures must, from some point, introduce capital into their lives. They must do this at least according to the law of self-preservation (Olyanich, 2008).

Secondly, at a particular point in time in a society, as a rule, there are several different types of distribution law. For example, in a family, distributional advantage may be determined by age, or somehow related to the giftedness of children.

However, there is always the main type of distribution law, known to all members of society, and, being the main one, it is capital.

The main type of capital in the UK is money, although being a queen also means having capital.

Thirdly, the realization of any right is carried out through coercion or even violence, which is implemented by the authorities. It is impossible to have the right to preferential distribution without having the power to exercise it. Therefore, in any society, "owning capital" means "having power." Among the

various types of distributive law at a given time there is always one, the main one because the power is one, and those in whose hands determine the main right, that is, capital.

Capital, as the right to preferential distribution, by definition is an expression of inequality and injustice, characteristic of the social life of any rational creature.

Fourth, in order for capital to function effectively, two conditions must be met: stability and volatility. Stability creates the attractiveness of capital, the desire to possess it. Stability requires a certain protection of capital and, since capital is realized by power, power and ensures its stability, as well as its inheritance.

Capital volatility means the ability to change your capital if you wish. To do this, you need to make some efforts: serve faithfully to the king, make money in business, or move up the career ladder.

But capital can also be lost by making room for others. You can fall out of favor with the king, go broke, or be rejected by the authorities. The volatility of capital creates conditions for its development.

Fifth, distribution law precedes any production, since it exists even in herds of animals, where there is no production. It is the existence of distribution rights that stimulates the emergence of production. When the shortage of any resource grows, this leads to tougher differentiation in the implementation of distribution rights, which, in turn, stimulates the establishment of production of a scarce resource. In this sense, it is precisely the distribution law that is "main" in relation to traditional capital.

There is reason to believe that the development of society and its changes are fundamentally associated with capital, that is, with the receipt of "profit" due to the possession of the right of preferential distribution of benefits.

It is the attitude to distribution that destroys the old and gives birth to the new, makes it produce and destroy, leads to crises and ups.

4. Purpose of the Study

The aim of the study is to find a way out of the all-embracing global crisis.

5. Research Methods

All types of capital, like rights to preferential distribution, have their own advantages and disadvantages (Shumakov, 2021). Let's consider the properties of the main types of capital in the context of well-known concepts: capitalism, socialism and convergence.

1. Capitalism. The main and practically the only advantage of money capital is its inextricable connection with production. But production is impossible without consumption, therefore capitalism practically forces society to become a consumer society. The main characteristic of success in this society is consumption. The bigger, the better. Everything defines the market as a place where this very consumption is organized.

In a consumer society, human values are degraded, which is facilitated by the absence of a social function in money capital. Money capital is ready to pay for the social world. You can pay for a drug addict, feed the refugees. Why not? But this does not change the essence of the matter in any way.

The expansion of production and the consumer society create a civilization where the main direction of development is the world around a person, and not the person himself.

In a consumer society, the main thing is consumption itself, where all the characteristics of development are aimed at increasing in each new period. GDP, labor productivity, wages, household consumption - all of this must continuously grow in a consumer society.

This growth comes at a high cost. The market is based on competition, which involves the ruin of less efficient enterprises, on the creation of which a large share of the social wealth was spent. Upon the sale (sale) of bankrupt enterprises, their assets are significantly depreciated. To rebuild such an enterprise requires significantly more resources.

It is no coincidence that during a war, countries are switching to a mobilization economy in order to save resources for warfare. This savings comes at the expense of limiting the destructive function of the market.

Money capital also extends its right to preferential distribution to money, as to the right of deferred exchange. It follows from this that the more money you have, the easier it is for you to get new money. This turns a consumption race into a race for potential consumption. The desire to consume more, which stimulated the desire to possess capital, is transformed into an opportunity to save more.

"The amount of money" has no name ("money does not smell"), therefore money capital is not personified. You can use someone else's money capital. Therefore, the role of bankers and owners of other monetary institutions increases sharply. The role of loans is growing as an opportunity to become the owner of a "certain dignity" simply by getting a loan.

For this reason, in the course of its development, capitalism inevitably moves from the sphere of production to the continuously inflated financial sector.

This is the law of the development of capitalism and nothing can be done about it.

2.Socialism. The main type of capital is bureaucratic capital. Socialism is, in a sense, more economical. The market, with its extravagance, is practically off. If an enterprise does not work well, it is not liquidated, but managers are replaced. One can only marvel at the ability of socialism to survive.

The economy of the USSR on the eve of the war was incomparable with the economy of all of Europe. In addition, the seizure of the European part of the USSR created incredible economic problems. Surprisingly, but true: the USSR won the economic confrontation against all of Europe and eventually won the war.

During the Cold War, the USSR confronted virtually the entire world economy.

Under socialism, the social function of capital is restored, since in order to occupy a certain position it is necessary to "meet" certain requirements, including the requirements of the people. At the same time, the production function is no longer obligatory, vital. She has to be stimulated and supported by the danger of losing capital, that is, a position.

Socialism inevitably requires repressive and distributive mechanisms for its successful existence. A repressive mechanism is necessary to stimulate the production of what is consumed. Since office is capital under socialism, it becomes personified again.

The most necessary (consumed by all members of society) is obtained through wages. Everything else is subject to controlled allocation in accordance with capital, which allows allocation to be made

economically and targeted. Socialism is still a consumer society and is one of the varieties of the existence of a consumer civilization.

Both considered types of capital leave us within the framework of the civilization of consumption. Perhaps it is not at all a bad thing if it is possible to combine the advantages of capitalism and socialism and neutralize their disadvantages?

3. Convergence. Attempts to implement the idea of convergence have been made several times, starting with the NEP and ending with Chinese socialism. There are several fundamental points about convergence. First, in no case should the distribution system for bureaucratic capital be violated. As soon as this happens, bureaucratic capital begins to parasitize at the expense of money. As a result, the decomposition of both types of capital begins: the plundered money capital loses interest in development, and the bureaucratic one ceases to fulfill its duties and forgets about its social function.

Corruption is the main enemy of convergence. But the government, that is, bureaucratic capital, must fight corruption. Is such an unnatural state like "bees against honey" possible for a sufficiently long time? It is unlikely that such education is sustainable. There is absolutely no guarantor interested in maintaining this border. The experience of Russia shows how unreliable this combination is. Even in China, despite the most severe measures, the problem of corruption remains extremely urgent.

A consumer society in any of its manifestations from a certain moment comes to the impossibility of further development, and the main flaw lies in the fact that capital is placed at the basis of the life of such a society as the right to preferential DISTRIBUTION.

An attempt to change the type of law works only in a certain historical period. Any consumer society always revolves around distribution, and it doesn't matter how it revolves: clockwise or counterclockwise. It all boils down to the fact that someone needs to be given more, someone wants to take more, and in the end, all progress is reduced to ever-increasing numbers (Howard, 2012).

Is this growth related to quality of life? Modern society, instead of the task of meeting human needs, is engaged in maximizing consumption (Simonyan, 2021). Man is not a goal here, but a means through which consumption is organized. Everywhere we see how artificial human needs are created through the media and advertising in order to shape new directions of consumption.

6. Findings

Where to look for a way out? All developed countries are on the verge of convergence. We will assume that the starting point of changes in Russia has been reached.

We have two different, fairly developed types of capital. At the same time, it is obvious that in Russia bureaucratic capital stands above money (Kuzin, 2019). These two types of capital do not balance each other at all. To create a stable socio-economic system, a third force is needed, which will take on tasks that cannot be performed by any of the existing types of capital.

Aristocratic capital is unlikely to suit us. It is largely akin to a bureaucratic one and will not create a fundamentally new way out.

We also have the capital of the pack with its hierarchy and leader. And this is not archaism at all! Do you think that this type of capital has long been defeated by a specially created system of justice and that already decent types of capital have no need to resist such an archaic type? This is exactly what they

thought in Europe when they invited refugees from Asia and Africa. And they came. They have no money and no high positions, but they have needs and determination to fulfill them. They will certainly present their right to priority distribution. The right they have, which is left - the right of strength and willingness to take risks.

Let's return to the leader of the pack. Behind the leader is not only the strength and desire to consume in the first place. Behind his actions, first of all, there is a passionarity, a desire to be recognized, a willingness to take risks. The payment for a "known dignity" according to Aristotle does not necessarily have to be the preferential distribution of something material, it may well be replaced by recognition: recognition of merits, merits, recognition of personality. This ancient type of capital is akin to life force. There is very little consumption in it.

A person's passionarity can be expressed in anything. Scientist, musician, surgeon, military man, leader, criminal, monk - they can all be passionaries who are relentlessly successful in their fields. We are, of course, interested in "correct, creative passionarity." We can identify a passionate by the recognition he has achieved among people, by the contribution he made to society. These are, so to speak, manifested, correct passionaries. They have already proved in their lives that they are not indifferent to the fate of society, people, the chosen path of development, moral and moral values. They are worthy of bearing the title of Citizens with a capital letter, and only they can determine the future of the country and their people.

Power in the country should belong to the Citizens, not only because they have proved with their lives that they have the right to do so. There are two reasons for this right.

First, passionaries are needed everywhere, in all areas. We need outstanding poets, teachers, doctors, workers, etc.

Capital and recognition are essentially different types of reward for a "known dignity"; for society, not only the owners of capital are important, but also the elite, which includes various kinds of talents.

The second reason is the necessary stability of capital. Each type of capital has a means of preserving itself. The leader of the pack, in addition to his passionarity, has sufficient strength to defend his place. Depriving a rich man's capital is also not easy. With his own money, he can easily hire himself a guard. Removing a representative of bureaucratic capital from office is probably even more difficult.

For passionaries who have received power, protection is a unifying goal, their common interest and their active character. They are able to react quickly to all situations.

There is the main way to ensure the stability of the power of Citizens - these are children. The active participation of Citizens in the upbringing of children makes it possible to reproduce Citizens and, therefore, to reproduce the Citizens' right to power. This means that mentoring Citizens is an essential part of their power.

What does it mean - passionaries have power? This means that they form a kind of association of citizens, which grows into all structures of society, which allows it to exercise control and influence in every place, based on people's trust in Citizens and current legal norms. Replenishment of the ranks of Citizens should occur on the basis of their nomination by people at the place of work or place of residence.

It is in this sense that power in society belongs to the people. Such elections are non-partisan and actually boil down to answering the question: "Who, in your opinion, lives for people and for society?" This question is asked periodically, say every five years, so the rights of the Citizen must be confirmed.

In order to understand how the power of Citizens functions, let us consider the general scheme of the transitional version of convergence.

It is assumed that there are two types of capital in society: monetary and bureaucratic.

Money capital rules in the field of small and medium-sized businesses. This is an area of free competition, an area of risk and survival, as well as an area of training and selection of talented management personnel. The border between the regions is determined based on what losses society is ready to make in the event of ruin of enterprises as a result of competition.

Large enterprises are under the jurisdiction of bureaucratic capital, the ruin of which is an unacceptable loss for society. The restoration of competitiveness at such enterprises is carried out by replacing the management. Large businesses have access to government resources, while small and medium businesses only have access to banking resources. The border between the spheres of the two capitals is transparent.

Businesses can move from one area to another. Let's say, any enterprise, constantly developing, has become so large that it determines the state of affairs in its area. It can move from the zone where money capital reigns to the zone of bureaucratic capital, having received government support in export, resource, financial and other directions. Likewise, even a small enterprise that is in a breakthrough, critical direction can be transferred to the jurisdiction of the state. On the contrary, some enterprises can be privatized and transferred from the state to the sphere of money capital.

The membrane between these two realms is under the control of Citizens. They make a decision on the admissibility of the transition from one area to another. Of course, not all Citizens participate in such a decision. Decisions are made on a territorial or sectoral basis. Changes in ownership relations during such a transition are regulated by separate legislation.

The most important duty of Citizens is a strict distinction between two types of capital: bureaucratic capital cannot parasitize on money, and money cannot take advantage of the preferences of bureaucratic capital. Since Citizens work in all spheres of the economy, they are quite capable of this task. Of course, in the state the organs of the Ministry of Internal Affairs are responsible for such a division, but the external control is exercised by Citizens, since the organs of the Ministry of Internal Affairs also belong to the owners of bureaucratic capital and, therefore, tend to parasitize on money capital.

The next function for Citizens is the regulation of bureaucratic capital. This task has two functions:

- Appointment of officials;
- the right to veto their decisions.

Citizens can, in accordance with the territorial-sectoral principle, appoint officials (possibly from a certain level of the hierarchy of officials) and remove them from office up to the first person in the country (democratic elections by Citizens). The officials themselves cannot reproduce bureaucratic capital. In addition, Citizens can block various decisions of officials. For this, a procedure should be developed to overcome the veto of citizens. The right of such a veto introduces morality into the actions of officials.

The most important function of Citizens is the reproduction of passionarity or reproduction of their layer. This essential function is designed to:

- to ensure the stability of the stated structure of society;
- to form a new elite of society.

7. Conclusion

In the scheme outlined here, traditional types of capital do not have the possibility of independent reproduction: money capital is able to reproduce itself only up to a certain amount, which is not yet critical for society. This value does not make money capital a political force. Bureaucratic capital is also deprived of the possibility of self-reproduction. In the conditions of reduced to the level of politically insignificant, monetary and bureaucratic capital, the passionarity of Citizens is reproduced, as already noted, by their mentoring work with children and youth. It is their vital concern to preserve and strengthen the power of the Citizens. Why should young people themselves aspire to these mentors and make significant efforts under their guidance to grow? First, propaganda should provide it. It should in every possible way raise the status of Citizens. Being a Citizen, behaving like a Citizen should be the main status way of behavior for young people. In fact, we are talking about the formation of a new elite of society, stereotypes of the behavior of this elite. Normal development of society is impossible without the elite. But what will ensure Citizens' activity in this scheme if neither money nor positions are dear to them? A passionate needs a worthy goal, an idea that is convincing, achievable, interesting. What should this idea look like? It must be understandable, non-trivial, monumental and at least theoretically achievable. Whatever the national idea, it should in any case include, as a component, the development of mechanisms for the reproduction of the society of Citizens and the formation of the elite of this society. It should include the national idea "Children". The national idea "Children" can be formed and implemented now. This will gradually create the filling of the Gajdan society and prepare the transition to it. The Children program is, by and large, destructive for traditional types of capital, because its goal is not CAPITAL, but a PERSON, that is, a CITIZEN.

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