HUMAN POTENTIAL OF SUSTAINABLE DEVELOPMENT OF SOCIO-ECONOMIC SYSTEMS

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Abstract

The article studies the role of human potential in the development of modern socio-economic systems and its impact on their sustainability. A retrospective look at sustainable development and the influence of human potential on modern social and economic processes allows to generate a forecast of possible risks and threats in the conditions of digital transformation.
The authors highlight the threats that have become a reality in the modern development of society and that have a negative impact on the strengthening of human potential and the sustainability of socio-economic systems.
It is noted that the decline in demand for human capital in economic activity against the background of the introduction of digital systems that ensure productivity can lead to global negative social, economic, political consequences.

Keywords: sustainable development, digitalization, human capital, human potential, economic growth

I. Introduction

In the context of digital transformation, the development of socio-economic systems of the countries of the world is faced with a number of emerging problems; one of the most acute and uncertain is the problem of preserving and revealing human potential.

The sustainability of social and economic systems supposes such a state and development, in which the basics of the life activity of the entire society will not be disturbed: preserving the environment, providing conditions for saving the population, creating opportunities for self-realization and personal growth of citizens.

Man has always been the center of all ongoing processes in society and played a decisive role in the system of sustainable development. At the same time, "Sustainable development" itself (the term was first used in the Report of the United Nations Conference on Environment and Development in Rio De Janeiro, 1992) was presented in the context of increasing environmental risks, which made it possible to take a new look at the problems of environmental pollution as a result of destructive human activities.

The proclamation of the principle of sustainable development has changed the perception of the conceptual approach to the issues of movement and improvement of socio-economic systems, whose important and determining factor in the sustainability is the balance of human activity in the environment, economy, and social sphere.

II. Methods

The main goal of sustainable development is to ensure the growth of human well-being without disrupting the quality of the environment. There is some contradiction in this.

On the one hand, a person, in his strive to improve the quality and standard of living, uses all the resources at his disposal, often ignoring an economical and rational approach to natural resources and the environment. On the other hand, growth in the well-being of people and their next generations is possible only in case of maintaining the quality of the environment.

In this regard, there is a need for a systematic and comprehensive approach to solving this problem, requiring political will, understanding of economic feasibility and social responsibility of all members of society.

Acting as the central link of the entire eco-socio-ecological system, man is not a passive user, but an active participant, a subject of all processes, taking an active part in their formation and movement, realization of goals and control over their achievement. Therefore, the disclosure and use of his potential in modern society is a determining factor of economic growth.

The purpose of the study is to determine the place and importance of the human factor in the conditions of digital transformation, associated with a number of threats to the reduction of human potential disclosure.

Two groups of applied research methods contributed to the achievement of the goal: theoretical and empirical.

III. Results

Human potential, being a set of spiritual and physical forces such as knowledge, skills, talents, capabilities, abilities, contributes to decision-making to achieve personal and social goals. This potential is the driving force of socio-economic progress, but in case of disclosing of its two qualities: instrumental, allowing to shape the environment and living conditions and existential, revealing and enhancing a human's personal qualities, abilities and capabilities.

Initially, the concept of human potential in economics was described by Nobel Prize winner Amartya Sen, who defined human potential as the possibility to freely choose value-oriented activities. Sen became the founder of the theory of human capabilities, which became the goal and means of economic development and growth. The perception of human potential in the context of opportunities has become classic over time, but in the mid-2000s a new approach to revealing human potential through a person's whole internal abilities, personal qualities, creativity, cognitive and communication abilities, and non-cognitive skills began to gain popularity.

In recent years, particular importance has been attached to the revealing non-cognitive human skills, since it is openness to new experience, sociability, compromise, conscientiousness and extraversion that contribute to decision-making in conditions of uncertainty and change.

In the modern world, the development of human potential, as the main resource for increasing national wealth, is seen in the development of a set of fundamental factors of an effective individual:

- the factor of education that allows to improve professional skills, adapt to and navigate changing environment. The importance of self-development determines the prospects for future changes and allows improving knowledge and skills of the future, such as digital literacy, critical thinking, communication skills, etc.;
- the factor of development of entrepreneurial and innovative initiatives. Entrepreneurship and innovation are now in the focus of attention of organizational and management structures of the world countries, since they are the trend of sustainable development of socio-economic systems. All conditions are created for their maintenance and development: tax incentives, financial support, information and administrative support;

- the factor of social protection and inclusivity. A modern vision of sustainable development based on revealing human potential cannot be achieved without reducing inequalities. Within the framework of the implemented state policies of various countries, the problem of inequality is among the most important and requires immediate action to provide the population with equal opportunities for access to healthcare, education, and cultural growth. The social orientation and inclusivity of national government systems is a determining condition for sustainable development and growth;
- the factor of interaction of all social groups, government structures, business, scientific community on terms of partnership and synergy. The synergetic approach, in contrast to the compromise one, supposes achieving such coordination between all subjects of socio-economic relations in which all interests will be considered.

The modern world is undergoing global changes associated with rapidly occurring digitalization processes, which radically changes the paradigm of the use of human potential and human capital. As before, human capital is the main factor of production, surpassing financial and natural resources in terms of influence on sustainable growth. However, the development of artificial intelligence and the introduction of its functionality into the life of society creates new threats not only to the stability of socio-economic systems, but also to human identification in general.

The development of mankind has always been accompanied by new achievements, the level and qualitative components of which corresponded to each historical stage. Scientific and technological progress acts as a trigger for processes of rapid development and qualitative changes that bring additional convenience, benefits and opportunities to the entire society.

Modern technologies have completely changed the traditional mechanisms of functioning and management of socio-economic systems. Society receives many additional benefits from the development of convergent nano-, bio-, and information technologies, which create and allow functioning effectively complicated self-organizing complexes (ecosystems). Digitalization of significant social, political, business and economic functions of people is taking place, replacing their activity.

This creates real conveniences for mankind: the quality of life is changing, opportunities for self-development and growth in an extensive information environment are expanding, and there appears time for spiritual and cultural growth.

Serious threats arise despite the obviousness and inevitability of digitalization processes, which are still being introduced into the life of society pointwise, but will become widespread in the near future.

First of all, this is the threat to the fragility of the technogenic world, its dependence on minor technical failures, when all information resources can be lost, or access to them will be stopped (the phrase “plug-dependent civilization” is well-known).

An important problem in the context of dynamic digitalization is its infrastructure support. The underdevelopment of digital infrastructure, insufficient and heterogeneous material and technical support for innovation, differentiated and limited access to digital resources for all final consumers create concerns about such accelerated digitalization.

Cybersecurity is becoming a key problem in preserving not only personal data, but statehood as a whole. The functioning of the global virtual space has no limits and, therefore, is not subjected to regulation by national legal norms in the exchange of information.

Negative consequences of digital transformation do not end with the above-mentioned risks and threats, despite the fact that their damage to human potential development is obvious. One of the serious problems of digitalization for man is the gradual displacement of labor force, substitution of many functional elements of a modern economy with automated systems.

The introduction of modern technologies based on artificial intelligence (AI) into production processes leads to a productivity growth, but the result is a separation of business productivity from labor productivity, which leads to negative social consequences.

The productivity growth of economic entities, in isolation from the growth of labor

productivity, will lead to an uneven distribution of the resulting benefits. The beneficiaries will be only a few (owners, shareholders), which will provoke an even greater increase in inequality and widen the gaps between segments of the population.

The threats and risks of digitalization in the political sphere are primarily threats to social stability and sustainable development.

Experts believe that one of the main risks of the new technological society is that full-scale robotization of production can cause colossal imbalances between supply and demand in the labor market.

Many researchers consider this threat to be extremely important, due to its obvious reality, and call on governments to define at the legislative level a list of professions that should be assigned to people. Otherwise, a significant part of the population, which becomes free of work, may suffer negative consequences of drug addiction, alcoholism, gambling addiction, etc.

The growth of social inequality in the context of the above-mentioned problem is inconsistent with the concept of human development, entails not only threats of inequality, but also an increase in the fiscal burden on budgetary systems, at the expense of which the states will smooth the gaps in the level of well-being of the population.

Developing the threat of inequality, it can be assumed that a certain category of citizens, being unemployed and without savings, risks losing access to other social services: health care, education, culture and sports. Professional skills and motivation for self-development and retraining will gradually be lost.

The loss of human potential due to the emerging challenges of digital transformation is becoming one of the most pressing problems that concern not only the social sphere, but also penetrate and will impact all components of socio-economic systems.

However, the most serious threat is not the material and spiritual components of the problem (their importance cannot be excluded), but the global problem of the loss of human identification as a biological species. This will cause a global collapse, which may result in a transition from self-development to self-destruction.

IV. Discussions and conclusions

So, the negative consequences of digitalization in the socio-economic environment, leading to the loss of human potential, include:

- loss of workplaces and growth of unemployment;
- increasing the efforts (administrative, financial) of states to ensure retraining and reeducation of citizens, increasing their financial literacy in the face of growing fraud risks;
- increased digital fraud, piracy and the spread of malicious information;
- unauthorized use of personal data resulting in financial, property and other losses;
- illegal use of personal data for the purpose of abuse, data diddling, etc.

The emerging new world generates and scales up tasks to preserve human potential, since its modern configuration creates significantly more threats than benefits for preserving the role and importance of human beings in sustainable and progressive development.

Currently, against the background of geopolitical contradictions, there is no agreement between the leading countries of the world on systematic work towards preserving human potential and its transformation and effective use as human capital in the economic interests of the world community.

There is also no agreement on the issues of maintaining work motivation and guaranteeing the professional demand of the population in the context of digital transformation.

According to the 2030 Agenda, the EAEU has outlined a range of problems for human potential development, recognizing that the time has come for decisive action for its development and implementation within the framework of obligations to achieve Sustainable Development Goals, expanding the horizons of interaction within the framework of this economic integration

project.

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