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## NEW INDUSTRIAL SOCIETY AND NOONOMY: ORIGINS, REALITY, FUTURE

**Abstract:** Social, technological, and economic transformations of modern society require adequate theoretical understanding. The accumulation of new facts leads to the conclusion that existing theories cannot always give it an adequate explanation. This predetermined the evolution of scientific knowledge, in particular the emergence of the theories of the New Industrial Society of the 2<sup>nd</sup> generation (NIS.2) and Noonomy, developed at the S.Y. Witte Institute for New Industrial Development (INID). The main provisions of these theories are still being formed, which is reflected in the numerous discussions held by the Institute. Based on their results, books are published annually that contain selected materials from seminars, publications, and events of the S.Y. Witte INID on the problems of the formation of conceptual foundations, theoretical and methodological provisions and applied developments in the framework of the advancement of the ideas of NIS.2 and Noonomy. The article provides an overview of the books published to date and the ideas discussed in them. The publication of the next book in this series based on the results of research in 2022 is announced to be released in 2023.

**Keywords:** S.Y. Witte Institute for New Industrial Development, New Industrial Society of the 2<sup>nd</sup> generation (NIS.2), theory of Noonomy, Russian economy.

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## 新型工业社会和智慧经济的起源、现状和远景

**摘要:** 现代社会的社会、技术和经济转型需要相应的理论上的理解。新事实的积累导致现有理论不能总是提供充分的解释。这种情况注定了科学知识的演变,包括第二代新工业社会(NIS.2)和智慧经济学理论的出现,这些理论是由维捷新兴经济发展研究所创立的。他们的主要原则仍在形成之中,这体现在该研究所不断举行这方面问题的研究会议上。每年都出版反映这些会议成果的书籍,书中包括维捷研究所主办的研讨会、出版物和学术活动的材料选编,这些材料的主题为新型工业社会-2和智慧经济学的概念基础、理论和方法的原则以及应用研究。到目前为止,已经出版了6本这样的书。本文介绍了这些书籍和书中讨论的观点,并预告了该系列图书的下一本于2023年出版,该书将反映2022年这方面的研究成果。

**关键词:** 维捷新兴工业发展研究所、第二代新型工业社会(NIS. 2)、智慧经济理论、俄罗斯经济。

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## Introduction

Society cannot “stand still”, it is constantly evolving. And with it, a system of theoretical knowledge is evolving, driven by the desire to look beyond the horizon and, in some cases – as is happening today – to try to explain phenomena observed in practice which contemporary scientific methodology finds difficult to interpret. It should be noted that within today’s *mainstream* economic (and closely related social) views, the latter situation is unfortunately increasingly being incorporated into the concept of *mainstream* economic theory.

In our opinion, this has nothing to do with the fact that the neoclassical economic theory underlying the *mainstream* is globally flawed. Half a century ago, it seemed quite progressive and its recommendations seemed more effective than those of the adherents of Keynesianism, which was then dominant in the public policies of capitalist countries. But the reality described by a theory is constantly changing, so the theoretical description of that reality must also change with it. If this does not happen, the theory loses its adequacy and a theoretical rethinking of new empirical facts is necessary to form a new, better theory.

## Origins. Imperfection of the *mainstream*

An example of the imperfection of the *mainstream* is the manipulation of interest rates by monetary authorities in the developed world, which has essentially brought macroeconomic regulation to a halt. Lowering interest rates is indeed seen as an effective way to stimulate economic growth. But what happens when interest rates go to zero or fall into negative territory? Namely, when economic activity and its results in the form of cash balances in the accounts of economic agents become economically punishable because these funds “melt away” under the influence of negative real interest rates.

And if in the general provisions of property theory this situation in *mainstream* is considered unacceptable (the inability of the owner of a thing to dispose of its value, the actual deprivation of this thing from him), then in relation to interest rates, where the situation is in fact no different, there are no intelligible answers.

Moreover, there is a de facto departure from the *mainstream* of economic policy. A characteristic recent example is the attempt by some governments, which for some reason have attributed such powers to themselves, to unilaterally regulate market prices by administrative and political means. An example of this is the “price cap” on Russian oil introduced by a number of anti-Russia countries led by the US. Every textbook on economic theory describes in detail the negative consequences of such decisions. But this has not prevented a “price cap” from harming the entire economic system.

It is very prudent to speak seriously of the existence of a prognostic potential and the possibility of making theoretical and methodological arrangements of *mainstream* to take secure, well-predictable decisions under such conditions. The system of modern socio-economic knowledge is, if not completely exhausted, at least in need of considerable adaptation and development, taking into account new realities and trends in all major spheres of life in modern society.

One of the possible theoretical answers to the above-described demand of the time, associated with the construction of a more adequate system of scientific knowledge describing economic and social processes (we do not consider it possible to separate them, because they mutually define each other, which is clearly shown in the concept of “basis” and “superstructure” of Marx, and also reflected in scientific constructions of the institutional school of economic theory) was proposed by the creative team of the S.Y. Witte Institute for New Industrial Development (INID), led by the RAS member S.D. Bodrunov.

### **Reality. Concepts of the new industrial society of the second generation and Noonomy**

Professor S.D. Bodrunov has proposed the idea of an alternative (to existing views) future development of the economy and society along the line: modernity – new industrial society of the second generation (NIS.2) – Noonomy. This idea has been reinforced in numerous scientific articles and a number of conceptual monographs [Bodrunov, 2016; Bodrunov, 2018]; subsequently, it has been supported and developed in the works of many scientists, not only Russian, but also foreign, and it is continuously being “developed” in scientific discussions held under the auspices of the S.Y. Witte INID, are continuously “refined”.

The results of these discussions are reflected not only in scientific and business journals, numerous articles, conference materials, etc., but are also systematically presented to the scientific community in the form of annually published books containing selected materials from seminars, publications and events of the Witte Institute for Scientific Research on the problems of forming the conceptual framework, theoretical and methodological provisions and applied developments in the development of the ideas of NIS.2 and Noonomy. To date, 6 such books have already been published and positively evaluated by interested professionals [New Industrial Society..., 2017; 2018; 2019; 2020; 2021; 2022].

The publication of these books aims to expand the information and intellectual exchange among the circle of interested professionals who are concerned with the socio-economic development problems and are willing to move away from the usual views on these issues, to show unconventional thinking and creativity, which always accompany the generation of new scientific knowledge. Moreover, the book contains not only the scientific papers already published (with some abbreviations and in generalised form), but also materials of verbatim reports of scientific discussions held by S.Y. Witte INID, the study of which enables the reader to participate in them from a distance and to better understand the essence of the new scientific approaches discussed there.

The point of view of the participants in such discussions is that the view of *mainstream* modern economic science, according to which industrialism is only one of the phases of development that the most developed countries have already passed through, and therefore the future of the economy and society cannot be connected with industrial growth, is not correct. We do not agree with the vulgar interpretation of this idea, according to which in the society of the future the industrial sector of the economy should, if not disappear altogether, at least decline considerably. In our view, on the contrary, we are on the threshold of a new industrial society, which we call NIS.2, in which material (industrial) production, using new, more advanced technologies, will determine its appearance and its main characteristics.

Of course, this new industrial society will be based on the achievements of the modern (and perhaps future) industrial revolution, so that the technologies used will be more advanced and the returns on the factors of production higher. These new industries will first complement and then replace the traditional industries. They will rely not only on new data but also on new knowledge, ge-

nerating knowledge on an ever-increasing scale. As a result, production will become more and more knowledge-intensive and its results (products) will become more and more knowledge-intensive.

Undoubtedly, the general theoretical idea of NIS.2 needs to be further developed and refined with the help of a poly- and interdisciplinary approach, using the methods and ways of knowing of sociology, philosophy, psychology, general systems theory, political science etc. Moreover, according to the principle of linking theoretical analysis and applied developments, it is necessary to conduct research in this area using examples from economic practise in the Russian Federation and other countries, as the separation of theoretical constructions from the reality of life, as shown by the *mainstream*, can lead theory to a dead end.

Of course, there are many “procedural” issues of transition to NIS.2 and subsequently to Noonomy that need to be resolved. Without empirical material, without a lot of expert discussion, it is very difficult, if not impossible, to solve these problems. New forms of industrial, economic and social organisation are now gradually “sprouting” and developing their institutions. The challenge for researchers is to recognise and identify these “sprouts of the future” in time to strike a balance between technological, economic and social development.

Technological development and industrial growth, both of which are prerequisites for the emergence of NIS.2, will continue to lead to qualitative changes in production that will result in the complete displacement of humans from what is now called “the economy”. Yes, this is not likely to happen soon. But the signs of this displacement can already be seen in advanced robotic and automated manufacturing. As a result, the economy as a system of relationships between people over the production of goods will gradually lose its importance; a new form of social organisation will emerge in which productive activity is no longer economic but social – Noonomy.

The concept of Noonomy is still emerging in modern science, and its features and characteristics are crystallising in discussions on the website of the S.Y. Witte INID and other authoritative scientific organisations. The results of these discussions and, more importantly for the formative phase of a theory, the process of discussion, debate and search are reflected in the series of books mentioned above. It is important not to focus only on Russia’s experience. It is advisable to consider the studied processes of social, technological and economic transformations in the international context, taking into account the experience of implementing the economic policies of the world’s leading countries.

Of course, there is still a certain eclecticism inherent in theories of NIS.2 and Noonomy, as their critics point out. But this eclecticism and even some inconsistency are justified by the fact that the main task of building a new theory is not to achieve its “beauty” and theoretical rigour, but to build an adequate description and understanding of the processes going on in the economic system, to reveal the nature and essence of the observed economic phenomena. Besides, it is unreasonable to demand completeness and complete harmony from a theory which is in the initial stages of its development. Naturally, these qualities are completely unattainable for the emerging theory.

However, this does not preclude the productive use of new theoretical insights in practise. Given the urgency of the political and economic situation in Russia today, the entire system of state policy priorities needs to be rethought. This requires an analysis of the successes and problems of current development in terms of technological, institutional, administrative, social, scientific, educational, innovative, foreign economic, regional, investment, resource and other aspects. And this analysis should be done not only with reference to the past, but also through the prism of benchmarks and trajectories of future development, where the concepts of NIS.2 and Noonomy can play an important role.

The successful response to the Covid-19 pandemic is a good example. As practise has shown, the idea that humans can control and dominate the forces of nature is a great exaggeration. In this context, the concept of sustainable development takes on a new meaning. It turns out that the ideas of a balance between social, economic and environmental objectives correspond very well with the ideas of NIS.2 and Noonomy, where a technological objective is added to the above objectives.

Of course, the concepts of NIS.2 and Noonomy are not the only possible theoretical foundations for the future socio-economic model. But the challenge of COVID-19 has shown that the movement towards forms of social and economic organisation defined by these concepts must begin today. At the same time, of course, theoretical ideas about their detailed and concrete content need to be developed and enriched. This is exactly the kind of intensive intellectual work that the S.Y. Witte INID team and many Russian and foreign researchers associated with the Institute in the framework of scientific and technical cooperation are engaged in.

The transformation of modern society and its underlying technological and economic elements is gradual and highly contradictory. One of the reasons for this contradictoriness is the lack of clear understanding by the actors of the changes in their nature, direction and basic predetermination. The theoretical constructs within the concepts of NIS.2 and Noonomy provide answers to these questions. These concepts therefore need to be fully popularised, as the series of books discussed here have done, and introduced into classrooms.

It should be noted that enough has been done in terms of popularising the concepts NIS.2 and Noonomy in recent years. They have already moved from the academic, research level to the pedagogical level. Professor S.D. Bodrunov developed an original course “General Theory of Noonomy” [Bodrunov, 2019], which has been included in the curricula of a number of leading Russian universities. On the basis of this textbook, a considerable number of other teaching and learning materials have been created, which are actively used in educational practise and form a consolidated vision of the future amongst the elites under formation.

## **Conclusion**

Economic practise convincingly proves that the management of socio-economic development should focus on fundamental aspects related to the transformation of the genetic core of the existing socio-economic system. Only with this approach is it possible to identify key trends and development tendencies in order to focus resources on achieving priority objectives without diverting them significantly to solving important but still tactical tasks. And the publication of the S.Y. Witte INID book series enables us to highlight and communicate the direction and nature of these transformations to a wide professional audience.

Work will certainly continue on the publication of collections of works summarising the results of another year of intellectual searching in the field of training and development by the S.Y. Witte INID team. The next book in the series, which will be published in early 2023 and will summarise the creative results of 2022, a very challenging year for Russia and the world, is currently being prepared for publication. And this has led to a number of new research challenges that have been successfully addressed. New ideas, approaches and solutions are highlighted in the new book, which we are sure will resonate positively with readers.

Of course, when it comes to examining global problems, any creativity can only be a collective effort. This does not diminish the role of the individual leading scientist, but it does require a broad range of expertise in the emerging concepts. We invite all scientists who wish to comment

on NIS.2 and Noonomy to join us for a collaborative, productive and constructive discussion. And the outcome of this discussion will undoubtedly be reflected in the next books in the series.

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