**Kuandyk Ainabek**

# THE PHILOSOPHY OF LIFE AND BUSINESS

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The monograph attempts at revealing the essence of human life, basic spiritual laws of the community and business, evolutionary ways of harmonizing the development and socialization of economy.

The special feature of the work is the fact that it displays the interconnection of spiritual and business activity in reaching humanization of the mankind and economy.

The monograph is meant for professors and lecturers, researchers, candidates for a doctor's and a master's degree, higher school students.

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## FOREWORD

The monograph work considers the man as a derivative of the Universal, of the Absolute in the system of Objective-Subjective world. It provides a possibility for a more profound cognition of laws of life and business, formation of the homo economicus models. There are universal laws emanant from the supersubtle and subtle world, predetermining the spiritual, creative and labour, business activity of the man and community. The research work considers the universal law of cyclic development, which foredestines the transition from “Nothing” to “Something” and vice versa, where “Nothing” represents the supersubtle and subtle world or the system of information and supersubtle and subtle energy, and “Something” – the material world in the traditional understanding. The universal law of cyclic development conditions the existence of the reincarnation law and the karma law, which influence the spiritual, creative, labour and business activity of the man and community.

Based on the supreme moral laws, the author proposes his own approaches to definition of the human life value equivalent, motivation of creative and labour activity, a model of dignified life in the epoch of social orientation of the economy.

In this research work, special attention is paid to development of household as a consuming entity in the conditions of socialization and globalization of the economy. Subsequently the security of communal business is considered through the perspective of moral acts; the dialectic of communal life and business is researched, as well as that of the environment.

The monograph attempts at considering the spiritual life of the man and community with business activity, economy and environment in the global system of the Absolute. Eventually, based on the research, the author comes to the confirmation of the conclusion on the need to follow the supreme moral laws ensuing from the requirements of the supersubtle and subtle world, for harmonization of the community and socialization of the economy.

## CHAPTER 1. THE MAN AS A DERIVATIVE OF THE UNIVERSAL

In the economic theory textbooks, there are paragraphs devoted to determining the essence and evolution of social and economic contents of the man [1, p.16-24]. Research on the subject is usually done in the social, economic, psychological and other aspects. In the meantime the Man and the Mankind, and the Universe are considered as self-developing systems. It should be noted that these systems have appeared not only as a result of material development, being predetermined by its conditions, but also directly depend on the impact of the subtle and supersubtle world.

Subtle worlds are the environment of existence and content of the Absolute subject. And the man appears to be a hologram of the supersubtle and subtle world. If we refer to the sources of ancient wisdom BC, we can come across the following version of the Universe genesis. “The creation originates from the non-creation” [2, p.176]. This is the intuitive prediction of how the Universe appears from “Nothing”, of which “Something” is born. “In the imagination of the ancient Chinese, - writes M.T. Stepanyants, - from the shapeless dark two powers were born which regulated the world…” [2, p.12]. Thus, for instance, the ancient Chinese thinker Wan Fu (76-157 BC) remarked that “in the ancient-ancient world, in the times of the Great Emptiness, there was, without any form or attributes, initial Qi, consisting of substances merged together. It could not be temperated, it was impossible to manage. It lasted for a long time but then, all of a sudden, it started changing, it divided itself into the clear and the opaque, which turned into Yin and Yang. Yin and Yang already had the form; regulating themselves, they formed the sky and the earth… The harmony of Yin and Yang merger procreated the man, too…” [3, p.348]. The ancient wisemen and the human mind on the whole were searching for the beginning of all things and determining it as “Nothing”, which appears to be initial information. It “breeds one, one breeds two, - reasons the ancient Chinese sage Lao Tzu, - two breeds three, and three breeds all the creatures” [2, p.226]. “Nothing” predetermines the appearance of "Something", i.e. the supersubtle energy. As the information emanates the supersubtle (one) and subtle (two) energy, there occurs a chain reaction (three breeds all) of self-development and formation of the Universal information filed in the environment of interacting information and supersubtle, subtle energy. It conditions, given a particular qualitative and quantitative state, "awakening" of the Universal Mind or Absolute Spirit, according to G. Hegel [4, p.25-26].

A confirmation to the above-said can be found in the Bible. This source of knowledge notes: "In the BEGINNING was the Word…" [5, p.111], i.e. the information was primary. At the same time it is written in the Bible that "the Word was God" [5, p.111]. But the information as it is can not be the Supreme Universal Mind. It is confirmed by the expression from the Bible: "In him was life, and the life was the light of men" [5, p.191] and the Koran: "Allah is the light of the heavens and the earth" [6, p. 653]. The "Word" and the "Light" as the information and supersubtle energy appear to be the components of the Supreme Universal Mind or the Absolute Spirit, as in the Bible the God is identified with the "Light" and the "Word".

The man is first of all a creature derivative from the Absolute Spirit, Global Sapience System, multi-dimensional, subtle and supersubtle world, and then – from the material three-dimensional. The man consists of the spirit, soul and physical body. Without the first ones there is no man as a personality – the body without the spirit and soul presents itself as a corpse without the sapience principle. G. Hegel writes the following with regards to it: "The man is a thinking spirit… The vitality of this body of mine is in the fact… that it is unable to offer any opposition to me but it obeys me, thoroughly penetrated with my soul…" [4, pp.24, 118]. The holy book Koran says: "I am creating a human being… from clay… Once I design him… I will blow into him from My spirit…" [6, p.481]. The text of the Koran makes it obvious that the human body is just a part of a lifeless substance periphrastically referred to as the clay which is transformed into a thinking product of the Supreme Being based on the spirit the Supreme Being contributed to it.

At first sight, the man is perceived as a physical body, whereas the everyday awareness does not consider his soul and spirit.

The human spirit functioning based on the Universal information field and supersubtle energy appears to be an immediate derivative of the Absolute Spirit, whereas the soul formed by the spirit and subtle energy, emerging due to compression and extension of the supersubtle energy. Thus the soul appears to be a derivative of the spirit, as the Bible notes that there is “God the Father” and “God the Son”, and they are the one through the “Holy Spirit” [5, p.195]. It is also emphasized by G. Hegel [4, p.23-24]. Here “God the Father” breeds “God the Son”, as the soul is a derivative of the spirit. The common content for “God the Father” and “God the Son” is the “Holy Spirit”, i.e. the attribute of the supersubtle energy interacting with the information on that level.

Progressive thoughts from the Universal source, scientific achievements of advanced people, both from the environment of religious organizations (Buddhists, Yogi, Krishnaites, Islamites, Christians, etc.) and researchers-materialists, lead to the conclusion that the world is multi-dimensional. There are subtle and supersubtle worlds. They are interconnected by the Universal information field and supersubtle and subtle energies, which, in the process of compression, concentration and extension, create, together with the information field, kinds of material energy and substance of three-dimensional measurement [7, p.124-125].

The sprit belongs to the supersubtle world, and the soul – to the subtle one. They penetrate the material body and serve both as the internal content and the invisible envelope of the man’s physical state [7, p.77-78]. By the way, this envelope is detected by Yogi, extrasensory perception experts, parapsychologists, folk healers working on the energy level, as well as by the scientists. They can measure the man’s subtle energy. The envelope of the man’s subtle and supersubtle energy can extend as much as a meter to a meter and a half, depending on his state, and that of Yogi and advanced people can reach 3-5 meters and more. The supersubtle and subtle energies have colours indicating the general condition and health of the man [8, p.187]. It can be vividly seen from the following Figure 1.

The supersubtle and the subtle envelope of the man, in its essence being the hologram of the information field with the corresponding forms of energies, is directly connected with the Absolute. Therefore the explanation of the genesis of the man on the Earth should be based not only on the evolutionary approach by Ch. Darwin, which can be presented as an addition, but in terms of the fundamental morphogenetic source of the supersubtle and subtle world system [7, p.77-78].

Figure 1. The man's aura: the supersubtle and subtle envelope [9, p.7].

The definition of the human essence should proceed from the Absolute, and then from the material world conditions, as he consists of the spirit, soul and physical, material body. According to G. Hegel, the Absolute as the initial reason for origin of all the material is aimed at self-cognition, self-development and self-improvement.

The body acquires the value of the man based on the spirit, i.e. the human essence is in the spirit. "The notion of the spirit, - wrote G. Hegel, - has its reality in the spirit" [4, p.322]. "The Absolute is the spirit; this is the supreme definition of the Absolute; to find this definition and to understand its sense and contents – it was, as it can be said, the absolute tendency of the entire education and philosophy – the entire religion and science were directed to this point" [4, p.29]. This idea by G. Hegel results from the fact that "God is the truth", as the Koran says [6, p.771]. "The absolute spirit is to the same extent eternally in – it – self – creation, and in the depth of self returning and returned identity; the integral and universal substance as the spiritual one, the initial division (Urteil) into itself and knowledge, for which it exists as such"[4, p.382].

However, there are opponents to acknowledgement of the Absolute Spirit. Thus, for instance, the Austro-American economist, the Nobel laureate F.A. Hayek said the following: "As for me personally, it would be correct to say that I do not feel the right either to assert or deny the existence of what is called God, as, I should confess, I do not know what this word should mean. No doubt, I reject any anthropomorphic, personifying or animistic interpretations of the notion, through which many contrive to give it sense. The notion of a human-like or a mind-like active creature seems to me to be rather a product of a haughty overestimation of capacities of a human-like mind. I can not give meaning to the words for which in the structure of my own thinking or in my world view there is no place where they would make sense. Therefore I would be unscrupulous if I used these words as if they reflected some convictions of mine. I have been hesitating for a long time but finally decided to make this confession of a personal nature, as the support of a card-carrying agnostic can help the believers to be firmer in sticking to the conclusions which we prove to share. It may be that what people mean talking about God is just a personification of the traditional moral norms and values which support the life of their community. Now we have begun to understand that the source of order which the religion prescribes to a human-like divine being, offering a kind of a map or a guidebook helping a certain part to successfully take their bearings inside the whole, is not beyond the physical world but is one of its characteristics, however, too complicated for any component parts of this world to be able to make its "view" or "image". Therefore religious bans of idolatry, i.e. for creating such images, are quite justified. It is not impossible, though, that most people are able to perceive abstract traditions only as someone's personal Will. In this case would not they be inclined to trace this will in the “community” in the age when a more evident belief in supernatural forces is rejected as a superstition?”[10, p. 93].

In this case he can be thanked for frank thoughts aloud. At the same time this famous scientist can not be condemned because he is a product of his time. As we know, the insufficient level of cognition and awareness limits the world perception and understanding of the universe.

However, modern researchers from the British Bristol University have made a real revelation in the international scientific and intellectual community. They ascertained than the man is born with the belief in God. “We have found out that the child’s course of thought includes an intuitive belief in the supernatural,” said the head of the research, Professor Bruce Hood [11]. The newest research from Bristol displayed that without the belief in God neither the Homo Sapiens nor the human community could come into being. In the infancy of the mankind only those groups of people which believed in the Supreme Being, disciplined world order and justice made more stable social relations and so survived. But other tribes, without the belief in God, fell to pieces and vanished. It was the believers who laid the groundwork for the human civilization and determined further ways of progressive development [11].

The absolute spirit predetermines the development as a derivative, his self-cognition, self-development and self-improvement, his creativity, which is his essence, his goal of life in the material world, since God itself is the creator.

## CHAPTER 2. OBJECTIVE-SUBJECTIVE WORLD

To discover the contents of the religion, the essence of God should be understood, the need for the man's attitude to God and feedback. We know from the sacred scriptures of the Bible and the Koran that "In the BEGINNING was the Word", "the Word was God" [2, p.111 – Gospel of John], "God is the Light" [2, p.111; 3, p.653]. Regrettably, few of modern researches have paid special attention to these messages from the sacred books. They are the key codes for understanding the essence of God and man. At his time, G. Hegel wrote about the primary sources of the universe genesis: "It is an infinitely deep and true attribute of the Hindu religion always occurs in all the various stories about the creation of the world. "The Laws of Manu" book begins as follows: "The eternal with a thought created the waters", etc. In some cases, this pure activity is called the *word*, like God in the New Testament" [4, p. 491].

Using these key notions, the following conclusion can be made: the Word is information, the Light is supersubtle energy emanated by information. In the meantime, energy proper breeds information, which leads to the appearance of the information-energetic supersubtle system acquiring the attributes of the Absolute Consciousness, Supreme Mind, thought based on the structuring of the supersubtle Qi energy through the division into Yin and Yang and harmonization of the information field and supersubtle energy system [5, p.16-19]. These attributes of the information-energetic supersubtle system and the system proper characterize the fundamental contents of the Absolute Spirit – Brahman, God, Allah. Contemporary scientists-physicists also suppose that "consciousness is a certain feature, a function of the world as a whole" [6, p. 28]. With regards to it, G. Hegel emphasized: "Universality is first of all the consciousness of God" [7, p. 293].

Modern astrophysicists and astronomers have come to the conclusion that up to 95% of the Universe consists of dark energy and dark matter the nature of which is unknown. However, we assume that it is the "supersubtle and subtle energy with the information field characteristic of them, forming the supersubtle and subtle world" [5, p.607-608]. The Cambridge University researchers N. Trentham, O. Moller, E. Ramires-Ruis have determined that 90% of the cosmic space consists of transparent matters impossible to research, and our Universe has a twin of this invisible substance [8, p.28]. The matter of the Universe was formed from the information-energetic supersubtle system by the concentration of a certain part of it which transformed into a solid sphere, and it exploded making stellar and planetary systems accounting for 5% of the total mass of the Universe [5, p.607-608].

The notion of "Nothing" in the world religions means the immaterial world. For instance, the Koran notes that "Allah generates creation the first time, then He is the one who will create it the second time, then to Him you will be returned" [3, p. 753]. This text appeared in the sacred scripture because most people could not see, touch, sense the supersubtle and subtle world, with the exception of special, advanced members of the community, such as clairvoyants, extrasensory perception experts, parapsychologists, etc.

However, the supersubtle and subtle world can not be identified with the contents of the notion of "Nothing", though it is the opposite to the material and the invisible part of the Universe for the mankind. "…nothing, - wrote G. Hegel, - is devoid of contents, it is completely empty… Furthermore, nothing is not a contradiction at all; nothing does not contradict itself, it is identical to itself" [7, p. 451].

The notion of "Nothing" as the basic information, actually, does not have any sense in the supersubtle world as information and, consequently, supersubtle energy are eternal. In the supersubtle world there is neither beginning nor end but there is ongoing process. Therefore the great German philosopher G. Hegel wrote: "… God is limitless existence, it is infinite, eternal…" [7, p. 393].

The information-energetic supersubtle system represents the unity of opposites: information and supersubtle energy, where they belong to the objective part as compared to the subjective, which can include the attributes of the entire system – the

Absolute Consciousness, the Supreme Mind. These opposites in their unity service the development of the system – the Absolute Spirit. Thus "… in the spirit the truth has the idea as its foundation…". "God is activity…, - stressed G. Hegel, - … God is movement in itself, and only by that it is alive" [7, p. 310; 355; 362], "… the spirit is not something staying at rest but rather on the contrary, something absolutely restless, pure activity…" [9, p. 9].

Now, based on the substance, the original foundation of the universe, let us present the model of the entire world, which can be shown on the following Figure 2. The contents of the objective-subjective world:

1. Information-energetic supersubtle system (IESS).
2. IESS attributes – Absolute Consciousness, Supreme Mind, thinking – Holy Spirit.
3. God's derivatives – angels, souls of prophets, people.
4. Limbo – Hell.
5. Holograms of the information-energetic subtle level of material world, ideas, egregores.
6. Energy of material world.
7. Material world, mankind, man.

The contents of points 1-5 refer to the immaterial world, and 6-7 – to the material one in the traditional understanding. The combination of the elements of the points above (1+2) presents the contents of the Absolute Spirit = God = Allah. Therefore the Holy Spirit is contained in God and souls of prophets as well as in souls of people. The arrows in the picture show the interconnection of God and its derivatives by the Information-energetic supersubtle system. The material world and the man appear to be a manifestation of the particularity and singularity, as opposed to the universality, - the Absolute Spirit. It should also be mentioned here that the immaterial world contains all the information on development of the past, present and future. This is the idea the scientists-physicists came to, too. [10; 11, p. 106].

All the elements in the presented model are penetrated with the Absolute Spirit and interact in the unified system of the objective-subjective world. "The translatory motion in its own sense comes from this final vitality to the absolute, universal purposefulness, - remarked G. Hegel, - as the world is the system in which all the things are essentially conjugated with one another, nothing is isolated, the system ordered in itself, where everything has its own place, everything joins the whole, exists due to the whole and equally active, effective in the creation, in the life of the whole" [7, p. 483].

The scientists-physicists, based on "The Theory of the Physical Vacuum" [10], came to the conclusion that "… it was major concepts of the physical vacuum originating from the Absolute "Nothing" and creating the entire structure of the information and material worlds that resulted in the assertion of the Divine" [11, p. 102-103].

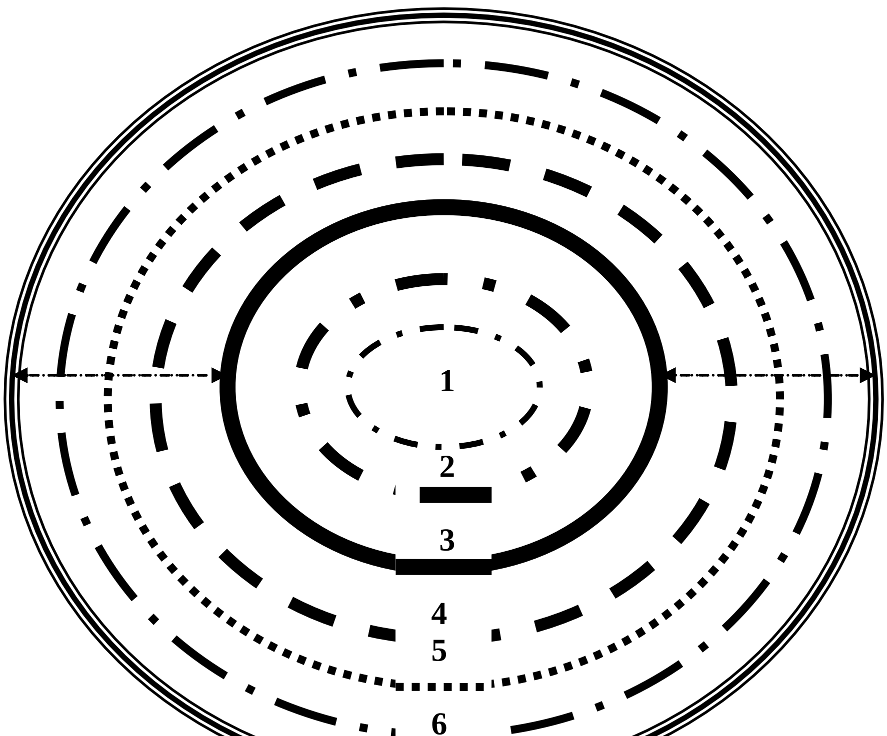


Figure 2. The model of the objective-subjective world structure.

In the meantime V.V. Popova, L.V. Andrianova, E.A. Savelieva state that God is beyond the information-energetic system: God generates the Absolute "Nothing" [11, p. 104; 123]. They write: "God is the absolute and indivisible being, not having any components” [11, p. 125]. But this statement contradicts not only to the text of the Bible and the Koran saying that “In the BEGINNING was the Word”, “the Word was God”, “God is the Light” but also to the logics of the system approach. God can not be an empty notion, without components and beyond the system of the universe. If the incorrect model of the integral world by the above-quoted authors is accepted, we can run into the area of the absolute mysticism.

As we know, the man consists of the spirit, soul and material body. The spirit and soul penetrate the entire body and are the essence of the man and his information-energetic supersubtle and subtle envelope. “…God manifests itself in the finite spirit, - noted G. Hegel, - and in it, it is identical to itself… . … The solidarity of God and man with each other is the solidarity of the spirit with the spirit… [7, p.490; 449]. God, the spirit, can open itself only to the spirit, mind [4, p.417]. “…the spirit is the eternal self-cognition, it bursts out into finite sparkles and gathers itself anew and cognizes itself from the finiteness, as in the finite consciousness the knowledge of its essence is born, and thus the divine self-consciousness” [7, p.313].

God is directly present in the man, this is what the sacred scriptures tell us about. Thus, for instance, the Koran says: “It was We who created man, and We know what dark suggestions his soul makes to him: for We are nearer to him than (his) jugular vein. Behold, two guardian angels appointed to learn his doings, learn and note them, one sitting on the right and one on the left. Not a word does he utter but there is a sentinel by him, ready to note it… And his Companion will say: "Here is his record ready with me” [3, p. 983; 1129]. It is implied by the fact that people, in their essence, are a hologram of the information-energetic supersubtle and subtle system, the spirit and soul. The Bible also notes that “the kingdom of God is within you” [2, p.98. – Gospel of Luke]. Therefore all the thoughts and deeds of the man are always known to God, He can not be deceived, and the day of reporting to Him will come. “To each among you have We prescribed a law and an open way,” remarks the Koran [3, c.209]. And the man predetermines by his thoughts and deeds his place in the system of the supersubtle and subtle world – the heaven or the hell. We would like to note here that the science has determined: the left-hand turn of the torsional fields of consciousness leads the man's soul to the hell, and the right-hand turn of the torsional fields of consciousness – to the heaven [11, p. 128]. This idea finds its confirmation in the lines from the Koran saying that God's witnesses really exist from the left and the right sides of the man, who note the negative information of his deeds from the left side, and positive – from the right. "And certainly We know best those who are most worthy of being burned therein. Not one of you but will pass over it: this is, with thy Lord, a Decree which must be accomplished. But We shall save those who guarded against evil, and We shall leave the wrong-doers therein, humbled to their knees" [3, p. 1085; 569]. Evidently, depending on the predominance of the negative or positive information the term of the man's stay on the earth will be determined, as well as his place to stay after the soul is separated from the body. "Whatever misfortune happens to you is because of the things your hands have wrought, and for many of them He grants forgiveness… Nor shall We deprive them of the fruit of aught of their works: yet is each individual in pledge for his deeds" [3, p. 917; 995].

The consciousness and mind, being attributes of the spirit, condition the relationship between the God and man, as the universality and singularity, finiteness. The functions of the Absolute Spirit: thinking, creativity, self-cognition, self-development and love are common for the man, too. In the Bible, love is identified with God: "God is love" [2, p.194]. With regards to it, G. Hegel gave an explanation: "…God is the spirit, namely, as in itself and for itself, it treats itself as another one from itself (named the "son"), that in itself it is love, in its essence is mediacy of itself by itself. God, certainly, is the creator of the world and thus sufficiently determined by that, but God is bigger than that; the true God is mediacy of itself by itself, it is love" [7, p.355].

# CHAPTER 3. LAWS OF LIFE AND BUSINESS

To determine the essence of cyclicity, we should pay attention to development of the Universe as the primary source as its nature is not clear. A.I. Dobrynin and L.S. Tarasevich with regards to it write the following: “The nature of the cycle is still one of the most disputable and poorly explored problems” [1, p.330].

Scientists – astronomers and astrophysicists – have discovered that the Universe consists of atoms and molecules by 5%, dark matter – by 20%, dark energy – by 75%. Whereas atoms and molecules are components of stars and planets, everything organically alive and unalive in them, dark matter penetrating the first ones is the environment of their existence, an intermediate state of matter from dark energy to atoms and molecules. Dark energy is supersubtle and subtle energy with the information field characteristic of them, forming the supersubtle and subtle world.

As for the “awakening” of the Universe, contemporary astronomers and astrophysicists, cosmologists remark that it started with a big bang of an information-energetic superdense sphere. The English scientist Martin Rist supposes that 12 billion years ago there was “nothing”. Then there appeared an atom-size ball which reached the size of a grapefruit (7-9 cm) and exploded. And Andy Friedman has determined the date of the explosion and the age of the Universe equal to 13.7 billion years. So emerges the Universe, which is constantly extending. The American researches Edwin Hubble and Bob Kirschner have determined that the Universe is extending with acceleration. Specialists in astrophysics have come to the conclusion that accelerating the process of the Universe extension in 100 thousand trillion years will result in disappearance of stars, planets and matter, and it will consist of absolute dark energy, being in pure darkness [2]. The Koran says the following about it: “When the sun with its spacious light is folded up; when the stars fall, losing their lustre… When the world on High is unveiled…” [3, p.1127].

Thus the Universe will return to the original state of the absolute supersubtle and subtle world for completion of its cyclic development, which is confirmed by astrophysicists and cosmologists. We should also mention another version here, the one saying that the Global World consists of numerous universes where some of them conventionally die out and others revive. It has been illustrated by an astrophysicist – Michio Kaku, an American of the Japanese origin, setting the following example: "Imagine water boiling in a kettle, and some bubbles are blowing out and others emerging – that's how Universes are functioning"[2].

According to the above, the manifestation of the universal law of cyclic development is discovered, when "Something" appears from "Nothing", and then that "Something" is transformed into "Nothing". ("Nothing" means information with supersubtle and subtle energy characteristic of it.) And this interchange can be endless. Evidently, this law of the Universe cyclic development predetermines ongoing renewal of forms and attributes and enhancement of the system, as the universal laws of dialectics. Therefore the essence of cyclicity lies in ongoing restoration to the original state of the absolutely supersubtle and subtle world (supersubtle and subtle energy and corresponding information filed) in the development of the Universe from material forms and, vice versa, for ensuring the constant process of enhancement and renewal of the information field and supersubtle, subtle and material world.

This law of cyclic development belongs to universal laws of dialectics: unity and struggle of opposites, negation of negation, transition from quantity to quality. Therefore the law of cyclicity predetermines development of economy and community.

The significance of the cycle as a fundamental principle of the world was noted by thinkers of Ancient China and Ancient Greece; the works of our contemporaries Y.N. Sokolov [4], A.I. Dobrynin, L.S Tarasevich and others [1, p. 330-331] are also devoted to this problem. The Russian authors remark that "in the structure of the interaction cycle the object transforms to its opposite and then returns to itself. The sum of the action force and the reaction force, in absolute magnitude, is the measure of the interaction. If the action force will be increasing in the interaction, for the measure not to be changed, the reaction force will be reducing (without disappearing). At first, the resulting positive force will be increasing. On reaching its maximum, it will be reducing. ... This is, in the most general terms, the philosophic nature of the universal cycle as a fundamental principle of the world on the whole and the world of economy in particular" [1, p. 331].

A certain clarification is needed here: it is not the object that transforms to its opposite but the "state" of the object changes to its opposite and then returns to the initial level. If the supersubtle and subtle energy and the corresponding information field are taken as the object, their material form will be presented by the other state of manifestation.

The universal law of cyclic development is manifested in economy and community by spiral-shaped forms of motion, wave dynamics, and environment characterizing the state of the system. Therefore the cyclicity of development is characteristic to the product, business entity, national and global economy. There are life cycles of products, firms, corporations, industries, economies, civilizations, mankind and spiritual rebirth.

The universal law of cyclic development predetermines existence of the reincarnation law, karma law, and is a fundamental vehicle of the "Wheel of Life – macromodel of the Universe". "… All living beings are in the sphere-orbit of the Wheel of Ontos-Life together with all their actions-aspirations-feelings-emotions-deeds; namely, it is in the circulation-reincarnation Wheel of Life where the endless chain of obversions-rebirths of all living beings, including, certainly, human individuals, is exercised-generated-reproduced…" [5, p.194]. "… Something that is performed-done by the individual never passes without leaving a trace, and all his actions, deeds and behaviour acts influence his present and future life; something that was performed in the previous existence-life by the man will make a huge influence on his being-life in the new incarnation of his Ego, and if, for instance, the man commits sinful actions, he can temporarily exist in the matrix-shape of a wolf, sheep, bull or a plant… and so on, until he has taken, performed highly virtuous, highly moral actions which will allow him to transplant-transtectonate from a lower mode of being into a higher mode…" [5, p.231]. However, there are advocates of the opinion that ordains perpetuity and imperishability of the human soul, which will not be pulled down to the programs of the matrix-shape of animals, plants, etc. But the universal law of cyclic development conditions modification of any programs from human souls to matrix-shapes of animate and inanimate beings, and vice versa. To keep and perfect the human soul, it is essential to follow the laws of the Supreme Being, the moral laws. Otherwise, for example, the souls of "sinful" officials may be pulled down, in their next incarnation, to the matrix-shape of a dog or a pig. By the way, specialists note that animals are becoming more and more intelligent. The sinful soul is deformed in the limbo-hell, where the "program" of the soul is abolished, and the soul may acquire an ugly or ill body of a man in the next incarnation, or that of an animal, and so on, depending on the heaviness of the sin.

The man intuitively understands that God is sapient and omnipotent, so he seeks His support. The human "spirit also knows, - remarked G. Hegel, - that God is sapient, that He is the Absolute Mind, the absolute activity of mind. The spirit instinctively believes that if it studies God by the mind, it should cognize Him, as well as the entire nature, find itself in God" [6, p.420].

"Belief is knowledge" [6, p. 294]. Knowledge about God can be direct and indirect, acquired through the science – practice, experiments, analysis, proofs, etc. Direct knowledge is based on identity, in general, of the contents of the individual spirit and Absolute Spirit, therefore "God is in sense… We know directly that God exists" [6, p. 296]. Direct knowledge is subjective, based on the individual sense of the man. "Thus the sense becomes a foundation where the existence of God is given" [6, p. 296].

Indirect knowledge is objective cognition. "… knowledge is usually understood, - emphasized G. Hegel, - as indirect knowledge, as cognition. … knowledge is abstract, indirect attitude, whereas the expression "truth" returns us to separation between assurance and objectivity and to mediation of them both. We speak about cognition when we know about the universal and at the same time comprehend it in its special terms and as a certain connection” [6, p. 296-297]. Therefore the scientific cognition is indirect knowledge of the definition of God’s essence by distinction of components of the universe, structure of objective-subjective world, detection of attributes, functions of the universal, special and singular. Objective knowledge also leads to the conclusion on real existence of God. However, the science does not know yet the incognizable large transparent part of the Universe and the vehicle of its functioning.

Obviously, secrets of the Universe will be accessible for the mankind given that all community members absolutely observe the laws of the Supreme Morality sent by the Absolute Spirit and reproduced in the sacred books: the Bible, the Koran, and others. It should be mentioned here that not all the statements in some of the sacred books can be the literal message as the man could add something willfully or distort on purpose, exaggerate. It can be proven by the text of the Bible: “For if that former [testament] had been faultless, there should not indeed a place have been sought for a second… Not according to the testament which I made to their fathers, on the day when I took them by the hand to lead them out of the land of Egypt: because they continued not in my testament: and I regarded them not, saith the Lord” [7, p.277. Epistle to Philemon]. In the Koran, there are such lines saying about distortions in the epistles: В Коране есть также строки, говорящие об искажениях в посланиях: “And We caused Jesus, son of Mary, to follow, and gave him the Gospel, and placed compassion and mercy in the hearts of those who followed him. But monasticism they invented - We ordained it not for them - only seeking Allah's pleasure, and they observed it not with right observance” [3, p. 1029].

Observance of the laws of the Supreme Being, Supreme Morality will allow the mankind to acquire a light, straight way, well-ordered life and favour, protection from the Absolute Spirit. Harmonization of relations of the man, community with God is a guarantee of the happy present and future. It should always be remembered that the man is singular in the manifestation of the universal, therefore his stand-alone life by himself, without spiritual connection with God, appears to be the evil, complete chaos, charade. “This life of the world, - the Koran notes, - is but a pastime and a game” [3, p. 749-751]. Therefore the sacred books many a time stress that the man should make resort to his Creator, maintain the ongoing spiritual contact, observe commandments and missives of the One Supreme God. “… it is the very contents, laws of justice and morals, God’s testaments in their nature, - wrote G. Hegel, - are the universal, therefore their roots and their place are in the sphere of mind… God essentially is in the mind. An assumption that God is through the mind, only in the mind should have already appeared only on the basis of the fact that only the man has religion, not an animal” [6, p. 363;  8, p. 306].

In the world religions, the messages to the mankind in the sacred books are approximately identical in their contents, expressing the principles of humanism, justice, industry, socialization, self-cognition, self-improvement and self-development.

For instance, the Bible gives the commandments for the people to follow:

- “… love your enemies, bless those who curse you, do good to those who hate you, and pray for those who mistreat you and persecute you…
- Honour thy father and mother.
- Thou shalt not kill.
- Thou shalt not commit adultery.
- Thou shalt not steal.
- Thou shalt not bear false witness against thy neighbour.
- Thou shalt not covet thy neighbour’s house… or anything that belongs to him.
- Thou shalt not make for thyself any graven image or any likeness of any thing that is in heaven above, or that is in the earth beneath, or that is in the water under the earth; thou shalt not bow down to them or serve them…
- ,…whoever desires to become great among you shall be your servant. Whoever desires to be first among you shall be your bondservant…
- Don’t lay up treasures for yourselves on the earth… but lay up for yourselves treasures in heaven… for where your treasure is, there your heart will be also… Again I tell you, it is easier for a camel to go through a needle’s eye, than for a rich man to enter into the Kingdom of God.

- Be fair… whatever you desire for men to do to you, you shall also do to them; for this is the law and the prophets… Therefore you shall be perfect; just as your Father in heaven is perfect… seek first God's Kingdom, and his righteousness, and all these things will be given to you as well" [7, p. 8, 9, 10, 27. Gospel of Matthew; p.204-205. Deuteronomy].

The commandments in the Bible are not limited to this, but those mentioned above can be referred to the fundamental ones.

Another sacred book, the Koran, which means "reading" in Arabic, includes a number of basic statements of the Bible contents. Certainly, in its own contents Koran has differences with the Bible.

Thus, for instance, the Koran also contains the sacred messages:

- "Work not confusion in the earth after the fair ordering thereof…
- …adjust the matter of your difference…
- ...show kindness to parents… And lower unto them the wing of submission through mercy…
- Give the kinsman his due, and the needy, and the wayfarer, and squander not thy wealth in wantonness.
- Slay not your children, fearing a fall to poverty… Lo! the slaying of them is great sin.
- And come not near unto adultery. Lo! it is an abomination and an evil way.
- And slay not the life which Allah hath forbidden save with right. Whoso is slain wrongfully, We have given power unto his heir, but let him not commit excess in slaying. Lo! he will be helped.
- Come not near the wealth of the orphan, save with that which is better till he come to strength; and keep the covenant. Lo! of the covenant it will be asked.
- Fill the measure when ye measure, and weigh with a right balance; that is meet, and better in the end.
- And eat not up your property among yourselves in vanity, nor seek by it to gain the hearing of the judges that ye may knowingly devour a portion of the property of others wrongfully.

● Follow not that whereof thou hast no knowledge.

● Walk not in the earth exultant… The evil of all that is hateful in the sight of thy Lord. Allah loveth not all prideful boasters, who hoard and who enjoin upon the people avarice…

● Why say ye that which ye do not? It is most hateful in the sight of Allah that ye say that which ye do not.

● …Verily Man is in loss, except such as have Faith, and do righteous deeds, and (join together) in the mutual teaching of Truth, and of Patience and Constancy.

These are among the precepts of wisdom, which thy Lord has revealed to thee…" [3, p. 289; 325; 519; 521; 1029; 1051;691; 1061].

As we can see, on comparing the major statements of the texts from the sacred books – the Bible and the Koran – some identity is discovered, consistency of their contents, and to some extent they supplement one another. In their essence, these sacred books differ only in the ways of ways and rituals of making resort to the One, Eternal, Great God = Allah.

Whereas the sacred scriptures of the Bible appeared at the dawn of AD, and of the Koran – in the $5^{th}$ – $6^{th}$ centuries AD, the texts of the Buddha's teaching which denied the caste system appeared as early as in $4^{th}$-$5^{th}$ centuries BC. The most essential element of the teaching is each man's abolition of suffering through his own efforts. This teaching acknowledges rebirth and karma, the righteous way of life.

It should be noted that the laws of the Supreme Morality of the Buddha's teaching are identical to the contents of the Bible and the Koran messages. Here are some utterances from the Buddha's text for comparison:

● "The man should love his enemies because his enemies will be virtuous if he is able to love them, and if he is able to love them, the enemies proper will help him become more virtuous and reach an unprecedented height of perfection.

● Do not kill and do not wish death to living beings (people) and restrain those who are trying to commit a murder; protect people, living beings from harm – both the strong and the weak ones.

● He who, not being a holy man, tries to show a false face to the people and prove them that he is a holy man indeed, a righteous man, though his purpose is to deceive his neighbours, he is a guileful, dishonourable man, like a robber spoiling virtuous people.

● The man can not be bespat by plain food but he is bespat by wanton pleasures, appetite for entertainment, rudeness, anger, cruelty, perfidy, arrogance, pride, envy, flattery, haughtiness, spite, aspersion on other people, hypocrisy…

● The world and virtuous people live by true labour, and the happiest labour bringing the man to self-perfection is tireless work on self-cultivation to be humble, courageous, patient and relentlessly cognize the true meaning of life.

● All our life is the consequence of our thoughts, and life is born in our heart and made thanks to our thoughts; when the man speaks or acts with good intentions, virtue follows him… when the man speaks or acts with mean intentions…, sufferings follow him obtrusively for all his life…

● …Wise men who lived in the ancient times did not seek to have riches, lots of cattle, poultry, gold, treasures, they realized… that their only wealth is wisdom, cognition of the truth, and these riches, incomparable to anything else, should be taken care of more than any other riches…”[6, 12, p.20; 22; 16; 29-30; 28].

The last of the Buddha’s statements quoted are concordant with the lines from G. Hegel’s work “Philosophy of religion”. He wrote, based on the text of the world sacred scriptures: “Collect incorruptible treasures in yourselves, aspire for moral wealth, as only it will you be able to consider your own in the full sense of the word. This treasure is connected with your innermost essence, and neither the forces of nature nor the evil will of people, nor even death have ascendancy over it… and let your ultimate goal be the Kingdom of God and morality which will make you worthy – and the rest will take care of itself” [8, p.46-47].

The identity of the contents of the fundamental laws of the Supreme Morality, rules of life on the earth sent by the Absolute Spirit, God, Allah as from universality, are essential components of development vehicles of the common business, society, state and mankind. If the laws of the Supreme Morality derive from the category of universality, they should be the contents of the vehicle of development and manifestation of particularity and singularity in the tideway of harmonization with their essence. Thus, in terms of universality at the level of the Universe, the laws of the Supreme Morality, as messages and requirements from the Absolute Spirit, are basic and fundamental components in the vehicle of formation and development of economy, community, state, mankind and environment on the earth.

Consequently, religion as belief and knowledge of God, the system of the universal laws of the Supreme Morality, shall serve to formation and development of thinking, spirituality of the man, mankind, towards humanization of community and state, and socialization of economy not only at regional levels but worldwide, uniting the mankind into a fair an harmonious community.

The laws of the Supreme Morality deriving from universality – God become the objective contents of the community and economy development laws, which appear to be vehicles of functioning of the particularity, singularity, finiteness. Contradiction between the former and the latter lead the mankind to an antagonism in its development, wars, conflicts, both at regional levels and worldwide. It is confirmed by the history of the mankind development, where throughout the entire period of its existence wars, antagonistic conflicts, tragedies, mutilated destinies and grief of men and entire peoples have been observed, cultures and civilizations have disappeared. The mankind, in the modern conditions of development of technology and equipment, having mass destruction weapons, is now on the verge of self-annihilation. And it can happen, unless the messages of the Supreme Mind, Absolute Spirit, the laws of the Supreme Morality are followed.

In their contents, these laws are simple and genial. The Bible says: "…You shall love the Lord your God with all your heart, with all your soul, and with all your mind. This is the first and great commandment. And the second is like it: 'You shall love your neighbor as yourself.' On these two commandments hang all the law and the prophets" [7, p. 32. Gospel of Matthew]. The meaning of the first commandment is for the people as singularities – fractional spirits, manifestations of universality – God – to be directed to perfection of the Absolute Spirit, their essence, as love is aspiration for perfection. The second commandment says that all people are derivatives from God, equivalent rays, particles of the universal – Absolute Spirit, therefore to love your neighbour means to love the Supreme Being. And these commandments result in all the rest, requiring humanization of community and unification of fractional spirits in development of society and economy, ecology, harmonization of relations between people, man, mankind and God.

However, the world religions and mankind do not fully contribute to consolidation of the laws of the Supreme Morality on the earth. There is opposition between the world religions for dominion and assertion of their traditions and rules, ways of regulating relations between believers and their organizations. Opposition between religious organizations as representatives of different confessions usually leads to conflicts, wars, self-annihilation of the mankind. Therefore the world religions shall aspire for ongoing dialogue for finding the common fundamentals and moral, panhuman values in unification of fractional souls and cognition of their immortal essence, meaning of life as a part of universality – the One God.

Another problem of humanization of the community is opposition between religious and public organizations and the state. Religion allegedly requires complete submission of the man's will to God, limiting his freedom. With regards to it, G, Hegel said the following: "the religion requires refusal from will; the principle of the secular state sees the foundation in it; therefore, if the religious principles are asserted, then the governments can not but resort to violence, with the help of which they either oust the opposing religion or consider its adherents as a party" [8, p.405]. Here the problem is first of all in the way of thinking of the opposing parties' representatives. Incomprehension of the essence of the sacred scriptures, laws of the Supreme Morality is one of the main reasons of discord between them. Thus, stand-alone, fractional, singular existence of the man is not yet a condition of his freedom, a manifestation of his true will, as he is detached from the original substance. Thus the man becomes a potential evil, a reason of chaos, spontaneous actions bringing in negative consequences. And the knowledge of his essence, universality and observance of the sacred scriptures' requirements, laws of the Supreme Morality witness not the loss of the man's own will and freedom but, on the contrary, the acquisition of his true self and freedom of spirit through the Absolute Spirit. With regards to it, the Buddha's texts remark: "Freedom for the man is more important than dominion over worlds, more important than command of the earth; freedom of the man is ascension to heaven and secret joy of his learnedness, wisdom, enlightenment" [5, p.18]. Overcoming his singularity and exposure to universality, God is the true way and manifestation of will, acquisition of freedom by the man through elevation over the material aspect of life. "Currently we see, - emphasized G. Hegel, - as the principle of freedom is being consolidated in the world, especially in the sphere of the state structure. These principles are correct; however, taken formally, they become preconceptions, as cognition here has not yet reached the deepest foundation, where it is only possible to reconcile with the substantial as it is" [8, p.406].

Certainly, incomprehension and literal treatment of some messages from the sacred books and extremities in actions by representatives of religious organizations intensify controversies between the latter and the public, state institutions. Some religious organizations use periphrastic commandments for seeking lucre, for enrichment of their heads. "Allah has revealed the best announcement, - says the Koran, - a book conformable in its various parts, repeating..." [3, p.867]. They, quoting the specially selected, periphrastic texts from the Bible, instill fear in believers, thus achieving submission to the heads of religions organizations and reach their mercenary causes, which contradicts the intent of the most sacred book. For instance, some sordid churchmen, quoting Jesus, cite the following lines: "…if you want to be perfect, go, sell your possessions and give to the poor, and you will have treasure in heaven. Then come, follow Me" [7, p.27. Gospel of Matthew]. The believers give all material values to the churchmen who promise to give them to the poor. However, this is the way the leaders of religious organizations enrich themselves, casting the true believers, simple-minded people, into poverty, mutilating their destinies. It should be mentioned here that the literal text of Jesus quoted above means, in fact, the predominance of moral deeds value over material benefits. Thus, the religion should be adapted to the realia of the people's worldly life, preserving the essence of the sacred scriptures, not the letter, form of procedures, which can contradict the true contents, denying the essence of the divine thought. And this discrepancy in the actions of religious organizations leads to discord in the attitude to the belief in God and to plenty of negative consequences in development of community and economy.

The time has come for integrating the efforts of science and religion in the cause of humanization of community and state and socialization of economy, which would serve to unification of the mankind in cognizing the truth of universality – God, for choosing the straight, happy and just way of development.

For humanization of community and socialization of economy, for choice of the highly moral way of development, meeting the requirements of the sacred scriptures, the following is necessary:

- to aim efforts of the world religions at the search of the common groundwork for joint action in unification of the mankind for cognition of its common substance – God, implementation of the laws of the Supreme Being, Supreme Morality, directed to ensuring peace on the earth and triumph of social justice;
- to discover the essence of the periphrastic texts from the sacred scriptures together with the science, to eliminate controversies between the religion and the secular society;
- to consolidate the laws of the Supreme Morality as the requirements of the Absolute Spirit, the criteria in determining the contents of the Constitution, regulations of development of community, state, economy and mankind as a whole;
- to form the science-based thinking taking into account the requirements of the Supreme Morality and the need for interconnections of the singular, particular and universal – the modern man, mankind and God;
- to ensure the parity connection of the science, education, upbringing and religion for discovering the spirituality of the man and mankind in humanization of community and socialization of economy.

While carrying out the above-mentioned events, mutual understanding and interaction of the state, community and religion organizations are needed.

Determining the laws of the Supreme Morality as universality conditioning the contents of the laws of development of community, economy, state does not deny the structure of the social-economic formation, as the latter considers and restricts itself within the material world. And within the material world the religion is considered in terms of superstructure and, in particular, ideology, generated by the people not by the universality – Absolute Spirit. Therefore the religion should take into account the processes of material environment and requirements of universality – integrity of the objective-subjective world for serving to harmonization of relations of the singular, particular and universal – the man, mankind and God.

The texts of the sacred scriptures are aimed not only at harmonization of relations in community but also at formation of social justice in economy. For instance, the Bible contains the lines reminding of honesty in trade: “You must have accurate and honest weights and measures, so that you may live long in the land the Lord your God is giving you. For the Lord your God detests anyone who does these things, anyone who deals dishonestly” [7, p. 227. Deuteronomy]. Another text mentions just attitude to hired men: “Do not take advantage of a hired man who is poor and needy, whether he is a brother Israelite or an alien living in one of your towns. Pay him his wages… otherwise… you will be guilty of sin” [7, p. 226]. Furthermore, there are rules of humanistic and fair nature on pledge, ban of usury, and social aid, charity: “Do not take a pair of millstones – not even the upper one – as security for a debt, because that would be taking a man's livelihood as security… If the man is poor… return his pledge to him… Then he will thank you, and it will be regarded as a righteous act in the sight of the Lord your God” [7, p. 226. Deuteronomy]. “If one of your countrymen becomes poor and is unable to support himself among you, help him as you would an alien or a temporary resident, so he can continue to live among you. Do not take interest of any kind from him, but fear your God… You must not lend him money at interest or sell him food at a profit” [7, p.145. Leviticus]. “One man gives freely, yet gains even more; another withholds unduly, but comes to poverty. A generous man will prosper; he who refreshes others will himself be refreshed… A good man obtains favor from the Lord, but the Lord condemns a crafty man” [7, p. 644-645].

Instructions approximately the same in the contents are met in the text of the Koran: “And whatever you lay out as usury, so that it may increase in the property of men, it shall not increase with Allah; and whatever you give in charity, desiring Allah's pleasure – it is these persons that shall get manifold” [3, p. 759].

We should quote here the extracts of the last sermon of Mohammed the Prophet which can be seen in all Muslim mosques of the world: “… regard the life and property of every… as a sacred trust… regard the life and property of every Muslim as a sacred trust. Return the goods entrusted to you to their rightful owners. Treat others justly so that no one would be unjust to you… You will neither inflict nor suffer inequity… an Arab has no superiority over a non-Arab nor a non-Arab has any superiority over an Arab; also a white has no superiority over a black nor a black has any superiority over white except by piety and good action…” [9, p. 295].

Thus, if we analyze the texts from the sacred scriptures, being the contents of the religion, there are clear principles of the public business expressing the social justice, and vehicles of unifying the mankind for elevating it to the level of perfection – priority spiritual development.

# CHAPTER 4. MODELS OF HOMO ECONOMICUS

If the essence of the man is determined, his meaning as a business entity can also be understood and discovered. Therefore some attention was devoted to determining the essence of the man, based on non-traditional approaches, as the abundance of materialistic and traditional provisions have not contributed to full exposure of the problem.

The man, for fulfillment of his essence, should support his life, which implies self-cognition and cognition of the environment, finding means of living, carrying out purposeful activities.

The man's essence in the material world is fulfilled through labour. In the economic literature, there are different definitions of labour: "labour as a conscious purposeful activity" [1, p.16]; "labour as a certain type of costs " [1, p.17]; labour is "any mental and physical effort made partially or wholly with the purpose of achieving a result, apart from satisfaction gained directly from the work performed" [10, p.124]; "labour is a process characterized by consumption of the man's time and energy, aimed at transformation of natural resources into material, social, intellectual, aesthetic and spiritual benefits" [11, p.131].

Without going into particulars of the difference between the above-mentioned definitions, it can be noted that in the generalized form labour is a means of fulfillment of the man's essence, as physical, intellectual and spiritual activity of the man are exercised through it. This combination of the man's activity is aimed at creation of items, subjects of labour, production of goods, and improvement of life environment. This activity of the man belongs to its business or economic form.

It is commonly supposed that labour made the man. However, without denying the meaning of labour in formation of the man, we should emphasize the influence of the primary role of the Information universal field on the man's activity program. It would be appropriate to quote some considerations on the matter by M.N. Chepurin writing that "it has been put as an axiom for a long time that labour as a conscious purposeful activity extracted the man from the animal world, dowered him with consciousness and determined the public nature of his life. However, it may be just a theorem requiring proof" [1, p.16].

To fulfill himself, the man should work [7, p.126]. And he appears as an agent performing activity in the form of business. Therefore the man is considered as a business entity, as he is the master of determination and choice of the purposeful activity, the type of labour in supporting his life in the material world and, indirectly, and maybe directly, implementing the program of the Information universal field.

The man as a spiritual thinking creature, performing his business activity, should seek to adequately perceive the life environment surrounding him. With the extension of the public production scope, business relations are getting complicated, certain economic laws are appearing, being the basis for manifestation of elemental forces which predetermine the tendencies of positive and negative development of the economy.

At the initial stage of community development the man was to a lesser extent and very obscurely aware of himself as of a spiritual individual. His self-consciousness was at the level of the communal-egoistic thinking within the established primitive relations.

At the early stage the development of human thinking corresponded to the relations of communal business, to the level of the instruments of labour used, limited framework of primitive production. People owned primitive instruments of labour freely, and their life activity was governed by the traditions of the community, which were conditioned by the life environment. This characteristic refers to the first model of the homo economicus in the conditions of communal development at the dawn of the mankind becoming.

The model of the homo economicus should be treated as a combination of characteristics of conceptual (quality) meaning, predetermined by the conditions of labour, business relations, traditions of a particular stage of the community development. The first model characterizes the man as an integral component of the community, where individuality is reduced to physiological needs, and thinking and self-consciousness – to indivisibleness from integrity in the environment of low level of labour instruments development, corresponding to the scope of communal production.

The communal way of survival conditioned the limitation of the man's egoism, bringing him under traditions, rules of joint business activity, observance of hierarchical relations within the community. It was predetermined by the dominance of initial and basic relations of the communal property.

Appearance of private property changed the relations between people based on the level of labour intstruments development and extending public production scope. People with more advanced instruments of labour could support their own living and use others as instruments of labour. This change in the conditions of the people's life predetermined absolute dominion of some people over others, which formed polar ways of thinking: that of a master and that of a slave. Private property generated the vehicle of universal violence by the minority over the majority in the form of the state and division of the community into classes: possessing and non-possessing. Labour instruments development conditioned the change in the contents of relations between opposing parties in the community. More developed economic relations facilitated reduction of transactional costs, increase of labour productivity, growth of wealth of possessors and the state.

Development of production means and appearance of private property conditioned the existence of the second type of the homo economicus model, which had a qualitative difference in the contents from the previous one. Only possessors can be referred to the second type of the homo economicus in the epoch of the slave-owning system, as slaves were labour instruments for masters. Certainly, some disputes with opponents may arise here – with regards to the definition of the model of the homo economicus – as they can say that the conditions for this emerge since the point of economic freedom of the man of labour. And these conditions are characteristic of the capitalism epoch. However, our argument lies in the fact that business is typical of the slave-owning system as well, and free activity is performed by the master of the situation, possessor, and the slave, being a labour instrument, does not appear to be an economically free person. Therefore in the second model of the homo economicus the possessor is characterized as the subject in question. It is the possessor in the conditions of the slave-owning system who is an economically free man, and his major business activity predetermines implementation of economic processes through using a specific instrument or means of labour – a slave.

In this model the possessor is determined as a complete egoist, thinking of his own person, absolute power, strengthening his positions mainly due to enrichment by economic exploitation of slaves and rescue of property from weaker competitors.

The characteristic as an egoist implies irrationality of behaviour of this model of the man in the situation at hand. The irrationality expresses increase of wealth by any ways and means, and costs become secondary. This approach results from the possibility to compensate for expenses due to unrequited exploitation of slaves, expropriation, robbery and seizure of other men's property. At the same time increase of income due to exchange of goods is not denied either.

In the study materials it is common to consider the models of the homo economicus from the period of the capitalism appearance, where free competition and market balance reign [1, p.20]. However, it would be correct to formulate the model of the homo economicus since the epoch of emerging business activity in primitive communities. It lets us see evolutionary changes in the characteristic of the contents of the homo economicus model depending on the change of types of business, production or social-economic formations.

Appearance of the third model of the homo economicus is destinated by the conditions of the feudal system development, where new possessors of their own labour emerge: economically free craftsmen and merchants. These possessors of their own labour outcome are the subject of characterizing the contents of the third model of the homo economicus, as the feudal land-owner is almost identical to the slave-owner, with a slight difference, and the half-enslaved bond does not yet appear to be a full-value economically free person, as he is mostly bound by the non-economic dependence on the land-owner.

Whereas the definition of the contents of the slave-owner and feudal lord characterizes the second model of the homo economicus, the third model should include the combination of the basic features of the economically free man as the possessor of his own labour – the craftsman and the merchant. The third model of the homo economicus played a revolutionary role in accelerating the process of social-economic development, extending the scope of trading space, increase of the volume of commodity exchange and labour instruments. It was craftsmen and merchants who brought the mankind to the capitalism epoch due to their multiplicity and ongoing improvement of production means, activation of commodity-money relationships and extension of the market.

This model of the homo economicus is characterized by the fact that he targets at rationalization of his own costs and increase of income due to the difference between the earnings for the goods produced and sold and expenses, through market operations.

The capitalist should belong to the fourth model of the homo economical, who is different from the hired worker, representative of the fifth model. In the capitalism epoch, the private possessor of production means and the hired worker appear to be opposing entities connected by the single process of public production. The fourth model of the homo economicus is characterized by the fact that the capitalist, being the master of the situation, determines the form of labour activity organization, its direction, volume of production. He is not a complete egoist as he should not only take care of his own profit but also distribute a part of the profit to hired workers based on the reason of the objective necessity. Without hired workers, the capitalist will not be able to ensure functioning of the firm, organization, will not gain profit. Therefore objective conditions of the capitalism breed the rational man, thinking about the conditions of reproduction of the organization, gaining partial benefit and ensuring reproduction of the firm and labour force. And the hired man, being the representative of the fifth model of the homo economicus, is rational within the salary he receives, aiming at unification of forces of the hired workers in the cause of improving their material situation, creating conditions for cultural, spiritual development. Relations between capitalists and hired workers are continuously developing through contradictions conditioned by the level of public production.

In the modern civilized states the creation of conditions for cultural and spiritual development at the end of 80-s of the 20th century predetermined appearance of the sixth model of the homo economicus. This model includes people with different social statuses: hired workers, private possessors of production means, managers as hired workers and possessors, labourers and at the same time owners of a certain shareholding in the organization, etc.

The conditions in the mixed economy and especially in the socially oriented market economy as a certain stage of appearance of a new level of development destinate formation of the personality with an active living position, seeking not only to know of their profession but also to cognize the world around, the universe, penetrated with humanism, taking care of both the near ones and the community, mankind. The man is interested not only in the material but also, predominantly, spiritual world, as spirituality removes all obstacles separating people, makes them similar to the Supreme Mind [8, p.206-207].

We have considered 6 models of the homo economicus which are the results of the mankind's evolutionary development, of public business. In the systematized world, the evolution of the homo economicus model can be seen in Chart 1.

Some editions suggest a model of the homo economicus formed in the environment of the so-called socialism [1, p.22]. However, this model formed in the conditions of dominance of the administrative-command system where economic stimuli were reduced to the minimum and did not have a significant role. Non-economic coercion of working people and ideological dumbing-down of the man were the levers of economy development.

Therefore this type can be referred to the characteristic of the slave at the same time the declaratively free person, having a guarantee for a "piece of bread" from the state, if he does not object and observes the rules of the game of the administrative-command system. Thus, it would be inappropriate to single him out as a full-value variety of the homo economicus. And high-ranking officials in this system could be referred to the characteristic of the feudal lord and capitalist.

Chart 1.- Evolutionary models of the homo economicus

| № | General characteristics | Economic interests and conditions | Types of public production or social-economic formations |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 1. | The man's individuality is predetermined by the communal tradition. The meaning of the 1st model of the homo economicus is in joint acquisition of means of living and survival and direct submission to the communal traditions and leader. | Satisfaction of individual physiologic needs. Primitive labour instruments, scarce food and cave conditions of life. The form of property is communal. | Primitive communal system. |
| 2 | In the 2nd model of the homo economicus the slave is excluded. Only the slave-owner is an economically free man, master of the situation, regulating economic processes within his competence and territory. The slave-owner seeks to increase income at the expense of non-economic exploitation, rescue of other men's lands.<br><br>The feudal lord also belongs to the 2nd model of the homo economicus. | Absolute egoism in satisfaction of "limitless" economic needs, being a consequence of absolute power. There are specific labour instruments – slaves. Private possession of production means is dominating. Competition between slave-owners for territories. Expanding trade contacts.<br><br>Absolute egoism. The bond, though differing from the slave to some extent, is basically dependant on the land owner, and in these circumstances non-economic methods of coercion of the bond to work are mainly dominating. | Slave-owning system.<br><br>Feudal system. |
| 3 | The 3rd model of the homo economicus embraces free craftsmen and merchants interested at maximization of income due to increasing their own labour productivity and reducing costs on production and trade to the minimum. | Complete freedom of craftsmen, growing number of merchants results in development of production means and extension of the market. | Feudal system. |
| 4 | The 4th model of the homo economicus is the capitalist. He is the private possessor of production means, and his egoism is manifested within maximization of profit, mainly arranges work within bills and laws issued by the state. | The capitalist is characterized by non-complete egoism, as revenue is divided into profit and labour compensation fund for hired workers. Relations between economic entities are forming on the base of market laws, in the environment of private property dominance. | Capitalism – Market economy:<br>a) Traditional economy;<br>b) Industrial economy; |

| | | | |
|---|---|---|---|
| 5 | The 5th model of the homo economicus includes the hired worker having a guarantee from the state of his legal freedom and right for labbour and life. He does not have production means, therefore he should apply for work and work for the capitalist. Hired workers are rational within their salary, basically aim at cooperation for reaching their goals – increase of salary and compensation of work force total value. | The goal of the capitalist is maximization of profit, and that of the hired worker – aspiration for compensation of work force total value.<br>These opposing goals of the subjects of economic relationship are resolved through consensus, or conflicts, strikes of workers. | c) Mixed economy: Postindustrial economy;<br>Socially oriented market economy |
| 6 | The 6th model of the homo economicus embraces businessmen, entrepreneurs, managers, creative hired workers and highly qualified labourers, art and culture freelancers, etc. People of this model are inclined to spiritual development, looking for the sense of life, cognition of the world around; they are characterized by high awareness, humanism; their rationality is developed in terms of satisfying individual needs, raising the level of development of professional skills, overall culture, and spirituality. | Economic behaviour of the man is conditioned by the high level of development of public business on the basis of associative, private, mixed property and socially oriented market vehicle. The major motivation of this model is not economic interests but self-actualization in the community, creative activity, and humanistic direction. | Social economy |

Further to the topic, we would like to add that there are different viewpoints on the contents of the homo economicus. Some researches oppose the homo economicus models to the social model, the man of organization [12, p.90-96]. Thus, for instance, S. Surkov reduces the contents of the homo economicus to economic stimuli [12, p.91]. Thereafter he puts forward "the homo economicus behaviour models" [12, p.93], including in the contents, but for the economic stimuli, corporate spirit, work location, social solidarity. Nevertheless, the proposed elements of the characteristic of "the man of organization" contents are components of the contents of the homo economicus, therefore the "man of organization" as a new concept proposed by S. Surkov does not have research value. S. Surkov intends to include the research of the "social man" in the economic science, as opposed to the "economic man". He includes the following in the contents of the "social man" characteristics: "economic stimuli, social role, aspiration for self-actualization, realization of goals importance, realization of achievements value" [12, p.96]. This proposed characteristic appears to be a component of the modern model of the economic man. It can also be specified here that the modern homo economicus is, first of all, social, without which there is no personality, humanistic characteristic of the creative individual. Thus, would there be any sense in the proposal to use a special category of the “social man” in the economic science, given that there is the homo economicus model? A decisively negative answer would be suitable here.

Moreover, the proposal of the above-mentioned author to classify the individual and to define the model of the “asocial man” is not of crucial importance, as these people do not belong to the objects and subject of the research of fundamental economic science. The asocial man is not the economic man any more, so this model should mainly be the subject of research of sociology, psychology or even physiology.

Therefore the evolution of the man’s development as a business entity can be detected by the changing and enhancing economic models. This process is conditioned by the development of communal business, improvement of production means, economic relations, social-economic formations.

## CHAPTER 5. DETERMINATION OF MONETARY EQUIVALENT OF MAN'S LIFE IN MODERN CONDITIONS

The problem of determining the value of the man's life is getting more and more burning in developing countries, where the degree of exploitation of hired workers is quite high, going off scale to 200-500 per cent and more, and their life is virtually unprotected. Therefore the possessor looks at the hired worker as at an instrument which should be exploited to the maximum and put on the scrapheap with depreciation. There are multiple examples of it, both within the CIS and Kazakhstan. But the history shows that such a psychology of possessors, resulting from the traditional rules of the game within the scope of the state, leads to stagnation and antagonism in development of economy and community. Hired workers are the majority of the country's population, and they are masters of innovation, economic and production processes. Thus, in Kazakhstan, the state should legally fix the procedure of determining the man's life value, to change the attitude of possessors, monopolists and firms to the hired worker and so direct the development of economy to the social and innovative orientation. The competitive ability of the country and firms, the prosperity of community will depend on it, and the status of the worker will rise.

It should be borne in mind that the man is the goal and initial, basic element, or the core of the economic system and public business. Therefore the evaluation of his life in monetary terms is needed as an essential element, especially if the mankind is developing in the environment of the market and social orientation of the economy, where relations between the possessor and the hired worker, and the state, should be harmonized. This approach will facilitate a qualitative transition to the new level of economy and community development. The confirmation to it can be found in highly developed countries: Japan, Sweden, Finland, the USA and others. Thus, for instance, the economic equivalent of the average man in the USA in 2005 was 2.63 million dollars, in Sweden – 2.48 million dollars, in the UK – 2.32 million dollars. Upon the whole, in economically developed countries the evaluation of the man's life ranges from1 1 to 9 million dollars, and actual payouts to families of casualties account for

0.5 to 100 million dollars per casualty [1]. This evaluation of the man's life will make any possessor, entrepreneur, state official think, first of all, about the security of their hired worker or customer for whom they should be responsible.

And what is the situation in Russia and Kazakhstan with regards to the economic equivalent of the average man's life? The practice of life shows that the lives of the Russians and the Kazakhs are evaluated as much cheaper; it can be said that their lives' value is artificially marked down, as the policy is aimed at protection of interests of possessors and entrepreneurs, whereas it grossly violates the rights of hired workers, citizens of the country with the same, equal rights.

Resorting to the data from the practice, insurers note that "in average a human life in Russia is evaluated approximately as 3 million rubles (or 107.2 thousand US dollars). The data of the survey have shown that the average amount of compensation depends on the respondent's belonging to a certain property group. Whereas in the lower property groups the amount of the compensation is at the level of 2.6-2.7 million rubles, in the upper property group the figure is 4.25 million rubles. By now, only the payouts to the relatives of the casualties in "Ulianovskaya" mine (3.2 million rubles) have met these requirements" [1].

In Kazakhstan, there is also a specific example where the women whose husbands died on September 20, 2006, during the explosion in the mine named after Lenin in the city of Temirtau, filed lawsuits for moral damage against JSC Mittal Steel Temirtau, evaluating their losses as 7 million tenge per each. But all families of the casualties received compensations in the amount of 10 annual salaries. The executives of JSC Mittal Steel Temirtau claim that they paid 2.8 million tenge (or 608.7 thousand Russian rubles) for buying lodgings. In addition, all loans taken by the dead miners were closed, and studies of their children-students and those who wished to get an education were paid for. Therefore the company does not intend to increase the amount of the compensations. However, the aggrieved families of the workers believe that the compensations they received do not correspond to the extent of the moral damage they incurred [2]. This doubt in evaluation of life of

Kazakhstan's and Russia's citizens witnesses the lack of the scientific methodology for determining this phenomenon.

In the mass media, they write: "At present there is no consistent method for calculation of the monetary equivalent of the man's life in Russia. In each case, the insurance amount is calculated individually, and even if the cases are similar, payouts to the relatives of the casualties differ a lot. The sociologic research with the view of determining the economic equivalent of the man's life value in Russia was made by the experts of "Rosgosstrakh". The population survey showed that almost 90% of the country's residents think that the amounts now paid by the authorities to the casualties of catastrophes are insufficient. But the amount they think acceptable is over ten times lower than that payable in the USA in similar cases" [1].

The monetary evaluation of the citizens' life is made by the insurers mainly on the basis of the amount of their salary and income gained by the victim of the industrial accident or accident through the fault of service providers for a particular period, for instance, 10-30 years. They also take into account the amount of the life insurance of the customer who had found themselves in a fatal situation. And the amounts of the compensations in the examples of Western countries quoted above also differ on this base.

With regards to it, the Russian author S. Guriev writes: "the value of life is equal to the amount of the "human capital" – how much added value this man produces over his entire life", and as the second component in determination of life value, he proposes the average duration of labour activity, which is equal to about 40 years [3]. Furthermore, trying to find the correct option, he emphasizes that "an attempt to evaluate the Russian man's life can be made by extrapolating the American data. The analysis shows that when the incomes is increased X times, the value of life is increased only as multiplied by the square root from X. Therefore the value of the Russian man's life is about 3.5 times (square root from the ratio of the GDP per capita in Russia and in the USA) lower than the value of the American's life" [3].

It should be mentioned that S. Guriev's viewpoint at determination of the man's life value, where using the figure of the added value per capita, fully coincides with our own solution. However, as for the second component, we propose to take not the average duration of labour activity, which is equal to about 40 years, but the average lifespan of the country's citizens (60-65 years, depending on the national life standard). The evaluation should be made not only on the base of the man's contribution to the national economy but on the base of his entire value over the average lifespan of the country's citizens based on the GDP per capita, as the latter figure also takes into account the share of everyone in the common outcome. Thus, it would be correct to use these two figures in determining the man's life value.

Further, the monetary evaluation of the people's life should not be based on the average value of the salary, as its differentiated amounts seem to be discrimination of significance of each country's citizen's life, while the states declares their equality and equal right for life. The calculation of the life value (S) should be based on the figure of the GDP per capita ($Y^*$) and the average lifespan of the country's citizens (R). And then it will be determined as the product of the GDP per capita ($Y^*$) times the average lifespan of the citizen (R):

$$S = Y^* \bullet R. \tag{1}$$

More prosperous citizens can insure their lives for a bigger amount than the value guaranteed by the state by law, and the compensation will be payable by the direct parties in fault of the tragedy and insurance companies. If the figure of the GDP per capita ($Y^*$) is equal to USD 6771.6 in Kazakhstan for the year 2007, and the average lifespan is 63 years, then the value of the Kazakhstan citizen's life should be determined as USD 6771.6 • 63 = USD 426610.8, or 52.3 million tenge [4, p. 427]. For Russians, this amount will be somewhat higher, over 10.5 million rubles. Based on the value of life, the state should build its entire social policy, esteeming the life of fellow citizens. Then, the evaluation of the injury, industrial accident (T)) should be based on the amount of the life value, with the adjustment based on the coefficient (k) of the extent of the damage to health, which should range from 1 to 0, and plus the disability allowance per year of life (p). The amount of the disability allowance should be based on the amount of the average salary and be at least one third of it. Then

$$T=S\bullet k+ p. \tag{2}$$

Comparing the figures of life value of Kazakhstan residents and those of Western countries, we will see a significant difference, as their GDP per capita is much higher, as well as their income, salary, and average lifespan.

Our opponents may contradict saying that the figure of the country's citizens' lifespan (R) should be reduced by the part already lived. On the one hand, it seems correct, but in this case they do not take into account the part of the value added by them, which should have been repaid to them in full, considering their share in the overall wealth of the country. The unlived life of the man's average lifespan counts only by the reason that he, having such a potential prescribed by the state, should have nurtured and fostered children for ensuring both reproduction of population and economy in the timing space. Therefore the compensation for losing a member of the family should be fully paid for the continuation of the kin, growth of population. It should be specially stressed that it is the growth of population and level of community and economy management that will determine the national competitive ability. It is proven by the rapid development of China.

Furthermore, we should state that the laws should be supplemented with the right for getting the equivalent of the life value of the victim of industrial accident or harmful services given only to the family members, not to the succeeding relative.

Therefore, knowing the science-based evaluation of life and injury, industrial accident, people should stand for their rights together with trade unions, deputies, attorneys, parties and international organizations representing interests of the man and of the country's citizens. The consistent methodology of determining the monetary equivalent of the man's life will make it possible, in the age of globalization, for socially oriented countries to take actual care of the man, creating civilized conditions of harmonious personal development and humanization of community.

## CHAPTER 6. MOTIVATION OF CREATIVE AND LABOUR ACTIVITY IN FORMATION OF COMPETITIVE MODEL OF ECONOMIC ENTITIES

The neo-classical thinkers understood salary as the cost of the hired worker's labour. And K. Marks determined the essence of salary by the amount of the work force cost. Salary has the following forms: time wage, price wage, accord wage, bonus wage, cash wage, in-kind wage, nominal wage, actual wage, etc. Time wage is compensation for labour worked for a certain period of time. Price wage, accord wage and bonus wage are varieties of time wage. The difference of the latter is in the fact that they have specifics expressed in labour compensation conditions. Thus, price and accord wages are compensation for the amount of goods or services produced during a period of time fixed in the agreement. Bonus wage is additional compensation for doing over the quota. Apart from cash wage, in-kind wages are used. Nominal wage is the amount of money received for the period worked, whereas its purchasing power is real wage.

Mainly, forming the amount of salary under the classical-trend theory (K. Marks's approach), they are based on the price (cost) of work force, but in practice the accent is made on demand and subjective evaluation of labour (the neoclassical approach). In the meantime, the initial lower value of the hired labour cost is determined by the amount of the minimum wage. The upper limit of salary is limited by the smallest part of the company revenue. The entire problem here lies in determining the exact value of salary which would serve as a motivational basis in labour activity. Practice of business activity has shown that in highly developed countries the salary amount for hired workers and state officials is formed under the influence of trade unions struggling for the rights of workers. Under their influence, the salary of hired workers grows up to 70% of the company revenue. Entrepreneurs oppose to the growth of salary, as it reduces the company profitability. Where is the golden middle then? It is revealed, according to the experience of highly developed countries, in the struggle between trade unions and entrepreneurs and in their cooperation in finding a compromise. In our country, this process is still poorly developed, and therefore its influence on formation of worthy salary of workers seems insignificant.

In Kazakhstan, there is a burning problem of determining the upper limit of salary for high-ranking state officials, top managers and leading specialists of large national companies, highly qualified staff in the areas of science, education, healthcare and others, as the transition to the new quality of the competitive economy depends on their labour.

In the real life, there have been such oddities as when the ex president of the national company “Kazakhtelecom” fixed his monthly salary in the amount of USD 365 thousand. It is obvious here that the top manager’s ambitions and self-esteem are high. This permissiveness bordering with absurdity will soon lead to bankruptcy for not only the national company but the entire country, if such executives are given free rein. Another extremity is starvation wages of scientists, teachers, doctors and common state officials.

Salary of high-ranking state officials, executives of large national companies should be linked to their contribution to increasing the gross domestic product (GDP) and growth of GDP per capita, i.e. it should result from the country’s achievements, not from the leftover principle.

According to my calculations, the upper limit of salary, including bonuses, for high-ranking state officials should not exceed the GDP per capita, which was equal to about USD 8000 in 2008. Any amount of their salary exceeding the GDP per capita should be confiscated as a tax. The value of the gross domestic product per capita should be the criterion of upper limits of salary of state officials, workers of the government sector.

The model of determining the salary for the above-mentioned category of workers can be drawn up on the basis of comparing the GDP per capita and the wages of state officials, scientists, teachers, doctors and others, on the example of highly developed countries: Finland, the USA, Japan, etc. Then the ratio should be transferred to the GDP per capita in Kazakhstan, and we will get the amounts appropriate for our reality.

In this situation, taking into account the above-mentioned approach, the initial average amount of the salary of a highly qualified worker should be about USD 4000, which considers all market prices for food and non-food products, services of education, healthcare, accommodation, etc. For instance, highly ranking officials can earn the salary in the range from this initial value to the amount of the GDP per capita for their highly efficient labour for the benefit of the country. It can be formulated into an economic-mathematical model as follows: $V=Y/2 \cdot k$, (3)

where V is the monthly salary, Y – the gross domestic product per capita, k – the coefficient making it possible to determine the final amount of the salary, based on the position, level and extent of qualification of the specialist, manager, within the upper limit of 2 and the lower limit above 0 value. Then, the twelve-stage grading of the basic salary amounts for the above-mentioned categories of workers should be introduced: from 1½ to 1/12 of the GDP per capita.

Introduction of this remuneration system will considerably change the motivation of labour in the areas of science and education, healthcare and state service. Thus, if a doctor of science will gain, on average, USD 4000, which is half the GDP per capita in 2008, the following lower-ranking academic degree holders should have the salary which is twice less. So, a candidate of science should earn, on average, USD 2000, and teachers and masters – from USD 500 to 1000. This approach to motivation to creative work will stimulate aspiration for professional growth and achievement of high results. For comparison, in can be reminded that US masters earn USD 3000 to 5000 a month for their work, professors, doctors of science – USD 12000-15000, and department chairmen, doctors of science – USD 15000-25000 a month, and their public image is really high, which can not be said about our colleagues in the republic. It should also be mentioned that a US chancellor’s salary is higher than, for instance, the salary of this state’s minister of defence. However, to have such salaries our scientists need the compatibility of the national economy development level to the existing parameters of its funcioning in the USA.

With regards to it, the former chancellor of Kazakh National University named after Al-Farabi T. Kozhamkulov has expressed the following opinion: “We have introduced a multistage form of education – a Bachelor’s program, a Master’s program, a PhD program, as well as a credit technology of education which allows students to choose subjects and lecturers on their own. I.e. in this case we are already working according to the Western standards. But the system is not tuned up yet. The remuneration of professors and lecturers, its nature are still on the level of the previous century, whereas the credit technology assumes that the professor sought after by the students should earn much more...” [1].

At present it is possible for the state to pay for work of scientists with the amounts quoted above, as in our country there are no more than 2985 doctors of science and no more than 13513 candidates of science. We would like to note that in the state service sector there are about 733 officials with academic degrees [2, p. 74], in state research organizations – 950 doctors of science and 2800 candidates of science [3]. Can it be that the state is unable to create conditions for full-value work of such a small number of scientists on whom the destiny of the innovative breakthrough of the national economy will depend? By the way, the practice proves that in some areas private organizations already offer salaries to specialists in intellectual labour at the rate of 250000 to 300000 tenge (about USD 2000-2350), and to common specialists – 100000-200000 tenge (USD 781-1562.5) [4, p.8]. It should also be mentioned that the state has cash available; there is a proof of unrealized and leftover amounts being 70-80 billion tenge at the end of the year. Certainly, these blunders of state officials and their inaction are like an economic crime. It is a separate topic for discussion.

Organization of labour in higher education institutions where a great number of scientists is concentrated has it own specifics which should be taken into account in the process of reinforcing motivation and increasing efficiency of scientific and teaching work. Paying the salary according to the scheme above, the scientifically grounded teaching work load should be considered. At present this load is more than three-five times higher than it should be, and an essential part is dropping out of the remuneration system, which will undoubtedly reduce the effect. The transfer to the credit technology and implementation of quality management system in higher education facilities in the Kazakh version, where the formal matter is observed, without economic and organizational, work motivation, leads to the situation where the level of the graduates does not increase – vice versa, the crisis state is becoming still more aggravated. Regrettably, the quality level of the graduates is dramatically reducing, despite the positive statistics. This tendency is typical of all the structures in the education and science areas. About 60% of the graduates of higher education institutions and representatives of science are not up to the level of their diplomas. It should be noted that if the Bachelor's, Master's and PhD's programs are introduced without taking into account all the motivational, organizational and labour components, upon graduation we will get a great number of false masters and doctors of science. This tendency is already obvious. With regards to it, the former chairman of the Committee for Supervision and Assessment in Education and Science under the Ministry of Education and Science of the Republic of Kazkhstan B. Abdrasilov, answering the question: "How many thesis works fail to pass the probation these days?", said: "Last year the rate of such assessment cases for awarding academic degrees and titles in the total quantity was 33%". After that he emphasized: "We should be critical to ourselves. In some areas our science is in the stage of stagnation now. A recent audit of the research system of our country made by a group of leading western scientists noticed the outdated material and technical equipment of research establishments and higher education institutions, poor financing of the science by the state and private business, ineffective system of research management" [5]. "In 2008 the volume of scientific research financing by the state funds, as compared to the year 2003, increased almost 3.5 times… However, upon the whole expenses on scientific research from the GDP still remain on the level of 0.13%... In the opinion of independent experts, if the expenses on scientific research from the GDP steadily fail to exceed 1% for five-seven years, the destruction of the scientific and technical potential of the country may be irreversible" [6, p.10]. Consequently the state plans to increase financing of science and education 25 times more than the currently exposed figures. “The program is scheduled for six years, and it will require about 200 billion tenge” [7]. The resulting question is as follows: how efficiently are these expenses realized?

Now a great work is done looking for efficient methods and ways of stimulating employees. The advance experience of the West and the East in effective management of science, economy, state and community is being adopted.

Efficiency and productivity of labour are tightly connected with the remuneration system. By now the optimal interconnection between the level of salary, efficiency and productivity has not been regulated yet [8, p. 165].

American researchers proposed an effective remuneration system as early as in 1988 [8, p. 164-167]. They write that “ the time has come to ensure close connection between the level of salary, productivity and efficiency… The share of variable and stable payouts should be adjusted and depend on the productivity and profitability… The remuneration system should be created so as to ensure unification, not dissociation of employees within the company, to stimulate cooperation, not conflicts between employees” [8, p.165]. These provisions could facilitate making a progressive system of salary calculation and payout [9, p. 97-101].

Functioning of the economic instrument aimed at reproduction of work force, ensuring development of the company and community, predetermines such a system of wages and bonuses which would encourage employees to do a certain job, taking into account the indicators of quality and volume, establishing a direct interdependence of the individual work outcome and the team work outcome. Thus, the following system of salary and bonuses calculation and payout is proposed, based on the objective necessity requirements. Organization of payroll should encourage effective performance and ensure reproduction of work force needs, considering the possibilities and potential of the developing economy. Let us take salary as V, derivative forms as $V_1$, $V_2$, $V_3$, $V_4$. $V_1$ is the minimum wage. It is equal to the lower limit of the work force cost. At present this value should be equal to the cost of physiological needs of three members of the hired worker’s family, as the community is targeting at extending reproduction. $V_2$ is the average wage determined as the average value between the minimum and the limiting, and it can be calculated with the following formula: $V_2 = \frac{V_1 + V_3}{2}$, (4)

where $V_3$ is the limiting wage. It is determined as the minimum wage multiplied by the coefficient bringing to the limiting value ($k_p$). $V_3 = V_1 \cdot k_p$. (5)

$V_3$ can also be determined by the following way: $V_3 = V_2 + \Delta_p$, where $\Delta_p$ – is the increment value from $V_2$ to $V_3$. (6)

$V_4$ is the maximum, or full, wage, which presents the amount of the limiting wage and additional bonus being a part of the surplus profit. Definition of the $V_4$ formula can be given as follows: $V_4 = V_3 + \Delta_m$, where $\Delta_m$ is the bonus being the a part of the surplus profit. (7)

Now let us consider methods of labour organization depending on the final results of the commodity circulation subjects' activity.

a) The method of labour organization on achieving the final results for the month: the hired workers should be given the average wage ($V_2$), and repetition of the targeted achievements for the quarter will make it possible to get the limiting value ($V_3$) for all the three months.

b) The method of labour organization on negative results: the hired workers are given the average wage ($V_2$), and $\Delta_p$ part, as the difference between $V_3$ and $V_2$, will be withheld at the end of the quarter for covering the targeted profit of the company.

c) The method of labour organization on exceeding the targets in commercial activity. At first the profit gained as the difference between the actual and the targeted value is divided into three parts, which are distributed as additional payments to the state budget, a part is left for the development needs of the company, and the third part is used in the form of the bonus, as additional payment for highly productive labour to the employees of the company. And it would be reasonable to distribute the profit, for encouraging the employees for performance over and above the intense target, based on the standards predetermined by the objective necessity requirements, equally among the team. We judge from the fact that, firstly, a part of the profit over target used as incentive will be insignificant as compared to the salary fund; secondly, the equal share of the bonus for each member of the team will strengthen encouragement of labour of low-paid and medium-paid categories of workers, which are the bulk of the team, for exceeding the target of the company upon the whole. This system of organizing the remuneration, considering the basic and additional (bonus) wages together, does not lead to leveling of evaluation of the company employees' labour activity.

The above-mentioned remuneration system can be conventionally called advanced. The advanced system of payroll and bonuses ensures consolidation of labour discipline in the team, interest of each employee in performance of the company plan, increase of labour productivity and effectiveness of the company commodity circulation.

We can not but also mention that entrepreneurship activity, which seems to be a variety of labour activity, should also be motivated. However, it is common knowledge that the major motivation of entrepreneurship activity is profit. But the excessive profit will have a negative impact on the community development, and the entrepreneur will be turned into a monster exploiting his own fellow countrymen, aggravating contradictions and conditioning antagonism, which is a destructive force and a self-annihilation factor. The practice of compensation for entrepreneurship activity in highly developed countries: Sweden, Norway, Finland shows that there should not be a big gap between the revenues of the upper layer of the population and the bulk.

In our opinion, a part of the profit meant for personal consumption per month should not exceed the annual figure of the GDP per capita. And the other part of the profit should be used for extensive and innovative development of the business. If the part of the profit meant for personal consumption exceeds the limit mentioned, it should be taxed at the rate of 80%. The other part of the profit, distributed for business development, should be stimulated by tax benefits. Then it will contribute to harmonization of community development, which is the main factor of stable development.

Thus, in the environment of social-market economy formation, we should proceed from the criterion of determining objectively upper limits of salary in increasing efficiency and motivation of labour for highly professional specialists, and then calculate the amounts of remuneration for lower categories of employees, making them compliant with the status and rank in the hierarchical system of the organization. In the meantime requirements of the economic law of demand and offer with regards to their labour should be taken into account, without forgetting about the existence of spirituality and morality categories. It should also be remembered, firstly, that the objectively upper limit of salary must be the figure of the annual GDP per capita, and the lower limit – the amount identical to the cost of physiological needs of three members of the hired worker's family, where the community targets at extensive reproduction. Secondly, narrowing the objective amounts of remuneration leads to reduction of consumer demand and scope of the goods and services market, thus influencing the limitation of the small and medium business and the national economy as a whole. Furthermore, the limit value of profit for personal remuneration of the entrepreneur per month must be the annual GDP per capita. And progressive taxation should be implemented, which will lead to harmonization of relations in the community and socialization of the economy.

# CHAPTER 7. DECENT LIFE CONDITIONS IN SOCIALLY ORIENTED MARKET ECONOMY

While forming the social orientation of the market economy, an important indicator of development is ensuring vital conditions of the country's citizens. Traditionally, this indicator includes minimum of subsistence, minimum wage, amounts of unemployment allowances and pensions, rate of employment, unemployment, housing, access to healthcare, education services and other social benefits.

Thus, for instance, in 2006, according to the annual report of the International Labour Office "Global tendencies in the sector of employment – 2007", the number of the unemployed worldwide remained at an unprecedentedly high level, being 195.2 million people, or 6.3 per cent of the total number of working-age population, despite the vigorous growth of economy. This figure of the unemployment rate has not actually changed since last year [1].

Experts of the International Labour Organization (ILO) – a specialized agency of the UN system, the purpose of which is realization of social justice principles, internationally acknowledged human rights and rights in the labour sector – also mention that just a few of 1.37 billion working poor people – those who work but live for less than USD 2 per day per person – have managed to get out of beggary [1]. The Director-General of the International Labour Office Juan Somavia especially emphasized: "The significant economic growth fixed during the recent five years has had just a slight influence on reduction of the number of workers and their families living below the poverty line, and the reduction of the number of the working poor has taken place in just a few countries. In addition, the economic growth has not made it possible to reduce global unemployment. And, most importantly, even in the conditions of the vigorous economic growth worldwide in 2007, there is still a grave concern with regards to the prospects of creating decent job opportunities and further reduction of the number of the working poor" [1].

For the last decade, the economic growth has led, to a greater extent, to labour productivity growth, and to a smaller extent – to employment growth. Labour productivity worldwide has increased by 26 per cent, and the number of the working people in the world has grown only by 16.6%. To restrain or to reduce the unemployment rate, the interconnection between economic growth and creation of job opportunities should be consolidate. Creation of decent and productive job opportunities, not merely job opportunities is a security of decrease in unemployment and reduction of the number of working families living in poverty. In its turn, it will make the prerequisites for future development and economic growth [1].

The growing volumes of the global economy, the increase of population from 6.6 to 8 billion people in the year 2030, exasperation of colossal load on the environment, need for ensuring stable development, accelerated implementation of new technologies, nature and climate changes, as well as social changes, complicate solution of rising problems, hinder timely response of the states and mankind to modern challenges in the epoch of globalization. Experts forecast that from 2005 to 2030 the volume of the global economy will grow more than two-fold, from USD 35 to 72 trillion. In the best-case scenario, it will have grown almost three-fold already by 2020 [2]. And here arises the question: will the international community be able, with such rates of labour productivity growth worldwide, to ensure decent life to the main producer-man, eliminate poverty at the global level? Unless the consciousness and thinking of possessors, high-ranking state and supra-state officials are changed, as well as “the rules of the game” in the relationship between possessors and hired workers, state officials and the latter in realization of social justice, humanization and socialization of economy, there will be no positive answer and result to the question above.

Inaccessibility of housing to the bulk of population of Kazakhstan and CIS countries, negligibly small amounts of unemployment and disability allowances and minimum wage and revenue gained by most of the workers, do not let the citizens live a decent life and think themselves to be accomplished people, as limitations of needs to the minimum result in slavish, marginal psychology, moral decadency to the animal-level instincts.

Thus, for instance, unemployment allowances based on the standards of the minimum of subsistence are vicious as they limit people in their aspiration for development. According to the explanatory provision of the Ministry of Labour and Social Protection of Population of the Republic of Kazakhstan, the minimum of subsistence is determined as the necessary minimum cash revenue per person, equal in the value to the cost of the minimum consumer basket. The minimum consumer basket is the minimum set of foods, goods and services needed for the man's life support in physical and monetary terms. It consists of the food basket and the fixed share of expenses on non-foods and chargeable services. The food basket is calculated by the authorized state statistics body according to the scientifically-based physiological norms of food consumption set by the authorized healthcare body. The food basket contains 43 items of foods: meat, fish, dairy, oil and fat, bread, fruit and vegetables, eggs, sugar, tea, spices, etc. The cost of the minimum food basket is determined by multiplication of minimum norms of food consumption for various gender, age and social-demographic groups of population by average prices registered in the representative facilities of the retail trade network. The share of expenses on the minimum necessary non-foods and services for calculation of the minimum of subsistence is set at the rate of 40% of the minimum consumer basket cost [3].

Chart 2 displays that within 2003-2008 the value of the minimum of subsistence in average per capita grew from 5128 to 12364 tenge, the average monthly nominal wage – from USD 155 to 503.

Further, in the conditions of the global economic crisis, the message by the head of the state emphasizes: "The government must guarantee that all obligations of the state on increasing social allowances and salary to the government sector workers will be preserved in full. As it was planned, in 2010 the salary of the government sector workers and scholarships will be increased by 25 per cent, and in 2011 – by another 30 per cent. The average amount of pensions will be increased by 25 per cent in 2010 and by 30 percent in 2011. In the meantime, by 2011 the amount of basic pension payments will grow by up to 50 per cent of the minimum of subsistence amount ” [4].

Chart 2. Indicators of living standard of the Republic of Kazakhstan’s population for 2003-2008 [3, p.52].

| Indicators (years) | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Average monthly nominal wage (USD) | 155 | 208 | 256 | 324 | 428 | 503 |
| Evaluation of population’s nominal cash revenue in average per capita per month (tenge) | 10533 | 12817 | 15787 | 19152 | 25226 | 30842 |
| Population’s average monthly minimum of subsistence (tenge) | 5128 | 5427 | 6014 | 8410 | 9653 | 12364 |
| Ratio of wage and salary income in population’s cash revenue (%) | 76 | 76 | 77 | 80 | 82 | 82 |

In the conditions of forming the socially oriented market economy, we should deviate from the standards and indicators characteristic of the earlier stage of capitalism, which was built on robbery, violence, exploitation of workers and deception. Minimal expenses on the man’s life, based on ensuring physiological reproduction, seem an archaism for the modern level of the Mankind development. The above-mentioned traditional approaches are already a brake in development for the countries aimed at and having all major prerequisites for transition to the level of the highly developed states. Therefore it is necessary to radically change the approaches to determination of ensuring the citizens’ decent life, which will be a stimulus for the bulk of population in progressive development and establishment of social economy. It would be appropriate to quote B. de Juvenel saying on the matter: “Experience shows that progress is restrained in the cases when inequality is inherited excessively, and when the scale of income has gaps in it. But it is also restrained when equality is achieved by coercive measures. Obviously, there is a distribution of consuming power optimal for the purposes of progress” [5, c.69].

The civilized state, if it thinks of itself as such, should determine not the minimum of subsistence but the parameters of subsistence level for the citizen’s normal life – subsistence standard.

We determine the man's subsistence standard by the following formula:

$P_n=(Y:k_1) \times k_2 = [GDP:(365\ days \times 24\ hours)] \times (6\ hours \times 30\ days)$, (8)

where $P_n$ is the man's subsistence standard, Y= GDP – gross domestic product per capita, $k_1$ – coefficient equal to the value of 365 days × 24 hours, $k_2$ = 6 hours × 30 days.

This method takes into account almost all the basic factors predetermining the man's subsistence standard per month; they can also be calculated per day. This method determines only the cost of the man's living standard, without costs for utilities, which should be borne by the state. Furthermore, the following categories should be introduced: social-economic standard of the man's development; spiritual-intellectual standard of the man's development; value of the man's life, which would become basic, used as a basis for determining the normal salary, pension, unemployment and disability allowance, etc.

The experience of developed countries displays that the most efficient and decent options are those proposed by the Japanese and by the French with regards to the amounts and duration of payment of unemployment allowances. For comparison, see these data for the period of the 80-s of the $20^{th}$ century below: the USA – 36% of the wage for 14 weeks; the UK – 28.5 pounds for 52 weeks; France – 40 francs a day in addition to 42% of the wage for 1 – 2.5 years, special allowances for 3 years [6, p. 433]. For Kazakhstan, the acceptable amount of the unemployment allowance would be, based on the number of dependents in the family, from 40 to 60% of the average salary nationwide for 12-18 months.

If the average salary nationwide for a particular year is denoted as $V^s$, coefficient of determining the unemployment allowance – k, equal to 0.4-0.6, based on the number of dependents in the family, and the amount of the unemployment allowance $V^b$, to $V^b = V^s \bullet k$. (9)

More human standards of unemployment allowances make it possible for the normal man not to crack up, overcome unsuccessful periods in his life and continue advancement of professional qualification and adaptation to the new realia of the challenge of modern conditions. Otherwise, according to the practice of numerous countries where there are no progressive anti-unemployment approaches, people more often than not gravitate to the bottom of the community, the number of drug addicts and criminal deeds increases, families are broken, and the state will have to spend a lot more on correcting and eliminating the consequences than on preventive measures – a decent amount of unemployment allowances.

The next urgent matter is the amount of the pension and time of taking the deserved rest. In the CIS countries, in particular, in Kazakhstan, these problems are still unregulated, and these indicators can not be compared with those of the highly developed countries. The domestic pensioners, excluding some categories which are a minority, when they take the deserved rest, automatically transfer to the category of the poor. This approach to the elderly witnesses that the state officials, the government, are far from understanding the national and global culture. Only that civilization is worth existence, which not only treats the elderly with respect but also really makes conditions for full-value life of the older generation. The neglect of the elderly is equal to self-annihilation of the culture, spirituality, while the latter is the essence of the Mankind development.

Further, let us mention that pensioners should receive the allowance in the amount of at least 65-80% of the average wage nationwide, or they should have complete social security upon reaching a certain age – 50 to 60 years, depending on the labour conditions. A lot of people in the CIS countries do not live as long as the age of retirement. Those who retire mainly do not live as long as at least ten years. After they take the deserved rest, it is desirable that pensioners should be involved in organizational or other works, as consultants or experts, in the public life on the voluntary basis or agreement basis, and in self-government of the micro district and community.

Another category of people treated unfairly is housewives. Their labour is not taken into account anywhere within the scope of the state. However, they render services on bringing up and fostering the human capital for ensuring extensive reproduction of population and, consequently, for the economy. Therefore the labour of housewives having two and more children should be paid for by the state. Then demographic problems in Kazakhstan will be solved at a swifter rate. In Russia, some steps in this direction have already been made, and there are some results characterizing the growth of population in the country.

“As of January 1, 2006, the Republic of Kazakhstan’s Law “On state allowances to families with children” came into effect, providing for payout of the following allowance:

- one-time state allowance due to giving birth to a child, paid since 2003 regardless of the family income in the amount of 15 monthly estimate indicators (hereinafter MEI). 4.3 billion tenge in the republican budget are meant for it;
- as of January 1, 2006, the allowance for children up to 18 years of age is effective; it is assigned and paid to the families with average income per capita lower than the food basket cost. The amount of the allowance for children is 1 MEI monthly per child (1030 tenge in 2006). 6.5 billion tenge in the state budget are meant for it. According to the forecasts of local executive authorities, in the current year this allowance will be paid to over 600 thousand children;
– as of July 1, 2006, the child care allowance is effective for children less than 1 year old. It is paid regardless of the income of the family. The amounts of the child care allowance will be differentiated, depending on the succession of the child’s birth, accounting for: the first child – 3 MEI; the second child – 3.5 MEI; the third child – 4 MEI; the fourth and further child – 4.5 MEI. All the families having children below one year of age as of July 1, 2006, are eligible for the allowance” [3].

There is also a burning matter of housing in Kazakhstan and Russia, CIS countries. A lot of citizens do not have their own flat, let alone their own house. In the housing market, the dynamics of prices is mainly high, though the period of the economic crisis has made some adjustments. It can be tracked in Chart 3, where, in particular, the prices in the housing market in the Republic of Kazakhstan in January 2010 grew 1.5 times in average, as compared to December 2005.

In January 2010, as compared to the previous month, the prices of sale of new housing increased by 0.6%, re-sale of well-furnished housing and its rent – by 0.1%, ill-provided – remained unchanged [7].

Chart 3. Prices in Republic of Kazakhstan's housing market in January 2010 (per cent; increase +, reduction -) [7]

| Item | January 2010 | | | |
|---|---|---|---|---|
| | price per sqm, tenge | to previous month | to December 2005 | to January 2009 |
| Sale of new housing | 138 594 | 0.6 | 48.8 | -5.5 |
| Re-sale of well-furnished housing | 100 933 | 0.1 | 65.3 | -4.9 |
| Re-sale of ill-provided housing | 59 143 | 0.0 | 110.4 | -4.3 |
| Well-furnished housing to rent | 814 | 0.1 | 57.1 | -3.1 |

Based on the data above, we can make a conclusion that the majority of the population are unable to buy or rent housing. Therefore the state should take urgent and radical measures to regulate the provision of the population with housing. In particular, it should build municipal flats, houses to rent at low, accessible rates, or free of charge for the disadvantaged or state servants, employees of education, healthcare and social sectors. And the mortgage vehicle can be used by those layers of the society which have the family income per month at the level of the GDP per capita. And the very procedure of mortgage crediting should be modernized, for popularization among the general public.

No doubt, development of the science, education, culture and healthcare sectors influences the state of the human capital, which is the major national wealth. However, the measures taken in the CIS countries and, in particular, in Kazakhstan, are just half-measures not bringing considerable results. To change the situation, the scientifically based labour standards should be introduced, because in those sectors the indicators exceed 2, 3 or more times the objectively limiting figure, which affects the results and brings a lot of negative consequences for the community. And the other side is motivation of labour. It should be borne in mind that there is no innovation without motivation of intellectual labour. Regrettably, high-ranking state officials forget about it. With regards to it, we have already proposed the methods orienting at determination of the indicator based on the GDP per capita as the objective basic for salary calculation.

Thus, ensuring decent life, labor conditions and retirement are a necessity in socialization of the market economy in the modern environment of globalization, where social justice should triumph as the only way to the full-fledged spiritual development of the Mankind. “The idea that in the production sector there is no place for justice, - remarks the German philosopher P. Kozlovski, - is incorrect: justice should be observed both in distribution and creation of the social product” [8, p. 286].

# CHAPTER 8. DEVELOPMENT OF HOUSEHOLD AS CONSUMPTION ENTITY IN CONDITIONS OF SOCIAL ORIENTATION OF GLOBALIZATION

In the economic literature and course books, there are scarce research materials on the problems of household development. It is probably connected with the fact that the household does not take direct part in the market relations and production of the bulk of the national wealth.

The household is different from companies and the state. The difference lies in the fact that it is, first of all, a consumption entity, whereas companies are business entities rendering services and producing goods, which is the basis of the gross domestic product of the national economy. Furthermore, the household differs from the state because it does not take direct part in creation of the gross domestic product, does not have a legal form in participation in market and legal deals, unlike business entities.

The household appears to be an informal entity uniting people by kinship or other signs for living together in the same flat, house, stand-alone venue (hostel). Usually, this living together is characteristic of families by kinship signs or of two people of the opposite or of the same sex.

Living together is based on satisfaction of cultural, spiritual, emotional and physiological needs, reproduction of the kin, creation of an economic union for happy cohabitation in the form of the initial social unit.

In economic terms, some researchers consider the household as "a sector of employment, in which the members of the family or the interfamily kindred cover by their labour the personal needs of the family (kindred) in the form of natural products and services" [1, p. 210]. Thus, the household is opposed here to market employment and state mobilization employment [1, p. 210].

Further, the Russian official documents give a definition to the household, which is the total of persons living in the same housing unit or a part of it, both connected and not connected by kinship relations, jointly providing themselves with food and anything necessary for life, i.e. fully or partially combining and spending their funds.

The household can consist of one person living on their own [2]. A similar definition of the household can be found in the methodological provisions on statistics of the Republic of Kazakhstan. They state that "the household is a group of people living together, combining (fully or partially) their income and property and jointly consuming certain kinds of goods and services, which mainly include housing and food. The household can consist of one person. The members of the household, as opposed to the family, may not have kinship relations" [3, p. 212].

The neoclassical thinkers sometimes share the viewpoint that the household should be identified with the personality of one person only. "Although the household consists of several persons – the husband, the wife, children, sometimes relatives and parents, having different needs, tastes and preferences, - the entire neoclassical theory identifies it with a single person," writes J.K. Galbraith [4, p. 5].

"The household, thus identified with a single person, so distributes its income between different kinds of expenses that in the limit satisfaction received from each kind of costs, would be approximately equal. As it has been remarked, it is the optimal level of pleasure, i.e. the neoclassical consumption balance. Here emerges an obvious problem of the one, - emphasizes J.K. Galbraith, - whose means of satisfaction are leveled to the limit, whoever is meant – the husband, the wife, the children, taking into account their age, or the relatives living in the family, if any. But the traditional theory does not give any answer to it. Obviously, between the husband and the wife there is a compromise, which accords with a more idyllic concept of the lasting marriage. Each partner subjects their economic preferences to greater pleasures of family unity and marital bed" [4, p. 5]. With regards to it, B.G. Lipsey and P.O. Steineg remark: "In the theory of demand, we consider the household as our fundamental… unit, we should remark that a lot of interesting problems connected with the conflict in the family and parental control over the children's fate fall out of the field of vision when we take the household as a basic decision-making unit. When economists speak about the consumer, they actually deal with a group of individuals forming the household" [5, p.71-71].

Furthermore, the American researchers M. Anderson, F. Bechhofer, J. Geshuny are approximately of the same viewpoint, writing: “At any moment of time only in a thousandth part of the household their members are trying to act as atomized individuals not taking one another into account – and such situations are internally unstable. Most households are continuously working out very complicated systems of rules for their members, establishing what behaviour is acceptable and what is not” [6, p.3].

In this matter, V.V. Radaev shares the above-mentioned authors’ viewpoint and emphasizes: “Usually the economist finds a traditional way out of the situation: he identifies the household as an integral unit with a single person making reasonable decisions (be reminded that the same has been done in the theory of firm). Therefore, the complicated internal structure of the household is taken out of consideration. In the meantime, in this structure a lot of serious problems are hidden, and one of them is connected with interrelations of genders in the household. The economist, as a rule, is indifferent to this problem. Initially, in the 20$^{th}$ century, the actions of the “homo economicus” were based on the combination of possessive and civil rights which belonged to the man. But in the 20$^{th}$ century the democratic equality of the man’s and the woman’s rights was established. And, at first sight, both of them started to equally claim for the role of the “homo economics”. Thus it became possible to again avoid raising awkward questions” [1, p. 214].

Therefore the representatives of this trend in the economic theory again demonstrate a superficial approach in research of quite a complicated social-economic phenomenon of the household. By the simplistic approach, it is easier to solve economic problems on paper, but there will be no advancement either in the theory or in solution of practical problems in developing the household and determining its role and meaning in increasing the efficiency of the national economy.

The household emerged after the breakup of the communal system based on division of public labour and dominion of private property, where the union of the opposite sexes and people connected by kinship could live together for ensuring their own well-being and continuation of the kin. This union was represented by the family which consisted of the parents, their own and adopted children, grandchildren, etc. In terms of economy, the household was formed also to reduce transactional costs and consumption costs, for effectiveness of the household budget, consumption spending. It should be reminded here that reduction of transactional costs also led to formation of firms as business entities, the market and the state.

At the early stage of the household formation and development, the household production took a leading place in support of the family life and creation of goods for the market. Therefore the dominance of the household production function for self-support and supply of goods for sale was characteristic of early stages of the household development. With regards to it, J.K. Galbraith wrote: “in pre-industrial communities women were valued together with their ability to give birth to children, for their efficiency in agricultural labour or home manufacture, and in the upper layers – for their intelligence, female attractiveness and other qualities which made it possible to properly welcome guests” [4, p. 3].

In the course of development of the public production, technology, market and national economy, the household production function has been reducing to the level of satisfaction of internal family needs, where the production of goods is acquiring occasional nature in megacities and cities. “Industrialization eliminated the need for the woman’s labour in such household occupations as spinning, weaving and making clothes. Combined with the technical progress, it considerably reduced the value of the female work in agriculture. In the meantime, the growing standards of national consumption, together with disappearance of personal servants – flunkies, resulted in an urgent need for people for management and other kinds of consumption service. Consequently, a new social virtue was given to running the household – well-thought-out purchase of goods, their preparation, usage and maintenance, as well ad care and attention to the housing and other property. A virtuous woman is now a very good housewife or, in a broader sense, a good housekeeper. Social life has to a greater extent become demonstration of virtuosity in performing these functions, a kind of a fair for demonstration of female virtues. The situation is still, - emphasizes J.K. Galbraith, - the same" [4, p. 3].

Further to the topic, V.V. Radaev writes, referring to the research work by G. Becker [7, p.32-63], that "in the meantime, the difference in the gender positions is especially obvious in division of the household functions, where the work is mainly the woman's responsibility… Due to biological reasons, women are more involved in care after children and related household chores. And since women spend more time on them, they appear to have more reasons to make investments not in the market "human capital" but in the kinds of it which increase the efficiency of their labour in the household. Accordingly, in this situation, it is more reasonable for men to invest in the market "human capital" and receive higher remuneration in the market to maximize the joint "family" utility. Thus, there appears an endless circle in which biological differences are fixed and strengthened by economic actions" [1, p. 214-215]. This endless circle can be broken on the basis of the housewife's labour evaluation and its registration at the state level, and also by using legal aspects, such as making agreements between the spouses, between the household and the state with regards to ensuring efficient public consumption and housekeeping.

If the households preserve the function of producing goods and services for the market, they turn into business entities and subjects of market relations. These entities perform the functions of cooperative production organizations, owner-operated farms. Therefore, it is necessary to single out the specifics of the household as the entity of benefits consumption and reproduction of the human kind unit, the human capital potential.

To discover the essence of the household, a connection should be established between the household production, labour, services, consumption costs, transactions, household budget, revenue and expenditure, extension and reproduction of the unit of the human capital potential.

Furthermore, external connections of the household should be separated from the internal relations, as the former are taken into account by business entities of the market sector and the state. The external relations of the household can include deals with business entities of the economic sector, market and state with regards to purchasing goods, consuming financial, transport and other services. The internal relations of the household are predetermined by the production and services on support of benefit consumption for reproduction of labour force and human capital.

It should be mentioned that research of the internal relations of the household represents cognition of the mini-economy of the national economic structure. And if the aggregate of the external and internal relations of the household is taken into account, it represents research of the micro-economy in the structure of the nation-wide economic system.

The foundation of the household existence is living together for opposition to external factors in the conditions of limited resources, continuation of kin and extension of human capital. It was predetermined by property relations on acquisition and alienation of benefits between the members of the household and the community and the conditions of insulation into an aggregate entity of consumption and reduction of transactional costs with regards to living together and extension of the human capital. Therefore, based on the above-mentioned, we can word the following definition of the household contents. It expresses social-economic connections in realization of essential relations of acquisition and alienation of benefits between the members of the household and the external environment in the conditions of limited resources, formation and development of the human capital and reproduction of the kin in the community, a stand-alone consumption entity, for reduction of transactional and consumption expenses, increasing the labour efficiency within this informal organization which functions on the basis of traditions and culture, predetermined by the conditions of the national economy development.

The following key functions are derived from the definition of the household: living together for reduction of transactional and consumption costs, increasing the labour efficiency within the household and opposition to external factors; reproduction of the kin and extension of the human capital; mutual enrichment of the spiritual, cultural, physiological and energetic potential of each member and the community as a whole.

"Consumption is a truly blessed thing according to the neoclassical model; it should be maximized by any honest and socially acceptable means. In addition, it is a supremely easy pleasure. The only thing one should think about is the choice of benefits and services. And their usage does not cause any problems. Both statements, - writes J.K. Galbraith, - are wrong. They overlook the circumstances to a great extent forming the image of the personal, family and social life. This very omission and the circumstances hiding behind it should be considered. These matters have essential consequences.

When possession of benefits and their consumption crosses a certain border, it becomes burdensome if the efforts connected with it can not be shifted to others. Thus, for instance, consumption of delicious and exotic dishes gives pleasure only when there is someone to cook them. Otherwise the time spent on cooking will soon bring to naught all the pleasure from the food for everyone but for geeks. More spacious and better-furnished housing requires more burdensome care and attention. It is the same with clothes, cars, lawns, sports equipment and other consumer luxuries. If there are people who can be made in charge of care and who, in their turn, can hire and manage work force necessary for the maintenance, then consumption is limitless. Otherwise consumption has strict limits. On seeing huge buildings erected in England in the $17^{th}$, $18^{th}$ and $19^{th}$ centuries, we immediately think about the wealth of their inhabitants. But most often it was modest, in terms of modern standards. It should be acknowledged that a more important role was played by the ability to shift administrative duties connected with consumption to the numerous and hardworking service class" [4, p. 2]. This service class included mainly women. With regards to it, J.K Galbraith sets the following example: "Transformation of women into the class of hidden servants was an economic achievement of paramount importance. Hired servants could be afforded only by a minor part of the population in the pre-industrial society; at our times, a wife-servant is available on the purely democratic basis almost for all male population. If this work was done by hired workers receiving monetary remuneration, they would become the largest category in the structure of the work force" [4, p. 2]. The cost of the housewives' services is calculated, though these calculations are to a certain extent intuitive, approximately as one fourth of the gross domestic product [8]. This calculation and determination of the cost of the housewife's services at the rates of the wage for equivalent jobs in the 70-s of the 20$^{th}$ century were made by the American researcher A. G. Scott, who fixed it at the rate of USD 257 a week and USD 13364 a year [8].

Measuring of the price of time in the household is the main problem for economists and society, to which the attention was paid by the Russian researcher V.V. Radaev, who noted the following: "There are immediate difficulties with measuring the time resource. First of all, it is due to the lack of the systematic data on the family budgets of time. But, which is the most essential, it is not clear how to measure the price of the time spent on the household, how to evaluate the product of labour which is initially not meant for sale. Two ways to overcome this major difficulty are suggested" [1, c.212]. These ways were proven in the research work by R. Growney. The first way is measuring the time spent on the household by opportunity costs, i.e. the amount of the salary this person would be able to gain for the given time in the labour market. The second way is based on the imputing to the fruits of the household the price which is set by the market for this kind of the product or service [9, p.296-297].

It would be appropriate to quote V.V. Radaev's critical comments on the above-mentioned approaches of measuring costs of the households. He writes: "In the first case, the market price of labour is not always an adequate measuring instrument. For instance, productivity of labour in the household can be completely independent on the fact whether the housewife has a higher education diploma and a degree. And economists, after all, have to appeal to the difference of subjective evaluations, which representatives of more and less educated layers give to their housework. In the second case, someone else's time spent by them in the labour market for rendering the service to you and your time spent in the household for self-service, notwithstanding the prerequisites of the economic theory, are more often than not measured by very different measures.

Do economic calculations influence the decisions of the housewife facing the choice: whether to buy a washing machine or not; whether to take the linen to the laundry or to wash it by hand? Yes, they do, and essentially. But it does not mean that "market" and house work are measured by the same equivalent. Firstly, these kinds of labour can be evaluated in different monetary units" [1, p.212-213]. This thought was borrowed from the American researcher V. Zelizer, who wrote: "in their daily routines people understand that… despite the anonymity of dollar banknotes, by no means all the dollars are equal or interchangeable" [10, p. 5, 36-70]. Further V.V. Radaev mentions: "Secondly, housework has not always been measured by money. More often than not it does not reach as far as to the quantitative evaluation, though the man does weigh the alternatives differing in quality. For instance, the mother is thinking whether she should go to work to have additional earnings or stay with her child giving him more care and attention. For her, it is not comparison of two monetary amounts.

The ranging the man does is nearly always the fruit of the "qualitative" decision. In other words, we can say "what is more beneficial" from the viewpoint of this very man, but we can not state "how much more beneficial". Consequently, there appears a doubt in permissibility of mathematic operations and representation of behavioural characteristics in the form of smoothed curves. Certainly, the researcher may make calculations for the people he surveys, considering that they "allegedly" calculate monetary profits and costs of housework. But do not we replace, in this case, the main reasons with the secondary ones? And will not it be easier to admit that here the economic analysis faces the limits beyond which there are areas of measureless economy?" [1, p. 213]

It should be mentioned here that the criticism with regards to defining the monetary equivalent of the housewife's services by the researcher R. Growney is necessary, as the salary for such services is predetermined by revenues of firms and various conditions of functioning of the market and the state. It shows the absence of the common value criterion for determining the services in the household sector. However, the statement by V.V. Radaev with regards to presentation of the household as an area of measureless economy, and refusal from the quantitative definition of the qualitative characteristics of phenomena in the space of the household based on the fact that it is really difficult and impossible proceeding from his subjective understanding of impossibility can not be the final verdict on the matter. It should not be forgotten that any qualitative characteristic in the economy has a quantitative measurement. Refusal from economic, quantitative analysis interconnected with the qualitative characteristic will not allow defining the household as a component of the economic system, finding out its place and vehicle of functioning and ways of revealing increase of efficiency in the organic integrity of the national economy.

Households, just like companies, the state, market, appear to be structural elements of the national economy. Therefore it becomes necessary to determine the vehicle of effective interconnection of the immediate, final consumption entity with companies, the market, state. This problem can be solved while determining the common criterion for monetary evaluation of services, labour in the household space.

The meaning of the household and female labour in it were especially noted by J.K Galbraith: “But for these services, all the forms of household consumption would be limited by the time necessary to cope with the consumption – to select, to carry, to prepare, to repair, to maintain, to clean, to service, to store, to preserve and to do all other tasks related to consumption of benefits. In the modern economy, the role of women in the matter of service has a crucial meaning for extension of consumption. The fact that this role has gained wide acknowledgement, but for separate objections which have appeared recently, is the formidable homage by the government to the convenient social virtue.

As it has just been just remarked, the women’s labour connected with facilitation of consumption is taken into account neither in the domestic income nor in the domestic product. This circumstance has a certain meaning for its disguise. Things which are not taken into account are often not noticed. At present, there has appeared an opinion that due to this reason and as a result of using traditional teaching methods there emerge conditions under which women, studying economic theory, do not realize their true role in economy. In its turn, it allows them too agree to this role with more readiness. If their functions in the economic sector were more clearly reflected in the modern teaching methods, it could bring about undesirable negative consequences" [4, p. 5].

The time has come to take the housewife's labour into account, basing on the objective criterion conditioned by the result of the entire national economy. Such an indicator is the gross domestic product (GDP) or GDP per capita (Y), proceeding from which the price of one hour (t) can be calculated, both of free time and for the housewife's labour invested. If the GDP per capita is denoted as Y, the price of the housewife's labour costs per 24 hours ($T_d$) will be determined by the following formula: $T_d=[Y:(D \bullet t)] \bullet t_6$, (10)

where D is the number of working days and days of paid annual leave a year – 306, without taking into account the days off and public holidays (59), $t_8$ – the number of working hours a day – 8, $t_6$ – the average number of hours of the labour invested by the housewife – 6 hours.

Thus, for instance, the GDP per capita in Kazakhstan was about USD 6 thousand in 2007; $T_d$=[USD 6000:(306•8)]•6=USD 14.71. Now let us take $T_m$ to denote the uttermost price of the housewife's labour costs per month; then $T_m$ will be determined by the following formula:

$$T_m=T_d \bullet D_{30} = \text{USD } 14.71 \bullet 30 = \text{USD } 441.18 \qquad (11)$$

If the price of one hour of the housewife's labour costs:

$$t_{r1}=Y:(D \bullet t_8)=\text{USD } 6000:(306 \bullet 8)=\text{USD} 2.45 \qquad (12)$$

then the cost of one hour of free time ($t_{s1}$) will be determined by the formula:

$$t_{s1}= Y:(D \bullet t_{16})= \text{USD } 6000:(306 \bullet 16)=\text{USD } 1.23 \qquad (13)$$

Therefore, the annual uttermost payment of the housewife's labour ($t_{365}$) should be equal to: $t_{365}= t_{r1} \bullet 365$=USD 14.71•365=USD 5369.15. (14)

If we multiply this annual salary of the housewife by the number of households where this solution for remuneration is required, and they are about 50% of the total number, we will receive an impressive amount equal approximately to 10.2% of the GDP of Kazakhstan's national economy for 2007. However, if we accurately calculate the costs for side and negative social and economic phenomena generated due to omission of the household from the field of vision and regulation by the state of the processes within this community, it can be understood that the above-mentioned expenses will be insignificant as compared to the losses in fight against drug addiction, prostitution, promotion of healthy lifestyle, building public nurseries, kindergartens, geriatric homes, boarding schools and service staff remuneration.

The state should be interested in remuneration of the housewife who brings up children and prepares the human capital for the labour market and state service, providing high-quality “social-economic product” necessary for strengthening the national security.

The full standard amount of the housewife’s remuneration should be derived from the economic conditions and the needs of the state, which is interested in considerable reduction of unemployment, extensive reproduction of the human capital, healthy lifestyle and increase of the community members’ cultural level to ensure its competitive ability. Another stimulus for housewives can be retirement insurance by the state, which will contribute to a significant increase in the number of children being born.

This idea of mine published in 2007 got continuation in Russia as soon as in 2009, in the proposals of V. Petrenko, the chair of the Federation Council Committee on Social Policy and Healthcare. She remarked that “If a woman will leave her three children at home and start planting a tree, there will be no use from it. We have made calculations by 18 regions of the RF so far. According to these calculations, the economy of funds in some regions turns out to be 4.7 times, if the mother will bring up three children at home and earn a salary for it. And she will also have pension deductions, and her service length will be taken into account ” [11].

For the research, households should be classified, subdivided into kinds and groups by important indicators. We propose the amended grouping by indicators and kinds of the household in Chart 4, initially borrowed from the Russian researchers.

This subdivision of households will allow regulating processes of this community development. It would be reasonable to subdivide households by key indicators: total income and income per household member; total number of people; housing, number of square meters per household member, etc.

Groupings of households make it possible to create models and vehicles of regulating social-economic processes in the community as a consumption entity.

Chart 4. Kinds of households by key indicators [12]

| № | Name of key indicators | Number of groups | Conventional designation of indicators |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 1 | by income per household member | 6 | below the minimum of subsistence; on the level of the minimum of subsistence; above the minimum of subsistence; average subsistence standard; above average subsistence standard; high income |
| 2 | by sources of subsistence | 15 | salary at an enterprise, in an organization, institution of any form of ownership; income from entrepreneurship activity; income from farming enterprise; income from work for individual citizens; income from personal household plot; income from property; scholarship; old age or long service pension; disability pension; loss-of-breadwinner pension; unemployment allowance; various allowances (apart from unemployment allowance); another kind of social security; dependence on other persons; another source |
| 3 | by belonging of housing | 2 | state housing fund,<br>private housing fund |
| 4 | by type of housing (for state and private housing funds) | 3 | a separate flat; a shared flat (communal), a hostel, another housing, rented housing |
| 5 | by availability (non-availability) of a land plot in use | 2 | availability (non-availability) of a subsidiary plot, vegetable garden, garden, summer cottage or land plot |
| 6 | by number of square metres of housing per member | 4 | 9; 12; 16; 20 and more |
| 7 | by a certain number of the household members | 7 | of 1 person, of 2 persons, 3 persons, 4 persons, 5 persons, 6 persons, 7 and more persons |
| 8 | by age | 10 | 0.5-1 years, 1-3 years, 4-6 years, 7-10 years, 11-13 years, 14-16 years, 17-29 years, 30-39 years, 40-49 years, 50-54 years, 55-57 years, 58-62 years, 63 years of age and above |
| 9 | by gender | 2 | male, female |
| 10 | by level of education | 7 | higher, incomplete higher, secondary, vocational, secondary general, incomplete secondary, primary |
| 11. | by nationality | 4 | nationality, mixed nationality, national ethos, ethnic group |

For instance, Figure 3 displays the model of determining inequality of household incomes, where the general view was borrowed from the famous American statistician and economist Max Lorenz [13, p. 102].

Whereas M. Lorenz's graph on the horizontal line shows the percentage of the population group and on the vertical line – the percentage of income gained by these communities, our Figure 3 on the horizontal line displays the percentage of households, on the vertical – the percentage of income of household groups per member: $I_1$- income at the level of the minimum of subsistence; $I_2$ – above the minimum of subsistence; $I_3$ – average subsistence standard; $I_4$ – income of a high living standard.

In M. Lorentz's graph, the straight of the bisecting line dividing the square into two halves is the line of the absolute equality, whereas the curve (ODCBA) is the line of the actual inequality of income distribution. Now let us distinguish the areas of the square: $S_1$, $S_2$, $S_3$. Area $S_2$, hatched with oblique, "indicates the deviation from the absolute equality and, consequently, gives, - as P. Samuelson stresses, - us the measure of the inequality in the income distribution" [13, p.102]. By the correlation of $S_2$ to $S_1$+ $S_2$, the income inequality indicator – G – is determined, named Gini

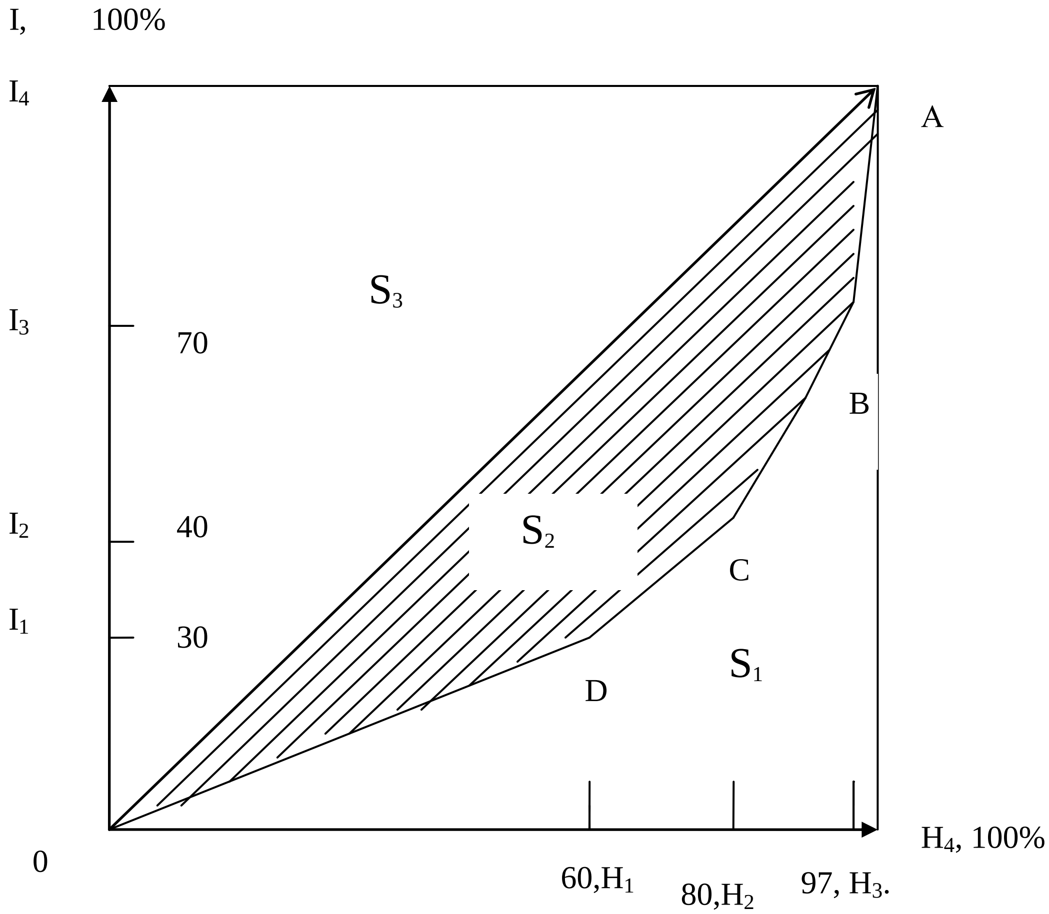


Figure 3. Model of determining extent of household income inequality

coefficient after the author of the formula; this approach is met in the course books by many authors [14, p.446 и др.]. Based on our Figure 50, this formula will have the following look: $G = S_2 : (S_1 + S_2) = 0.442$. (15)

This formula (15) is considered to be common in determining the indicator of the population income inequality in the economic literature. And the "Gini coefficient" indicator (G) points at the existence of the general inequality of household income distribution in Kazakhstan in 2005 equal to the value of 44.2%. This figure, upon the whole, allows determining inequality in population income distribution and comparing with various periods of the country's development and with other states. However, it does not allow seeing inequality of income distribution between various groups of population, or households. For that, let us continue determining the inequality of Kazakhstan's household income with the specific data for the year 2005 [15, p.13], where the basic indicator is the gross personal disposable income ($Y_h$), which consists of the remuneration amount (L) and net mixed income and net profit (R), then:

$Y_h$=L+R=2507682.mln tenge+3270442mln tenge=5778124.2mln tenge. (16)

Further, let us determine the total amount of the households received at the level of the minimum of subsistence, above the minimum of subsistence, average income level, high income level. Based on these data and gross personal disposable income, the shares of the households can be calculated, as well as the levels of inequality by each group with regards to the others, which is depicted on Figure 50. Thus, if the income of 4 groups of our example is compared, it is obvious that in group $I_4$ the income is 20 times higher than in group $I_1$ or $I_2$ , and 5.7 times higher than in group $I_{3.}$ And the income of group $I_3$ is 3.5 times higher than in group $I_1$ or $I_2$. These inequalities were observed among four groups of households in Kazakhstan in 2005. Such a big gap between the two last groups and the high-yielding group, 20 times, reveals existence of social injustice reasons, which will be a factor of social tension and increase of negative processes in the development of national economy and community. It should be mentioned that the gap, the inequality of population income between the lower and the higher groups of population should not be more, for the secure development of the country, than 10-fold, and for the socially oriented development of economy – 3-5-fold, as in highly developed countries: Sweden, Finland, etc.

Our calculation of the 20-fold gap in income between rich layers and 2/3 of the country's population are confirmed by the following data: the share of the population with the income below the minimum of subsistence in the total number is 54.4%, and the share of the population with the income below the cost of the food basket in the total number is 10.8% [16, p. 69]. Summing up these indicators, we will find out that 62.5% of the population have lived in beggary at the time of the vigorous growth of the national economy in 2005. However, the official statistic data note that the gap was 6.8 times [16, p. 68].

Therefore, the problems of the household development should be regulated by the state on the basis of legal relations and economic approaches in ensuring healthy lifestyle of the population, extensive reproduction of the human capital and increasing efficiency of public consumption, considerable reduction of unemployment.

# CHAPTER 9. SECURITY OF PUBLIC BUSINESS: ESSENCE, STRUCTURE, VEHICLES, KINDS

In the research and study literature they traditionally consider economic security. However, the contents of the public business notion is more capacious and broad than the economy, which requires that the research should take into account interconnections of economic and social processes, phenomena and activity of the subjective part in the business system development. Therefore, to determine the essence of the "economic security" category, the subject matter of the research should include relations of entities of public business and economic systems: the household, the company, the state, the business systems (global, national, regional economies.

If public business security is considered without taking into account socially subjective aspects, it is transformed into economic security. Therefore public business security in the narrow sense is represented as economic security.

Economic security is originally derived from the needs of consumption and business entities. The initial level of its determination is the research of household or business entity needs, where the man is the main subject.

The American researcher-psychologist Abraham Maslow worked out the pyramid of successive satisfaction of the man's needs, which is simplified and enlarged by us, being represented as follows.

According to A. Maslow's proposal, material needs should be satisfied first, and spiritual ones thereafter. At the bottom of his pyramid of the man's needs there is satisfaction of physiological needs, then there comes the need for safety and help, and then love, friendship, communication; then the need for respect and self-respect and finally the need for self-actualization [1]. The idea is not new. Even earlier it was roughly outlined by the Austrian economist E. Bem-Baverk. He wrote: "Based on these signs, all human needs can be subdivided into categories according to their importance. However, as the difference in physical and spiritual abilities, degree of education, etc. makes a strong influence on the nature of the man's needs, for different individuals and even for one at the same individual at different times the scale of needs will acquire quite different views" [2].

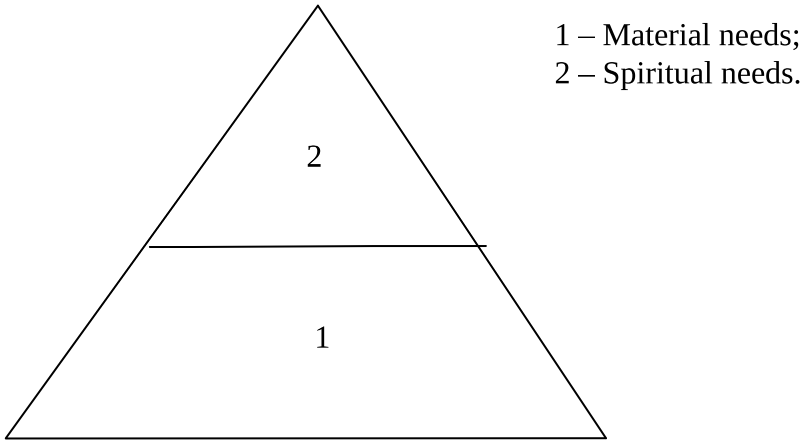


Figure 4. Pyramid of simplified hierarchy of man's needs satisfaction according to A. Maslow

To continue the above-said, let us quote the opinion of the Russian researcher B.A. Reisberg, who emphasized the following: "Let us note that in the actual life reality the law of the hierarchy of needs and sequence of their satisfaction is not manifested in its absolute form. Firstly, ideas of importance of needs are individual and changing in time. Secondly, many needs are satisfied simultaneously, and consumers are trying to satisfy some of them without waiting until some other ones are satisfied, however more important they may be" [3, p. 90].

In fact, material needs are organically, directly connected with spiritual needs. They can not be separated because there is no man without the spirit, soul.

The pyramid of successive satisfaction of the man's needs according to A. Maslow is the initial step in understanding the meaning of this interconnection. Material and spiritual needs coexist in organic interconnection. It can be illustrated in the following model elaborated by the author.

In this model, increase of the material need satisfaction is directly connected with increase of the spiritual need satisfaction, and vice versa. Starting from the bottom from 0 to 1 the positive tendency of development is characterized, and from 1 to 0.5 and 0 upwards – the reverse process, the negative tendency. It witnesses that interconnection of satisfying material and spiritual needs have limiters from 0 to 1 in this model. It can be added that if the positive part does not reach 1, it is filled with the negative, thus increasing the space for the latter. This option intensifies the threat to the subject's life safety.

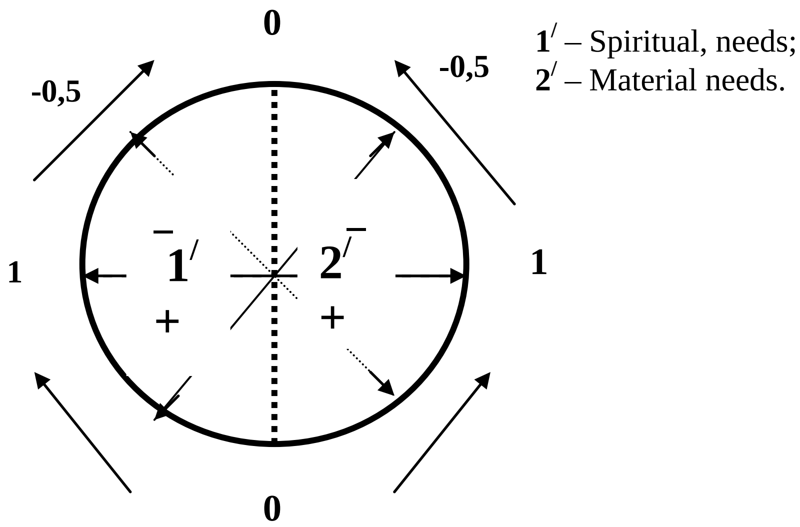


Figure 5. Model of interconnection of man's spiritual and material needs

For additional explanation of the model contents, let us remark that any material things, products, properties, services and ways of obtaining and consuming them directly influence the generation of the information-energetic field – the contents of the man's spirituality. And the program of the spirituality development conditioned by the laws of the Absolute predetermines the limits of the man's material needs satisfaction, the excess of which leads to the negative consequences in his life journey. Therefore each man has his own objective limit of optimization of the ratio of material and spiritual needs satisfaction. Some people may have a bigger potential of the positive information-energetic field or positive mental charge, and therefore their model of the circle will surpass others. It can be illustrated by the following models.

From Figure 6 we can see that the possibilities of the man having the scale of model 1 surpass other models 2, 3. Therefore the potential of the model 1 man's life safety is much higher than the rest. This differentiation of possibilities depending on the man's information-energetic field conditions the difference in income, level and

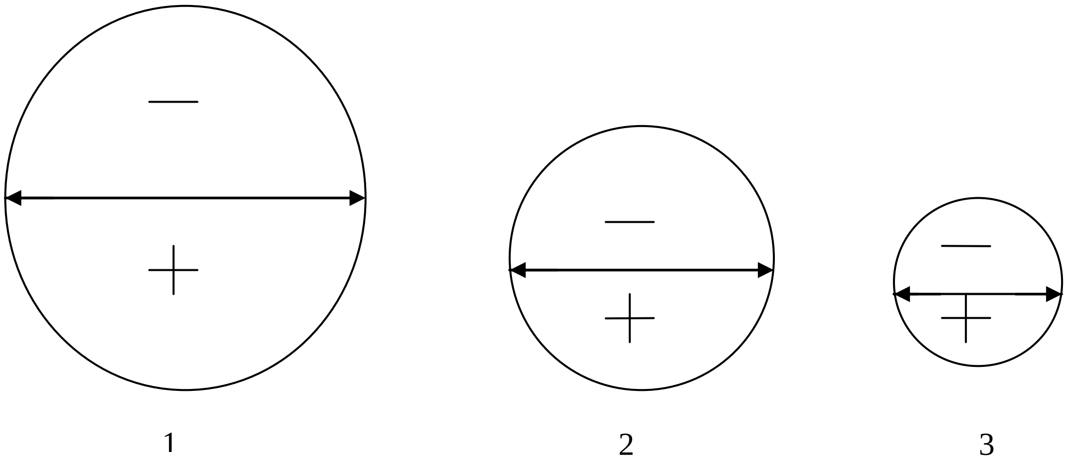


Figure 6. Scale of models of interconnection of man's spiritual and material needs satisfaction positive and negative sides

mode of people's life. These models can be projected, upon the whole, to households, companies, corporations, states, national economies and global business. Let us further remark that in the process of the man's activity his information-energetic field can change in the scale depending on filling with the positive or the negative in spiritual development. It can be applied to households, companies, states, national and global economies as business systems.

From the models above it can be seen that inequality in people's income is predetermined by their information-energetic field. In some highly developed countries this difference between social groups is 3-5-fold (Sweden), in others – up to 7-8-fold, and in developing economies – to 17-20-fold and more (Russia, Kazakhstan, etc.). Let us remind that inequality in income of the country's social groups exceeding the objectively limiting values condition the concentration of the negative in the information-energetic field of the state, which will become a factor of the threat to the national security, resulting from unfair distribution of the aggregate income.

For instance, if a certain man or household gains income exceeding the objectively limiting value predetermined by the information-energetic field, in this event the excess will become a destructive factor for this subject's safety. Such cases occur in the modern reality. For example, mass media mentioned that a member of a common family from Russia won a large amount countable in millions. However, this family shortly lost themselves into drinking, and all of them died. Huge money in this example contributed to the increase of the negative information-energetic field of the family, which resulted in their self-annihilation. Therefore a lot of rich people in highly developed countries allot a certain part of their own income for charity, subconsciously or consciously understanding that the Supreme Being's laws should be observed, the laws of harmonious development, justice, which predetermine objectively limiting values in the income of each entity of the business system. When the income exceeds the objectively limiting value, negative processes usually unfold, up to catastrophes, death of subjects, bankruptcy of organizations, state, world financial and economic crises.

The sacred books warn the mankind that it should observe the rules of business derived from the laws of the Absolute, the Universal. That is why entrepreneurs sticking to the rules from the sacred Koran do not raise prices higher than objectively limiting values, observing the requirements of the universal law of harmonious development and, in particular, the economic law of value.

Producers should not hold up prices despite the high demand higher than the cost of the objectively liming value, and they should aim at profitability within 15-20%, where the profit does not turn into abnormal profit. And wholesale and retail organizations and other intermediaries should observe the rules of gaining normal profit, without increasing prices for goods and services several times of their cost as the objectively limiting value. This rule should be effective for the finance sector, too. Then the conditions for emergence of financial and economic crises will disappear, these conditions being an immediate threat to security of the global and national economies, business entities, households and individual people.

There are positive examples in the reality of business life. They can be entities of Muslim business, financing, whose prices for similar goods are often several times lower that the others' but the quality is the same or even higher. They do not chase after super profits but observe the laws of the Koran [4], do good to people, setting fair prices for goods and services. Thus, implementing the Supreme Being's message to do unto others as you would have them do unto you, showing love and justice to them and therefore love to God [5].

Love and justice to people, through which love to God is confirmed, as the laws of the Universal, should be the contents of the economic laws, all relationships in the social and business activity in achieving economic security of business systems.

If the laws of the Universal, the Absolute are considered in the contents of the economic law effect vehicle, the entrepreneurs' chase after super profits will be restricted to a normal, objectively limited value; the negative part of the competition and possession relations will be eliminated. Most attention will be paid to harmonization of economic relations, formation and development of socialization of economy and humanization of various national communities and countries of the world.

Among the conditions under which the consideration of economic security would appear, there are separation of entities, their interconnection and mutual dependence, and existence of uncertainty in their relations with internal and external factors.

If we move to security of the man's business activity only, we should consider the parameters of their common and extensive reproduction, which can be projected to households, companies, the state, national and global economies.

Economic security of the business system is formed from the examples of life sustainability of, first of all, people, then conditions of functioning of the organization, business system. For instance, economic security of the household needs minimum income for survival of the family, housing in common reproduction.

The criterion of common reproduction of the household consisting of one person is the minimum income for satisfying physiological needs, provision with clothes and housing. And common reproduction of the family consisting of the husband and wife needs higher income, as in the long-term they should have at least 2 children because the family is the basis of reproducing the population, the human capital of the country. And extensive reproduction implies an increase of the figures of common reproduction both in quantitative and in qualitative terms. This approach is applied to all other forms of public business organizations where the conditions of common and extensive reproduction predetermine the state of their economic security.

The characteristic of the business entity's economic security is derived from the state of functioning in the conditions of common and extensive reproduction, which has the feature of dynamic development. This leads to the major characteristic of the economic security essence – vitality of the business entity as a feature of development in the conditions of common or extensive reproduction. Another characteristic of economic security is economic relations, as the business or consumption entity is within the system of public business. Characterizing economic security, it is also important to take into account the influence of conditions of extending scope of public business and level of productive forces development, and correspondence of the latter to the former.

Based on the above-said, we can give the following definition of economic security. The essence of economic security is expressed by relations of preservation the vitality of the business or economic system entity for ensuring common or extensive reproduction in the environment of competition and lack of correspondence of the productive forces development level to the scope of public business.

Certainly, there are numerous definitions by various authors with regards to the essence of economic security, and we will quote them below for comparison with our proposal. Thus, for instance, V.L. Tambovtsev wrote that "economic security of a certain system should be understood as a combination of features of its production subsystem state arranging for achievement of goals of the entire system" [6, p. 3]. The author focused on the state of the integrity structure elements and indirectly noted existence of internal relations which should arrange for achievement of goals of the entire system. However, economic relations should not be isolated inside the business entity between the structural elements but they should also have an option to come to the external space. Another treatment is offered by L.I. Abalkin: "Economic security is combination of conditions and factors ensuring independence of the national economy, its stability and steadiness, ability for continuous renewal and self-improvement" [7, p. 5.]. This treatment of economic security is rather vague.

Furthermore, we should mention that in the globalization environment there can be no independent economic systems. Here the question should be the state of self-preservation on the level achieved and the ability of the business system for further development. Besides, V. Pankov gives the following definition: “It is such a state of the national economy which is characterized by its steadiness, “immunity” to influence of internal and external factors breaking the normal functioning of the public reproduction process, undermining the achieved living standard of the population and thus causing increased social tension in the community and a threat to the state existence” [8, p. 5-18.]. This is the most successful definition of economic security for the national economy in particular. It takes key notions into account: the state, the attitude to internal and external factors, normal functioning of the public reproduction process, the achieved living standard of the population, the threat to the state existence. However, economic security of the national economy appears to be just one kind of economic security. Therefore the definition offered can not be general in discovering the essence of the business system or economic entity economic security.

Economic security of the business system functions within operation of the economic laws, which appear to be its objective vehicles of existence and development. The economic laws predetermine the parameters of functioning of the business system or economic entity economic security. Subjective vehicles of economic security include methods and ways of determination of the economic laws functioning vehicles and legal instruments, institutes and institutions making it possible to regulate actions of business entities, economic systems for the purpose of economic security preservation. Moreover, we should remember about the influence of the vehicle of the information-energetic field of the Absolute as the main factor of formation and development of business entity and economic system security parameter.

Economic security is subdivided into kinds of business entities security: companies, corporations, organizations, states, interstate unions; economies security: national, interregional, regional and global economy; security by directions or sectors of activity: energetic security, food security, information security, scientific-technological, innovation, resource, financial, etc. [9, p. 20].

Each kind of economic security has its own specifics but the essence is preserved for all forms of its manifestation. Economic security, based on the level of the entity development, is divided into levels of economic security of common or extensive reproduction. The level of economic security of common reproduction of the entity or economic system is the state beyond which there comes destruction, degradation, and, finally, annihilation, and the level of economic security of extensive reproduction predetermines the main state for progressive development in an extended scope.

The level of economic security of common reproduction is subdivided into two kinds:

1) reproduction at the level of achievements for the previous period;

2) reproduction at the level of threshold values of the business entity, economic system subsistence survival.

Economic security is a subsystem in the structure of the ecological and social security (culture, politics, law, etc.). It can be illustrated with the following figure. Circles mean conventional limits of functioning of security kinds. In the centre of the structure there is economic security (1), then – social security (2) coopts the previous kind as economic relations are a variety of social; and ecological security (3) embraces all the rest. In the figure, dashed lines mean organic interconnection between the components of the structure.

The proposed model makes it obvious that economic security directly depends not only on internal factors but also on social and ecological ones. Thus, for instance, the levels of formation and development of the man’s culture, community and environment influence economic security of the business entity or economic system in the direction of strengthening or threat and destruction. Therefore it is necessary, together with determining economic security, take into account parameters of social and ecological securities, and create harmonious correlation between these kinds of security.

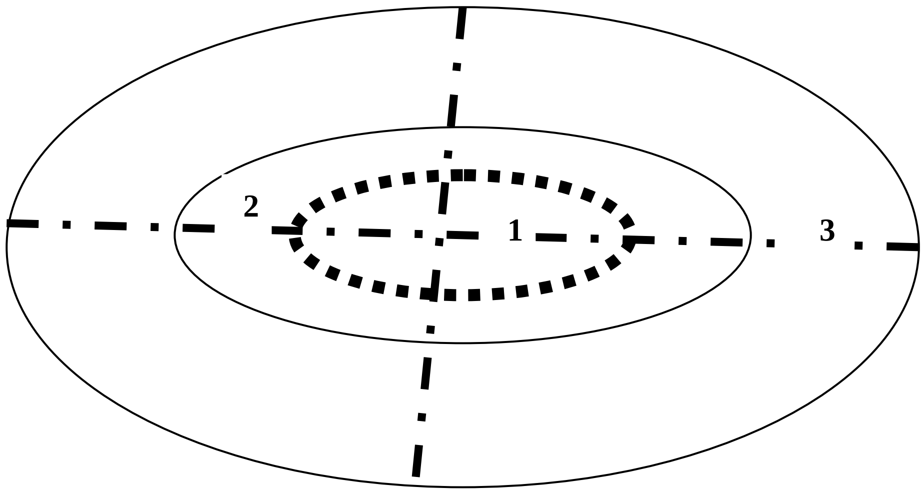


Figure 7. Model of ecological security structure: interconnection
of economic (1), social (2) and ecological (3) securities

Therefore, determination of the essence of economic security of the business system, structure, functioning vehicle and kinds allow us to understand its place and meaning in development of economies, communities, and ecology.

# CHAPTER 10. DIALECTICS OF PUBLIC BUSINESS AND ENVIRONMENT

In the research and study literature they write that the species the man belongs to appeared 3.5-5 million years ago in the eastern part of Africa and in South Asia. The primitive man, before appearance of agriculture and cattle husbandry, was an omnivorous consumer of the ecosystem. Over that period the influence of the business activity of human communities on the environment was insignificant. The size of the entire population of this species on the Earth 1.5 million years ago was about 500 thousand, and the man's lifespan was not any more than 20 years [1. p.52]. Origination of the modern man's progenitor was studied, in particular, by the American researcher Wales, who determined, studying the genes of the people, that the scientific Adam appeared in Africa 60 thousand years ago, and by that time the number of this species reduced to 2 thousand people. And the genes of the progenitors who settled in the south of Kazakhstan near Kyrgyz border about 35-40 thousand years ago, being the descendants of the scientific Adam, gave origin to 3.5 billion people of modern communities of Eurasia, Europe and America [2]. Currently there are over 6.5 billion people on the planet, whose number grew significantly just for 200 years, due to the development of industry and economy as a whole.

The man as a species, as well as all other organisms, not only depends on the environment but also makes an impact on it. The ability to think, to create labour instruments made it possible for people to engage in cattle husbandry and agriculture, which appeared 10 thousand years ago, for overcoming the lack of food resources. Since the time of cattle husbandry and agriculture development, the human race has been simultaneously building its own ecological system. The people's impact on the environment brought about the change and impoverishment of the biosphere structure, deterioration of the state of soil and water. A considerable deterioration of ecology started 200 years ago, as industry began developing [1, p. 53].

Thus, for instance, at the end of the 20th century the speed of desert invasion became equal to 60 thousand square kilometers a year, disappearance of forests planet-wise – 150 thousand square kilometers a year, as well as disappearance of 150 species of plants and animals annually [3, p. 9]. Since 1970, over 30% of the species of living organisms have been destroyed: consumption of sea fish has grown more than 2-fold, therefore the world's fish stock is running low; over 80% of the corals in the Indian Ocean have died as a result of the beginning of the global warming caused by the industrial activity of the mankind; over the recent 40 years consumption of natural resources and emission of carbon dioxide have increased twice; it is forecasted that in the following 20 years vehicles will be used 40% more, and power consumption will grow by 35% [4, p. 337].

At the modern stage burning ecological problems still include the change of the climate and ozone layer, reduction of diversity of biological organisms, desert invasion, pollution of water resources and air, accumulation of production and consumption waste. The attention to it was paid in the Program of Environmental Protection for 2008-2010 of the Republic of Kazakhstan, the contents of which are selectively and compactly represented in the text below [5].

The main source of emission of greenhouse gases is still the power-producing activity, the share of which was 78% in 2005, and actually has not changed in the republic over the last decade. Most of 400 and 300 species of plants and vertebrate animals respectively are on the verge of distinction. The processes of desert invasion and degradation affect, to a different extent, 70% of the land within Kazakhstan, and the extreme level of degradation is observed on 26.6 million of 188.9 million hectares of the country's grass lands. The share of saline soil is 31.3% of the total area of irrigated plough land [5].

The former Semipalatinsk nuclear test site is still one of the worst in the republic. The research confirms that the site territory is radioactively contaminated. Radioactive elements, moving along food links, cause distortion of vital functions, up to the death of the entire organism. Radionuclides can preserve their lethal toxicity for 10-100 million years. The scope of smaller burials of radioactive waste scattered around the world is quite large. Therefore the problem of radioactive waste will be even more urgent in time [1, p. 76].

The state of the environment has been considerably deteriorated by the oil-extraction enterprises in a number of the Caspian Sea region areas, for a century-long oil and gas field development in Kazakhstan. Radiation pollution of the oil extraction territories is also conditioned by the fact that stratal waters of many oil fields include a higher concentration of radionuclides.

There are data on the connection of many diseases with oil contaminations in the areas where blood and blood-forming organ disorders are 2-4 times higher than throughout the republic. There are also considerable changes in the life activity of fish fauna of the North Caspian Sea, which has influenced the 3-fold reduction of the volume of sturgeon fishery.

At present, throughout the country, the average emission of various chemical compounds into the atmosphere per capita is about 200 kg., whereas in the year 2000 this figure equaled to 163 kg.

Throughout the republic, stabilization of emissions from stationary sources is observed at the approximate rate of over 3 million tons a year, and emissions of motor transport contaminants are constantly growing. In the cities of the republic, the contribution of motor transport to the pollution of the urban airshed reaches over 60%, and in Almaty – up to 90% of the total city emissions, and that is why the city was included in the top ten of most polluted cities in the world [5].

Pollutions are also connected with the spread of chemically active substances, among which the most dangerous ones are persistent organic pollutants slowly dissolving in the environment, able to accumulate in living organisms. Major sources of land pollution in the republic are waste of industrial and power-producing enterprises, agriculture, households, etc.

Reducing the level of waste and environment pollution needs creation of economic and legal tools for their regulation. The economic instruments available should be supplemented with indicators of ecologization efficiency enterprise-wise, industry-wise and country-wise in general. It should be mentioned that ecologization is understood as the process of bringing deviations of the volume of waste and the level of environment pollution to the normal state. And efficiency of ecologization of the entity, industry or country ($^1Э_э$) should be understood as ratio of the volume of outcome from usage ($Р_и$) and the funds allotted for environmental protection measures ($С_э$). This is the first kind of ecologization efficiency, which can be presented with the following formula: $^1Э_э = (Р_и : С_э)\times100\%$. (17)

It is desirable that the indicator should be connected with the efficiency of the entity, industry or country, taking into account the expenses on ecology ($^1Э_{эс}$).

$$^1Э_{эс} = [Р_ч /(С_с + С_э + Ш_э)]\times100\%, \quad (18)$$

where $Р_ч$ is the net profit, $С_с$ – prime costs of the entity, $С_э$ – costs on environment protection activity, $Ш_э$ – fines for failure to take ecological measures. These formulae show that their interconnection is mainly determined through ($С_э$).

The second kind of ecologization efficiency ($^2Э_э$) can be presented with the following formula: $^2Э_э = (С_н : С_ф) \times 100\%$, (19)

where $С_н$ is the ecological standard of pollution, $С_ф$ – actual pollution of environment.

These economic instruments of ecologization are necessary to keep the balance between economy and ecology.

For the period from 2000 to 2006, over 197 emergencies and accidents of natural and technogenic character, where the number of the victims was over 117 thousand people, were registered. A huge damage is also caused by forest fires, which, since 2000, has exceeded 2 billion tenge [5].

Changes in the environment predetermined by economic activity of particular countries and the entire world will lead to global ecological crises and then to catastrophes of the planet scope. “As opposed to the ecological catastrophe, where the man is a passive party in an irreversible natural phenomenon, the ecological crisis is considered to be a reversible state, where the man is an active party. In a broader sense, the ecological crisis is understood as a phase of the biosphere development, at which a qualitative renewal of the living matter takes place” [1, p. 57]. We would like to object to the ecologists with regards to the definition of the ecological crisis contents. Firstly, the ecological crisis can become an irreversible process and overgrow into a natural catastrophe; secondly, being a phase of the biosphere development, it contributes not only to a qualitative renewal of the living matter but also to degradation and simplification of the biosphere structure. Thirdly, the ecological crisis represents a disbalance in the environment caused by the consequences of the human race’s business.

The impact of public business on the environment and their interaction can be illustrated as follows by Figure 8.

Public business in the processes of natural resources extraction, their processing, production of final and intermediate products, while using the traditional technology, makes waste and emissions to the environment, the marginal utility of which is reducing, according to the model, from circle No 6 to circle No 5, and so on, which can bring about not only an economic but also an ecological crisis, and then overgrow into a catastrophe of the planet scope.

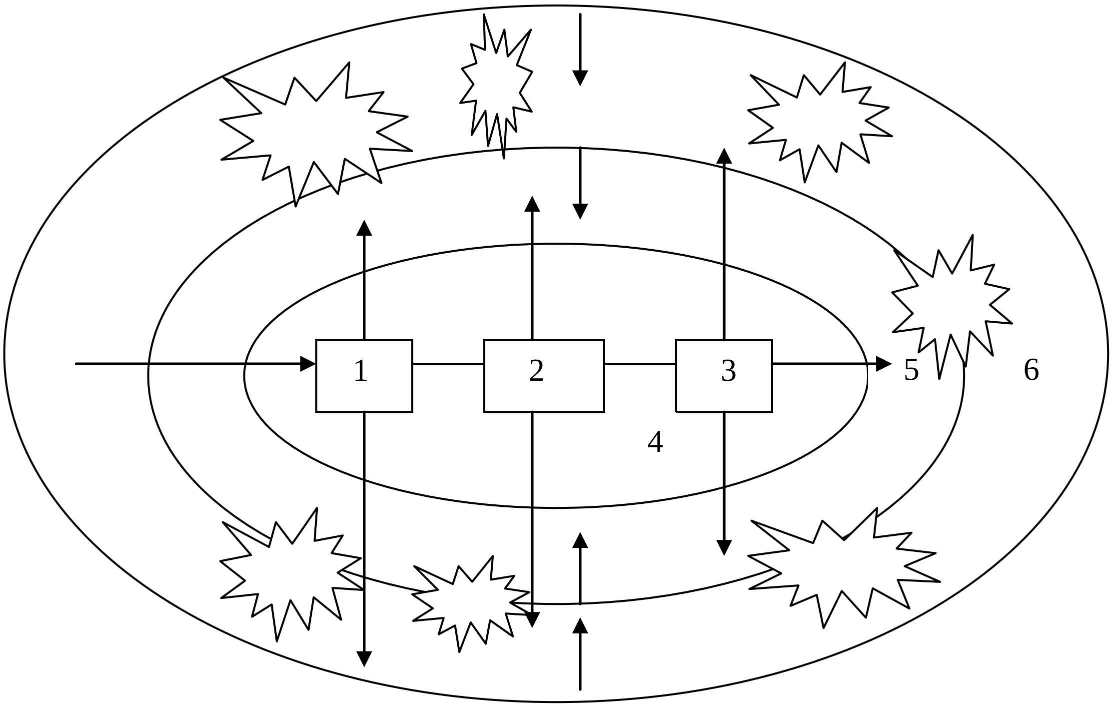


Figure 8. Model of reduction of environment marginal utility (from 6 to 5) and increase of emissions and pollution ( ) by public business (4) in processes of natural resources extraction (1), their processing (2), production of final and intermediate products (3)

Anthropogenic pollution of the biosphere with hazardous substances exceeding all norms is not cleaned away by decomposers (heterotrophic organisms and bacteria destroying compound organic matters and releasing non-organic nutrient materials) Therefore ecologists have called this crisis "the crisis of decomposers". At the current rates of pollution activity and threat of lack of natural and economic resources, two ecological crises can occur: the global warming (thermodynamic) crisis and the global crisis of ecological system reliability [1, p. 57].

The report by the UN international group on the problems of climatic changes emphasizes that the temperature on the Earth will become 2-4 degrees higher by the year 2100. It will lead to an increase of the World Ocean level due to polar ice melting. Modeling ecological consequences of the warming and increase of the ocean level by 0.5-2 metres by the end of the $21^{st}$ century, the scientists have determined that it will result in disturbance of the climate balance, flooding of lowlands in more than 30 countries and other adverse consequences. The scope of the warming and its ecological consequences can be irreversible [1, p. 73].

The pending global ecological crisis makes us start thinking of the reasons ways out of the situation, as the global warming on the planet will have disastrous consequences, and hundreds million people of all the population layers will fall victim to them. Afterwards, according to the cyclicity law, an ice age will come, which will bring numerous trials to the mankind facing the verge of survival or maybe even extinction as a species which has fallen short of expectations, chosen not the spiritual perfection but material benefits and satisfaction of egoistic needs.

With regards to it, as early as in 1992, the UN Secretary General on Environment and Development M. Strong emphasized that "the processes of economic growth are generating an unprecedented level of well-being and power of the rich minority but simultaneously leading to risks and disbalances, posing an equal threat to the rich and to the poor. This model of development and corresponding nature of production and consumption are not stable for the rich and can not be repeated by the poor. Following this way may result in a collapse of our civilization" [3, p. 9; 6, p. 159]. The reasons of this ecological future pessimistic scenario of our planet should be looked for in the economy, state-level management and interstate relations. "Our very existence, - said the Prime Minister of Norway G.C. Brundtland as early as in 1987, - is under the threat due to incorrect management and over-exploitation of the environment" [3, p. 9].

The mankind at the modern stage of development, as of the beginning of the 21st century, is represented by interacting separated organizations in the forms of communities, states, companies, etc., having lots of unresolved matters of joint survival in the conditions of pending global ecological crises and catastrophes. The English researcher-economist G. Sloman writes the following about it: "… we should be able to establish what exactly is the optimum. It requires clear definition of objectives with regards to stability and any conflicts between human and economic objectives. It also requires awareness of exact ecological consequences of various activities, such as emissions of $CO_2$ into the atmosphere, and here the scientists disagree… There is a problem due to the fact that many ecological matters are of the global nature, not only of the local or national one. A lot of things require coordinated actions of governments around the world. However, the history of international treaties on ecological matters is the history of bitter discrepancies between the countries, which seem to be more concerned about their own national interests" [4, p.343]. Apparently, only a grief shared by all communities can make them realize the need for finding a compromise, for harmonization of interests for joint survival in the conditions of the global changes of the climate and ecosystem instability.

The nature appears to be a self-restoring system. Making changes by the human activity within the global ecosystem will, no doubt, result in awakening of the tool of restoration to the original state of the Nature, which means a cyclic transition to warming the climate and from it – to the other extremity, ice age, which will help the nature to get rid of the sources of disbalance in the system. With regards to it, we can quote a moral from the sacred book of the Koran: "Verily, all things have We created in proportion and measure. And Our Command is but a single Act - like the twinkling of an eye. And oft in the past, have We destroyed gangs like unto you: then is there any that will receive admonition? All that they do is noted in their Books of Deeds: Every matter, small and great, is on record" [7, p. 1009].

The Earth appears to be a part of the sapience system of the Universe. People guessed about it a long time ago. Thus, for instance, the Dutch researcher C. Huygens at the end of the $17^{th}$ century remarked that life is a cosmic phenomenon [8, p. 474]. According to the concept of V.I. Vernadsky, "the man is a planetary phenomenon, the thinking human brain is a natural product of the matter and universe" [9, p. 113-115].

Further, A. Poys writes that "… the Earth proper and all its spheres are united (penetrated) by the magnetosphere (magnetic field) of the Earth spreading for huge distances from it. Most planets of the Solar System also have the magnetic field, and the Sun itself (and not only the Sun but also other stars). It is possible (by an analogy with magnetic discs) that it is the magnetosphere of the Earth (and not only the Earth) that is the super storage (or one of them) with the information (memory) on everything that exists and existed on the Earth, including every single Man and the Mankind as a whole. And the nucleus (at least, the nucleus of the living cell) is the carrier of potential (concentrated) energy and (convolute) information" [10, p. 37].

The Earth also has its own aura, just like a man and any living organism. G. Hegel writes with regards to it: "The soul of the planet is the ratio of its distance from the Sun, its rotation, etc., it is truly sapience…" [11, p. 426]. This aura in the form of the envelope penetrating the Earth appears to be an information program functioning on the base of the supersubtle and subtle energies, which, together with the information field of the corresponding energies, appear to be the hologram of the Universal Supreme Mind. Therefore the Earth, subject to the laws of the Universe, connects tools of evolutionary and revolutionary development. It can be observed via the example of annihilation of the whole classes of such animals as dinosaurs, which were a dead option of development of living material creatures. The question was resolved in a simple way: a large comet (or asteroid) fell down on the Earth, and dinosaurs disappeared. It is not by accident but quite a natural outcome as the spirituality did not found a place in the material world. This example should bring us to realization and development of the Mankind's spirituality, which, in its turn, will remove all obstacles between people for the purpose of survival, improvement and self-cognition as a representative of the Universal Supreme Mind. Development of the Mankind's spirituality will help us purge ourselves of the negative accumulated in the aura of the Earth by numerous generations of people represented by negative emotions and thoughts existing in the forms of egregores and ideas at the subtle level of the universe. It should also be mentioned that the negative of the Mankind's thoughts and emotions is the contents of manifestation of the Earth aura and ecology pollution process.

Therefore, development of the Mankind's spirituality, the positive of thoughts and emotions leading to creative activity will serve as the basis of harmonization with the environment and the laws of the Universe.

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