

## **Macroeconomic problems**

### **The role of the social sphere in the reproduction of human capital**

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Modern economy is greatly integrated into the new post-industrial phase of social development, which is characterized by the increasing role of social services. The process of global economic reforms, which began from the productive sector, now becomes more socially oriented. It defines the necessity of the mechanism development for effective cooperation of all economic sectors in the solving of social problems and creating of appropriate economic and legal basis for the formation of new subjects of social policy, efficacious functioning of social services [1, 375 ]. It should be mentioned that today the cause of the social sector development is the fact that together with the material needs are increasing needs in social and spiritual benefits which are created in the social sphere. The combination of material and social spheres gives an opportunity to ensure the consistency between material prosperity and spiritual development of human. The scientific and technological revolution, qualitatively new technologies demand another level of education, training, general human culture, discipline and responsibility for assigned work. All these demands determine the escalating role and an active reverse influence of social sphere on the development of social production [2, 1].

Optimal processes in the social sphere development are connected with the activity of institutions and organizations which is aimed on the social protection of the interests of every person and on the accessibility providing of main resources for the members of the society. The main function of the social sphere is the reproduction and comprehensive life support of an individual and social society. Many experts

consider that social reproduction is a purposeful social activity which ensures favorable conditions for the existence and development of social sphere [3, 2]. Also the social sphere has other functions, such as: productive, cultural and the function of social protection.

Productive function of the social sphere provides the production of benefits in the form of services to meet the immediate needs of the people, creation the conditions for the rational use of free time, the formation of the employment potential of society which is met the requirements of modern life, scientific and technical progress.

Cultural function is that the social sector, particularly in the sphere of socio-cultural groups, contributes the comprehensive development of a person, formation the particular set of social skills. The entity of the function of social protection is evinced in the provision of state social guarantees and support for the disabled, low-income people [4, 7]. In general, functions of social sphere designed to promote the use of the capacity of society for the benefit of a person.

On the social sphere is charged the solving of social problems which are of great importance for economy development and have a positive impact on the main productive force of society - a human being, namely:

- achievement of a well-deserved level of material well-being and living conditions;
- ensuring of the full productive employment, improving the quality and competitiveness of the labour power;
- ensuring of the rights and social guarantees for families;
- providing the support of the most vulnerable people;
- impact on the demographic situation in the direction of fertility increasing and mortality reducing, increasing of life expectancy ;
- development of social infrastructure;
- the stability of the social system ensuring [5, 11].

In the social democratic state the aim of the social policy is the general welfare, including providing the minimum required level of social protection for different populations and effective human capital formation.

In the conditions of transition to investment and innovation model of economic development, overcoming of the consequences of the financial crisis, endeavours to integrate into the global community, effective human capital formation as a source of economic development and prosperity of the country are the primary and essential task. Human capital in today's economy generates about 64 % of total national wealth of each country at the same time the physical capital accounts only 16 %, natural – 20 %. In countries, such as Japan and Germany, the share of human capital is nearly 80 % of the national wealth [6, 94].

It is necessary to mention that the human capital is a factor of economic growth and economic efficiency. Acquired knowledge, skills and abilities, allow a person to function in social and economic environment. These features are primarily determined by the nutrition level, health and the level of education. Investing in the development of human capital leads to higher productivity and production efficiency increasing. Practice shows that actions to increase human potential through education, health care improving and nutrition have an influence on the national economy growth, especially in countries with low levels of human capacity and low income [7, 423].

The solving social tasks, which are entrusted on the social sphere, has a primary importance for economy development and has a positive impact on the main productive power of the society – a person.

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