

The transcendence of the human capital towards spirituality

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Abstract. *This article examines the conditions under which human resources can be transformed into human capital. The author describes the fundamental differences between these two notions in the light of the individual's personality. Human capital is a core input, from which other forms of capital can be derived. The author attempts to show that human capital is the main asset of a nation, building her argument on the example of Great Britain – a developed country that has been successful in attracting and valorising this form of capital from abroad. In the context of the emergence of the global labour and talent markets, the countries in development such as the Republic of Moldova, face an increase in both the risks and opportunities related to human capital. Managing these risks and opportunities represents a challenge to which the country must respond by increasing investments in the valorisation of its human capital, inclusively through an improved design of the education policy and planning of the future workforce. At the same time, the author suggests that spirituality is a fundamental dimension of the factors that generate human capital, driving their development in a way that responds to country's deepest and most actual needs.*

Keywords: *human resources, personalisation, human capital, social capital, spirituality, creativity, education, talent flow, global labour market, brain-drain, brain-hunting policies.*

The *personalisation* of the human resources in the process of transforming them into human capital

As a rule, the capital factor involves two fundamental processes: the investment in resources and their adequate utilisation, generating a return. Therefore, theoretically, in order to transform human resources into human capital we need, on one side – investments accomplished through the educational system, and on the other side – an optimal employment of the human resources. The latter would ideally offer the individual not just the opportunity to continuously supply work effort, but also allow for an increase in the return of this effort. Next, *human capital* can be defined as “*the knowledge and skills embodied in individuals that enable them to create economic value*” [1]. Beyond the boundaries of this definition, however, we must note the impact of the human capital on the society and economy as a whole: “... *human capital is critical not only to the productivity of society but also to the functioning of its political, social and civic institutions.*” [1]

We have noted that the creation of economic value reflects the return of the utilisation of the human resource. So, what are the conditions for obtaining this return? We believe that two fundamental conditions are *experience* and *innovation*. These notions are also symbolically contained within the phrase “classical and innovative approaches” from the title of the CIACET Conference. In this context, both the valorisation of experience and the achievement of continuous innovation are linked to the quality of the human *resources*, or rather, of the human *resource*. In our view, moving from the plural form of this notion (*resources*) to its singular form is essential, for the quality of the human resource is closely linked to the development of the individual's personality. Summarising this part of the argument, we would like to suggest that there

is a difference between the notion of *human resources* – which targets the human factor as a whole and the notion of *human capital* – which is based on the individual's personality. We also conclude that the *personalisation* of the *human resources* is the *sine qua non*-condition for their transformation into *human capital*.

The components of the human personality and the contribution of SPIRITUALITY towards their development

Invoking the notion of *personality* requires an interdisciplinary approach, involving multiple perspectives from the social and humanitarian sciences, such as psychology, anthropology, sociology etc. However, without entering into the details of theories about human personality – a subject that we hope to develop on other occasions – we would like to mention that it would be a fatal mistake to reduce the human personality to the competence of rational thinking, to one's intellect. Prominent scientists and representatives of various religious cults refer to other important components of a man's personality:

- Instincts and emotions, determined by the physical, neurophysiological “layer” of the human being.
- Willpower – a component reflecting a man's “energy layer”.
- Intuition – a component through which a man's “spiritual layer” manifests itself.

In our article published in the first edition of the CIACET conference, we have looked at the importance of economic thinking in determining the economic behaviour and have also examined a tendency that, we believe, manifests itself within the evolution of economic thought – the tendency towards the *humanization* of the economic thought, which involves focusing on the (economic) behaviour of the individual [2, pg.55]. Thus, in the process

of evolution of the mainstreams and schools of economic thought, the following concepts have been developed: *Homo Economicus* → *Homo Intelligens* → *Homo Politicus* → *Homo Socialis* (including *Homo Sovieticus*) → *Homo Creativus*. One hypothesis that was put forward in that article [2] stated that in the context of the increasing globalisation and virtualization of the human activity and of the problem of corruption in regard to the human factor, the risk of human manipulation increases, both on the informational and physical levels [2, pg.60]. As a recent confirmation of this concern, the World Humanitarian Summit held between 23rd-24th of May 2016 in Ankara has looked at the problem of human manipulation in the global context. Also, “*the 2016 Global Slavery Index estimates that 45.8 million people are subjected to some form of modern slavery in the world today. The Index presents a ranking of 167 countries based on the proportion of the population that is estimated to be in modern slavery*” [4]. In our article, we have launched the hypothesis that providing all social classes with the opportunity to access economic education is very important in diminishing the risk of human manipulation. However, a *humanization* of the economic education is required, which is a process that could be sustained through such reforms as [2, pg.60-61]:

- Avoiding the excessive formalisation/mathematization of the economic disciplines taught.
- Promoting creativity and the *Homo Creativus* concept within the educational system.
- Promoting spirituality within the educational system.

In this context, as we mentioned in our 2015 article, an essential distinction between the notions of *religion* and *spirituality* must be made. For instance, Stephen White [5] suggests that *religion* corresponds to an organisation or institution, whereas

spirituality has an individual, personal character. Talking about the possibility of harnessing spirituality within the academic curriculum, the American researchers Hershey H. Friedman and Linda W. Friedman state: “*In the past, professors have preferred to stay away from talking about spirituality, feeling that it was too close to religion. Since religion and science were seen as antagonists, most academics were reluctant to bring anything resembling religion into the classroom. In fact, recent scholarship about spirituality in the workplace seems to indicate that it is actually a “safe” subject to discuss and is an appropriate way to teach values to students. Spiritual values may provide students with an alternative to the view that homo economicus is concerned with maximising self-interest.*” [6]

Thus, the *personalisation* of the human resources, which is essential for the formation of the human capital, inevitably requires a closer look at the *inner* side of the human personality, which includes one’s spiritual aspirations. In this context, let us recall some fragments from the Scripture: “*Then God said, << Let Us make man in Our image, according to Our likeness >>*” (Genesis 1:26) followed by: “*God blessed them; and God said to them, << Be fruitful and multiply, and fill the earth, and subdue it(...) >>*” (Genesis 1:28) and finally: “*By the sweat of your face You will eat your bread (...)*” (Genesis 3:19).

Classical and innovative approaches to the forms of human capital

In this context, the great Romanian sculptor Constantin Brâncuși urges the man to “*work like a slave (...) create like a god.*” [7]. We believe that Brâncuși’s words can be related to the valorisation of human capital from the perspective of the *knowledge capital*, *intellectual capital*, as well as the *creative capital*.

In the light of another scriptural passage: “*Love your neighbour as yourself.*” (Matthew 22:39), we note that we can also approach the notion of *human capital* from the perspective of the community/nation – a perspective that allows one to apprehend the synergy determining the formation of the *social capital*. According to the definition suggested by Brook Manville and Marcia Conner, *social capital* represents the “*value potentially produced when people work together and trust one another*” [8]. We would also like to invoke the notions of *relationship capital*, defined as the “*value potentially created on the basis of collaborative and distinctive exchanges*” [ibidem], and the notion of *emotional capital*, defined as the “*value potentially produced by personal engagement, meaning, commitment, or aspiration*” [ibidem]. Finally, authors meaningfully remark, in regard to the concepts defined above, that “*There will be more to come, and more to understand.*” [8].

In fact, when classical and innovative approaches in economic thought are applied to the notion of *human capital*, indeed a series of *classical* elements acquire an *innovative* character. For instance, Friedrich List – the founder of the Doctrine of Economic Nationalism, in his famous work “*The National System of Political Economy*” (1841) vehemently criticises both the cosmopolitical economic science and the Theory of Values elaborated by the classical liberalists. He then suggests a new theory based on the idea that “*the crucial goal in economic development is not wealth, but productive powers*” [9]. In List’s view, *productive powers* can refer both to individuals and to nation-states, representing a set of the following components:

Figure 1. Components of the productive powers

Source: table elaborated by the author based on source [9]

Note: quotation marks indicate original terminology used by Friedrich List (1841)

Components mentioned by Friedrich List:	Forms of capital
<p>“The power of nature which they [individuals/nations] can make use of”:</p> <ul style="list-style-type: none"> • Geographical peculiarities (e.g. „Insular Supremacy” of Great Britain compared to the continental powers) • Climate peculiarities „more or less favourable to bodily and mental exertion” 	<p>„Capital of nature”</p>
<ul style="list-style-type: none"> • Development of the „manufactures and commerce with agriculture” • Inventions • „Stability and continuity of work” • Labour division combined with „union and balance of various productive powers on behalf of a common production” 	<p>„Capital of matter”, implying: Knowledge capital; Intellectual capital; Creative capital</p>
<p>“The social order which renders their [individuals] energy fruitful” (e.g. abolition of slavery & of vassalage; hereditability of the throne; public control of state administration, legislation)</p>	<p>Social capital, implying: Relationship capital</p>
<p>“The spirit which animates the individuals”, comprising religion, education, science, art (e.g. the Christian religion, monogamy, liberty of thought and conscience)</p>	<p>“Capital of mind”, implying: Emotional capital</p>

One can notice that all the forms of capital mentioned in *Figure 1* can be directly or indirectly derived from the *human capital*. The tendency towards highlighting the role of the

human capital can also be deduced from the evolution of social paradigms (*Figure 2*). One can see that the latter derive from one another but do not mutually exclude each other.

Figure 2. Evolution of the social paradigms

Source: elaborated by the author based on source [10]



However, the most recent of the social paradigms shown – *passion based economy* – has the human passion as a driving factor. The human passion, in its turn, derives from a combination of instincts and emotions, which reflect the “physical layer” of the human being, as has been previously mentioned. In this context, we would like to cite once again Constantin Brâncuși: “Free yourself from passions, free yourself from cravings, free yourself from mistakes – these three precepts are the armour and the shield for any Spirit. Wearing this armour, you are strong against evil – you become invulnerable.” [12]. Here we once again arrive at the idea of *spirituality* and from this perspective the remark “There will be more to come, and more to understand.”[8] seems to also be applicable to the evolution of social paradigms.

Human capital in temporal and spacial dimensions – the main asset of a nation





However, no social paradigm cancels the two dimensions of human life that are, accordingly, required in researching of the human capital:

- The temporal dimension, which, basically, targets the problem of transmitting the human capital from generation to generation.
- The spacial dimension, which, essentially targets the management of the human capital at the level of the nation/nation-state.

Obviously, *human capital* becomes the *main asset* of a nation. This conclusion is confirmed not only by the evolution of the social paradigms but also by the concept of *industrial revolutions* developed by Klaus Schwab (Figure 3).

Figure 3. The four Industrial Revolutions

by Klaus Schwab, founder and executive Chairman, World Economic Forum

Revolution	Year	Information
 1	1784	Steam, water, mechanical production equipment
 2	1870	Division of labour, electricity, mass production
 3	1969	Electronics, IT, automated production
 4	?	Cyber-physical systems

In this connection, the following question appears: To what extent can the developed states afford to dispose of the human capital and to what extent can the countries transitioning towards a market economy do the same? World history provides us examples of nation-states that had realised the importance of human capital earlier than others and started to promote "brain-hunting policies", stealthily, causing a "brain-drain" in the other countries. In his previously

mentioned work [9], Friedrich List shows that by the end of the first half of the 19th century, Great Britain was already skilfully exploiting its geographical peculiarities and had managed to build for itself, what List calls, an “Insular Supremacy”. This characteristic allowed it to successfully capture human capital primarily from continental Europe: “Hence they sought, by a system of restrictions, privileges, and encouragements, to transplant on to their native soil the wealth, the talents, and the spirit

of enterprise of the foreigners. This policy was pursued with greater or lesser, with speedier or more tardy success, just in proportion as the measures adopted were more or less judiciously adapted to the object in view, and applied and pursued with more or less energy and perseverance.” [9, pg. 90]. It is also worth mentioning that in March 2016, 150 fellows of the Royal Society, including the renowned physicist Stephen Hawking, expressed their concern about the possible consequence of Brexit on the British science, confirming that for Great Britain the successful exploitation of the “borrowed” human capital is of utmost importance: “We now recruit many of our best researchers from continental Europe, including younger ones who have obtained EU grants and have chosen to move with them here. (...) Being able to attract and fund the most talented Europeans assures the future of British science and also encourages the best scientists elsewhere to come here.” [13]

Undoubtedly, the British educational system is a key element in attracting young talents into the country. Noticeably, the British started to invest in this system centuries before Friedrich List’s paper, arriving at a unique symbiosis of *simplicity* and *creativity* in their educational approaches. Thus, already in

1998, the UK National Advisory Committee on Creative and Cultural Education published a report that “puts the case for a national strategy for creative and cultural education. It recommended new priorities in education, including a much stronger emphasis on creative and cultural education and a new balance in teaching and in the curriculum between learning knowledge and skills and having the freedom to innovate and experiment.” [14].

The global labour and talent markets. Risks and opportunities for countries in development.

Meanwhile, the globalisation and digitalization of the global economy are leading to the emergence of a genuinely *global* labour market. Consequently, according to HCR 2016, “the learning and employment landscape of the Fourth Industrial Revolution will increasingly be shaped not only by technology-enabled education but also by the emergence of digital talent platforms.” [1, pag.15].

Thus, it becomes possible to outline the international flows of import and export not just of the labour force, but also of the talent, as can be seen in *Figure 4*.

Figure 4. The hundred largest talent flows between countries

Source: taken from the Human Capital Report 2016[1, pg. 20], based on LinkedIn data



In this new conjuncture, countries in development, such as the Republic of Moldova, face an increase in both the risks and opportunities related to human capital. We see that in the context of the “new jobs landscape where work is global, even if workers are not” [1, pg.1] the ability of these countries to preserve human capital at home is proportional to their investments in valorising this capital. The *valorisation* of the human capital implies a “*better design of education policy and future workforce planning (...) [considering the] learning and employment outcome gaps, demographic trends and untapped talent pools*” [1, pg.1]. This is particularly relevant for the Republic of Moldova – a country currently exporting human capital if it aims to become a country that valorizes it.

Conclusions

In this paper, we have attempted to examine the formation of the human capital from the perspective of the *personalisation* of the human resources involving a more profound understanding of an individual’s personality through his spiritual values. We have suggested that the *personalisation* of the human resources is the *sine qua non* condition for the formation of the human capital. In its turn, this *personalisation* cannot take place if the human personality is approached from a purely rational perspective, neglecting its other essential components, such as willpower, instincts, intuition, faith. All these components actively manifest themselves in one’s pursuit of his spiritual aspirations – a pursuit that can also be valorised in the field of education, by introducing the subject of spirituality in the academic curricula. In this context, it is important to

distinguish between the notions of *religion* and *spirituality*. Further, we have also highlighted the importance of studying the human capital from the following two perspectives: *temporal*, which targets the problem of transmitting the human capital from generation to generation and *spacial*, which targets the management of the human capital at the level of the nation/nation-state. It has been suggested that *human capital* is the main asset of a nation – a conclusion confirmed not only by the evolution of the social paradigms but also by the succession of the industrial revolutions. Moreover, we believe that all other forms of capital derive, directly or indirectly, from the *human capital*. We have invoked the historical example of Great Britain – a nation-state that had realised the importance of human capital earlier than others and started to promote “brain-hunting policies”, which, in turn, caused a “brain-drain” in the other countries. As the globalisation and digitalization of the global economy are leading to the emergence of a genuinely *global* labour and talent market, we see that countries in development, such as the Republic of Moldova, face an increase in both the risks and opportunities related to human capital. Moreover, in the context of the *new jobs landscape*, the ability of these countries to preserve human capital at home is proportional to their investments in valorising this capital. In its turn, such a valorisation implies the identification of the factors generating human capital in our country – factors originating from the demographical, educational, and other fields. In this respect, not only does *spirituality* add a fundamental dimension to these factors, but also drives their development in a way that responds to country’s deepest and most actual needs.

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