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Endogenization of Social Progress as a Source of Economic Growth

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Endogenous Nature of Socialization as a form of Social Progress- The Enlightenment produced the idea of social progress as a process that has a social dimension. Theoretical interpretation of social progress is attributed to the abbot of Saint-Pierre (1737 - France), whose contribution was analyzed in detail by A.Fet. Social progress has not only a social but also a personal dimension and represents a progress of personal self-development. While the social progress of society is associated with such social values as freedom, equality, security, etc., the progress of an individual is associated with its social component, with assessment of basic human needs, welfare, opportunities, which together allow to create the index of social progress, whose methodology was developed by a group of scientists led by M. Porter and presented in 2013 at the UN Ministerial Forum. The Social Progress Index is based on non-economic dimensions of social activities in terms of: provision of access to basic knowledge, information, communications, health, and ecosystem sustainability, which together constitute the basis of well-being and realization of opportunities (in terms of personal rights) for personal freedom and choice, tolerance and integration, as well as expanded education.

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Endogenization of Social Progress as a Source of Economic Growth

Геец

I. Endogenous Nature of Socialization as a Form of Social Progress

The Enlightenment produced the idea of social progress as a process that has a social dimension. Theoretical interpretation of social progress is attributed to the abbot of Saint-Pierre (1737 - France), whose contribution was analyzed in detail by A.Fet. Social progress has not only a social but also a personal dimension and represents a progress of personal self-development. While the social progress of society is associated with such social values as freedom, equality, security, etc., the progress of an individual is associated with its social component, with assessment of basic human needs, welfare, opportunities, which together allow to create the index of social progress, whose methodology was developed by a group of scientists led by M. Porter and presented in 2013 at the UN Ministerial Forum. The Social Progress Index is based on non-economic dimensions of social activities in terms of: provision of access to basic knowledge, information, communications, health, and ecosystem sustainability, which together constitute the basis of well-being and realization of opportunities (in terms of personal rights) for personal freedom and choice, tolerance and integration, as well as expanded education. The index of society's social progress, as such, is interpreted as the society's ability to meet people's humanitarian needs, to build a basis for individual citizens and communities to maintain and improve quality of life, and to create conditions under which everyone can meet their urgent needs.

The mechanism that enhances social progress operates primarily through social interactions that occur in society via the functioning of broadly branched institutions of socialization, which are socially significant forms of interaction. The degree of density and intensity of interaction in socially significant institutions of socialization determines, in the end, the level and dynamics of the accumulation of the individual's opportunities, knowledge, and experience. Together, they are components of the productive force of labor, which transforms reality in accordance with the social essence of man, who has such exceptional features as consciousness, mind, and creativity.

Social interaction means processes whose action in society, on the one hand, socializes the economy in accordance with human interests, and on the other – socializes the individual. Socialization of the individual is a means, as well as an accessible and continuous source of knowledge, skills, and ability to interact in society on the principles of public access and creative self-realization throughout life. As a result, the archetypes of individual behavior are preserved and developed due to the universal possibilities of socialization. The latter ensures emergence not only of people's skills for productive activity, but also of social innovations, which, like the birth rate, are endogenous.

Socialization is a socio-psychological way of influencing the individual's consciousness, and, since, according to Yu. Habermas, the individual's socialization ensures his economic activities in society, economic development as a process, almost exactly according to Boulding, occurs almost entirely in the human mind. One can agree with this statement because economic development includes people's subjective activities, which are the result of their conscious activities. In turn, the person's internal psychological that is formed as a result of internalization takes a pronounced form through exteriorization. Exteriorization of internal potentials formed as a result of socialization comes into conflict with the surrounding social environment. The result of resolving this contradiction is social innovation. Socialization occurring with the help of internalization forms in each subject an individualized character reflecting the existing features of the social environment.

Socialization whose components are quite diverse, encompasses society, the state, business and public organizations, and forms a social reality and at the same time is a means of realization of this very reality, thus combining the process and result. Socialization, as a process, first of all, is a socio-psychological means of assimilating both images and patterns of human life and behavior. Such socialization is a process of socialization of the individual. At the same time, the result of socialization of the individual can be manifested as development of new ideas, methods, and mechanisms aimed at solving the individual's socio-economic problems in terms of health care, education, combating poverty, alcoholism, homelessness, etc. This aspect of socialization combining its results and relevant initiatives is associated with the improvement of individual's social status, and represents a traditional way to engage mechanism of combating social ills in terms of poor

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living standards. This is all characteristic, first of all, for welfare state. In our case, we are talking about those ways of socialization and corresponding social innovations, which involve renewal and revival of the life of the individual or individual team, who in turn generate initiatives. The latter are due to social innovations that emerge as a result, as mentioned above, of resolving the contradictions between the individual's internal potentials and the surrounding social environment. Social innovations of this nature, being implemented in public life, create not only the ability to act, which in itself is a competitive advantage of the individual, but also the ability to generate social innovations. The latter is another form of accumulation of intangible assets, which are known to exist in the form of human capital skills. Such skills are competitive and exclusive, which characteristics together are perhaps the most important conditions of endogenous nature in the model of economic growth. Human capital skills are intangible assets whose combined use can yield significant economy.

Socialization in the economy means at the same time three things:

- Development of human abilities necessary for productive activities,
- Transformation of the nature of work in the process of human development,
- And redistribution of the created product in order to reduce inequality and attain justice (in the interests of man).

In the process of internalization and exteriorization, man creates an economic reality that begins to dominate him. This is a phenomenon of alienation, while socialization is a process of "removal" of alienation, and this is the highest sense of socialization, relative to all the above mentioned ones.

"... the interaction of society and the individual as a process of socialization transmits through this process, and the individual learns and transforms norms, values and patterns of behavior. Reproduction of the social occurs in the actual unity of traditions and innovations, and as a result "other" is formed in the mind" (Bogdanova, V.V. 2009) According to J. G. Mead, reproduction of the social occurs in the actual unity of traditions and innovations, as a resulting phase of socialization. Such is the algorithm of functioning and reformatting of the social due to the formed "other". According to T.Ford, an individual who resolves the contradiction between internal potentials and the social environment tries to create and change sociality based on social innovations as deviations from the strict repetition of previously learned norms and values. Ultimately, this means social evolution. Regarding social interaction and, accordingly, social evolution, J. Habermas wrote about a principles guided moral consciousness shaped under the action of recursive traditions and standards that in turn changes the pattern of socialization. Presently, we realize that every innovation, including social, has not only positive but also negative consequences. The entity that generated and initiated it in the process incurred certain costs, which should be compared with the expected benefits. In addition, a positive result for one entity can incur losses for others, so there is a problem of comparability of costs and results, which market interaction can and really does successfully solve, if the ownership relations according to the condition of Coase's theorem are properly regulated. Otherwise, the imbalance will be resolved with the help of state institutions by other means of regulatory policy.

The ability of an individual to live both in society and in economy, and his ability to generate social innovations, which are formed as a result of socialization is both competitive and exclusive. Paul M. Romer mentions the function of rivalry that makes human capital exceptional. "Conventional economic goods are both rivalrous and excludable. They are privately provided and can be traded in competitive markets". (Romer, 1990) And so is human capital (resulting, among other things, from the implementation of knowledge and skills through socialization and social innovation)." Using the appropriate preconditions created in the model of growth with endogenous technological changes, the socialized personality generates social innovations which, as in the case of technological actions arise "in large part because of intentional actions taken by people who respond to market incentives" (Romer, 1990) Therefore, there is every reason to believe that the model in which individual's deliberate actions are performed as a result of his social actions (which are a form of intangible knowledge), is a model of endogenous social change. Socialization and social innovations as mentioned above cannot be considered as non-competitive or non-excluded, because in our case they are sold privately and can be traded.

The quality of human capital to which the endogenous model of economic growth is sensitive is not only the result determined by systemic education, the state of markets, etc., but also, as shown above, the socialization of the individual and social innovations that at the socio-psychological level have partial excluded nature, because "The process of socialization involves, above all, some qualitative advancement of man in culture, as a result of which he finds the necessary experience and properties that allow him to take place in the space and time given to him as a whole and unique personality." (Sikorskaya L.E. 2009) personality has the property of exclusivity and can be realized in the labor market in accordance with his so-called unique qualities, which are formed partly (and sometimes exclusively) as a result of socialization.

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We proceed from the statement that social innovations and social technologies have, like technological innovations, the property of exclusivity, which is an indisputable condition of the endogenous model of economic growth. The exclusivity of social innovations and innovative social technologies is also proved by the fact that users of these technologies cannot be deprived of the opportunity and right to consume benefits in the form of social innovation, which is generated them and not used by them. For example, this may be an innovation generated by an individual, or one developed by a workforce or group. In the way of the spread of social innovations, there are so-called distribution barriers, which are similar in form to the so-called mobility barriers that protect against competitors. Barriers to the spread of social innovations are the presence in their creators of stable characteristics obtained individually in the process of socialization due to differences in the social environment. They include, for example, regional and sectoral differences and many, many others. Such exclusivity is often in itself a barrier to overcome which is necessary to spend time, organize specialized training, and raise resources, which together can be *incomparable* with the obtained gains. To some extent, exclusive innovations can include even those made within the policy of the welfare state, which realizes certain public good via social innovations, which are mastered or being mastered by an individual through one or another way of accessing the good, which generates innovation. Note that public goods are not always and everywhere available in full, even to those who need them. They become available to most members of society only over time, and sometimes only in the long run.

During training, retraining, participation in master classes, etc. in addition to acquiring professional skills, socialization processes also take place. Thanks to the latter, the individual has the opportunity to take a higher place in the social hierarchy and act in a social group with a real opportunity to realize his abilities resulted from socialization. In this case, social benefit obtained through social innovation as a result of socialization is partially exceptional. And so are social benefits obtained via technological innovation, which in Romer's theoretical model makes it possible to ensure endogenousness in the model of economic growth.

Socialization, which occurs at every stage of society and results in social innovations, is similar to technological development, which is exceptional for most people in a particular period. This gives a monopolistic right to use it; and only over time, socialization becomes public, and at the same time implemented at the discretion of the individual person. In the same way, social innovations only over time become generally available as a result of a new stage of socialization, which contributes to social development due to the complex and socially organized structures in society, which represent the institutions of socialization. Previously the author revealed common and different trends in the activities and development of socialization institutions in Ukraine and in the European Union in 2010-2011.

Secondary socialization of an individual is an endogenous phenomenon, as it is a consequence of his choice under the influence of circumstances and conditions that vary depending *on* the hierarchy in society, or service hierarchy, or his origin, of his residence, etc., which change social environment. Man, by investing resources in his knowledge, uses the opportunities of the new living space to which he has moved. Due to this change, but not only, a person has the opportunity to generate both ideas and/or actions.

It should be noted that during the life of the individual, the nature of the uniqueness of social innovation is formed and maintained, the results of which are used by the individual in the group, who generated the idea and realized the opportunity to generalize the experience of group life. And then, through social interactions, knowledge and emotions are transmitted, and there is an opportunity to use this innovation. Social innovations are based on socio-psychological basis and significantly differ from physical innovations. The latter, as is known, through the patent give the innovator the right to develop production based on the use of his invention, which is reflected in the endogenous model of economic growth. Social innovations are not patented, but this does not mean that they do not have the character of exclusivity, which can not be used in the labor market by the individual. The latter has the opportunity to perform activities in his interests, including self-affirmation, at least for work based on non-standard opportunities generated and demonstrated by him.

Society, the state, and business, in contrast to the patent approach, for the deployment of new activities based on physical innovations, recognize individual's social innovations and enable him to take advantage of them. Such opportunity is realized by providing him not only standardized abilities, i.e. those required by particular activity, but also opportunities of an exclusive nature for completing this activity. This creates the individual's competitiveness in the labor market and gives him the possibility to use it not as an open but a closed source. Innovations that have a social purpose are not patented as are physical ones, but in socio-psychological terms are intangible and can be successfully used in the market because they are one of the intangible assets.

Continuity of socialization of the individual in society is achieved by its secondary component, which allows him to join the process of mastering skills without the so-called separation from production. This makes it impossible to fall. As a result, there is an effect of interaction in the synergetic interpretation and synergetic

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manifestation, because, as proved by E. Glaser, team members in the process of interaction (or cooperation) maximize their individual incomes making such interaction useful. Each of them, according to game theory, optimizes interaction, maximizing the effect of interaction that occurs when there is inclusiveness and its corresponding institutions. Otherwise, extractivity allows a particular group to benefit, and creative activity goes into the shadows without creating new technologies (including social ones) thus hindering economic growth. The question of the content and role of institutional change and related reforms, in particular in the natural state with limited access (since they play an important role in economic growth) was considered by the author in his previous works.

The above allows us to say that the process of socialization and, accordingly, "learning in the process of life in society" is an important addition to K. Arrow's theoretical concept of "learning by doing" (Arrow, K. 1962), which overcomes the declining return that gives endogeneity to economic growth models. The above allows us to talk about the endogenous nature of economic growth through skills acquired as a result of socialization that occurs in the social space.

Social norms are not inviolable, but, on the contrary, are variable, which creates a potential for development of the social field, where culture plays not the least role. Since cultural heritage is a long-lasting phenomenon, omitting from the content of the reform policy the conditions created by cultural heritage put such a policy on the path to failure. "A typical mistake of reformers (hence the economic downturn and instability of growth - VH) is that they try to introduce advanced institutions that do not meet the technological, resource, cultural, political or institutional constraints. As a result, transplanted institutions appear to be dysfunctional; while deforming, they create institutional traps that hinder further development." (Polterovich, V.M. 2016)

The failure of the reforms that have taken place over recent 30 years, in particular in Ukraine, is fundamentally related to the inconsistencies in the cultural areas of the countries chosen as a model and stage of human emancipation. K. Weltzel's research on this topic showed, in particular, that Ukraine, which belongs to the Orthodox Union, is at the lowest level of the three possible so-called grave ones, which corresponds to a moderately low stage of human emancipation. At the same time, most European countries, whose experience was used to select components of reform policy, are in the prosperous stage. These are the so-called countries of the Old West and the countries of the Reformation West.

To further clarify the impact of such differences and opportunities for their use for socio-economic development of Ukraine, the Institute of Economics and Forecasting, where the author works, in 2014 completed the project on "The socio-cultural dimension of Ukraine's modernization". This project analyzes the cultural dimensions of society in accordance with the approach of G. Hofstede. According to the results of the analysis of indexes and a number of macroeconomic indicators, we obtained results that indicate a significant impact of cultural values on the nature and success of modernization. In particular, the long-term orientation inherent in Ukrainian culture can be used to build institutions conducive to the growth and reproduction of human capital. However, the high distance of power (an indicator that characterizes how great inequality in the distribution of power the natural subjects in social institutions and organizations expect and agree to accept - VH) and the predominance of collectivism (an indicator that characterizes the degree of personal responsibility - VH), and, to a lesser extent, the very high avoidance of uncertainty calls into question the rapid rise in economic productivity and the establishment of democratic and properly accountable political institutions.

Based on the fact that such a result of reforms reflects the long-term dependence on cultural heritage, it is further important to assume that reforms should focus not only on the economy, which is only part of the social system, but on those changes that develop individual consciousness. The formation of consciousness is under the direct influence of socialization that occurs via appropriate institutions, which is especially important in transitional societies where the role of the state and civil society is significantly changing, especially in terms of their impact on socialization. This will be discussed in the next section of this work.

For transitional societies that are transformed, as a rule, activities that do not meet the requirements of the time are typical, especially in Ukraine, because the old institutions no longer operate, and new ones are not yet formed, or they are characterized by extractive activities. This is a long-term process associated with the internalization of the human psyche, which results in the assimilation of external social standards (via socialization). We must take into account that economic development, resulting, among other things, from conscious individual activities can intensify if the country is dominated by inclusiveness. The initial conditions are "... secure private property, an unbiased system of law, and a provision of public services."(Acemoglu D., Robinson J. 2012) In observing compliance with the relevant conditions, the leading role is played by the state, which creates an environment for gradual revival of initiative to boost innovation based development with the use of social innovations. The effective operation of socialization institutions is influenced, on the one hand, by the historical traditions of public life, and on the other hand, by the state and civil society. This will be discussed in the next section of this article.

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II. The Influence of the State and Civil Society on Socialization

The author of this article first wrote about the real state of affairs in the formation of civil society and the possibility of using its resources for economic development in 1995, considering the formation of a model of statehood and prospects for the development of civil society taking into account internal and external economic and political factors, in particular in Ukraine.

Public policy, in particular in Ukraine at present, is mainly influenced by groups for which the interests of the consumer predominate in words, but real policy is controlled, according to P. Heine, by the interests of the producer. This means that public policy is determined not so much by public interests as by an infinite row of exclusively private interests. At the same time, due to the existence of selfish interests of civil servants, it becomes clear why the formation of private property in Ukraine occurs with a constant violation of public interests and in favor of the official establishment. The latter is often motivated to privatize the state itself. As a result, the system-forming factor that underpins the democratic coexistence of the state and civil society is strongly influenced by private interests, which are often contrary to public interests. Under such conditions, the development of civil society and of statehood are influenced by a dominant negative strategy, while economic growth does not receive a stable resource in the form of social progress and related social innovations.

It is often believed that in order to create conditions that would ensure the development of trends that make the above mentioned negative situation impossible, it is necessary to regulate everything with the help of laws. Attempts are often made to put this into practice, but, as our experience shows, the power of private, selfish interests of both the state establishment and business is much stronger. Besides, the generalized experience (acting as a theoretical postulate, as it originates from the practice of prosperous countries, from the rights and freedoms of citizens and from statehood) shows that in general attempts to regulate all processes are futile. On this occasion, Alexis de Tocqueville writes in Democracy in America: "There is no country in the world in which everything can be provided for by the laws, or in which political institutions can prove a substitute for common sense and public morality " [43 P. 141] (Tocqueville Alexis De. 1984). That is why socialization is a powerful source, which allows to overcome that part of uncertainty in public life, which can not be regulated by law.

The process of transformational change was dominated by the idea of liberalization, which in the social dimension democratizes life, and in the economy autonomizes and revives the behavior of individuals. Due to the natural selfish interests of the individuals, their behavior, in particular in Ukraine, was materialized as much as possible and was motivated to easy enrichment. This led to the formation of the shadow economy. The individual obtained the opportunity, on the basis of his selfish interests to generate those "innovations" that allowed in the quasi-market environment to deviate from previously learned norms and values characteristic of the planning and distribution system towards the path of personal enrichment. Research on how the above processes affected the economy and its development, in particular, by R. Inglehart, gave grounds to a negative assessment of the evolution of the post-reform Russian society. A similar thing happened in Ukraine. The appropriation of wealth by the political and economic elite was the result of the accumulation, which was definitely unfair, especially in moral and psychological terms. As a result, extractive institutions were formed, which continue to dominate even after 30 years of transformation, as confirmed in our research on Ukraine that we have completed at the Institute for Economics and Forecasting of the National Academy of Sciences of Ukraine. The research's results state that, although signs of inclusiveness are present in more than 800 of Ukrainian laws, because of the poor practical implementation of those laws, in reality, extractivity still prevails.

For a large number of people in the new conditions, their previously acquired skills related to those institutions of socialization that were inherent in the ideology of the previous economic model, became unnecessary and unacceptable. Normal stability was lost. Rights and freedoms often became impossible to exercise due to their declarativeness or due to the inability of relevant government extractive institutions to ensure legal and economic stability in society. Citizens were caught in a vicious circle of uncertainty and unresolved issues. This is on the one hand, and on the other, there is a nostalgia for the past, as it sometimes seems that the old institutions and the content of social life were more understandable and effective.

Such expectations are irrational today, although the following data from sociological monitoring in Ukraine confirm their existence. In particular, sociological studies of nostalgia for the past in Ukraine showed that, answering on economic management in 2017, 28.0% of the population believed that it was necessary to return to the planned economy, based on state control and accounting. In 2002, such opinions were shared by 29.3%. That is, for 15 years the situation remained almost unchanged. In 2017, 56.9% were against the privatization of large enterprises, and 64.5% were in favor of returning large state-owned enterprises to state ownership. 63.9%, were against the permission to buy and sell agricultural land in Ukraine, and only in 2020 with great effort, strikes and political pressure the

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law was passed allowing to create a land market in Ukraine with little-known consequences. 67.5% of the population do not hope for elections, because according to their opinion, the elections' results will not change their lives, although 59.4% of the population agree that democracy provides the greatest opportunities for a person. As for the behavioral standards, the share of respondents who believe that Ukrainian traditions and values are most close to Western European ones is 16.5%, 14.6% believe they are more Western Europe than East Slavic, more East Slavic than Western Europe - 14.8%, and mostly East Slavic - 19.8% of the respondents. In general, against this background, dissatisfaction in society is clearly increasing, which provokes tensions. This is the opinion of 55.9% of the respondents (Ukrainian society: monitoring of social change, 2017).

Sociological surveys of the Institute for Economics and Forecasting conducted in May 2020 showed that 69.9% of respondents believe that Ukraine is moving in the wrong direction, while more than half of respondents rated the political situation in Ukraine as tense (55.8%), and 14.1 % - as explosive, which together makes up a total of 69.9% of respondents.

Ukrainian sociologists have shown in their research that there is a society without trust in Ukraine, and as for values, they are far from being post-materialist. That is why, in our opinion, the movement in the opposite direction, according to R. Inglehart, did not lead to stable economic growth, while the institutional opportunities in this country are rather extractive than inclusive. The activities of such institutions are dominated by combined interests of the present government elite, the former party elite, and the establishment of formerly state-owned enterprises that have been privatized and continue to be privatized in their own interests. This was the part of society that was given the opportunity to appropriate material goods, mostly in illegal and/or immoral way. Later, on this basis, a system of corrupt control over the material and financial resources of the country was formed. These developments took place as a result of certain changes in the economy and social space.

Despite the fact that Ukrainian society and Ukrainian economy on the eve of reforms had a high, according to European indicators, level of education, and the economy was technologically quite developed and able to produce even world-class missile technologies and owned nuclear technology, subsequent market oriented economic development was unsuccessful. The main reasons for such a failure include social relations in the social space, which leads to the conclusion about the necessity of reorganization of the socialization institutions in Ukraine, whose content and nature were revealed by author in the previous section of this work and whose guidelines were substantiated by him in his previous works.

The question is legitimate: can technological acquisition positively affect economic growth in the absence of appropriate support for social capital, which is formed, among other things, as a result of socialization, which allows to learn standards and rules of conduct corresponding to the new socio-economic and societal life models. We find the answer in the works of Yu. N. Harari, who notes: "... The Chinese and Persians lacked technical inventions, like steam engines (which could be freely copied or bought). They lacked the values, myths, judiciary, and sociopolitical structures that had formed and matured over the centuries in the West and which could not be freely copied and quickly adopted. France and the United States quickly followed in the footsteps of Britain, as the French and Americans already shared key British myths and social structures, but the Chinese and Persians could not react so quickly because they thought and organized their societies quite differently" [31, p. 353] (Harari Y.N. 2016).

The social order that is the result, first of all, of socialization (though not only), which are realized through an extremely wide range of activities of socialization institutions on a mass scale, and are reformatted rather slowly. As proved above, in Ukrainian society we are speaking talking about at least one generation, who will undergo the processes of socialization inherent to market relations in the economy and democratic freedoms in society. As a result, the conditions for stable economic development will be created, which will lead to economic growth with the use of opportunities beyond the technical and economic paradigm.

III. Socialization as a Way to Accumulate Social Skills to Work as a Source of Economic Growth

Assessments of the individual in relation to effectiveness of his actions are not exclusively an economic category, because they are both the result and the feeling of change in his condition, social satisfaction, and social well-being. In reality, studies on the formation of the index of social progress, in particular in 2019, showed that "... the relationship between economic development and social progress is not linear ... the world as a whole is unfavorable in many aspects of social progress in relation to economic resources measured in GDP per capita ... " (Social Progress Index 2019).

Under such conditions, the individual throughout life will reduce the feelings of dissatisfaction if he has not only a constant desire, but also a real opportunity to be included in the continuous process of social life, because the factors determining the dynamics of social progress are largely beyond economic development. This is due to the fact that because to internalization, i.e. the transfer of external

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level (social forms of activity) to the internal level (the formation of human psyche, internal patterns of activities, etc.) a cultural form of personal behavior is created. The latter first emerges as a form of imitation and cooperation with other people. This is exactly what is characteristic of socialization. In Durkheim's sociology, internalization was first considered as an element of socialization, because as a result of internalization, the human psyche is formed and socialization of the individual takes place (among other things, as a result of activities of the individual who generates social innovations). It is through socialization that dissatisfaction is reduced and the individual's condition is improved.

A number of studies, in particular, a Cathy O'Neill's work are the evidence base for assessing the practical significance of socialization, in particular, as to on the results of economic activities. To the above we can add the results of studies cited by M. Janhonen and JE. Johansson. They testify "... that through interpersonal social interaction, the diverse knowledge and experience of people from different functional areas can be collected, integrated and used to perform specific tasks. It follows that the structure of a team's social networks can be an important indicator of its efficiency" (Janhonen M. and Johanson J.E. 2011) and accordingly further argue in the same work that the communication network can support the process of socialization and thus, according to Cathy O'Neill, increase the team's efficiency.

Undoubtedly, the success of a competitive strategy for an individual business is in the maturity of its development. Besides, it is important to use intrinsic motivation to encourage employees by welcoming greater socialization among employees, which is emphasized by O'Neill. In our opinion, encouragement for greater socialization should be carried out throughout the life cycle of business, because the implementation of internalization, i.e. transition from the outside to the personal psyche, leads to exteriorization. As a result, the individual's inner psychological life obtains an outwardly expressed form of existence, and thus he is preserved as employee who does not leave the company, but continues to participate in maintaining competitiveness and supporting business development. In fact, the author of the competitive strategy essentially argues this.

Due to the process of socialization, which is, according to Durkheim, the result of internalization, the company has personal and psychological barriers indicating that the difficulties of leaving the business, according to M. Porter, are not related to purely economic factors, but indicate psychological attachment and business devotion. And this, among other things, is the result of socialization, because as a result, the individual masters the standards, values, and culture, which are inherent in the company and its management and which strengthen cohesion.

It is important to note that the results in the development of a single business are achieved by various methods aimed at the expanded reproduction of its capital, including through the accumulation of both material and intellectual and spiritual values, while qualitatively transforming them. Business functions largely due to socialization, which allows to consider the latter a form of intangible asset. Socialization (to a great extent as a form of organization) actually provides necessary developmental change within a business entity affecting the personnel's behavior and thinking. Such an evolution provides a basis for the development of appropriate models to forecast the effects of socialization in the development of both the individual organization and economy as a whole. The latter is the subject of the author's further research.

The process of socialization of the individual, within the activities of an individual organization, as evidenced by examples in the researches, can be seen as a way to accumulate the ability to productive activities and, accordingly, increase their efficiency, which allows the subject to obtain the so-called producer effect. Since the processes of socialization are continuous, if socialization is institutionalized or is undergoing institutionalization in the social dimension, economic growth has a permanent effect of influence. The subject in the process of socialization gets the opportunity to realize his potential in the market, which has expanded for him due to the emergence of a new position that can ensure success and thus provide access to increasing his income and income of a particular business. They also grow for the individual, as they satisfy useful motives and personal interest and, accordingly, promote endogenous economic growth through the use of socialization methods. Thus, *socialization is a set of ways to form the transfer, assimilation and accumulation of opportunities for both conscious and subconscious life, relationships and interactions of people, including the formation and development of abilities capable of generating social innovations that are formed and mobilized in addition to labor and physical capital as an intangible asset* to serve as a source of economic growth.

IV. Closing Remarks

I have tried to expand my understanding of how, among internal (endogenous) factors, socialization as a process, and as a result, affects economic activities and, consequently, economic growth. An expanded understanding of the endogenous nature of the driving forces of economic growth in this direction is necessary, first of all, to improve further reforms and relevant socio-economic policies that will overcome such cultural features, including those of the Ukrainian society, as

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alienation and high distance of power, as well as the dominance of collectivism and the desire to avoid uncertainty, which limits the manifestation of individualism and initiative among the general population in market conditions.

The population, purposefully socialized in society, is reoriented to minimize both these and other limitations characteristic of the nation's cultural code, which allows not only to overcome the long-term inertia of civic culture, but also to achieve its inclusiveness and accumulate social skills as invisible assets serving as sources of economic growth.

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