Chapter 1

Postindustrial Guidelines for Socio–Economical Reformations

Andreeva Ekaterina
Rostov State Transport University, Russia

Kozlova Elena
Rostov State Transport University, Russia

ABSTRACT

Postindustrialization today belongs to the most important criteria of national economic competitiveness and a factor which directly determines country’s positioning in the world economy and international labor distribution. Under the conditions of resource potential limitedness of industrial development as such, this makes extremely actual the search for new principles and new mechanisms for accelerated postindustrial modernization. In this chapter we carry out the analysis of postindustrialization as a socioeconomic phenomenon in order to reveal the fundamental causes of its origin and the whole wide spectrum of its consequences which are supposed to transform the global economic system. We also plan to present the conceptual grounds of infrastructural and institutional provision for postindustrial modernization viewed here as a large-scale reform of a socioeconomic system of a country under the intellectualization of production relations initiated and fully supported by the state.

THE DRIVING FORCES AND THE CURRENT STATE OF POSTINDUSTRIALISM AS A CAPITALISTIC FORMATION

In the course of its development social order has several forms of society organization, each having its own principles, including those related to management and economy. Understanding the limitedness of resources (especially those of strategic importance, the consumption of which is usually only growing with the same speed the technological progress has), the society is trying to use its accumulated knowledge, technologies, skills, its local and global experience in order to transform evolutionary (or revolutionary in some cases) its key life principles dominating in the system of social relations so that to become better adapted to the actual state of resources’ limitation. This leads to some sort of transition phase, and the key features of this transition period are as follows:

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1. Economic crisis is developing “on longer waves”. Consequently, it is not always evident in a shorter term. The major causes for worsening of economic situation at this transition stage are usually related to resources, their depletion or higher prices, both leading to lower level of consumption and lower quality of material welfare in a country. In the overall history of humanity some resources already have been in the state of limitedness, and this has actually stimulated certain institutional transformations. To the group of such resources belong land, metals, coal and oil. Limits in their reserves have forced societies modernize their production processes and introduce new ways of production and new branches which would be less related to the “endangered” resource.

2. Unlike the cases of restructuring and modernization of production, this phase transition is stimulated bottom-up, from the level of final consumers. It mostly originates at the local level but gets to the global level rather soon, and in the process of this escalation it is changing the institutes of world economy, starting with international labor distribution, world trade etc. The global nature of this transformation means that the resource chosen as a new top priority soon becomes of truly planetary importance, consequently, those branches (or national economies) which were quick enough to already adopt this new resource or adapted themselves under the use of this limited resource, are turning into the only holder of a global competitive advantage.

3. Management crisis (at both corporate and state levels) and lower expediency and efficiency of regulations are also the key features of this phase transition. On the background of stagnating profitability of production and too obvious limits of growth and resource supply, the whole social system is losing its stability, thus requiring radically new managerial mechanisms.

4. The investment nature of this transition. In the history of humankind development local communities transiting to a new phase in their economic development always had certain costs related to the corresponding environmental damages and also social life changes (changes in traditional family values, relocation, migration, mass unemployment etc.).

Transition to the industrial stage in the development, for example, has forced millions of people to change their places of residence, type of key activity, and in parallel to that, families became predominantly nuclear in nature, much of patrimonial relations have been abandoned, since millions of people relocated to megapolicies. Same changes later have lead to revolutions and monarchies overthrow as well as transitions to more adapted requirements of industrial development of democratic regimes, rapid establishment of which were directly related to the interests of the many. While the consequences of this new phase of society’s development would be experienced not during this generation, but by the next generation and the following ones.

Changes of phases leads to radical transformations in cross-national and cross-country relations in which the dominating role would have that economic system which managed to be the first to adapt to the new principles of management. While for the rest of economies these changes would have rather dramatic consequences since the so-called “underdeveloped” economies always have more painful transformations as compared to the pioneers of transition. Despite the fact that they already have in front of them rather successful examples of such societal transformations and social systems’ progress, for underdeveloped and catching-up economies this phase transition is always troublesome and has a range of potential socioeconomic upheavals, mostly due to urgency of transformations (which is often the urgent demand of countries-leaders). Additional problems are caused by the fact that the initial conditions for this transition in countries-leaders and in catching-up countries are very different.