## 5.5 Theoretical foundations for analysis of difficult labor in the modern economy

The massive transition to telecommuting in a pandemic contributes to the automation of production in the development of the digital economy. Moreover, if earlier the objective process of development of the so-called flexible labor market was associated in the literature mainly with the globalization of the economy, now the emphasis is shifted to its connection with the trend towards automation of production. Thus, attempts to comprehend the far-reaching consequences of the crisis are faced with economic problems associated with the historical prospects of the fourth industrial revolution and the "digital economy". Events unfolding today can act as a kind of catalyst that can accelerate these technological changes and, accordingly, exacerbate the economic problems associated with them.

The relevance of this issue is also determined by those profound shifts in the content of labor that occur in a highly developed economy. In the literature, these processes of transformation of human activity are reflected, first of all, in the theory of the creative class, developed by the American-Canadian economist and sociologist Richard Florida. He explains the fundamental changes in the modern world by the growth of creativity in all types of activity and the corresponding division of people into those who are engaged in creative work and those who work according to given algorithms. According to his calculations, the share of the creative class in the last quarter of the twentieth century. in the United States increased by more than one and a half times: from 18% to more than 30% of those employed in the economy. In 2002, according to R. Florida, more than 38 million Americans worked in creative jobs.

R. Florida divides the creative class into two sectors. The super-donated core comprises about 12% of all American jobs. He refers to them as research, development, higher education, programming, art, design, work in the media. These people "fully participate in the creative process". The super-creative core is innovative in nature, it creates new products<sup>1</sup>. The second sector includes creative professionals whose work is based on knowledge. Many of them work in healthcare, business and finance, law, and secondary education. Due to their high level of education, they have the ability to involve "complex bodies of knowledge" to solve problems.

Creative professionals earn one and a half times more than the average American. This increases the share of this cluster in US consumption to 46%. In the global economy, the creative industries (in a wide range from theatrical and publishing activities to the production of computer software and clothing design) show the highest growth rates (10-15%) and make the maximum contribution to the overall GDP growth of developed countries.

The book is based on more than a decade of research activities of a large group of specialists, including the analysis of statistical indicators and sociological

<sup>&</sup>lt;sup>1</sup> Goodfriend, Marvin, and King, Robert G. (1997). The New Neoclassical Synthesis and the Role of Monetary Policy. *NBER Macroeconomics Annual*, 12: 231-83, P. 69

surveys (mainly interviews in focus groups). A separate chapter in the book is devoted to the theory of "three T" (talent, technology, tolerance), necessary for the successful economic development of a post-industrial city. To assess the level of technology development, the following were used: the "high technology index" and the "innovation index", calculated annually. The High Tech Index is based on two main factors. The first is the share of products of high-tech enterprises in the region in the national production volume of these industries. The second is the share of high-tech companies in the GDP of a given region in relation to the share of high-tech industries in the US GDP. The innovation index is equal to the number of registered patents per capita. Human capital was calculated simply by the proportion of people with a bachelor's degree or higher. All these indicators are interrelated with the share of the creative class in the total number of employed. On their basis, an "integral coefficient of creativity" was developed, taking into account all the "three T".

The main conclusion to which the work of R. Florida cautiously leads is that by the beginning of XX1 Art. the creative class has gained strength, now it must self-identify and acquire its own class identity in order to take power and responsibility for the development of society into its own hands. This book opens up a new direction of development in the XX1 century. class approach associated with the analysis of the economic role of the creative class<sup>1</sup>.

One of the first attempts to apply this approach from the standpoint of the creative class was R. Florida's analysis of the process of erosion of the "middle class". As you know, the provision on "erosion" in the United States and other highly developed countries of the "middle class" has long become a commonplace. For several decades, this social group provided social harmony and political stability in American society, acting as the social basis of liberal democracy. Her social mobility was negligible and directed mainly upward. However, in the 90s, the social mobility of the "middle class" has noticeably increased and acquired two opposite directions: not only up, but also down. This cluster began to gradually split into two groups, with very different income levels.

In addition, in addition to the level of income, the "middle class" has always been united by certain common values and beliefs, which were traditionally largely projected onto American society as a whole. Therefore, it was no less alarming that, following the emergence of income differences, the values of American society began to transform.

In the course of the discussion about the fate of the "middle class" that unfolded in the literature, various explanations were proposed for what was happening. R. Florida also presented his version. It is associated with the development of the creative class, which has become the "upper part" of the split middle class. He emphasizes that it is not only that there are more creative professionals and they are earning more than before, but also that they have formed

<sup>&</sup>lt;sup>1</sup> Goodfriend, Marvin, and King, Robert G. (1997). The New Neoclassical Synthesis and the Role of Monetary Policy. *NBER Macroeconomics Annual*, 12: 231-83, P. 68

new ideas for America about work organization and lifestyle. Based on the research, R. Florida shows that not only salary, but also professional interest, responsibility and flexibility of work schedules attract creative people in this work. At the same time, monetary factors recede into the background. When firms try to hire or lure good specialists, they lure them not only with high salaries, bonuses and insurance, offering a block of shares, but also with the prospect of living in a good place. According to surveys conducted under the leadership of R. Florida, it is extremely important for creative professionals not only flexible working hours and the ability to work from home, but also the presence of a "thick" labor market (numerous competing job opportunities within one specialty), as they prefer to change place of work every 3-5 years, without changing the place of residence. Therefore, one of the advantages of the creative class over workers, which strengthens its position in negotiations with employers, is the fact that firms are more interested in retaining creative workers than these workers themselves are interested in stable work.

R. Florida characterizes the process of polarization of American society as follows. "On one side was creative America, centered around the largest cities.... On the other is George W. Bush's America, which revolves around old industries and traditional values. By expressing these interests, the current administration is destroying our creative strengths with its policies. Our leaders do not fund enough education, research, science, technology, culture and arts. " R. Florida notes the manifestations of this polarization in the formation of "ghettos" of creative and "ghettos" of routine workers in post-industrial cities, where they prefer to live among similar "socially close", in the division of the cities themselves into dynamic and rich centers of creative industries, voting for the Democrats and patriarchal, monocultural and poorer cities that vote Republicans.

In 2004, Richard Florida, together with Irene Tingagley, conducted a largescale study of the creative class and creativity indices of the EU countries. This work provides a comparative analysis of the main indicators of creativity and the share of creative professionals between the US and 14 EU countries. The results of the study showed that Sweden is ahead of the United States in all positions. Finland, the Netherlands and Denmark are slightly behind the United States. England and Belgium also perform well, and many EU countries are increasing their competitive advantages in this area<sup>1</sup>.

These processes, transforming the very content of human activity, place new demands on economic theory and its methodology. In order to determine the methodological foundations of the theoretical analysis of the process of creative development of human activity, it is necessary, first of all, to categorically look at this scientific problem from the point of view of the most diverse areas of economic theory, starting with the "mainstream" and ending with political economy.

<sup>&</sup>lt;sup>1</sup> Florida, R., Tinagli, I. (2004) Europe in the Creative Age. Pittsburgh: Carnegie Mellon Software Industry Center. London Demos. February, 12-35.

Meanwhile, economic theory has not yet really begun to analyze these problems, despite the fact that the frantic pace of development of the "digital economy" already provides sufficient objective material to assess its possible economic consequences. And it seems that the reason for this lag of economic science behind the needs of comprehending modern trends in technological development is not so much a lack of empirical material for generalizations, but rather in the absence of an adequate methodology for analyzing these historical processes unfolding before our eyes, associated with the tendency to complicate labor in the modern economy.

Complicated work hasn't been particularly fortunate in economics. The formation of this science fell on an era when the prevailing trend was not complication, but, on the contrary, simplification of labor. As you know, thanks to the division of manual labor within the manufactory, the more complex work of the artisan who knows all the operations for the manufacture of goods has given way to the work of a specialized partial worker who has mastered only one, or at best a few such operations. In economic theory, the reflection of this process of ousting complex labor from production is, apparently, more simple, and it was the inattention with which economists, starting with the English classics, treated the problem of complex labor.

For the classical school with its costly paradigm, the category of complex labor was really useless, since it could interfere with the simple and clear measurement of labor by working time. Such a convenient way of measuring labor costs involved abstracting from its complexity. Indeed, if we take into account the differences in complexity, then different types of labor may lose this simple and convenient commensurability. Therefore, the classic costly approach sought, whenever possible, to parentheize the complexity of labor, that is, to simply dismiss it as if it were an annoying fly. A. Smith wrote that "one hour of engaging in such a craft, learning which required ten years of labor, may contain more labor than a month's work in some ordinary occupation that does not require training. However, there is no exact measure, and the matter is decided by market competition in accordance with that rough justice, which, while not being completely accurate, is still sufficient for ordinary everyday affairs<sup>1</sup>.

Ricardo expressed himself in about the same spirit. In this respect, Marx simply follows Smith and Ricardo when he notes in passing that the market itself spontaneously reduces complex labor to simple labor. But I must say that Marx had, perhaps, more reasons to limit himself to such an explanation than did classical English political economy.<sup>2</sup>

As you know, the concept of the dual nature of labor distinguishes between concrete and abstract labor, and then derives from their opposition a long chain of contradictions that grow into class antagonisms. Meanwhile, the complexity of

<sup>&</sup>lt;sup>1</sup> Smith A. (2018) The Wealth of Nations. - Simon & Brown. February, 482 p.

 $<sup>^2</sup>$  Ricardo, D. (2004) On the Principles of Political Economy and Taxation. Cambridge: At the University Press for the Royal Economic Society. 512 p.

labor is an alternative and completely "peaceful" form of movement of the contradiction between concrete and abstract labor, which does not allow this contradiction to unfold to the level of irreconcilable class antagonisms. In the complexity of labor, its concrete and abstract sides essentially merge, their opposite is mediated, and the contradiction receives an adequate form of its movement. Indeed, as the process of increasing complexity of labor gradually gained momentum in the 20th century, this trend strengthened the economic and social role of the "middle class" by including a significant part of the working class in it, and thus led to the smoothing out of class contradictions in highly developed countries.

It became obvious that when the complexity of labor comes to the fore in socio-economic life, the chain of contradictions that is derived from the dual nature of labor, although it does not completely disappear, is relegated to the background and loses its antagonistic character. This is quite understandable, since the subjects of complex labor receive high enough incomes to be part of the "middle class", which is by no means antagonistic towards the industrial system. On the contrary, it is traditionally considered the social pillar of liberal democracy and acts as a kind of "stabilizer" of industrial society, dulling its class contradictions.

As you know, the dual nature of the labor of a commodity producer is that it is both concrete and abstract labor. Everything that distinguishes one type of labor from another belongs to a specific side of labor. The complexity of labor also belongs to this side, since different types of labor that create different use values require correspondingly and different degrees of preparation. Thus, complexity appears, first of all, as one of the characteristics of concrete labor, that is, as one of those most important specific features that distinguish one type of labor from another.

But this is a special characteristic of concrete labor, which, unlike its other most important characteristics, has a direct impact on the value of the created value. Meanwhile, other characteristics of concrete labor, such as, for example, its tools, directly affect only the use value of the goods created. In contrast, the complexity of labor has a direct impact not only on the use value, but also on the amount of value created. As you know, complex labor creates a greater value than simple labor<sup>1</sup>.

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<sup>&</sup>lt;sup>1</sup> Афанасьев В.С. (1980) Великое открытие Карла Маркса. Методологическая роль учения о двойственном характере труда. М.: Мысль. 267 с.

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Meanwhile, value, in accordance with the concept of the dual nature of labor, is associated not with concrete labor, but with the other side of labor – with abstract, that is, qualitatively homogeneous labor. The abstract side of labor, in contrast to the concrete, expresses what is common in all the various types of labor of commodity producers. Such a common property inherent in the work of all commodity producers is the expenditure of human energy in the physiological sense, taken irrespective of the specific useful form of this expenditure, that is, irrespective of the specific form that is characterized, among other distinctive features, by the complexity of labor.

Complexity directly acts as a characteristic of concrete labor, which is expressed in the use value it creates. But this is such a very special characteristic of concrete labor, which directly affects the amount of abstract labor. Otherwise, complex labor could not create more value than simple labor. Thus, the complexity of labor appears as a form of movement of the contradiction between concrete and abstract labor, forming a kind of "bridge" between them. Thus, since in the complexity of labor, its concrete and abstract sides merge, it forms an adequate form of movement of the contradiction between concrete and abstract labor.

The most important methodological problem of economic theory is that in its analysis of the dual nature of labor, it stops at the distinction between concrete and abstract labor. She consistently draws this distinction through the entire categorical analysis of capitalist production and circulation, but at the same time sharply "chops off" the subsequent dialectical movement in the direction of synthesis, reuniting the concrete and abstract sides in a complex work. This incompleteness of the dialectical movement means the forced stop of the analysis of commodity production at the most dramatic moment - at the stage of antithesis, which precedes synthesis. There is an artificial stop of movement from abstract labor, as the antithesis of concrete labor, to synthesis, to the indirect re-creation of the integrity of complex labor enriched by this historical and logical movement. The sequential development of this dialectical movement towards complex labor is suddenly interrupted at the very beginning, and at this point of departure, where there is a consistent distinction between concrete and abstract labor, a grandiose system of categories of political economy begins to be erected, striking the imagination in its scope. As a result, it remains, in fact, the political economy of simple labor.

Such an application of the Hegelian method can hardly be considered fully consistent with its own dialectical nature. On the contrary, an adequate application of this method leads to conclusions of a completely different kind, not connected with the exacerbation of the class antagonisms of capitalism to the limit. It should be borne in mind that the Hegelian dialectic is characterized, on the one hand, by the conventionality of contradictions and, on the other hand, by the unconditionality of a concrete synthesis. Where the subjective reason insists on the unconditional contradictions of formal logic, the dialectically understood object reveals conditional, that is, reconciled opposites. And, on the contrary, where the reason sees a conventional, mechanical combination of signs, dialectical reason reveals an unconditional, indissoluble, concrete synthesis of hostile contents. The unity and progressive, ascending character of the dialectical process is based precisely on the fact that dialectical contradictions are not contradictory, and dialectical reconciliation is indissoluble. This guarantees every break the possibility of healing and every healing – the inability to fall into the old break. In this sense, dialectical synthesis acts as a form of movement and consistent development of contradictions up to their complete resolution<sup>1</sup>.

The analysis of the dual nature of labor is indeed a great scientific discovery by Karl Marx. However, it was never followed by a synthesis of the concrete and abstract sides of labor in complex labor, which is a non-antagonistic form of movement and development of the contradiction between these two sides of the commodity producer's labor. There is no such synthesis in political economy. And precisely because of the absence of such a non-antagonistic form of movement associated with complex labor, all the contradictions of commodity-capitalist production, which logically ascend, in the final analysis, to the dual nature of labor, acquire a tendency in political economy to exacerbate to the extreme. In order to rid the use of the dialectical method of this obvious tendentiousness, it is necessary, first of all, to supplement the distinction between concrete and abstract labor with their subsequent synthesis in the complexity of labor.

Economic theory traditionally measures the complexity of labor by the cost of training it. The socially necessary complexity of labor is determined by the costs that, on average, are necessary to prepare labor for the creation of a given use value at a given socially normal level of development of technology, technology and organization of production and at an average level of abilities of a given worker. If a person's individual abilities exceed the average level, then he may need less time to prepare for the production of a given use value. In this case, his work will have an average complexity for this particular species, with individual training costs relatively less than the average level. And while maintaining the same amount of costs, a capable person will be able to prepare himself for more complex work, creating a more complex use value, which corresponds to a higher value of value. In either case, the complexity of his labor will be equal to the individual costs of training a given worker (including the labor costs of people who train him, taking into account the complexity of their labor, as well as the costs of materialized labor, for example, materials necessary for training, etc. .), multiplied by the coefficient of personal abilities.

<sup>&</sup>lt;sup>1</sup> Хандруев А. А. (1990)Гегель и политическая экономия. М. : Экономика. 125, [2] с.

Whatever the methodology for quantifying such a coefficient, it in any case goes far beyond the boundaries of economic theory, just like the analogous technique for determining smart coefficients through testing. Of course, economic theory cannot include in its subject purely technical aspects of such testing, directly related to the field of psychology. For economic theory, the objective circumstance is much more important that in the conditions of commodity production, these abilities can receive social recognition through the mechanism of market prices. The price mechanism of the market spontaneously measures in money the amount of socially necessary labor represented in value, which is equal to the product of socially necessary complexity of labor itself acts in this market process in the role of a kind of spontaneously acting coefficient, by which the economic system objectively multiplies the amount of socially necessary labor costs (ONCT), spontaneously determining as a result the amount of socially necessary labor (ONT)<sup>1</sup>.

In turn, the value of the socially necessary complexity of labor presented in this formula is objectively equal to the cost of training a given individual worker, multiplied by the coefficient of his individual abilities. At the same time, it is necessary to fully take into account the economic significance of the difference between socially necessary and individual costs of training, which may well arise already at the stage of preparation for complex work, depending on the individual ability to learn this particular type of work. The fact is that from this difference a kind of additional complexity can arise, which in many respects objectively determines the subsequent differentiation of the incomes of various workers. In a commodity economy, this difference can take a value form and act as a special type of added value created by complex labor, provided that the individual costs of training a given worker for it are below the socially necessary level. In the future, from such an added value, he can receive a constant additional income in the process of his complex labor. The source of such additional income is the excess of the real complexity of his labor and, accordingly, the value he creates in relation to the level of value created that would correspond to his individual training costs with average learning abilities.

For example, due to his individual abilities, this worker spent one and a half times less than the socially necessary level of costs for preparing for this rather complex type of specific work. If this amount was spent on training by a person of average abilities, he would have mastered a relatively (one and a half times) simpler type of concrete labor, which brings in this economy an annual earnings of 100 thousand dollars. However, this more capable worker, who at the same individual costs for training he mastered one and a half times more complex type of concrete work, receives an annual salary of 150 thousand dollars. Obviously, his

<sup>&</sup>lt;sup>1</sup> Покрытан А. К. (2002) Политическая экономия : учеб. пособ. 2-ое изд., дополн. Одесса: ОГЭУ. 348 с.

annual additional income will be 150 - 100 = 50 thousand dollars<sup>1</sup>.

On the other hand, those whose individual costs of training, due to their relatively lower abilities, turn out, on the contrary, higher than the socially necessary level, receive in the process of their complex labor income less than that which could correspond to the value of their individual costs of training if they carried out with average abilities and, accordingly, would be recognized as socially necessary. Collectively, all these positive and negative deviations from the average cancel each other out. As a result, the additional income of some workers inevitably turns into a corresponding decrease in the income of others, objectively determining in many respects the possibility of subsequent differentiation of income, including within the framework of the same specific type of complex labor. Of course, the possibilities for differentiating the incomes of various representatives of complex labor are much more extensive and cannot be limited by the additional complexity that is formed at the stage of preparation. It is quite obvious that these individual abilities can manifest themselves not only during preparation, but also later in the very process of complex labor, contributing to the development of elements of creativity in it.

It should be borne in mind that complex labor objectively occupies, as it were, an intermediate position between simple labor and creative activity. In difficult work, elements of direct interest in self-realization and enthusiasm can be strengthened, bringing it closer to creativity. The strength of these creative elements correlates with the complexity of the work. Therefore, complex work acts not only as work, armed with knowledge and experience. It is also complex in the sense that it can include elements of creativity. Having mastered the technological knowledge existing in this area of labor, a person can go beyond it, creating his own, new, technological capabilities that did not exist until then. And the more difficult the work, the more it has the potential ability to create new alternative possibilities. Thus, the complexity of labor takes on a double meaning. On the one hand, it presupposes the passive assimilation of already existing knowledge in a given area, and, on the other hand, thanks to this, complex work acquires the ability to creatively create new knowledge.

In a modern economy, complex labor receives high wages largely due to the ability of its subject to make decisions independently, relying on his technological knowledge. At the same time, knowledge acts, first of all, as a condition for the competent adoption of operational decisions. This point is especially emphasized by M. Castells in his concept of "informational labor". Such an "information worker" is paid directly not so much for the knowledge itself as for those creative elements of his work that can arise only on the basis of this knowledge<sup>2</sup>.

<sup>&</sup>lt;sup>1</sup> Сафонов Е.Н. (2006) Трудовые ресурсы как носители результатов интеллектуальной деятельности. Экономические науки, №12 - с.55-59.

<sup>&</sup>lt;sup>2</sup>Castells, M. (1996). All rights reserved. Originally published in English by Blackwell Publishers Ltd, Oxford, UK under the title-The rise of the network society URL https://deterritorialinvestigations.files.wordpress.com/2015/03/manuel\_castells\_the\_rise\_of\_the\_n etwork\_societybookfi-org.pdf

All this, however, does not diminish the importance of the economic mechanism considered above for recognizing the individual abilities of a person, although he cannot, of course, cover all those elements of creativity that arise in the further process of complex labor. This economic mechanism includes, firstly, the recognition of the socially necessary costs of training as the average value of individual costs and, secondly, the social recognition of the socially necessary costs. Thanks to this two-stage recognition mechanism, the socially necessary complexity of labor, which is formed on the basis of these socially necessary costs. Thanks to this two-stage recognition mechanism, the socially necessary costs of preparing for a given specific work, but also, to a certain extent, the individual capabilities of a person, including, first of all, his creative abilities. Thus, a more complex work corresponds to a more complex, two-stage mechanism of its social recognition.

Thus, when analyzing the role of complex labor in a modern economy, it is necessary to proceed from the fact that socially necessary labor is equal to socially necessary labor costs multiplied by the socially necessary complexity of labor. In this formula, when determining the amount of abstract socially necessary labor, its socially necessary complexity appears, which in this case appears as a coefficient by which the amount of socially necessary labor costs is objectively multiplied. Thus, the costs of living labor cease to be the only substance of abstract labor and are combined with another, no less powerful factor associated with the complexity of labor.

Economic development over the past centuries is characterized by a picture of sharp historical shifts in the structure of socially necessary labor embodied in a commodity, as a result of which the ratio between socially necessary complexity and socially necessary labor costs has dramatically changed. As you know, manufacturing production and the factory system meant a tendency to simplify labor. With the historical development of this trend, the socially necessary complexity gradually decreased, and the socially necessary expenditures of labor came to the fore. This tendency to simplify labor to a certain extent contributed to the exacerbation of the class contradictions of industrial society. But by the middle of the twentieth century in highly developed countries, the prevailing tendency to complicate labor, and the structure of socially necessary labor embodied in the commodity began to change in the opposite direction. This is evidenced, for example, by the so-called "Leontief paradox".

Back in 1956, while studying the structure of US exports and imports, Leontiev discovered that relatively labor-intensive goods prevailed in American exports, while capital-intensive ones prevailed in imports. The paradox of this result was reinforced by the fact that it contradicted the Heckscher-Ohlin neoclassical model of international trade, according to which a country specializes in those types of production for which it has surplus resources.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Leontief, W. (1953) Domestic Production and Foreign Trade; The American Capital Position Re-Examined *Proceedings of the American Philosophical Society: journal.* Vol. 97, no. 4. P. 332-349.

To explain this paradox, V. Leontiev put forward the hypothesis that, in any combination with a given amount of capital, one man-year of American labor is equivalent to three man-years of foreign labor. In this case, the United States acts as a labor-surplus country and, therefore, there is no fundamental contradiction with the Heckscher-Ohlin model. This threefold ratio between American and foreign labor was largely due to their varying complexity. In essence, it was not about the surplus in the United States of labor in general, but of complex labor. Proceeding from this, V. Leontiev explained his paradoxical result by the higher qualifications of American workers<sup>1</sup>.

As a result of the tendency to complicate labor, the socially necessary complexity of labor began to increase, pushing socially necessary labor costs into the background as a factor determining the amount of socially necessary labor. This largely contributed to the softening of class contradictions in highly developed countries in the post-war decades, just as the tendency to simplify labor contributed to their aggravation at the early stages of the development of industrial society. Thus, in the tendency towards reconciliation of class contradictions in developed countries in the postwar period, the socially necessary complexity of labor, not only logically, but also historically, manifested itself as a completely adequate form of movement of the contradiction between concrete and abstract labor. Empirically, it has been clearly confirmed that the complexity of labor is not only a form of synthesis and reconciliation of these two opposite sides of the labor of a commodity producer, but also a form of movement of the class contradictions of capitalism that grow out of them. Thomas Piketty actually explains the downward trend in the share of capital in the long run - from 35-40% in the 1800-1810s to 25–30% in the 2000–2010s – by the trend towards more complex labor a further increase in the share of labor from 60-65% to 70-75%. The share of labor has grown because the importance of complex labor in the economy has increased and, accordingly, the share of land ownership, real estate and money capital has  $decreased^2$ .

Considering the tendency to complicate labor, one must take into account its close relationship with the development of elements of creativity in the content of human activity. A.K. Pokrytan believed that modern capital combines with the means of production not just human labor power. A modern enterprise objectively needs not just a labor force, alienated and abstracted from the rest of a person's abilities, but more and more in a personality inalienable from a person, manifested in those elements of creativity that can develop more and more intensively in the content of his activities, even if this person continues to be an employee. Thus, the hiring relationship ceases to be only a form of purchase and sale of labor.

Labor power as an economic category that characterizes the ability to work alienated from the individual begins to gradually recede into the past, thereby

<sup>&</sup>lt;sup>1</sup> Baldwin, Robert E. (1971) Determinants of the Commodity Structure of U.S. Trade. *The American Economic Review: journal*. Vol. 61, no. 1. P. 126-146

<sup>&</sup>lt;sup>2</sup> Piketty, T. (2014) Capital in the Twenty-First Century, Harvard University Press. 816 p.

revealing its historically transient nature. Not only the commodity form of labor power, but also labor power itself turns out to be a purely historical category. A.K. Pokrytan proceeded from the fact that labor power as an economic category appears and disappears along with its commodity form, outside of which it does not exist as such. Labor force cannot take any other form, except for the commodity one, by its very nature, connected with the alienation of the ability to work from the rest of the abilities of the human person<sup>1</sup>.

The emergence of labor as an economic category is associated with its commodity form. Strictly speaking, labor force as an economic category does not objectively exist outside of hired labor. After all, the ability to work is only a part of the abilities of the human person. If the ability to work is not economically alienated from other abilities of the human person, then labor does not act as an economic category. As an economic category, labor implies the economic alienation of the ability to work from other human abilities.

Consequently, the slave's ability to work did not act as his labor force, economically alienated from his personality, since the slave owner owned not only the ability to work, but also the person's personality itself.

Proceeding from this, A.K. Pokrytan came to the conclusion that labor is an economic category specific to hired labor. And since hired labor reaches its highest point in industrial production, the alienation of labor from the human personality also reaches its highest point. And now we see that in modern high-tech corporations, the labor force as an economic category is beginning to "erode".

Objective economic boundaries are beginning to blur, separating the ability to work from other abilities of the human person and, above all, from the creative potential hidden in it.

Correspondingly, wages express in modern production and the reproduction of not just labor power, not just the ability to work, alienated from other abilities of the human person.

It begins to increasingly express the reproduction of an integral human personality in all the richness of its abilities, including, first of all, that human ability for creativity, which goes beyond the category of labor force as a person's ability to work.

These qualitative changes in the very content of modern wages are quantitatively expressed in the differentiation that Thomas Piketty considers the most important source of the growth of inequality in recent decades, and which clearly shows that a modern enterprise is no longer important just a rough workforce, but a person's creative personality<sup>2</sup>.

At the same time, it is necessary to take into account the reverse socioeconomic side of this internally contradictory process of creative transformation of human activity. It is associated with a directly opposite tendency to simplify labor.

<sup>&</sup>lt;sup>1</sup> Покрытан А. К.(1982) Фонд возмещения I подразделения и проблемы сбалансированности. М. : Экономика. 167 с.

<sup>&</sup>lt;sup>2</sup> Piketty, T. (2014) Capital in the Twenty-First Century, Harvard University Press. 816 p.

The fact is that the social stratification of the "middle class" in a highly developed society is accompanied not only by the development of the creative class, but, on the other hand, by the growth of the service class. Currently, about 60% of the employed population in the United States is in the lowest paid jobs (\$ 13-16 per hour versus \$ 24 per hour on average in the United States). According to experts, about 83% of the vacancies in the United States require only a high school diploma and require training that does not exceed several months in duration. Such professions are auto mechanic, advertising agent, waiter, salesman, construction worker and many others, for example, those related to Internet commerce<sup>1</sup>.

The collision of opposite tendencies, one of which is associated with the development of complex labor of the creative class, and the other – relatively simple labor of the service class, testifies to the process of polarization characteristic of the period of post-industrial transformation of a highly developed society. This trend shows that one of the most important contradictions of a developed post-industrial economy can be the contradiction between simple and complex labor, since in the process of post-industrial transformation it acquires a class character, acting as a contradiction between the complex labor of the creative class and the simple labor of the service class.

Thus, if in the post-war period the tendency to complicate labor contributed to the softening of class contradictions, then in the historical perspective of the XXI century it, on the contrary, is capable of exacerbating new class contradictions and, above all, the contradiction between the complex labor of the creative class, on the one hand, and simple labor service class, on the other. This dangerous tendency towards polarization creates an objective necessity for the conciliatory role that the social state of a new, post-industrial type, technologically based on automated production, is called upon to play in the historical movement of this contradiction.

## 5.6 Socio-humanitarian and workforce factors and conditions of the national economic growth in the post-crisis period

Stability and quality of national economic growth in the post-crisis period (especially due to the factors and conditions of human resources reproduction) are determined by parameters of: demographic and labour-resource potential; quality of life; balanced interaction of public institutions in regulation of life spheres and provision of socially acceptable access at the specific historical stage to vital and social values and benefits; capitalization of components of socio-humanitarian potential, distribution and redistribution of a range of corresponding revenues. Economic instability in Ukraine greatly sharpened problems of resource provision and implementation of state guarantees and standards for: reproduction of basic

<sup>&</sup>lt;sup>1</sup> US labor market: qualitative deterioration. URL: https://okoplanet.su/finances/financescrisis/184908-rynok-truda-ssha-kachestvennoe-uhudshenie.html