LABOR MARKET AND TRANSFORMATION OF LABOR RELATIONS IN THE LIGHT OF THE MARXIST, LIBERTARIAN AND NEOINSTITUTIONAL PARADIGM

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Abstract: The article is devoted to the study of theoretical, methodological, and practical issues related to the observed and global transformation of the socioeconomic and labor relations. Based on the Marxist, liberal libertarian, and neoinstitutional paradigm, the trends and patterns of the development of labor markets in the BRICS member states are explored in the article (periods for analysis are 2011 and 2018). The BRICS economies are ranked in comparison with the most developed economies in Western Europe using the economic, statistical, and cluster analysis. The obtained analytical data indicate the following: a) the BRICS economies are catching-up or outsiders by their development type and quality; b) the economies of China and Brazil migrated from the "following the leader" cluster to the "outsiders" cluster in 2018 compared with 2011; c) of all the BRICS member states, only India has used its resources relatively efficiently and rationally, which has allowed it to migrate from the "outsiders" cluster to the "catching-up economies" cluster in 2018. The authors have demonstrated by consistently revealing the concepts of the Marxist, liberal libertarian and neoinstitutional paradigm in the context of socioeconomic and labor relations that none of these standalone paradigms is able to either explain the transformations in the labor markets of the BRICS member states or provide reference points for solving the established problems. However, the integration of these paradigms in the framework of libertarian paternalism (the idea of R. Thaler and C. Sunstein) can solve the problem of inefficient labor markets in the BRICS member states. This will require deep and systemic institutional reforms aimed at creating developed labor markets in the BRICS member states. Simultaneous institutional improvement of labor markets and modernization of the economy can become factors that will make the BRICS member states real rather than nominal leaders in the global economy.

Keywords: labor, labor relations, social risks, BRICS, Marx, libertarianism, neoinstitutional theory.

1 Introduction

Russian, European, and North American media have regularly made statements over the past two to three years that millions of the employed in various countries can become unemployed due to the natural spread of automation and robotics technologies in the areas of human labor that are monotonous or do not require highly qualified, diversified knowledge. However, what is undoubted and alarming news for the media is perceived as a pattern and a predicted result of scientific and technological progress in the scientific world.

The importance of scientific and technological renewal (modernization) for technology and society was implicitly mentioned in the writings of representatives of classical political economy and explicitly mentioned in fundamental (at the time) studies "Theory of Economic Development" by J. Schumpeter and "Capital" by K. Marx. The processes of technical and technological renewal in the economy were regarded in both studies as necessary, immanent essences of economic growth and evaluated positively in general, from the subjective position of researchers, although it is known that J. Schumpeter [1, 2] was a critic of the Marxist socialist and communist concepts but believed that certain provisions of the Karl Marx' writings deserved close attention in terms of the study of the evolutionary mechanisms of socioeconomic development.

Russia historically accepted the writings of K. Marx as an axiom and elevated them to a high status. Eventually, it became the site of a global socioeconomic and political ideological experiment, the results of which were absolutely disappointing and contradicting to the Marxist concepts. However, the Marxist thesis that labor is a measure of the value of goods, works, services, and, therefore, the only source of wealth for most workers and employed, in the first place, has been undeniable until recently, since neither K. Marx nor his followers and predecessors could foresee the global changes that took place in the economy in the 20th century [3, 4]. In addition, it must be emphasized that early economists believed that scientific and technological progress in the economy would bring intellectually intensive and highly professional labor to the lowest positions [5]. However, this did not happen either. As such, the following is the concept of today:

- firstly, ideology cannot create relative equality (justice) due to the fact that the ownership of factors of production and labor (labor force as a commodity) usually does not belong to the same person (exceptions are entrepreneurs, capitalists, investors, and self-employed, but such categories of economic agents freely exist only in conditions when politics does not interfere with the economy, which cannot happen in Marxist and similar ideological economies);
- secondly, professionalism, knowledge, and intellect are competitive and almost noncopied advantages in the labor market. Financial capitalism is giving way to intellectual capitalism [6]; and
- thirdly, scientific and technological progress is changing the structure of employment, self-employment, and entrepreneurship. In the case of employment, there is an objective trend to skill-biased technical change (SBTC concept [7, 8]).

Similar but not obvious trends can be noted in entrepreneurship (innovation, implementation, and venture capital firms) and self-employment (freelance designers and other services, which increasingly require large intellectual and mental costs). Therefore, the SBTC concept will be explored in this article in the light of three sometimes mutually exclusive scientific paradigms: Marxism, libertarianism, and neoinstitutionalism.

2 Methods

It must be noted that the libertarian concept is applied in a limited way (social liberalism plus parity of private property and individual freedom). Marxism is considered in a similar way – in the context of the labor theory of value, which was absolutized in the writings of V.I. Lenin and his comrades, for example, who considered added value (that is, that part of the theory mentioned, which is the result of the research work of K. Marx) both as a source of capitalist wealth and as a cause of socioeconomic injustice (inequality) [9]. At the same time, neoinstitutionalism will be applied from the position of methodological individualism, i.e., a principle that considers it possible to reduce the entire complex and diverse socioeconomic reality to the study of behavioral patterns of an individual person (an individual or a worker, in this case) [10].

It must also be clarified that, despite the fact that the scientific community definitely assigns K. Marx and his economic theory to the macroeconomic section, it is believed in some scientific studies [11] that K. Marx was the first to use the principle of methodological individualism to analyze the economic structure of the time (through the prism of social labor and socioeconomic relations, rather than in the context of "invisible hand", like it had been before him). Douglas North [12], not fully agreeing with the statements of J. Elster, nevertheless indicated that such an interpretation of the economic writings of K. Marx had the right to exist, since "Institutions, the state, and ideology all are part of his analysis. Marx makes clear that if our thinking is to go beyond surface manifestations of an economy, we must explore the integrated relationships of all its parts."

It must also be added that even the sophist Protagoras spoke about a human as the measure of all things – therefore, the Marxist concept of the theory of labor value, which is based on the fact that the economy is impossible without production

relations (even if it has factors of production), is relevant for the modern analysis of transformations on labor markets and in social labor (socioeconomic) relations. Following the foregoing, an employed worker is in the focus of this analysis. However, since employment in the modern sense is no longer a constant and long-term employee's employment at a particular enterprise with the need to "attend workplace" in accordance with the internal regulations [13, 14], it is considered appropriate to include both employed and self-employed (i.e., workers with short-term formal contracts or verbal agreements with the employer) in the focus of the analysis. A content analysis of scientific theoretical and journalistic sources on the subject of this article, as well as a comparative historical (comparative) analysis of trends and patterns in the development of social and labor relations in various economic systems were used as research methods.

3 Results

Due to the limited scope of the article, two groups of socioeconomic systems are compared: developed systems (Germany, France, the UK, Sweden, and Finland) and developing systems, which are also called "transitive socioeconomic systems" in some sources (the BRICS member states). A cluster analysis ("nearest neighbor principle") is used as an instrumental basis for the study to identify similarities and differences between these socioeconomic systems. The data from The Legatum Prosperity Index (for 2011 and 2018) were used as an informational and statistical comparison base. In particular, two estimate components of this Index have been used:

1) estimate of the business environment (rank), which includes an estimate of the business infrastructure development, the availability of borrowed funds for entrepreneurship, the protection of the investors' interests, and the labor market development (including flexibility). In other words, it is an estimate of production factors; and
2) estimate of the quality of the economy (rank), which includes an estimate of the standards of living, quality and involvement of the labor force in the economy, as well as competitiveness and efficiency of the economy. In other words, it is an estimate of the results of using production factors as a result of socioeconomic and labor relations.

To formulate final conclusions and ensure the analysis objectivity, the "quality of the economy" component and the integrated rank of seven social components of the mentioned index were compared for the countries and their economies in order to estimate the influence of the state, formal and informal institutions, as well as political ideology on the economic progress and, accordingly, the welfare of the population in these countries, since, as has been shown above, labor is the only source of material well-being for the main part of the world population. The source data used in cluster analysis are presented in Table 1.

Table 1. Data for cluster analysis of the developed and developing economies by components of The Legatum Prosperity Index [15, 16].

Rank (line in the Index)	Germany	France	UK	Sweden	Finland	Russia	China	Brazil	India	South Africa
2011										
Quality of the economy	8	16	21	6	15	72	10	32	53	86
Business environment	16	20	4	2	3	50	59	48	90	43
Public administration	17	18	8	4	7	96	63	52	41	43
Education	27	16	19	11	3	34	54	72	88	79
Health	6	17	17	12	13	42	67	50	95	94
Safety and security	20	28	23	5	4	82	86	69	97	77
Personal freedoms	15	11	13	8	16	87	91	22	73	55
Social capital	15	36	12	7	6	48	26	59	104	65
2018										
Quality of the economy	11	30	16	5	12	63	27	77	58	125
Business environment	12	17	4	13	6	60	43	114	51	53
Public administration	10	21	11	16	1	124	118	75	40	41
Education	19	38	18	10	11	143	133	42	99	27
Health	16	34	8	22	14	114	132	81	102	31
Safety and security	16	31	14	12	11	105	50	86	104	123
Personal freedoms	20	29	12	16	1	22	44	91	104	88
Social capital	24	15	26	7	25	90	54	73	109	118

The following formulas are used to transform the ranks of particular components of the Prosperity Index [suggested by the authors]:

$$R_i = 1 - \frac{r_{ci}}{100} \quad (1)$$

$$IR = \sqrt[8]{\prod R_i} \quad (2)$$

where:
R_i is the coefficient of the unified component of the Prosperity Index;
r_{ci} is the rank (line in the Index) of the unified component; and
IR is the coefficient describing the conditions for social and economic progress.

Following the presentation of the results of the cluster analysis, it must be noted that three clusters are empirically distinguished: a leader, following the leader, and catching-up. The national economy may fall into any of these clusters depending on its quality and conditions for business (entrepreneurial, or corporate) activity. In practice, four clusters were obtained (Figure 1), i.e., a class of economic outsiders was also allocated. All the mentioned EU member states were included in the cluster of leaders (both in 2011 and 2018). The cluster "following the leader" included the economies of Brazil and China in 2011. The Brazilian economy migrated to a cluster of outsiders in 2018, while China's economy approached the cluster of leaders. At the same time, Russia, India, and South Africa were in the cluster of catching-up economies in 2011, but the South African economy migrated to the cluster of outsiders as soon as in 2018.

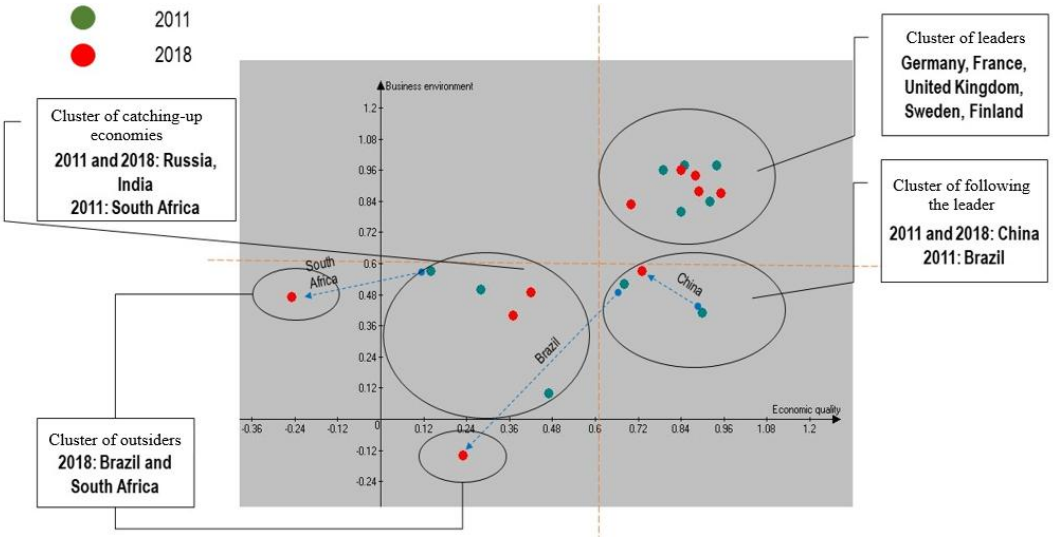

Figure 1. Clustering of developed and developing economies based on the ratio of the "business environment" (be) and "quality of the economy" (qe) components [compiled and calculated by the authors].

If the BRICS economies are analyzed (based on 2011 data) in terms of the most favorable conditions for economic and social progress (i.e., by the RI indicator), it can be seen that Brazil had the most favorable positions at the time, i.e., it possessed sufficient social, political, economic and technological potential for advancing progress. Russia, China, and South Africa had medium potential, while India had virtually no growth reserves. However, the situation changed dramatically as soon as in late 2018, as can be seen from the data in Figure 2.

	Germany	France	UK	Sweden	Finland	Russia	China	Brazil	India	South Africa
IR 2011	0,83	0,80	0,86	0,93	0,92	0,27	0,30	0,45	-0,10	0,28
IR 2018	0,83	0,73	0,86	0,86	0,90	0,22	-0,39	-0,20	0,07	0,35
qe 2018	0,89	0,70	0,84	0,95	0,88	0,37	0,73	0,23	0,42	-0,25

Figures 2. Dynamics of the indicator of social and economic progress (IR) in relation to the dynamics of assessing the quality of the economy (qe) in developed and developing economies [compiled and calculated by the authors].

Let us consider the results of clustering the economies next, taking data on social and economic progress into account (see Figure 3). For example, South Africa was part of the cluster of unconditional outsiders by early 2019 (in terms of the ratio of the quality of economic progress and the efficiency of taxation, as well as the subsequent use of sociopolitical and economic technological potential). Russia, India, and Brazil can formally be included in the cluster of "following the leader", but in fact, Russia has been and remains in the cluster of catching-up economies, while Brazil migrates from the conditional cluster of "following the leader" to the cluster of outsiders. In contrast, India migrates to the catching-up cluster from the cluster of outsiders.

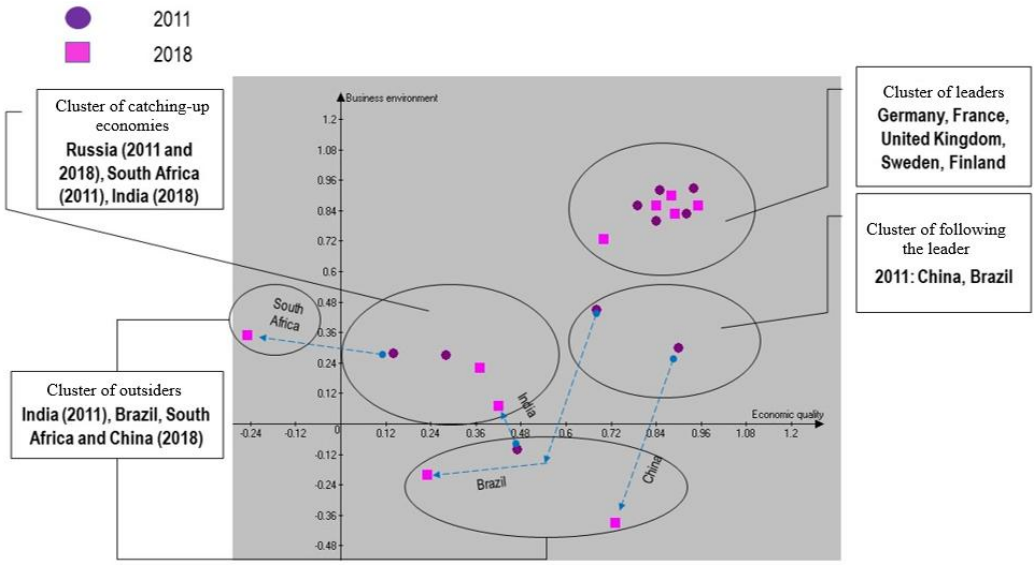

Figure 3. Clustering of developed and developing economies based on the ratio of the "business environment" (be) and "quality of the economy" (qe) components, taking the conditions for social and economic progress into account [compiled and calculated by the authors].

In this case, China should be considered an economic phenomenon, as it moved from the leaders to objective outsiders. Let us review the general development trends of the BRICS countries first:

a) the Chinese economy demonstrated outstripping growth (9 – 10 % per year on average) in 2011, i.e., after the completion of the active phase of the global crisis, while the economies of other countries demonstrated dynamics of 3.5 – 5.5 % per year (minimum in South Africa, maximum in India). However, as soon as in 2012, the economies of Russia and Brazil entered a recession (depth of the fall was 2.5 – 3.5 % in 2015). The economy of South Africa stagnated and observed a steady depression from 2013 to the present. On the contrary, the economy of India has steadily grown since 2014, reaching a peak in 2016 and outstripping China's growth rates;
b) the peak of investment attractiveness in Russia and China fell on 2014, but the reasons were objective in China (encouraging a policy of investment openness) and opportunistic in Russia (the Olympics in Sochi), which was also confirmed by the trends of 2018: an increase in investment in the Russian economy in light of the upcoming World Cup. For the rest, Russia and China demonstrated a decrease in investment attractiveness and an outflow of investments: for political reasons in Russia and due to a significant "overheating" of the economy in China. The outflow of investments was also observed in South Africa, but the reasons were different: a low level of national security and security of life. After a long recession, Brazil was able to increase its investment attractiveness, while each subsequent increase in investment in India was accompanied by a subsequent decline: there were problems with national security and security of life as well;
c) the economic activity of the population for 2015 – 2016 was relatively high in China and Russia (71 % and 69 % of the population aged 18 to 72 – 80 were employed in economies, including individual entrepreneurship, self-employment, and other legitimate forms of economic stability). This figure did not exceed 62 – 65 % in Brazil, and the economic activity of the population was one of the lowest in South Africa in 2011 – 2013 (30 – 40 % on average), but there has been an average annual increase of 4 – 5 % per year since 2014; and
d) the overall mortality rate and employable-age mortality rate are high in South Africa and even higher in Russia. On the contrary, China, Brazil, and India demonstrate steadily decreasing dynamics in this regard, which is associated with an increase in healthcare costs and the prevention of morbidity (both infectious and non-infectious) in the first place. Healthcare spending has been steadily declining in Russia since 2011, while remaining steadily minimal in South Africa (basic medical care in this case depends on the activity of international humanitarian organizations).

In the light of general trends and in the context of social and labor relations, it can also be noted that labor productivity has been traditionally low in the BRICS member states (in the past 20 years), and labor has been traditionally extensive, accumulated in medium- and low-tech industries (the exception is that China has been actively developing a high-tech segment for the past decade and claims to be a world leader in this segment due to aggressive external expansion and price dumping). India and Brazil have stepped up foreign and domestic investment in high-tech manufacturing and services, due to which productivity in this field has been steadily growing in the last five to seven years in these countries, although the growth rate was lower than the world. Labor was predominantly low-tech in Russia and South Africa, due to the preservation and deepening of dependence on natural rent (production and export of hydrocarbons).

According to the statistics of the International Labor Organization [17], the following is observed against the background of socioeconomic changes in the BRICS member states in the field of social and labor relations:

a) the reduction in the value of wage and self-employed labor in South Africa, China, Russia, and Brazil, which resulted in the reduction of labor costs. This trend has been particularly pronounced in South Africa since 2012 – 2013. On the contrary, there were prerequisites for an increase in the value and cost of labor in India, which was positively correlated with an estimate of the labor productivity growth; and
b) the maximum intensification of social and economic inequality in South Africa and Russia was observed in 2012 and continues to the present (both within and between social classes). There was relative decrease in China and Brazil and low growth in India (which is natural against the background of rising value and cost of labor).

As such, the macroeconomic cluster and economic statistical analysis yields the following results:

- firstly, social and economic progress is determined not only by the business environment development, its market

economy, competitiveness and accessibility of high-quality labor resources, but also by institutional and scientific technical (technological) progress, and this is clearly demonstrated by the results of the cluster analysis of developed and developing economies;

- secondly, the socioeconomic dynamics are determined by the processes occurring in the labor markets and institutional segments engaged in the preparation of human resources for national economies (as evidenced by the statistics of the International Labor Organization). The value of labor determines the cost of labor force, and the latter determines the level of labor productivity (in conjunction with technological factors) and the level of economic activity of the population (employment, self-employment, and entrepreneurship); and
- thirdly, investment processes should be focused on the development of high-tech industries and the cultivation of highly productive intellectual workforce, which is impossible without the efficient democratized and noncorrupt public administration, without guarantees of protection of life and the environment (according to The Legatum Prosperity Index data).
- In addition, the so-called national socioeconomic and labor uniqueness of the BRICS member states should be taken into account [17-20]:
- firstly, there is a significant sector of the shadow economy in all BRICS member states (from 18 % in Brazil to 40 % in Russia and South Africa);
- secondly, there is a significant sector of informal employment and self-employment in all BRICS member states, which is about 15 – 25 % in Russia and Brazil, over 30 % in China, and over 50 % in South Africa and India;
- thirdly, there is a very high level of perception of corruption in the public sector in all BRICS member states: Russia scores only 28 points for this indicator, Brazil and China score 35 and 39 points, respectively, while India and South Africa score 41 and 43 points, respectively (the maximum score of low level of corruption in the public sector is 100 points);
- fourthly, the population in all BRICS member states perceives informal employment, the existence of the informal sector of the economy, and corruption in the public sector as phenomena inherent in socioeconomic development, which do not cause critical condemnation from the population – this contributes to the spread of informal destructive norms and rules in economics, politics, and society; and
- fifthly, formal institutions for social risk insurance for the employed and self-employed are rudimentary, fragmented, and declaratively aimed at full coverage of the population with social insurance in all BRICS member states, but in reality, only a part of the employed can feel relative social security.

It is likely that the Marxist, institutional, and liberal paradigms can explain the continuing lag of the BRICS member states from the countries of economic and social leaders under the current conditions. This issue will be explored further in more detail.

4 Discussion

Thus, the results of the analysis once again confirm the general scientific thesis that labor is a source of human well-being in the modern society and at the same time the well-being of the very society (nation). The ability to work belongs to a human and is an integral part of their knowledge, skills, and other abilities. This part can become a commodity – a human can sell their labor (labor force) and get paid for it corresponding to their knowledge, skills, and abilities (receive wage). In this case, the Marxist economic paradigm proceeds from the fact that the value and cost of labor do not coincide in the capitalist structure, i.e.:

a) the capitalist production requires employment, and this makes such labor valuable; and
b) a capitalist seeks to minimize the cost of valuable labor and maximize the corresponding benefits – the cost of labor is reduced, and the added value extracted by the capitalist is growing, because the employee "uses one part of the working day to cover their maintenance costs, and the other part of the day works for nothing, thus creating added value" [9].

The inconsistency of the statement that "the worker works for nothing the other part of the day" largely serves as a source of criticism of the Marxist economic paradigm and casts doubt on the labor theory of value, which is indeed controversial, on the one hand, but this theory has the right to existence in terms of added value, on the other hand. The significant difference is the following:

a) the labor theory of value (in the classical political economy) and the theory of added value make an attempt to derive an objectively uniform economic law (the law of value: the exchange of goods and their value are equivalent to the cost of labor expended, and everything above is the exploitation of labor in the interests of added value for the owner of capital); and
b) the added value, as an estimated and analytical indicator, only demonstrates the contribution of labor to the price of the goods (works, services). The higher the cost of labor and the higher its value are, the higher the price of the goods (works, services) is. This postulate is true both from objective and subjective points of view.

From an objective standpoint, complex (in production) and rare (inaccessible to a wide range of consumers) goods have a high added value, i.e., the value of labor that created such a complex and rare product is high, which means that the cost of such labor is also high. It must be noted that truly complex and rare products are not as widespread in the modern society as it might seem at first glance, since the overpriced branded products are often a result of "added impressions" rather than of added value [21], which could be considered as parasitic added value (from the standpoint of Marxism), if intellectual capital and the reputation of the creator (or copyright holder) of such a product were not invested in creating the "added impression".

Subjectively, the added value in a product is determined by supply and demand in the labor market. Labor supply may have an overestimated value (due to the subjectively recognized value of labor for each individual); demand for labor can offer an underestimated price; the final price is a moment of equilibrium, which is not static but dynamic and can shift up or down depending on volume and quality of labor supply. In this case, it is advisable to use the principle of methodological individualism, because the value of their own labor is subjectively high for each individual (i.e., a priori high quality with high cost). Consequently, from the standpoint of the neoinstitutional theory, the individual (employed or self-employed) will not demonstrate rational behavior but will seek to maximize subjective utility, without taking the needs of others into account, i.e., demonstrating opportunistic behavior (following one's own interests).

Therefore, from the standpoint of the neoinstitutional theory, the value of labor will be determined by the subjective perception of the complexity and cost intensity of a particular job. The complexity and cost will be subjectively higher for the employee than for the employer. The labor market (as an intersubjective institution formed by both formal and informal norms and rules determining the patterns of labor behavior) allows to find consensus and ensure parity of interests of employees and employers. However, this is only possible subject to the market, competitiveness, and integrity of the latter, as well as provided that the former has relevant, diversified and technologically advanced knowledge, skills, and abilities.

Otherwise, if a potential employee does not demonstrate unique characteristics of their labor force (mental or physical), the value and cost of their labor will always be unconditionally low, since such labor (as an offer) will be presented on the market in sufficient or excessive volume. This can already be observed in

the labor markets of the CIS, for example, – the excessive supply of unskilled or low-skilled labor (both internal and migrant) allows employers to dump the value of such labor and its cost, while potential employees quite agree with this situation, because there are no alternatives to highly paid employment (self-employment) for them [17, 18].

The formation of Marxist added value could be discussed in this situation, on the one hand, but there are high transaction costs of using unskilled labor, on the other hand, which may be associated with what is commonly called a "human factor" in humanistic concepts (unintentional damage to equipment, materials, unproductive expenses of working time, injuries, etc.), not to mention the fact that labor opportunism can occur in any category of employed and self-employed (including entrepreneurs and private investors). At the same time, it must be remembered that as an intersubjective institution, not only the labor market regulates the demand and supply of labor, but also demonstrates the development of productive forces and production relations (it must be noted that not only productive forces and production relations are the central concepts of the Marx's social economic theory, but also the common concept of the philosophy of history, which determines the sequence of changes in socioeconomic formations as part of scientific, technical, and technological progress).

Productive forces are labor (the worker being its owner) and means of labor (fixed assets, including tangible, intangible, and intellectual assets). As a rule, the employer owns the latter, while the right to manage and dispose of them can be delegated to the hired management. Productive forces and production relations arose probably with the transition from a nomadic to a settled agricultural lifestyle, and the most effective means of labor in modern terms were available only to medium and large businesses until the beginning of the 20th century, which ensured oligopolistic competition or a monopoly position for them. It must also be noted that some apologists for Marxism and conservative politicians of the 19th – 20th centuries noted the problem of reducing human labor to an appendage of the machine in the scientific and technological progress. However, K. Marx did not actually deny the importance of the scientific and technological progress, although he made it in relation to added value, which allowed him to create a concept of added labor, as much controversial and lacking rigorous scientific evidence as the concept of added value.

Scientific and technological progress in the economy is not a condition for the owners of the means of production to exploit the owners of labor – on the contrary, this is a condition of complication of labor rather than its simplification. Moreover, the availability of the means of production for many is a way of organizing self-employment today (not only in the intellectual fields of labor, but also in service, trade, and small innovative production), which is also the result of scientific and technological progress. Given that the complexity and manufacturability of labor are growing, while the specific cost of working time for the production of tangible and intangible goods is reduced, the following logical questions arise:

a) How to use the releasing labor force? and
b) Is social and economic equality possible in society?

The answer to the first question is obvious: the released labor force can either be relocated to other sectors of the economy or the nonprofit sector with the support of the state and society, or left to itself. In the latter case, an individual is free to choose between the type of employment, type of professional affiliation and lifestyle, provided that personal freedom and private property are an inalienable right of any person, and coercion to work is an attempt to violate these freedoms. This is a liberal libertarian concept, which was successfully implemented during the reaganomics period in the US but proved to be untenable later for evolutionary and biological reasons, in particular: a person, as a public animal, with an overly complex organization of higher nervous activity, cannot always rationally dispose of their rights and freedoms without violating the boundaries of social and economic justice. As a result, society needs formal institutions, the state, and ideology to make the life of all people obey uniform and unified norms and rules, but be described by justice and inviolability of private property, on the one hand, as well as by freedom of choice while guaranteeing security and protection, on the other hand.

In other words, a consensus is required between public and private interests, which, for example, is proposed to be achieved through the concept of economic sociodynamics [22]. The entire complex essence of this concept is reduced to the fact that the category of "ward goods" is highlighted, and the state takes part in the process of their production, distribution, and consumption. However, the results of the cluster analysis indicate that economies with strong paternalistic positions of the state or other institutional philanthropists (South Africa, Russia, and Brazil) have fewer incentives to develop and grow, because the behavior of economic agents can be explained by "learned helplessness" [23], or by the "poverty trap" [24], despite the relatively wide possibilities of applying labor and intellectual activity to ensure individual well-being and social welfare.

Thus, there are an asset inseparable from its physical carrier – labor and several more assets, which can be either physical, tangible objects or intangible objects – means of labor. In order for production relations to arise (unconditionally based on free will and the right to terminate such relations at the initiative of either party), the owners (holders) of assets must be interested in interaction (cooperation and division of labor) in order to obtain a certain result that potentially can satisfy the interests/needs of each of the parties. At the same time, each party will always consider its own needs as priority, and this will generate opportunism, limited rationality of behavior, resulting from the asymmetry of information – both parties, lacking complete and reliable information about the motives, ultimate goals, and interests of the counterparty, will seek to maximize individual subjective usefulness in such a way that the subjectively perceived value of labor is equal to its cost. This should be considered as a special case of a game with a nonzero sum, when the establishment of an equilibrium price of labor does not mean an unconditional gain of one party or an unconditional loss of the other party.

As such, it can be seen that neither the Marxist nor the liberal libertarian nor the neoinstitutional concepts can specify the tools and methods that allow to encourage productivity and labor intensity and ensure the parity of values and labor costs in developing economies. Perhaps, the problem can be solved through the use of an interdisciplinary approach in this – in particular, the one proposed by R. Thaler and C. Sunstein [25] as libertarian paternalism for controlled choice, i.e., to rationalize the behavior of the employed and self-employed.

The idea of controlled choice in the context of the problem under study is to informally force the employed, self-employed, and employers to a behavior focused on an increase in labor intensity and productivity with a relatively fair parity of perception of the value and cost of labor for each of the parties. In turn, this means that the following conditions for a competitive supply of labor should exist in the labor market:

a) highly skilled labor based on the differentiated and diversified use of knowledge (skills and other abilities) should have the highest value and the greatest cost, which means higher labor (business and reputation) responsibility; and
b) low-skilled labor a priori will have low value and cost, since the supply of such labor is unlimited (unlike highly skilled labor), but at the same time labor (business, reputational, and other nonmaterial) liability will certainly be the lowest or absent.

Labor responsibility (including responsibility for the future) and reputation are a relatively new phenomenon for the Russian labor market, as well as for labor markets of other developing countries – for example, BRICS and the CIS. For developed

countries, such a personified responsibility for the results of labor, work reputation and the future (pension and health) is a norm that helps implement procedures to force the employed, self-employed, and employers make a right and most rational choice. The most correct and most rational choice is one that works both to satisfy the current and future needs of the worker without impairing the quality of life, while such a choice is relatively socially and economically fair (i.e., does not infringe on the rights and interests of others).

Methods of managing choice in terms of pension and health insurance for employees by building a special architecture of choice, in which workers making a particular choice for their present or future are placed, are provided as examples in the writings of R. Thaler and C. Sunstein. The architecture of choice is a tool of unobtrusive forcing to make a right and rational choice [25].

However, it must be noted that such "soft" choice management is possible only if the labor market is institutionally developed. An institutionally developed labor market is considered to have the following characteristics:

a) the existence of formal norms and rules that ensure relative justice in social, economic, and labor relations (according to the methodology of the International Labor Organization: decent and honest labor);
b) the existence of informal norms and rules that ensure the formation of personified responsibility among employees and employers for their reputation, results of labor or economic activity, and for the future (possible social risks);
c) formal and informal representative organizations of employees and employers (professional and industry environments, self-regulatory organizations, legislative representation of interests, etc.);
d) independent organizations for the resolution of social, labor, and economic disputes (state and self-regulatory organizations);
e) a developed market for risk insurance, including risks arising from employment, self-employment, entrepreneurial, investing, and other labor and economic activities (it primarily relates to the following social risks: physical/mental disability by age and disability by health, i.e., pension guarantees and medical insurance); and
f) developed cooperation of employers with research and educational organizations, venture, investment, and insurance state and nonstate funds.

At the same time, the data published by the International Labor Organization [17] and the Russian Center for Strategic Research [26] indicate the following:

- firstly, the SBTC trend is observed in all economies but is most pronounced in economies where guarantees of honest and conscientious labor are most significant, with consolidated responsibility for the future (insurance of social risks with the participation of the state, employers, and employees) and personified responsibility for reputation and labor results (Western European countries, Asian tiger countries, the US, and Canada have such economies); and
- secondly, the SBTC trend occurs in the economies where the conversion of the results of intellectual activity into a competitive commercial or noncommercial civilian product is most intense. Besides the aforementioned economies, the economies of China and India have become close to them in the past five to ten years. However, both China and India, as well as other BRICS countries, cannot be fully attributed to economies that guarantee honest and conscientious work or to economies with intensive conversion of the results of intellectual activity into the production of competitive tangible and intangible goods.

It is obvious that the current situation on the labor markets of the BRICS member states, including those originally built on the Marxist economic paradigm, requires institutional reforms and liberalization. The models of labor markets that have developed in the BRICS member states cannot be considered sufficiently optimal – at least until the "national labor uniqueness", referred to in the "Results" section, is eliminated.

5 Conclusion

Thus, the conducted study allows building the following empirical dependence:

- firstly, economic growth and well-being of the population directly correlate with the development and quality of the labor market institutionalization;
- secondly, the high quality of labor market institutionalization lies with the guarantees of honest and sufficient labor and with the guarantees of protection against social risks;
- thirdly, developed and institutionally progressive labor markets most clearly demonstrate the SBTC change, while economies demonstrate balanced economic growth and a high level of personal well-being of the population;
- fourthly, the SBTC concept has limited implementation in economies where labor markets are not developed or do not guarantee honest, decent labor, and protection from social risks; and
- fifthly, with limited implementation of the SBTC concept, while maintaining an undeveloped institutional labor market, the economic growth and welfare growth will be unstable with downward trends (in particular, this is confirmed by the data on India and China over the past decade).

As such, with due consideration of "labor and economic national uniqueness" of the BRICS member states, it becomes obvious that the transition from a cohort of developing to a pool of developed (socially and economically sustainable) economies is possible only under the condition of consistent institutional reforms aimed at solving priority problems: corruption (formal institutions with limited functions), a significant shadow sector, an undeveloped segment of personal insurance, lack of incentives for personalized (reputation) liability of employees and employers for the results of labor and economic activity, and excessive state involvement in social and economic processes. Solving institutional problems will provide a stable basis for the implementation of the SBTC concept in the BRICS member states, though by using the tools of liberalization of labor markets and libertarian paternalism in managing labor behavior of the employed and self-employed and reducing social risks, rather than on the basis of the Marxist economic paradigm.

This means that these countries are likely to occupy positions not of nominal economic leaders in the medium term (as is happening now), but rather the positions of competitive economic leaders, the development stability of which is determined by the parity of the three driving forces of evolution: social, political, and technological.

The authors have explored the possibility of applying the Marxist, liberal libertarian, and neoinstitutional economic paradigm to study the trends and patterns of the labor market development in the countries belonging to economic leaders and to the BRICS in this article. The authors are going to supplement and develop approaches to assessing the speed and depth of substitution of low-skilled labor with highly qualified labor resources in their further studies (i.e., to develop methods for assessing the SBTC concept of labor markets).

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Primary Paper Section: A

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