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Economy of equal opportunities: dream or necessity

Abstract

The purpose of the paper is a systematic approach to both, the relationship between economic growth, development inclusiveness, competitiveness, and the formulation of social and economic policies in the context of inclusive development, becomes an important task. The article justifies the need for creating prerequisites for inclusive growth through a radical change in public and political governance systems. It is necessary to create an inclusive infrastructure that ensures equitable access to public goods: health, education, transportation, access to information, communication, justice, security, environmental sustainability. The relevance of the study of inclusive growth is due to the aggravation of problems associated with a decrease in the pace of economic development, social tensions in society, international conflicts, as well as consequences of the global cyclical crisis. The current economic crisis is structural and is associated with a change of technological paradigm, which involves the transformation of economic resources from the sphere of low productivity to the sphere of high productivity. The analytical base of the study is the country rankings by economic development, human development, quality and satisfaction with life, the level of openness of the society, which are represented by international organizations and agencies. Based on a systematic approach methodology, the relationship between economic growth, development inclusiveness and competitiveness has been identified, which has made it possible to justify the need to transform the model of economic development with regard to the role of the person in the sixth technological K-wave. The results of such a study will justify proposals in terms of an inclusive growth model that complexly reflects the relationships between production, circulation, consumption and accumulation, between income, expenditure and final demand, between savings and investment, etc. It has been proven that the goals of inclusive growth are achieved through a high level of civic identity, enhanced partnerships, interregional relationships and social integration.

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1 Introduction

Statement of the problem. The change of technological waves is a process that involves the destruction of the previous economic structure, which causes an economic crisis. At the same time, Shumpeter (1942) justified the role of "creative destruction" and innovation in the processes of industrial change, which, in essence, reflects a change of technological waves. The process of change of technological waves is associated with the transformation of economic resources from low productivity sphere to high productivity sphere, thus providing higher income and

economic growth. In this sense, the determinative role will belong to innovations that ensure the evolution of the post-industrial economy. In this way, nanotechnology, advances in molecular biology and genetic engineering, alternative energy, information and communication technologies are the "key factors" of the sixth technological wave. The use of these factors will change the form of economic relations in industrial production (robotics and laser technology, new modes of transport, high-end ecotechnology), in health care (biotechnology, nanotechnology, pharmaceuticals) and in priority use of resources (nuclear energy, hydrogen energy, renewable energy sources), as well as the role of human

capital will also increase (new level education system, high level of humanitarian technologies).

We should note that the role of human capital has changed depending on the organization form of production. The high level of importance of the participant in the industrial relations in the conditions of individual production has decreased to extremely low in the conditions of mass production. In the context of the intensification of the development of information and communication technologies, the importance of the professional competencies of the employee has again increased. This proves a direct relationship between a high level of technological development and human intellectual abilities.

In its essence, post-industrial economy is based on the intensive use of creative and intellectual resources, and potential of every individual involved in industrial relations. The model of the economy, in which opportunities are created and constantly expanded to realize the personal potential, mobility of individuals and their transition from one social actor to another, is defined as "inclusive." Likewise, "inclusiveness" is understood as the expansion of the rights and freedoms of some groups of people, including in order to reduce poverty, participate in political life and restore justice. Therefore, the key of overcoming consequences of the economic crisis and social destruction lies in the search for new forms of interaction between the economic, social, environmental and socio-political spheres of society.

Taking into account that inclusiveness is essentially the main driving force behind creating a balance between society, government and business, an inclusive economy model will permit to ensure equal access for people to economic independence and basic needs for sustaining life (such as food, water, clothing, health care, housing, education, energy) and unhindered interaction between social groups.

Latest scientific progress and publications review. Rapidly growing rates of social problems, not only in developing but also in developed countries, are increasing the relevance of scientific debate on the search for a new economic model that will ensure a sustainable high level of economic growth, necessary to reduce social inequality and satisfy basic human needs (health, safety, food) and aspirations (benefits to society, work and self-realization). So, authors from the Commission on Growth and Development in their Growth Report: Strategies for Sustained Growth and Inclusive Development claim that non-inclusive growth models are always doomed to failure, lead to political and social crises, and are accompanied by ideological or ethnic polarization.

In this regard, a group of scientists led by the Nobel Prize laureate M. Spence offered basic provisions of the "inclusive sustainable growth" concept developed by participants of the Commission on Growth and Development. Spence (2013) believes that inclusiveness is the main characteristic of sustainable growth. He also claims that inclusiveness ensures equal opportunities to people and limits income inequality. In this case, the goal of public policy is to ensure a combination of the tasks of economic growth and the performance of the "life functions" of an individual. This will make it possible to create a socio-political system based on a complex combination of the development of the economy and society.

In this regard, the attention of scientists, international organizations and the public is focused on the inclusiveness of the modern economy. The main focus of the World Bank's definition of inclusiveness relates to the notion of growth as an economic category, which ensures the production

of wealth through the effective use of labor and is characterized by equal opportunities in access to the market and resources. At the same time World Bank analysts note that inclusive growth is more about productive employment for all population groups than income redistribution.

Some scientists consider inclusive growth in terms of reducing inequality and overcoming poverty through an equitable distribution of resources. Samans, Blanke and Drzeniek et al (2018). define inclusive growth as economic growth, aimed at equitable distribution of resources, both tangible and intangible, in order to improve the well-being of the whole society. Hasmath (2015) believes that inclusive growth – is economic growth aimed at improving welfare and reducing inequality through direct, equal and equitable distribution of wealth and benefits among the population and is, in fact, the development of the social economy.

According to OECDs definition "inclusive growth" is economic growth, which creates opportunities for all segments of the population in terms of education, health and security, as well as opportunities of increasing welfare through the equitable distribution of material and intangible benefits.

Policy documents of international organizations address inclusive growth in terms of achieving sustainable development goals that balance environmental, economic and social systems. According to the European Commission, inclusive growth is based on an integrated approach to solving problems that ensure economic diversification, use of renewable energy sources, creation of social infrastructure, and reduction of social differentiation. The Europe 2020 strategy notes that inclusive growth involves the full use of labor potential to reduce poverty and its consequences, develop social inclusion, and eliminate regional imbalances.

The United Nations Development Programme (UNDP 2019) notes that "inclusive growth involves participation and benefit-sharing" and is a parameter of inclusive development that involves economic progress, social satisfaction and environmental stability.

The European Economic Commission sees "inclusive growth" as an opportunity to create a non-discriminatory economic environment with a view of ensuring that the quality of life is improved by different groups. The approach of the World Economic Forum (2018) does not contradict this opinion to defining inclusive growth as an economic system of household income, diversity of opportunities, economic security and quality of life. According to the authors Samans, Blanke and Drzeniek et al (2018) inclusive growth has a mechanism for "disseminating life standards that underlie a modern market economy, in which economic growth and social integration are interconnected."

An analysis of approaches allows us to conclude that inclusive growth is understood as economic growth with equal opportunities.

"Inclusive growth" is economic growth, which creates equal opportunities for access to social infrastructure for all groups of the population in terms of education, health, security, productive employment, social mobility, creation of personal and social income in order to improve the quality of life (social satisfaction, environmental stability, etc.), reduce inequality and overcome absolute poverty.

It should be noted, that for a long time, the main goal of economic growth models was to increase the real volume of social production based on the use of market factors, which did not ensure the implementation of the principle of social justice. As a result, income inequality increased, level of

poverty and social tension increased, as well as the level of conflict potential in society and environmental threats.

What model of economic growth provides equal opportunities? The search for an answer to this question leads to a scientific discussion regarding a new model of economic growth that meets imperatives of the world community development, taking into account the problems that manifest themselves in social inequality, destabilization of the ecological environment and in increase of the polarization of society. As a result of the evolution of economic theories, there were many approaches to economic growth models that justified the degree of government regulation of processes of economic reproduction, key growth factors, and development priorities.

The defining role of human capital and intelligence as the only important resource that allows, on the one hand, to generate innovations (scientists, innovators), and, on the other, to commercialize them (business structures and entrepreneurs) was substantiated by P. Romer. In the framework of the theory of "new growth," entrepreneurs and scientists are "innovators who control the process of" creative destruction." This approach is most consistent with the theory of Schumpeter (2016) and corresponds to the main provisions of the post-industrial economy. According to the theory of "new growth," technology is defined as "endogenous" (unlike its traditional perception as an "exogenous" factor) and is a central part of the economic system. The fact that the level of technological development is directly proportional to the resources invested in it, allows to increase the profitability of investments. So, developed countries can maintain a rapid growth rate instead of struggling with declining returns on investment. According to Romer (1990), the theory of new growth contains two deep messages. One of them is that the new economy is more based on ideas than on material objects. This requires a fundamentally different institutional infrastructure, a completely different pricing system and processes for adapting innovations, which will allow the use of new technical ideas in the most productive way. On the other hand, P. Romer proves that there is an "immense expanse" and unlimited opportunities for discovering new ideas. Also, the theory of "new growth" claims that another process is hiding behind the business cycle (and determines it) – a process of discovery and innovation, which in the future forms a basis for raising living standards.

Understanding that economic growth is driven by structural changes in the economy, investments in technological renewal of production, increased entrepreneurial activity, and the introduction of innovation convinces in the defining role of human capital as the main factor in economic growth. A number of authors of economic theories have defined the role of human capital, innovation and government regulation as the main imperative of economic development.

A special contribution to the development of neoliberal theories was made by Erhard (2010), who proposed a concept of economic development based on the social orientation of market economy. The concept declares the need to develop social market economy as a form of organization of economic space. The basis of social market economy is the combination of freedom, order, individualism and collectivism into harmonious unity in order to achieve "well-being for all". In essence, the concept is inclusive, since its priorities were to ensure the necessary minimum for each individual, as well as to create conditions for satisfying material and spiritual needs. The mechanism for implementing the concept in

West Germany consisted in government regulation of the competition system, corresponding to the principles of the free market, redistribution of income through the state budget, and business development, which made it possible to form an economic basis for social measures.

In general, in characterizing models of economic growth, it should be noted that they are based on determining of the degree of influence of factors of production (capital, labor, means of production, human capital, innovation, education) and laws of economic development (degree of market freedom, nature of labor productivity, employment trends).

The modern theory of institutionalism presents a multifactor model of economic growth, establishing the relationship between investments in human capital and the dynamics of national income and economic growth.

The purpose and problem of research. In our opinion, economic theories of growth to a greater extent represent theoretical concepts of economic processes and phenomena characteristic of the development of society in a certain period of time and are based on logic and historical experience, as well as on the views of economists of a particular historical era. At the same time none of the existing concepts of economic growth has sufficiently implemented the social principles of the economic development of society, and solve social problems. Economic growth, even in highly developed countries, does not provide equal opportunities for all segments of the population to equitably distribute tangible and intangible benefits in society to improve their well-being. So, record economic growth rates in the period of the 1990s and 2000s, according to the Organization for Economic Cooperation and Development (OECD), did not provide an opportunity to solve problems related to poverty, unemployment and inequality. Consequently, economic growth, expressed in terms of GDP and GNP, is not always effective in solving social problems, as it does not fully reflect the characteristics and specificities of the distribution of goods and services. This is confirmed by the development trends of the different countries of the world, situated in the context of global economic growth. These trends reflect an increased degree of income differentiation and a growing gap between the incomes of the most and least wealthy segments of the population.

In this regard, it is relevant to identify the patterns of the relationship between economic growth and the degree of satisfaction with the quality of life, the level of human development, prosperity, social progress and the state of freedom. This will make it possible to determine the degree of accessibility of material goods and services to various categories of the population in terms of equal opportunities for their involvement in all economic and social processes. The results of such a study will justify proposals in terms of an inclusive growth model that complexly reflects the relationships between production, circulation, consumption and accumulation, between income, expenditure and final demand, between savings and investment, etc.

The purpose of the paper is a systematic approach to both, the relationship between economic growth, development inclusiveness, competitiveness, and the formulation of social and economic policies in the context of inclusive development, becomes an important task.

Economic growth is a quantitative characteristic of economic development and reflects the process of structural transformation of the economy and accumulation of factors of production. This is due to the fact that economic development is determined by the systematic reproduction

of material factors of production (capital, labor, land, entrepreneurship) and is a multifactorial process which reflects the change in per capita income growth. Therefore, the concept of economic growth is associated with an increase in potential and real gross national product, gross domestic product and national income. GDP reflects the commercial value of all manufactured goods and services, allows to measure the rate of money circulation in an economy, but not the level of quality and satisfaction with living conditions. However, GDP and GDP per capita are considered as the main characteristics, and their increase is considered as the goal of economic growth.

Akhmetshin et al. (2017) consider that Inclusive growth broadens the concept of traditional economic growth to include the importance of human capital development, environmental security and social protection for all groups, particularly those vulnerable. Inclusive growth is characterized not only by an increase in income or GDP, but also by the conditions for reducing inequality and poverty, active participation in economic life and ensuring a decent quality of life.

The analytical base of the study is the country rankings by economic development, human development, quality and satisfaction with life, the level of openness of the society, which are represented by international organizations and agencies.

The **methodology** for assessing the inclusive development index is based on a comparative analysis of 107 countries by criteria of growth, equity and sustainability (29 developed countries and 78 developing countries, separately). The division of countries into two groups was required because of the differences between them in the definition of poverty. The IDI (Inclusive Development Index) is based on 12 indicators, combined into three groups that assess the level of economic development:

- growth and development (including growth in GDP, employment, productivity and estimated life expectancy);
- inclusivity (median household income, poverty and inequality);
- intergenerational equity and sustainability (level of savings, demographic burden, government debt and pollution).

2 Results of the research

What model of economic growth provides equal opportunities? The results of the global ranking were presented in 2018 as part of the annual meeting at the World Economic Forum in Davos.

The top lines of the ranking of developed countries are occupied by small European countries. At the same time, Norway is recognized as the country with the highest level of inclusiveness of development. Australia is the only non-European country in the top ten, ranking 9th. Germany ranks highest among the G7 countries, located in 12th position. It is followed by Canada (17th), France (18th), Great Britain (21st), USA (23rd), Japan (24th) and Italy (27th).

The group of developing countries included Lithuania, Azerbaijan and Hungary in the top three. Russia was on the 13th place – between Argentina, Thailand (11th and 12th places, respectively) and Peru with China (14th and 15th places). In this group of countries, the gap between GDP per capita and the index of inclusive development is higher than in the developed countries.

In order to determine the relationship between the level of inclusiveness of development and the level of social and economic development, a comparative analysis of the rating of TOP-10 countries (TOP groups) was carried out on the following indicators: GDP size, human development index, GDP per capita, prosperity index, rule of law index, human freedom index, state insolvency index, happiness index, social development and social progress index, life expectancy, education index (Table 1).

The results of the comparative assessment show that the level of human development, well-being and prosperity of regions in terms of the parameters of social well-being in the areas of economy, entrepreneurship, management, education, health, security and personal freedoms, social capital and ecology, as well as the level of development of the legal environment and legislative practice, does not have a direct proportional relationship with the level of GDP. This allows us to conclude that the high level of values of these indicators is determined to a greater extent by the level of self-consciousness and the readiness of society to dialogue with authorities, by the ability of social actors to develop and move ahead, as well as by the high level of openness and acceptance by society of "supra-constitutional values."

Thus, five out of 10 countries in the TOP group with high GDP per capita are not part of any TOP group that reflects the degree of satisfaction of the population with the living conditions. Countries such as China, Japan, Great Britain, France, Italy and Brazil, which are in the TOP group of countries with high GDP, are not included in the TOP group of countries with indicators of the level of inclusiveness of development.

These findings support the idea that a high level of GDP does not guarantee a high level of well-being of the population and a high degree of satisfaction with living conditions. This is due to the fact that a high level of GDP is provided by an increase in the total profit of economic entities, which, in general, does not guarantee comfortable living conditions for citizens.

According to the ranking of countries on the index of social development and social progress, the European countries traditionally have a high rating: the TOP 5 includes Norway, Denmark, Switzerland, Finland, and Sweden. At the same time, Japan is part of this group and occupies only 10th position, provided that in the ranking of countries in terms of GDP, Japan corresponds to 3rd position. Similar trends show up in the happiness index indicator, in the TOP 10 ranking of which 8 countries are European countries with a high level of inclusiveness of development. The ranking of countries by life expectancy are also interesting – the TOP 5 are three Asian (Hong Kong, Japan and Singapore) and two European countries (Switzerland and Italy).

The group of countries with the highest (TOP 10) value of the education level index mainly consists of European countries (with the exception of New Zealand and Australia), including the UK, which was first included in the TOP 10 according to the analyzed indicators. At the same time, Norway is a very indicative example, which is on the top line of the ranking of countries in terms of inclusiveness of development and is included in the TOP 5 countries according to all other indicators, with the exception of the education index (Norway corresponds to the 6th position).

The analytical part of the study confirmed that a high level of GDP does not guarantee a high level of well-being of the population and a degree of satisfaction with living conditions. This is due to the fact that a high level of GDP

TABLE 1 Comparative table of countries by ranking with the highest values of indicators

General Ranking of countries												
	by inclusive development index	by GDP size	by human development index	by GDP per capita	by prosperity index	by the rule of law index	by human freedom index	by State Insolvency Index	by happiness level index	by index of social development and social progress	by life expectancy	by education index
1	Norway	USA	Norway	Liechten-stein	Denmark	Denmark	Finland	Yemen	Finland	Norway	Hong Kong	Germany
2	Iceland	China	Switzer-land	Bermuda	Norway	Norway	Norway	Somali	Denmark	Denmark	Japan	Australia
3	Luxem-bourg	Japan	Ireland	Switzer-land	Switzer-land	Finland	Sweden	South Sudan	Norway	Switzer-land	Switzer-land	New Zealand
4	Switzer-land	Germany	Germany	Norway	Sweden	Sweden	Canada	Syria	Iceland	Finland	Singapore	Denmark
5	Denmark	Great Britain	Hong Kong	Isle of Man	Finland	Nether-lands	Nether-lands	DR Congo	Nether-lands	Sweden	Italy	Nether-lands
6	Sweden	France	Australia	Macao	Nether-lands	Germany	Australia	CAR	Switzer-land	Iceland	Spain	Norway
7	Nether-lands	India	Iceland	Luxem-bourg	New Zealand	New Zealand	Luxem-bourg	Chad	Sweden	New Zealand	Australia	Iceland
8	Ireland	Italy	Sweden	Iceland	Germany	Austria	New Zealand	Sudan	New Zealand	Ireland	Iceland	Great Britain
9	Australia	Brazil	Singapore	USA	Luxem-bourg	Canada	Uruguay	Afghanistan	Canada	Canada	Israel	Finland
10	Austria	Canada	Nether-lands	Qatar	Iceland	Australia	Denmark	Zimbabwe	Austria	Japan	South Korea	Sweden

is provided by an increase in the total profit of economic entities, which, in general, does not provide comfortable living conditions for citizens.

The assessment of the competitiveness index (macroeconomic stability, infrastructure, human capital, markets, finance and innovation) confirmed that the high level of institutional support, including security of life, conditions for the development of social capital, independence of the judiciary, fiscal transparency, protection of intellectual property, environmental stability predetermines a high level of inclusive development.

An analysis of the competitiveness rating of countries concluded that countries with a high level of inclusive development ensured competitiveness through the efficient use of human capital, business dynamics and the creation of conditions for the commercialization of innovation.

Changing the paradigm of economic growth.

The trends we have analyzed above confirm the need to transform the paradigm of economic growth with regard to the realization of the concept of inclusiveness, because, as Spence (2013) notes: "the opportunities created by growth should be open to people and the degree of income inequality and access to basic services should be limited to acceptable limits". In 2015, in frameworks of the World Economic Forum noted: "In developing countries, sustained strong growth lifted many people out of absolute poverty, but improvements in living standards did not keep up with GDP growth or were unevenly distributed. This is most evident in Eastern Europe, Asia and Africa".

The contrast in living standards and access to resources among populations in different regions and continents is the most important incentive for migrants seeking better opportunities to live in economically developed and socially stable countries. Acemoglu and Robinson (2012) note that the difference in the wealth level of the inhabitants of Mexico and the USA is 7 times, and 10 times between the USA, Peru or Central America. Nevertheless, people living in these countries are 20 times richer than the average resident of tropical Africa and 40 times richer than residents of countries like as Mali, Ethiopia or Sierra Leone. The standard of living of some countries of the European Union (Norway, Switzerland, Austria, Germany, Finland, the Netherlands and others), fast-growing Asian countries (Singapore, South Korea, Taiwan) with countries not only in Africa, but also, for example, most countries located in the post-Soviet space vary significantly.

In our opinion, the reasons for such a significant differentiation are sustainability of extractive control tools, concentration of resources in the hands of the ruling elites and the low level of civic identity and social responsibility. For example, the countries of the post-Soviet space, having at their disposal the "remnants" of economic growth that persisted in the USSR until the 1970s, could not make the transition from extractive to inclusive institutions. This is due to the fact that extractive institutions are aimed at creating conditions for maximizing the profits of the ruling and business elites, which leads to discrimination of the rights and opportunities of the population. The negative consequences of extractive institutions are a decrease in the business activity of the medium and small business sector, an increase in the level of monopolization of the market and a decrease in the level of modernization of the economy. However, this does not mean that for countries with the dominant role of extractive institutions, it is impossible to change the vector of development towards inclusiveness.

The question is: what actions are needed to make the transition to inclusive growth? Currently, there is a unity of opinion that inclusive institutions will be able to ensure equal opportunities for all citizens to participate in economic activity. Inclusive institutions will protect private property rights, as well as create conditions for the free entry into the market of new companies and make possible a free choice of profession and the development of personal competencies. This is, to a certain extent, due to the economic growth and competitiveness of the economy, which are ensured by a high level of human capital development and the innovation of the economy.

Hanson (2013) notes that while economic growth is not a universal process, its three main paradigms are based on the forms of innovation. The first paradigm is based on a high level of capital investment in the introduction of technologies related to the "introduction of innovations" created in other countries. The second paradigm according to Aghion and Howitt (2006) is based on the development of advanced innovations within the country and involves their spread beyond national borders. The third paradigm is based on the development of human capital, which provides "inclusive growth that benefits all sectors and all regions of the economy, although not uniformly. In other words, according to Roy (2011), a country's growth will be considered inclusive if, along with an increase in the country's GDP, the human development index also increases".

In our opinion, as part of the development of the sixth technological wave, these models lose their functionality and efficiency due to the need to ensure higher rates of growth of productivity associated with the use of the latest technological factors. Hanson (2013) notes that "managing the pace of investment and protecting firms from competition is becoming increasingly inefficient, as growth is more dependent on advanced innovation. Such growth is based on high levels of human capital and ingenuity".

The models of economic growth based on the use of innovation and human capital, as "key factors," are not only represented in basic scientific research, but are also tested on the example of some countries of the world (Singapore, Hong Kong, China, South Korea). However, these models did not fully ensure the inclusiveness of the economy, creation of equal conditions for all groups of the population and reduction of income differentiation. This is due to the fact that inclusive institutions are either absent or are in the process of formation, which does not allow ensuring equal opportunities, guaranteeing the economic freedoms of citizens and establishing the balance of interaction between the economic, political and cultural spheres of society. The main function of inclusive institutions is to widen people's rights and possibilities through high levels of employment, social integration and access to markets, resources and institutional environments. The functions of inclusive institutions consist also in providing vocational training and social protection. In our opinion, it is inclusive institutions that make it possible to form a new generation of human capital that meets the requirements of an innovative economy, which is characterized by the latest achievements in the field of genetic engineering, nuclear energy, nanomedicine and the field of high-tech materials. This is particularly relevant, provided that, on the one hand, the improvement of education and professional competencies is necessary to carry out technically complex work with maximum productivity, and, on the other hand, the process of creating innovations for inclusive growth is impossible

without a high level of human capital development. Thus, the link between bad education in poor countries and their low level of economic development is evident. However, this is the result of a closed chain: economic institutions do not create motivational incentives for education, as a result of which there are no highly qualified personnel who can generate and introduce innovations that ensure economic growth. It is the institutions of inclusive development that can stimulate reproduction of technological innovation, promotion of new knowledge, and invest in the development of human capital, which is freely moving within the global information space.

Therefore, the new model of inclusive growth should take into account the defining role of the person in the sixth technological paradigm, the interaction of economic, social, political and environmental systems. This model is characterized by the low levels of income inequality, reduction of absolute poverty, reduction of inequality of opportunity (through access to education, finance, health care and the judiciary) and improvement of the quality of life. In this way, an individual becomes a direct participant in all the processes of reproduction on the one hand and a recipient of tangible and intangible benefits on the other.

It is evident that creating prerequisites for inclusive growth is a complex and long-term process as it requires fundamental restructuring of public and political governance systems. It is necessary to create an inclusive infrastructure that ensures equitable access to public goods: health, education, the transport system, access to information and communication, the legal system and security, environmental sustainability. At the same time, the realization of such value imperatives as the rule of law, protection of intellectual property, rights and freedoms of citizens can be formed and recognized exclusively in a civil society without any predominant influence of the state. At the same time, it must be a highly organized and internally structured society that respects the principles of social justice and freedom of choice of the individual. Only in this case the new model of inclusive growth will be effective.

Civil society as a basis for inclusive growth.

Civil society is a set of institutions and social relations independent from the State, characterized by a high level of pluralism, activity of political elites, recognition of the value of socio-political guidelines and the construction of a cohesive community. The main actors in civil society are individuals with a system of interests and needs, the totality of which forms independent associations of people who actively participate in public life (social actors). The basic principles of civil society are the equality of human rights and freedoms in the political sphere and the economic independence of individuals, based on the right of everyone to own property or receive remuneration for work.

In our view, the principles of civil society form the basis of inclusive institutions that enable the transformation of resource priorities (renewable energy), consumption patterns (minimization of needs) and environmental management (conservation of ecosystems). At the same time, prerequisites are created for the free movement and mutual penetration of social actors and formation of new social communities within the framework of a one economic space. This is due to the fact that the implementation of the individual's personal competencies makes it possible for him to move from one social actor to another and the creation of new associations of social actors that form the basis for intersecting sets. Therefore, equal access to education and work, possibility of continuous self-education and development of professional

skills are the main condition for the emergence of intersecting sets. In our opinion, the result of the process of development of intersecting sets is a high level of satisfaction and self-realization of individuals, the generation of innovations and the creation of fundamentally new technological and scientific solutions. Also, it allows a person to change his social status and create a new community with other individuals at a qualitatively new level, (Figure 1).

In the context of the formation of a society of intersecting sets as the basis for the development of civil society, it is necessary to determine the degree of state participation in the regulation of social and economic processes. This requires clarification of the role and functions of the State in terms of modern institutional theory. Traditionally, state functions are distinguished depending on the sphere of public life, dividing them into internal and external ones. The internal functions of the State guarantee the realization of the social rights and economic interests of citizens (freedom of citizens and the rule of law) through fiscal policy instruments. The external functions of the state allow integration into international space, while ensuring national security (support for the world rule of law and cooperation with other states in solving global problems).

At the same time, the legislative role of the state is fixed, as a rule, in the preamble or the body of the constitution by approving common values and priorities that form the basis of a social contract between the state and society (Table 2).

In our opinion, the declaration in the preamble or in the sections of the Constitution of unified social norms, values and priorities does not ensure their mandatory implementation, as well as their absence in the main document of the state (Great Britain) does not exclude their recognition and acceptance by society. Therefore, one should agree with the opinion of scientist Auzan (2016), who, based on the provisions of the theory of social contract, proved that the formation of a new model of relations between the state and society is possible only if there is a system of "supra-constitutional values and informal rules", according to which social development processes are carried out. This seems particularly important

in the context of the economic crisis, which also confirmed the failure of absolutism of the liberal order. Despite the fact that the main doctrine of liberal democracy is the protection of human rights, the UN draws attention to the fact that the year 2019, preceding the year of the spread of COVID-19, was saturated with numerous protests around the world. The main requirements were to increase the level of State regulation, improve the protection of human rights, ensure equality, reduce social differentiation, more effective fight against the climate change and overcome corruption.

Social contract between society and the State. The protracted social and economic crisis, as well as the need to introduce strict regulatory measures, can provoke a restriction on the participation of the civilian population in socio-political processes. In this case, it becomes necessary to form a social contract between society and the state as a form of a social contract, which can be of two types: horizontal or vertical. A horizontal contract is a mutual consent of citizens creating state bodies for their own purposes. A vertical contract is a contract between state and society in which society, having lost part of its rights and freedoms, receives protection and support from the state.

The transition from one type of social contract to another can take place as a reaction to external threats, as a result of which, processes associated with the effective use of progressive potential, which is a new national elite that determines revival processes in all spheres of society, gain momentum for dynamic development. Thus, conditions for accumulating intellectual abilities, new knowledge and information resources are formed in order of integrated use of the potential of the territory. This will ensure the realization of social functions that improve the quality of human life and the recognition of standards of social and economic justice. In this regard, the new national elite should be seen as an intellectual resource that ensures the development of competitive advantages through the intensification of scientific research, adaptation of innovative technologies, as well as expansion of the boundaries of intellectual and cultural-spiritual interregional integration.

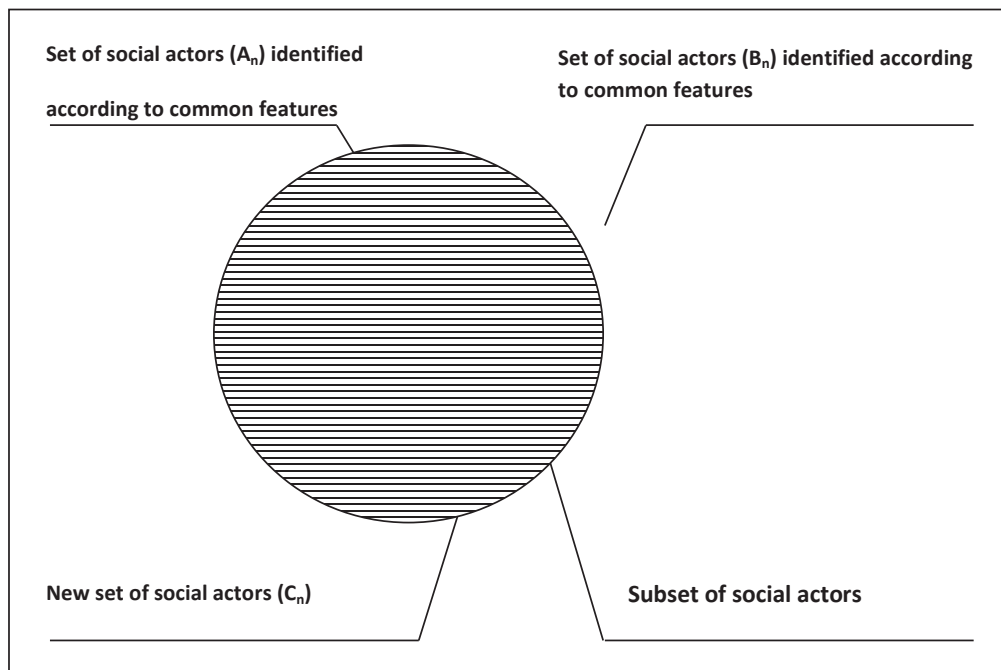


FIGURE 1 Intersecting Sets Society Model

TABLE 2 Comparative table of the preambles to the Constitutions of the states of Europe and America

The state	Preamble to the Constitution
USA	"We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America."
Ireland	Consists of a preamble and 16 parts (50 articles in total). The preamble "thankfully" mentions a just struggle for independence. It is stated that "the name of the state is Eire, or in English is Ireland." Another feature of the document is the state's guaranteed protection of marriage and the family, which is recognized as "a natural source and a unifying base of society"
Germany	Conscious of their responsibility before God and man. Inspired by the determination to promote world peace as an equal partner in a united Europe, the German people, in the exercise of their constituent power, have adopted this Basic Law. Germans in the lands of Baden-Württemberg, Bavaria, Berlin, Brandenburg, Bremen, Ham-burg, Hesse, Lower Saxony, Mecklenburg-Western Pomerania, North Rhine-Westphalia, Rhineland-Palatinate, Saarland, Saxony, Saxony-Anhalt, Schleswig-Holstein, and Thuringia have achieved the unity and freedom of Germany in free self-determination. This Basic Law thus applies to the entire German people.
France	The preamble proclaims "Freedom, equality and brotherhood," which affirms "Rule of the people, according to the will of the people and for the people"
Great Britain	A distinctive characteristic of the British Constitution is the absence of any single document, which could be called the basic law of the country. Moreover, there is not even an accurate list of documents that relate to the Constitution.
Switzerland	In the name of Almighty God! The Swiss People and the Cantons, mindful of their responsibility towards creation, resolved to renew their alliance so as to strengthen liberty, democracy, independence and peace in a spirit of solidarity and openness towards the world, determined to live together with mutual consideration and respect for their diversity, conscious of their common achievements and their responsibility towards future generations, and in the knowledge that only those who use their freedom remain free, and that the strength of a people is measured by the well-being of its weakest members; adopt the following Constitution:
Canada	The constitution refers to a set of acts, British laws, court decisions, etc. e. The two main documents are the British North America Act of 1867, which proclaimed Canada the dominion of Great Britain, and the 1982 act, which established that all laws in Canada will be passed only by the Canadian government. There is no preamble
Argentina	It consists of a preamble, 2 parts divided into 129 articles and transitional provisions. Proclaims that there are no slaves in Argentina, and any slave who enters the territory of the country from other states immediately becomes free
Ukraine	The Verkhovna Rada (the Parliament) of Ukraine on behalf of the Ukrainian people – Ukrainian citizens of all nationalities, expressing the sovereign will of the people, relying on the centuries-old history of Ukrainian state-building and upon the right to self-determination realized by the Ukrainian nation, all the Ukrainian people, aspiring to ensure human rights and freedoms, and life conditions worthy of human dignity, supporting the strengthening of civil harmony on the Ukrainian soil, striving to develop and strengthen a democratic, social, law-based state, realizing the responsibility in the eyes of God, before our own conscience, past, present and future generations, guided by the Act of Declaration of the Independence of Ukraine of 24 August 1991, approved by the national vote on 1 December 1991, adopts this Constitution as the Fundamental Law of Ukraine.
Russian Federation	We, the multinational people of the Russian Federation, united by a common fate on our land, establishing human rights and freedoms, civil peace and accord, preserving the historically established State unity, proceeding from universally acknowledged principles of equality and self-determination of peoples, revering the memory of ancestors who have passed on to us their love for the Fatherland and faith in good and justice, reviving the sovereign statehood of Russia and asserting the firmness of its democratic basis, striving to ensure the well-being and prosperity of Russia, proceeding from the responsibility for our Fatherland before present and future generations, recognizing ourselves to be a part of the world community, do hereby adopt THE CONSTITUTION OF THE RUSSIAN FEDERATION.

However, the national elite itself will not ensure the widespread implementation of the social contract. This is possible only in civil society with a high level of self-organization, which allows solving problems on the basis of a multilateral contract that implements the mutual rights of the state and society. The role of civil society not only in social, but also in economic processes is also confirmed by the calculations of the Institute of Urban Economics. For example, the contribution of civil society in the USA is 7 percent – this is more than the share of the American Government, but less than the share of business. The largest contribution of civil society to gross domestic product corresponds to the Netherlands (15.7%). In our opinion, such significant differences are explained by the level of adoption of "supra-constitutional rules" by society and the presence of capable inclusive institutions. In this case, the social

activity of the population becomes a stimulating factor that determines the economic, political, cultural and other processes of development of society. As a result, a social community is formed, which has common value priorities that promote the ideas of harmonizing economic development.

3 Conclusions

1. The problems associated with a decrease in economic growth, social tension in society, a high level of income differentiation, poverty and international conflicts are due to the consequences of the global cyclical crisis. The current economic crisis is structural and is connected with a change of technological wave, which involves the transformation of economic resources from the sphere of low productivity to the sphere of high productivity.

2. Overcoming poverty, reducing inequality and ensuring "non-discriminatory access" is possible only in conditions of inclusive growth. This convinces the need to change the approach to the format of interaction between the economic, social, political and environmental systems of society, within the framework of a new model of inclusive growth.

3. The analysis of the existing concepts of economic growth confirmed the idea that none of them had sufficiently implemented the social principles of the economic development of society, which could solve social problems. This determines the need to develop a new model of inclusive growth, which is the most developed form of market economy, in which freedom of economy is combined with the principle of social equalization and social progress.

4. The main function of the new model of inclusive growth is to ensure the long-term interaction of economic, social, political and environmental systems, which is manifested in low levels of income inequality, reduction of absolute poverty, reduction of inequality of opportunities (through access to education, finance, health care and the judiciary) and improvement of the quality of life.

5. The achievement of the goals of inclusive growth is ensured by a high level of civic identity, the equal

coexistence of various socio-cultural ethnic groups, the intensification of partnerships, interregional relationships and social integration. These characteristics reflect the essence of a civil society capable of regulating social and economic development through a system of informal (supra-constitutional) norms and rules of social behavior.

6. In order to increase the participation of the civilian population in socio-political and economic processes, the role of the social contract between society and the State is increasing as a form of social contract and the basis for institutional support for inclusive growth.

The priorities of further research should be focused on the justification of mechanisms that ensure a balance between the economic, social and environmental spheres of society. Given trends in global issues, the development and ratification by the international community of the concept of inclusive growth, including short- and long-term strategic planning and management, is also relevant. The main areas of research should include the study and development of tools for inclusive growth in the field of tax policy, income and expenditure management and for improving the business climate and access to financial services.

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