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## Human resource economic system

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### Abstract

The difference between Ideology of Socialism, Capitalism and Human Resource Economic System. Whether Human Resource Economic System is actual center position of Capitalism and Socialism or center left. Whether H.R. Economic System is being supported for Socialism ideology. The description of Human Resource Economic System.

**Keywords:** Resource, economic, system

### Introduction

#### Socialism

Socialism<sup>[1]</sup> is a populist economic and political system based on the public ownership (also known as collective or common ownership by State) of the means of production. Those means include the machinery, tools and factories used to produce goods that aim to directly satisfy human needs.

#### Capitalism

Capitalism<sup>[2]</sup> is a most accepted Economic System in which business are owned and run for profit by individuals and run by the State.

#### Human Resource Economic System

Recently an new Economic System<sup>[3], [4], [5], [6], [7], [8], [9], [10], [11], [12]</sup> has been introduced as Human Resource Economic System based on Human Resource is being an absolute asset, the initial capital investment to be arranged for initial investment Capital requirement.

From the previous, Capitalism prefers the free market and free economy but Socialism different from capitalism because in socialism labor class controls the means of production and planning all the things with mutual understanding. Socialism and capitalism is dividing on property rights and control of production unit. In capitalism private owner own the means of production and the right to profit to them. But in a socialist economy Govt own the land control the means of production and all the labor receive profit according to participation in product.

Socialist believes that free market and free economy is unfair and unsustainable. And believe capitalism is failed to produce incentives to labor class and labor class are poor and poor day by day. But capitalism says that socialism not provides incentive for those who prefer dangerous worker and in socialism no one wants to work as a maid or sanitation worker.

The main purpose of socialism is to remove the gap between poor and rich people but not totally remove the gap. But in socialism provide the more benefits to labor class on other hand it does not provide incentive to sanitation worker and sky rapper. So, we can say that pure socialism will have not bright future because in pure socialism no one wants to work as a sanitation worker and maid. Socialism is difficult to survive because Elite class is less in the world but these are having the dominance in the world affairs and they never want to impose socialism in the world. Because they know if the socialism is imposed on the world, they lose the ownership rights and profit rights. So, we can say that socialism have dark future in the world.

Meanwhile in recently a new Economic System has been introduced based on Human resource is an absolute Assets for the state, group or even at individual level.

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Human Resource can be valued, thereafter aforesaid valuation coverable into Monetary Fund for Economic utilization.

Therefore, this claim about next generation is validated a next generation Economic System, because of capability for valuation of State Human Resource and thereafter convert the aforesaid H.R. value into Monetary Fund, which can be further utilized for Economic activities.

### Socialism

The Karl Marx is called as Father of Socialism ideology whereas other pioneered Economist as Robert Owen, Henri de Saint Simon and Vladimir Lenin was the famous scholar of Socialism and paving the socialism after 1917 Bolshevik Revolution in Russia. Socialism is the forms of government where the people have common and collective ownership but government have the ownership of factories and public have equal shares. And Govt usually elected through democratic system. And people participate in production means according to their abilities. Everyone receives the share according to the contribution in production. Feudalism and capitalism force to people be competitive but socialism assume all people have cooperative nature but they cooperate only when they realize cooperation is the best for his interest. Human are only showing cooperation when he wants to fulfill his social needs. Socialism ensures the equal distribution of resources and services. In this way peoples have equal access to health care and education. Basically, socialism provide framework for the betterment of whole society and focus on whole society. All people have equal class in socialist society and no one elite class, middle class and lower middle class. Every one work according to their interest like if a individual want to become a dancer no one say to do work in factory because socialites society prefer the human wish what he want. The main goal of socialism reduces the gap between rich and poor but not totally eliminate this gap.

Today no one county have pure socialist form of Government. State has hybrid socialist form of government.

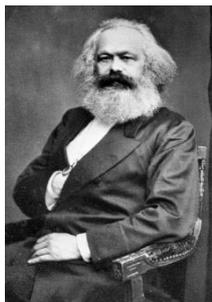


Fig 1: Karl Marx

### Capitalism

Capitalism, or free-market economy or free-enterprise system, Economic system in which most of the means of production are privately owned, and production is guided and income distributed largely through the operation of markets. Capitalism has been dominant in the Western world since the end of mercantilism. It was fostered by the Reformation, which sanctioned hard work and frugality, and by the rise of industry during the Industrial Revolution, especially the English textile industry (16th–18th centuries). Unlike earlier systems, capitalism used the excess of production over consumption to enlarge productive capacity

rather than investing it in economically unproductive enterprises such as palaces or cathedrals. The strong national states of the mercantilist era provided the social conditions, such as uniform monetary systems and legal codes, necessary for the rise of capitalism. The ideology of classical capitalism was expressed Adam Smith (called as father of Capitalism) in his book as *Wealth of Nations* (1776), and Smith's free-market theories were widely adopted in the 19th century. In the 20th century the Great Depression effectively ended laissez-faire economics in most countries, but the demise of the state-run command economies of eastern Europe and the former Soviet Union and the adoption of some free-market principles in China left capitalism unrivaled (if not untroubled) by the beginning of the 21st century.

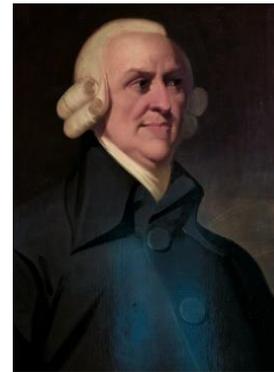


Fig 2: Adam Smith

### Human Resource Economic System (H.R. Economic Model)

H.R. Economic System (*Human Resource Economic Model* or *Human Resource Economics*) is a new type of Economic system invented by an Indian Economist named as Deepak Sharma (Often Called as Father of H.R. Economics)

He claims that human resource is an absolute asset, while aforesaid asset could be valued into the monetary fund, thereafter aforesaid monetary fund could be utilized into economic activities.

That the all currently available economic systems like Socialism, Mixed Economy, Market Economy are either product of Capitalism or Communism economic system, while H.R. Economic Model seems to differ from Socialism and Capitalism economic principles, hence, H.R. Economic System claims as the world's third Economic System since after Capitalism and Socialism.



### The Concept of Human Resource Economic System

This proposed economic system is based on 4 main principles.

1. Human resource is an absolute asset.

2. Human resource to be valued in form of unit.
3. Human resource is being part of State H.R. Capital account.
4. After registering the H.R. in State Capital account, its illegible to utilise likewise as conversion into monetary Fund/currency fund.

### 1.1 For implementation of this Economic System desired state to be followed

1. Formed the state H.R. capital account at the national level.
2. Registered all working human resource into National H.R. Capital account at an individual level.
3. Evaluate the aforesaid Human Resource through the proposed valuation formulas. Issue the Credit Guarantee against aforesaid valuation.
4. Aforesaid Assets to be converted into a monetary fund, through the mechanism of Manpower Grid, as important tool of H.R. Economic System
5. Utilized the aforesaid fund for economic operation or initial investments in form of capital formation for establishment of new industrial establishment.

### 1.2 Tools of proposed H.R. Economic System

The inventor of H.R. Economic System Mr. Deepak Sharma (often called as founder/Father of H.R. Economics) being an Indian Economist proposed the various tools in same regard as valuations methods, accounting Standards, economic standards.

1. Valuation Methods to calculate the H.R. valuation
2. H.R Accounting Standards.
3. Economic Standards and their connectivity with H.R. Accounting standards.
4. Derivative / marketing H.R. Coefficient.
5. Guidelines for use of H.R. Capital Account into Monetary Fund
6. Mechanism of Manpower (H.R.) Grid along with H.R Valuation adding into Capital account.
7. Connectivity of H.R. Grid with central bank of state, finance Ministry, and Stock Exchange for conversion and reverse process of H.R. Valuation into Monetary Fund.

#### 1.1.1 Valuation Methods to calculate the valuation for H.R. Economics

- a) Standard Valuation Formula.
- b) Skilled Valuation.
- c) Risk Valuation Coefficient.

#### 1.1.2 H.R. Accounting Standard

- a) H.R. Capital Account Standard.
- b) Entry in H.R. Capital Standards.
- c) Balancing in H.R. Capital Account Standards.
- d) Indicator in H.R. Capital Account Standards.
- e) Ratio upon H.R. Accounting and tracing with Economic Standards and Guidelines.
- f) National H.R. Capital Accounting Standards.
- g) National H. R. Capital Accounting Monitoring Standards.
- h) National H. R. Capital Accounting Monetization Standards.
- i) National H. R. Capital Accounting reverse back Monetization Standards.

- j) Ratio analysis of H. R. Capital Account with Economic Standards & Guidelines.

### 1.1.3 Economic Standards

- a) Futuristic Technology effect and their Coefficient.
- b) Demand and Supply Coefficient.
- c) Valuation of H.R. (Capital Account).
- d) Societal (affiliation and Deflation).
- e) Employment Deflation Coefficient.

### Conclusion

According to my point of view, in present time period nor Socialism nor Capitalism is sufficient for World's Economic System, therefore mixed Economic System has been adopted Worldwide, apart from this Human Resource Economic System is being introduced as Capitalism is no more required for Capital Investment, therefore it seem to be adopted as Center position, whereas Capitalism having Zero degree on coordinate, While it seem to be more tenable towards Socialism.

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