

Innovations

Whether the Human Resource Economic System is possible, As Well As Being an Advanced Economic System compared to Capitalism and Socialism

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DOI: 10.54882/7420237416981

Abstract

Whether the Human Resource Economic System is an advanced Economic System compared to Capitalism and Socialism. As per the principles of the H.R. Economic System, may it be possible for to State to declare Human Resources as absolute assets, and monetize aforesaid assets for initial Capital investment? In this Economic System, valuation of the Human Resources in terms of Unit, and conversion of the aforesaid Unit into monetary funds in favour of Entrepreneurs for a limited time period of time for initial Capital investment for the establishment of a new industrial establishment, if it succeeds, in that case, mankind shall not be required the Capitalism for Economic perspectives, and H.R. Economic System shall be considered a new Economic System Worldwide in respect of Capitalism and Socialism.

JEL Code: Comparative Economic System P59, other Economic System P49, Innovation O39, Current Heterodox Approach B59, Economic Mythology B49.

Keywords: 1. Human Resource Economic System 2. Alternative of Capitalism 3. Economic System 4. Human Resource Economics 5. Capitalism is no more.

Introduction

Recently, A quoted text surprised the World community.
“The Human Resource of the State is an absolute asset; it can be valued and monetized. Further would be utilized for initial Capital investment for production sources establishment. Through this process, the Human race shall get rid of Poverty, inequality and unemployment”, (as per the Human Resource Economic System)
That means present Socialism and Capitalism shall be ended, through which the present World’s economic System runs in the modern Era.

This claim is made for the new Economic System called as H.R. Economic System [1-13]. As per the H.R. Economic System, Human Resource is an absolute asset and Mankind has no intellectual capabilities to convert aforesaid assets into monetary funds. Human Resources could easily be converted into a monetary fund by the mechanism of the H.R Economic system and this monetary fund, to be further utilized for the establishment of Industrial units to run the Economic System without capitalism and Socialism. He further states, that Mankind shall be rid of Poverty, and inequality of worth by going the adoption of the H.R Economic System.

We are well acknowledged about that there are two major economic systems, Capitalism [14-15] and Communism – rest other economic systems as mixed economy, Socialism, Feudalism, Fascism etc. are either a combination of or developed from the roots of Capitalism and Communism. Capitalism was codified by Adam Smith, often Adam Smith known as the father of Capitalism, While Communism was codified by Karl Marx [16-18] likewise called as the father of Communism/Socialism. Thereafter two major Economic poles have been established, which affect the entire economic and political movement Worldwide.

I. Human Resource Economic System

Recently an Indian Economist Mr. Deepak Sharma claimed the third Economic System called as H.R. Economic Model/System. As per Mr. Sharma, Human Resources is an absolute asset and now Mankind has the intellectual capabilities to convert aforesaid asset into monetary funds for Industrial Establishment. In the same respect, he propounded the H.R Economic System, now human resources could easily be converted into monetary funds by the mechanism of the H.R Economic system. He further states, that Mankind shall be rid of Poverty, and inequality Worldwide, by going through the adoption of the H.R Economic System. After introducing the H.R Economic System Deepak Sharma often called as the Father of H.R Economics. The aforesaid publication has been claimed by WIPO Geneva.

As per WIPO Geneva publication no. WO/2021/111458 surprised the World Economic Form as well as the Economist Community, the aforementioned publication little bit clarifies the concept of the H.R. Economic Model. We are trying to draw a rough picture of the concept of the H.R. Economic Model. Accordingly, to this Concept.

- a. The State shall establish an additional autonomous body as the State's H.R. Account with similar status to the Central Bank of State, Stock Exchange and Ministry of Finance.
- b. The State shall be maintaining the aforesaid Account for registering all working Human Resources into State H.R. Account of all working or futuristic Human Resources at the State Level,
- c. The State shall be calculating the valuation of the State H.R. Account at the individual level.
- d. The State shall be claiming the cumulative valuation of the State H.R. Account into the assets side of the state balance sheet.

- e. thereafter State shall be capable of issuing the credit note of certain valuation for initial capital investment in favour of registered working professionals on demand, and place entry as the liability of the State H.R. Account.
- f. Aforesaid credit note shall be monetized by the Central Bank of State in the form of debt to a group of Credit Noteholders for the establishment of new industrial units, whereas security against Debt shall be aforesaid credit Note and hypothecation agreement of creation of assets from Debt/loan amount.
- g. After the establishment of the Industrial unit, the group of Credit Noteholders shall be repaying the Debt amount to the Central Bank of State for discharge of the Credit Note. After discharging the Credit Note from the Central Bank of State, the liability of State H.R. Account shall be declared as nil, and ownership of aforesaid industry shall be transferred in favour of the group of Credit Note Holder.

From this analysis, it's most clarified that there is no dependency on Capitalism and Socialism Economic Systems for the establishment of new Industrial development. The initial investment is to be accumulated from the monetization of the Human Resources of the State into a monetary fund. It's clear from the aforesaid mechanism, that the present Accounting Standard and present Balance Sheet rules are not sufficient to maintain the proposed dual assets formation and Liability, as per the concept of the proposed Human Resource Economic System. In the same regard. WIPO Geneva published a brief of details upon following, quoted as same as publication, it may be possible to increase the degree of plagiarism, kindly exclude the quoted text from the plagiarism report.

- a. Title of H.R. Economic System
- b. Principles and tools of H.R. Economic System
- c. A brief upon the mechanism of the H.R. Economic Model
- d. valuation methods of Human resources (detail still not available in Public Domain)
- e. a new group of H.R. Accounting Standards (detail still not available in Public Domain)
- f. Coefficients mechanism of Accounting Standards. (Detail still not available in Public Domain)
- g. the Role of Economic Standards as per the Human Resource Economic System. (Detail still not available in Public Domain)

I.A.The Basic Principles of H.R. Economic Model

H.R. Economic system shall work on the basic principles as below

- a. Human Resources is an absolute asset as well as largest asset worldwide.
- b. Human Resources to be valued into Numeric Numbers.
- c. After adding all H.R. valuation on a single point, it may be utilized for the segregated monetary fund.
- d. Every human resource is part of the State H.R. Capital Account.

Explanation of Principles

It is a universal truth that in the history of Humankind such intellectual capability does not exist, how to convert Human resources into monetary funds, and how to be better at the utilization of aforesaid monetary funds.

No doubt, Every State Worldwide, having Human resource and Every State is liable for the arrangement of Employment, Medical, and other basic needs towards the Republic to every Citizen of the State, meanwhile Most Countries still perform the aforementioned Liability. While as per natural phenomenon, if any State has the intellectual capability to utilize Human Resources in Monetary funds, in that condition, the appropriate State will absolutely discharge the liability towards the Republic of State, by going through the H.R. Economic System, it will be convenient to utilized aforesaid asset into the monetary fund and discharge basic liability towards the Republic of State.

I.B. Tools of Human Resource Economic System.

Some tools in the support of H.R. Economic Model are as below

1. Valuation Methods of H.R.
2. New 15 H.R. Accounting Standards.
3. New 5 Economic Standards & defining connectivity of H.R. Accounting standards.
4. H.R. Valuation adding into National H.R. Capital account.
5. Derivative H.R. Coefficient.
6. Guidelines for use of H.R. Capital Account in Monetary Fund
7. Mechanism of Manpower (H.R.) Grid.
8. Connectivity of H.R. Grid with Central Bank of State, Finance Ministry, and Stock *Exchange*. Through this mechanism, any state including India shall utilize the aforesaid assets into liquidity/monetary funds.

I.C. Proposed the Mechanism of the Human Resource Economic System.

H.R. Economic System/Model explore the mechanism for the conversion of Human resource into the monetary fund and proper utilization of the aforesaid Monetary fund into a transaction, through the Establishment of a Manpower Grid and the use of other tools, A detailed description of valuation methods, Accounting, and Economic Standards is not available in the public domain. Therefore, I am just assuming that the shape of the H.R. Economic Model is WIPO Publication.

Assuming mechanisms of the H.R. Economic Model, although widely detailed and still not available in the public domain, herein design a rough picture, currently there are no's 3 pillars that exist to run the economy at the National level. Finance Ministry, Stock Exchange, Central Bank of State.

Where is the H.R. Economic Model proposing an additional 4th Govt. institutional body as State H.R. Grid, shall provide the absolute right to register every working professional with their H.R capability accordingly. thereafter H.R. Grid shall calculate

the actual valuation at the individual level, as well as group level, after getting the valuation, thereafter aforesaid valuation shall be converted into monetary.

"That means every working citizen of the Nation/State shall have an absolute right to register its Human Resource Capability before State H.R. Grid. State H.R. Grid shall calculate the actual valuation of every registered person as under codified instruction, thereafter if any group of registered members submit the economically viable and reliable project report for purpose capital requirement (for Industrial Establishment) as per guidelines of State H.R. Grid, in that case, the registered groups H.R. valuation shall be mortgaged in favour of State H.R. Grid, State H.R. Grid shall be issued the valuation certificate along with time bound monetary bond in favour of Group, thereafter group's members submit the bond before Central Bank of State. thereafter Central Bank of State will sanction the required amount in favour of the proposed unit, after the establishment of the Unit, the Group shall repay the bond amount to the Central Bank of State to reverse the Bond, Bond shall be back to the State H.R, Grid, and mortgaged surrender value shall be free from charge. most probably a part of H.R. Grid could be used for Consolidated accounts (Govt. of India) H.R. Economic Model claims to various invented valuation methods, new H.R. accounting standards, coefficient and economics standards, the wide details are still not available in the public domain.

Let's take an example for more clarification-Assume that nation x has a working population of 10 million, in that case, either the State is bound to invest to run the Economic System is called socialism, or any capitalism through private investment is called as Capitalism. Most of the countries adopted the mixed economic System.

But the Human Resource Economic System is different as -

As per the H.R. Economic System, all 10 million shall be registered in the State H.R. Capital Account/manpower Grid, The Manpower grid shall value the all working population at an individual level on the basis of qualification, working Experience through the standard method of H.R. Economic System, and codified the valuation for every working professional time to time. The aforesaid valuation is further required to convert into the monetary fund, which can be utilized for initial investment.

Illustration 1

- a. Total unemployed workers -1000
- b. Total valuation - \$1Bn
- c. Project cost - \$500 Mn

Let us assume that at present 1000 civil work candidates are unemployed, some of them civil degree holders and others are from management, worker. Those who have registered themselves with the Main Power Grid and whose valuation has been assessed by the Main Power Grid as the sum of \$1 Bn. At present, it is mandatory to make an initial capital investment by any capitalist to generate employment for such Civil Workers, or start any other venture by the government so that these unemployed can get employment, but there is another solution by the H.R. Economic System, in

which any entrepreneur or group of these workers can start his construction company. The group of these workers can be present a project report for start a Construction company before Main Power Grid, Main Power Grid can issue sanction letter after observing the parameter of that project report, after issue of sanction letter, the above group of Civil worker will give all the information of that project to the all 1000 unemployed persons, and demand Composite Guarantee from them in favour for proposed construction company, now suppose all 1000 civil workers are satisfied with project report of Construction Company, in that case all 1000 participant agrees to give Composite Guarantee in support of the above project and the cost of the project \$500 Mn is less than Composite Guarantee worth is \$1.00Bn, which is in under the limit of Composite Guarantee in this case, then After that Manpower Grid will issue a credit note of the amount of the project in favour of the project and the group of civil worker will receive the debt against the above credit note from central bank of State. After repayment of the debt taken from the income of the project, the above construction company will divide the ownership rights as per pre decided condition of the project report. On the contrary, if such a group of construction companies fails to run the project, or fails to repay the loan. In that case, the Main Power Grid taking control of the entire project will transfer the project to other participants. Apart from this, it may be possible that if the project not working properly, the group of such civil construction group may be able to change some of the group partners. So here we can say that no Capitalist will be required for the establishment of new industries in the H.R. Economic system, the establishment/development of new enterprises will be possible due to the worth of individual intellectual and working capability.

If the number of unemployed in any case is 1 million or more, in that case the limit of composite guarantee will be sufficient to start any mega city developed project, Now main question of Economics and finance arises, how manpower grid issue the Credit note for \$500 Mn, after research, I am on the point that manpower grid have guarantee of \$1.00 Bn of H.R. Worth and \$ 500 Mn hypothecation agreement of upcoming Construction Company, therefore Manpower grid shall be issue the Credit Note for \$500 Mn.

On the other part, regarding Whether the Central Bank of State can disburse the \$500 Bn against Credit Note, in this case, I further researched, as per my opinion in the same regard, the Manpower grid is a State financial body, if any State financial body declares the asset/worth in his balance sheet, that assets to be countable as State assets, the Central Bank of State can issue the currency or loan in favour of State, as same as the normal procedure of Govt Bonds issues cases. therefore, the Central Bank of State shall be bound to release the \$500 Mn debt against the credit note of the manpower grid of the State, as per the condition of this example.

The founder of the Human Resource Economic System has claimed various valuation formulas, new accounting standards, Economics standards for calculating the composite guarantee valuation, dual assets Balance sheet concept, whose detailed information is not in the public domain. How will accounting standard valuation and Economics standard work simultaneously still not available in the Public Domain, more details are still in waiting.

II. A brief Comparison between Capitalism, Socialism and H.R. Economic System-

- a. An economic system, in which trade and industry are owned and controlled by private investment is known as Capitalism. Socialism, on the other hand, is also an economic system, where the investment and economic activities are owned and regulated by the state itself. While H.R. economic system proposed that Capital infusion shall be through the conversion of Human Resource Worth into monetary funds.
- b. The basis of capitalism is the principle of individual rights, whereas socialism is based on the principle of equality. Whereas proposed H.R. Economic Model Group of Intellectuals.
- c. Capitalism encourages innovation and individual goals while Socialism promotes equality and fairness in society. In the socialist economy, the resources are state-owned but in the case of the capitalist economy, the means of production are privately owned. On the other hand, H.R. Economic System/Model proposed capital investment through the Group of intellectuals.
- d. In capitalism the prices and competition are determined by the market forces and therefore, the firms can exercise monopoly power, by charging higher prices. Conversely, in Socialism government decides the rates of any article which leads to shortages or surfeit. It's expected that in the H.R. Economic Model, the impact of market forces and competitive forces shall be more effective in comparison to Capitalism.
- e. In Capitalism, there is a large gap between the rich class and poor class because of the unequal distribution of wealth as opposed to socialism where there is no such gap because of equal distribution of income. It's expected that this gap to be reduced in the H.R. Economic Model.
- f. In Capitalism, the efficiency is higher as compared to Socialism because of the profit incentive that encourages the firm to produce such products that are highly demanded by the customers while in a socialist economy, there is a lack of motivation to earn money, which leads to inefficiency. while H.R. Economic Model claims for maximum utilization of Human Resources against Capitalism.
- g. In the Capitalism and H.R., Economic System, there is no marginal government interference which is just the opposite in socialism.

III. Conclusion

Since after Capitalism & Communism / Socialism, H.R. Economic System likewise seems to be absolutely different from Capitalism and Socialism, it has the capability to be considered the World's third major Economic System against Capitalism & Socialism. The Human Resource Economic System provides the intellectual capabilities to Mankind, to evaluate the Human Resource worth into numeric figures and further convert those numeric figures into monetary funds. Therefore H.R. Economic System seems to be a strong weapon against Crony Capitalism, to get rid of Poverty, hunger, Unemployment, and other black spots on the face of Mankind.

III.A. Is the H.R. Economic System really the third economic concept and may it be reliable?

If we count the basic principles of H.R. Economic System with Capitalism and Socialism. It is really different from any previous Economic System. Therefore, it seems a new Economic System against Capitalism and Communism. The degree of reliability of the H.R. Economic System/System depends upon the applications of any pilot project, so reliability could not be predicted and methods for H.R. valuation are not available in the public domain. Therefore, the prediction of reliability cannot be confirmed at this point.

III.B. Is the H.R. Economic System an Alternative for Capitalism?

For Production, Capital is an essential and primary tool, if capital is invested by an individual and a group of individuals, it's called as Capitalism, on the other hand, if capital is invested by the State, it is called as Communism and Socialism. While, in the H.R. Economic concept, capital shall be arranged by going through the valuation of Human Resources and thereafter valuation to be converted into monetary funds by the mechanism of a Man-Power Grid. Therefore, Capitalism is not required for production. Hence, I am on the point, that H.R. Economic System shall be an alternative for Capitalism.

III.C. The financial viability of the Human Resource Economic System

On this question of finance, whether Manpower Grid may issue the Credit note of a certain amount in favour of a group of Registered Working professionals of State H.R. Account on demand. after researching myself, I am on the point, that the Manpower Grid being an autonomous Body of State, has claimed the assets of Human Resources in the Assets side of the State Balance Sheet. In this case, Manpower Grid can issue the Credit Note of a Certain amount in favour of a Group of Registered working professionals before Manpower Grid, as shown in the Liability Side of the Balance sheet of the State H.R. Account.

On the other part, Regarding Central Bank of State can disburse the money/debt against Credit Note, in this case, I further researched, my opinion in the same regard, the Manpower grid is being a State autonomous financial body, if any State financial body declares the asset/worth in his balance sheet, that assets to be countable as State assets, the Central Bank of State can issue the currency or loan in favour of State, as same as normal procedure of Govt Bonds issues cases. therefore, the Central Bank of State shall be bound to release a certain amount of debt against the credit note issued by the Manpower Grid of the State.

On the other part as per accounting and financial proceedings, in this Economic System same assets have been created in a double manner primarily as the worth of Human Resources and Secondary as a new Industrial Establishment, to resolve this issue the founder of this Economic System has been proposed the various new Accounting standards and Dual assets provision handle Balance Sheet handling rules and procedures, the mechanism of proposed Accounting standards, Balance sheet mechanism of H.R. Economic System, Role of Coefficient, and Role of Economic

Standards. The technology to run the Accounting Standards and Economic Standards runs simultaneously. Is not still available in the public domain, therefore on this point I am unable to predict any opinion in this regard.

III.D. Whether the Human Resource Economic System follows the Cardinal Principles of Economics-

On this Question in my opinion, H.R. Economic System having joint concerns on the financial system, Accounting Standards, and Economics Standards simultaneously, on a primary level is not seeking the violation of any of the Cardinal Principles of Economics.

III.E. Considering the impact of the H.R. Economic System on Poverty and Inequality-

The main causes of Poverty and Inequality belonging to Inefficient Resource Utilization, Low rate of Economic Development and unemployment, the human resource Economic System provides the new edge as the conversion of Human Resources into monetary fund. It may be a powerful tool to handle inefficient resource utilization, to increase the rate of Economic Growth, which shall decrease Economic Growth Definitely. Therefore, it is a maximum possibility, that the human race will get rid of poverty and inequality historically. On the other hand, the power of Capitalism shall be transferred towards in hands of Entrepreneurs, through which there is the maximum possibility to reduce Poverty and inequality.

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