

GLOBALIZATION, INTELLECTUAL CAPITAL AND DECENT LABOUR

UDC 316.42:331.4

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Abstract. *In this paper, the author discusses the correlation between globalization as a social process and the process of intellectualizing labour, which has generated significant changes in the content and character of labour. In due course, it has resulted in the emergence of intellectual capital, where one's labour activities demonstrate one's knowledge and skills as the basic developmental resource. In terms of effectiveness, productivity and profitability, it necessarily presumes establishing a proper relationship with other participants in the labour process on the basis of freedom and equality. In this context, the author discusses the concept of decent and dignified labour, as an envisaged objective in the evolution of capitalism and human society at large, and elaborates on the prospects and effects of its exercise.*

Key words: *globalization, intellectual capital, decent/dignified labour.*

1. GLOBALIZATION

In the 1950s, globalization was largely perceived as "a bogeyman" hovering over Europe. At the beginning of the 21st century, it is a social reality on the universal scale which is generally perceived as "the global society" or "the mega-society" with many contradictions. The globalization process has been the subject matter of study in many sciences which explored the globalization phenomenon as well as the complexity and intricacy of diverse global issues, which has ultimately resulted in the development of a new academic and scientific discipline called *Globalistics* (Чумаков, 2009: 60-89). The founders of the sociological study of globalization examined the basic globalization processes, the most prominent of which are *the process of creating a global system of economic development and economic relations* reflecting the transformation and integration into the global economy (based on the worldwide transnational cooperation beyond state control) and *the process of cultural globalization* which replaces the local cultural needs.

Received November 4th, 2016/ Accepted April 7th, 2016

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These are the fundamentals of the global system underlying the globalization processes which ensue irrespective of the national policy, the state and national social orders; these processes emerge as an independent international phenomenon and evolve into a global process at the supranational or supra-state level (Григорьев, 2006: 60-61).

Globalization as a process of developing the global economic system is embodied in the process of expanding the areas of economic power, conquering new territories (sources of raw materials and markets) by using money and (unlike the prior conquests) without engaging into warfares (Борико, 2002: 25). Confined within tightly-set physical boundaries, money cannot yield any capital gains and beyond these boundaries; being stifled, it turns into dead cash. Globalization is a meaningful way to make money gain momentum, and gain profit in a peaceful manner. The process is *facilitated by the development of high technology* (which provided for synchronous activity beyond space and time) and *the market forces* (reflected in the market competition and the dominant money-generating form of movement of capital (cash-for-cash), which has ultimately resulted in the development of universal financial and information technology (Ушкин, 2003: 185). The idea of globalization originally came from the developed capitalist states in the west which endeavored to assume a dominant position in the world, "to organize the entire humankind so as to provide for their own specific individual interests rather than the interests of some abstract humanity" (Зиновьев, 2002: 306). *The global system* arising from globalization processes as a new IT, economic, environmental, scientific, political and socio-cultural reality is not always recognized as a social reality which implies the development of specific structures and processes in the human society. This global system is probably misunderstood and unaccepted because human life is permeated with complex economic and international relations on the global scale; thus, humankind is prone to constant changes in line with the changing realities of man's natural and social environment, whereby man keeps creating objects of material and spiritual culture, shaping individual interests, attaining new values and setting diverse goals for prospective development (Лейбин, 2003: 57). This global system includes a set of interrelated sub-systems which exert considerable impact on one another.

Global economy emerges as a subsystem of the global system which encompasses all national economies. Yet, this integrated system is quite inconsistent and contradictory because it includes rich and poor countries alike; their uneven development is reflected in their unequal position in the global system (Reirnet, 2006: 57). In fact, *global economy represents the conquest of the planet by transnational states in the interest of corporations having a dominant position in national economies* (Марковић, 2008a: 37-90). Due to globalization, *neoliberal capitalism prevails on the global scale and turns into global capitalism*, featuring a dominant position of transnational corporations, a diminished role of the state, a widespread mass culture and the development of information society (Бабков, et al. 2003: 69-103). The global networking has been accomplished by means of privatization, deregulation and liberalization, i.e. establishing the free market where the prosperity and acquisition of wealth is based on the promise that "all those who are subjected to the demands of the world market will be blessed with earthly riches" (Beck, 2004: 117). However, the actual implementation of this promise is not feasible; for, there is a huge gap between the principle of gaining profit and the principle of humanism "in the very foundations of capitalism regardless of the level of its development" (Ђорђевић, 2006: 69), including the global neo-liberal capitalism. In this system, money has assumed the position of a supreme ruler. Efficiency and maximizing profits create an absolute value and myth. The

power of money tends to tread on human dignity, impose on or insult one's honor/reputation, and destroy one's hope. The new "trinity (including the market-competition-money forces) has emerged on the world stage with an aim to raise to supreme power and govern the world affairs by imposing its rules and unification standards to national states in spite of their specific cultural values and identity." (Majop, 1977: 53).

2. INTELLECTUAL CAPITAL

Globalization and global neo-liberal capitalism (generated thereby) call for new scientifically-founded responses not only to the traditional philosophical question about man's position in the world and the universe but also to the question about man's position in everyday life, primarily in the global economy and the business environment that is being shaped therein (Видянин, Журавлева, ed. 1997: 63). To this end, it is necessary to critically observe the theoretical views on the economic reality (globalization and global capitalism), which is contrary to the contemporary standard theoretical approach resting on randomly selected hypotheses and forcing the social reality to adjust to the proposed hypothesis accordingly (Reirnet, 2006: 16). The systematic and critical study of this issue should also include the examination of the global neo-liberal capitalism and the capital market as a decisive mechanism for regulating the freedom of trading and the consequences arising thereof, particularly in the context of general awareness that the contemporary market mechanism endangers a vast majority of national economies mainly because of significant disregard of social and human factors; as a matter of fact, the market is included in the structure of social relations, and it cannot exist without people and their activities (Гозабов, 2007: 283). The study should also include a critical analysis and abandonment of the conception that people are assets whose labor activities contribute to the social progress and development. This conception should be theoretically updated by the conception that human labour contributes to social progress but it is concurrently an instrument by means of which people articulate themselves as creative and free human beings, earn their living, attain a social/professional status and enter mutual social relations (Шарков, 2007: 52). In these relations, people express their ideological and political orientations, their roles in the political organization of society, their position in the category-based system of values, and their attitudes towards the system (Козловеский, 1996: 68).

The essence of globalization (as a global social process) as well as the fundamental features of the global neoliberal capitalism (as a system conceived on knowledge as a basic developmental resource, which is designated as *knowledge-based capitalism*) should be considered in the context of the development of technical basis of human labour, changes in its content and subsequent consequences. Namely, *the development of production forces is the basis for different phases in the development of capitalism; on the other hand, in pursuit of greater effectiveness and productivity aimed at attaining the highest possible profits, capitalism has provided incentives for the development of production forces*. In such an approach, the technological globalization has led to the substituting human labor by machines, which was initially done in jobs that did not require human expertise or skills; later on, this practice was extended to jobs that required human skills but where the management determined that these activities may be performed much more efficiently by sophisticated machines. In line with the development and expansion of the globalization process, there has been an

increasing emphasis on the importance of knowledge as a developmental resource. Human labour activities are increasingly associated with cognitive abilities (thinking skills) rather than physical abilities (force or strength). In a way, it leads to “intellectualizing” human labor (particularly in the production process); thus, the intellectual capital becomes the reality of economic and social life.

The third technological revolution has given rise to computer technology, which has changed man’s position in relation to machines in the man-machine system. Now, instead of operating the machine, man monitors its operation. In the working environment of micro-electronic devices, the amount of physical human labour is reduced and workers are less in contact with the materials and final products. The computer-information technology engenders significant changes in the content of human labour (Марковић, 2005: 31-39); ultimately, man is deprived of the sense of purpose of human labour, the sense of self-respect based on honest labour and self-evaluation which all human beings need to a greater or lesser extent (Fukuyama, 1997: 198). However, apart from the negative consequences, the changes in the content and nature of human labour have a number of positive effects which enable the knowledge to become the basic developmental resource in the circumstances of global neoliberal capitalism and its central feature. This model of capitalism is conceptualized to a greater extent on intellectual capital (knowledge) and to a lesser extent on the physical financial capital (wealth). The knowledge-based model of capitalism puts a great deal of trust in the market and the individual. The central value and importance of the individual is embodied in the delivery of knowledge rather than in man’s physical strength or muscle power. In this model recognizes the organization of processes, routines and directives as contents of explicit knowledge which is to be disseminated (Милачић, 2006: 229). In fact, in this model of capitalism, knowledge and skills are the only sources of sustainable and long-term benefits, as well as a competitive advantage of corporations and wider social structures (Милачић, 2006: 244). Considering that human beings are the holders of knowledge and skills, they are the fundamental value of the knowledge-based capitalist society; as such, they should be treated as thinking individuals whose life force enables them to construct and improve their lives in the specific living context and environment.

The latest scientific research on the position of man in the global economy and corporations (where they use their knowledge and skills to perform their activities) includes two relatively new approaches to the study of human potential: *the index of development of human potential* and *the index of human life force*.

The Human Development Index (HDI) includes four paradigms: 1) *productivity* - growth; 2) *rationality* - the possibility to access available resources and put one’s abilities into use; 3) *stability* – the certainty of present and future generations’ in approaching the achievements of human civilization; and 4) *broadening opportunities* - development is aimed not only at accomplishing individual interests but also at expanding human opportunities. The indicators of the HD index are: life expectancy and the actual gross domestic product (GDP) per capita. Considered in unison, these indicators reflect three major features of man’s existence: *a healthy life, knowledge and a living standard ensuring a dignified human life* (Григорьев, 2006: 95-96). Relying on the characteristics of global economy and the new approach to human resources, we consider it necessary to amend the four HDI paradigms by adding a fifth paradigm: 5) ***working conditions that do not demean human integrity.***

The indicators of *Human Life Force* (HLF) are categories of *vitalist* sociology which developed a system of indicators for measuring the growth of life force in humans, who

are perceived as bio-psycho-social beings capable of constructing, changing and improving their lives in specific historical, social and cultural circumstances that correspond to the needs of the progressive social development. In line with the traditional application of HLF indicators and the evolution of human life force, the HLF indicators are formulated as follows: 1) the average value of the indicators demonstrating the level of development of man's physical, mental and social competences; 2) the presence of basic groups of indicators demonstrating man's physical, mental and social wellbeing that best reflect the presence and growth of the vital (driving) forces in human beings in all spheres of social life: economy, politics, social, spiritual and cultural development. The integration of these factors optimizes the efforts to assess the development of human life force in general and different spheres of man's social life in particular (Жуков, 1996: 9-11).

3. DECENT AND DIGNIFIED LABOUR

The theoretical considerations about the human potential development index and the human life force index were triggered by the need to "intellectualize" human labour in order to secure better productivity and profitability. For this purpose, it was necessary to ensure that humans, as holders of knowledge and skills (intellectual capital) in the organization of the working processes and environment, were to be treated as free and thinking beings, whose integrity would be protected in all its interrelated and interdependent aspects (Григорьев, 2006: 95-96). The theoretical considerations were preceded, accompanied and followed-up by the activity of the International Labour Organisation (ILO). In that context, the turning point was the ILO Conference in Philadelphia in 1944, when the ILO assumed an obligation to draft an agenda whose implementation would ensure the working conditions in which employees would be satisfied with their work and able to demonstrate their full capacities, thus contributing to general welfare (Марковић, 2008b: 308-338). Relying on these starting premises and principles embodied in ILO documents, this organization embarked on defining the content of decent and dignified labour in an endeavour to bring the human labor and human dignity into accord.

Decent and dignified labour is defined as highly efficient work, carried out in good production, social welfare and safety conditions, which provides for employees' satisfaction and enables them to fully demonstrate their competences and skills. It also implies that employees are well-paid for their workplace activities and that their rights and human dignity are adequately protected (Марковић, 1970: 41-42). Given the many inconsistencies and contradictions in the global system, the exercise of the multifaceted concept of "decent work" was subject to numerous discussions from different perspectives, but it was most comprehensively considered and elaborated in the 1999 *Report of the Director General of International Labour Office* (Гриценко, et al. 2008: 129). This Report states that securing decent and dignified work is a global need and a political directive in the contemporary society, given the fact that much of our common future depends on our ability to meet this challenge and find a solution to this problem. The Report further points out that decent and dignified work is a strategic rather than attained objective, which may potentially turn into a global goal in the future. As a prerequisite for converging decent work into a global goal, the Report underscores the need to accomplish the four strategic objectives: *promoting employment opportunities, establishing an employment-based social protection system, promoting equal human rights at work, and reinforcing the social dialogue.*

In discussions on "decent work", it is often suggested that decent and dignified labour is a guiding principle or strategic objective which is to be accomplished in the future rather than an attained objective. Yet, for methodological as well as for practical (action-specific) purposes, it is essential to present the basic components of decent and dignified labour, which is to be pursued as the ultimate goal. It may contribute to *defining the concept of decent work and it may facilitate the specification of objectives which have to be accomplished*. In line with such an approach, "decent work" may be defined as: highly skilled labour which engages one's full capacities and takes place in good production conditions and social circumstances, ensures the participants' opportunity to demonstrate their competences (knowledge and skills), includes safe working conditions and environment, provides for the protection of human rights and dignity, guarantees adequate payment, ensures employees' engagement in the organization operations and job satisfaction in performing individual activities. In such circumstances, human labour provides sufficient latitude for individuals to express themselves as creative, free and value-driven human beings; as such, not only do they contribute to higher productivity and economic growth but they also put into effect the concept of man as a generic being (*sui generis*). Considering that it boosts productivity and economic growth, decent and dignified work is a significant factor in the process of balancing the economic growth and social development.

Economic activity takes place in the context of global economy, which implies the global system with a single market. However, there are considerable differences between states in terms of their economic development and forms of organization, which ultimately affects the exercise of "decent work" concept on the global scale. Its implementation is significantly frustrated and aggravated by two contemporary global problems: *unemployment* and *poverty*. As these problems they are interrelated and interdependent, there is a universal consent that they need to be resolved globally, as a prerequisite for instituting the concept of "decent (dignified) work". It is in this context that we should understand the standpoints of the UN General Assembly (2000) on social development and support to the ILO Decent Work Agenda, as well as the views expressed in session of the UN General Assembly (1970) concerning the willingness to support a fair globalization process which would be aimed at attaining the objectives of decent and productive work while concurrently ensuring respect for the fundamental principles and human rights in the field of labor law.¹ Considering the need to address these issues as a global problem and apply the concept of "decent work", *we may use the presented information on the human resources development index, the human life force index and the content of "decent work" to formulate a new conception on social governance, characterized by an increasing dynamics and complexity of social relations, where successful solutions to global problems call for "an imaginative approach to social reorganization as well as conceptual changes, including the transition from the society of producers into the society of creators"* (Марковић, 2009: 120-124). The imaginative approach should be aimed at overcoming confrontation in the sphere of labour relations by establishing different forms of social partnership, solidarity and joint responsibility of employees and employers for economic growth and social progress, ultimately embodied in the process of developing a humane society.

The problems underlying the concept of "decent work" are considered at the global level, at the level of specific areas of social organization, and at the level of institutional

¹ Report of the Director – General, International Labor Conference, 87th session, Geneva, 1999.

forms of organization (company, corporation, etc.). In this respect, it is necessary to critically consider the institutional forms of organization of human labor, especially in economic sciences (Mayor, 1991: 46), and to establish new forms of organization in compliance with the changing content and nature of labour, where human knowledge and skills are promoted as the most significant developmental resource embodied in the intellectual capital and intellectual property (Ельнее, 2007: 207). The new institutional forms of organizing labour should be developed in compliance with the opportunities offered by the intellectual capital to implement the concept of "decent work", which is the cornerstone of high productivity in labour activities and a competitive advantage in the market conditions. In this regard, it is essential to provide an opportunity for the employees to participate in managing different institutional forms of organizing human labour. Such an approach to organizing labour activities, in a way, eliminates economic determinism and gives rise to socio-cultural determinism (Лопотин, Дорошков, 2010: 11-30).

The implementation of "decent work" concept in individual states entails a number of country-specific issues which require serious consideration, with specific reference to social relations that may affect its implementation in societies where the globalization process is underway. In this context, it is necessary to draw attention to the shift of economic power from the West to the East, as well as to the process of strengthening the role of the state (national governments) in policy-making processes, particularly when it comes to regulating the economic policy and the internal market. In addition, given the complexity of global issues, it is more and more difficult to find sustainable solutions to global problems; hence, regional integrations gain momentum and become increasingly significant in communication and co-operation. Social development is likely to be abrupt, dynamic and uneven; in order to avoid possible periods of crisis, it is necessary to improve the rules governing business operations and to take risks for the purpose of maintaining the stability of the international community; in that context, the rich social and business circles have to assume responsibility for the existing social situation, recognize and respect the basic needs of ordinary citizens who are increasingly becoming impoverished. However, all difficulties in instituting the concept of "decent work" do not imply that its implementation should be postponed for some better times, when the conditions are fully met. The practical implementation of the concept of decent and dignified human labour may be broken down into different phases and this concept may be introduced step by step. It will be proof that decent and dignified human labour has been accepted as an important strategic objective in the development of society fully based on humanistic principles

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GLOBALIZACIJA, INTELEKTUALNI KAPITAL I PRISTOJAN RAD

U radu se razmatra povezanost globalizacije kao društvenog procesa sa procesom intelektualizacije rada i promenama u sadržaju i karakteru rada, koje dovode do ispoljavanja kapitala u obliku intelektualnog kapitala, u kome se čovek svojom radnom delatnošću ispoljava kroz svoje znanje (koje postaje osnovni razvojni resurs) i čije racionalno i produktivno (profitabilno) zahteva (i pretpostavlja) odnos prema učesnicima u radnom procesu, kao slobodnim i ravnopravnim ljudima. U ovom kontekstu razmatra se pojmovno određenje pristojnog (dostojnog) rada i perspektive i posledice njegovog ostvarivanja, kao zadatog cilja u evolutivnom razvoju kapitalizma i ljudskog društva.

Ključne reči: *globalizacija, intelektualni kapital, pristojan rad.*

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