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Economic Foundations for the Reproduction of Cultural Potential by Households

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Abstract: Updating and developing economic theories of cultural potential as a socio-economic resource of the national economy provide a solution to an important scientific task to form new, reliable knowledge for the evolution of a new system of economic relations in the sphere of domestic culture and art products their exchange, distribution and consumption in the regional market. In domestic science the scope of culture development studies and understanding culture's economic rationale in terms of artistic activity is getting more limited; the definitions of "culture", "cultural potential", "artistic activity", "the cultural potential of households" remain poorly explored. In this regard, the researchers reveal the essence of their economic content and raise the following questions. The substantiation of the fact that culture is a system of socio-economic relations that ensure the preservation and reproduction of cultural potential in artistic activities and the formation of cultural products (goods and services) as economic resources for the national trade and industry. The efficacy of cultural potential reproduction and economic relations establishment for the socio-economic system of the national economy. The preservation of Russia's artistic activity as a major economic and strategic factor for the modern national economy. The substantiation of the fact that households are important economic entities that provide personal and common wealth in the conditions of cultural potential reproduction and local communitie's cultural heritage maintenance. Understanding the main aspects of solving these tasks by modern science will give an opportunity to form methodological tools to upgrade the mechanisms of economic relations development in such spheres as cultural potential maintenance and reproduction, effective control of exchange, distribution and forecasting of cultural good's (services) optimal volume in the consumer market.

Key words: Culture as a system of socio-economic relations, cultural potential as an economic resource, artistic activity as an independent sphere of the economy, the cultural potential of households as an attracted component of the family system, the reproduction of cultural potential, socio-economic resources,f amily, the economy of culture, socio-economic relations

INTRODUCTION

In modern economy, the lack of a systematic approach to preserving the regional cultural potential which is an important social and economic resource of the national welfare, caused drawbacks in the Russian strategic development policy. Culture is rarely considered as a key resource to form the national wealth, artistic activity is often represented merely as an element of information art. In today's publications, the scientific category of "art and culture" frequently boils down to the concept of "artificial culture". In this regard, there are growing assumptions that replacing cultural artistic technologies with artificial ones is expedient. This is an expanding threat of reducing domestic researcher's scientific interest to the development of the paradigms related to the social and economic efficacy of artistic activity as one of the main strategic factors in the modern national economy. The definition "household" is frequently presented as a socio-demographic concept with a very narrow economic content expressed by general income-property characteristics of a family or a group of persons. This leads to belittling its role as one of the most important sectors of the Russian modern economy and the country's regional business entities ensuring the preservation and reproduction of the local communitie's cultural potential.

In Russia there is a historically created socio-economic inconsistence which is still actual and unresolved. On the one hand the ideas to decrease the share of imported products encouraged the domestic business to speed up the reproduction of Russia's

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cultural potential. On the other hand, the role of household's self-employment and commercial activity, the importance of familie's engagement in the development of socio-economic relations concerning the production of local cultural goods and tourism services are evidently underestimated.

Taking into account the domestic market's current import substitution policy this contradiction does not allow Russia to respond to the new challenges of the global crisis and to draw upon the internal human resource capacity of regions. Its solving should come from strategic approaches to the development of small and medium business targeted to the reproduction of the cultural potential by households as well as approaches to their establishing as economic entities of the "hospitality" industry at the regional level.

The actualization of scientific studies in the field of preserving household's cultural heritage, the institutionalization of the artistic activity as a special kind of economic activity are important tools for modeling and managing the process of cultural potential reproduction in the regions. Reflecting the main aspects of these problem's solutions in the contemporary scientific literature will provide methodological instruments to improve the mechanisms of economic relations development in the sphere of cultural potential maintenance and reproduction, effective control of exchange, distribution and forecasting of domestic cultural good's (services) optimal turnover in the consumer market.

Literature review: In this connection, scientific comprehension of the definitions "artistic activity", "cultural potential", "culture" and "household's cultural potential" as economic categories requires special approaches.

Our analysis of scientific papers suggests that the scope of cultural potential studies is narrowing and investigations of its economic purpose are still poor. In this regard, the current literature shows scientist's concerns about the fact that the definition of cultural potential as a scientific category is completely absent in culturological glossaries or encyclopedias. The reference materials analysis allowed finding the following culturological definitions:

- "The potential of culture a provisional indicator reflecting the ability of culture to function, survive and develop under optimum social and economic conditions of a country"
- "Cultural potential a complex of material treasures, scientific ideas and theories, religious-philosophical and moral teachings, the general level of literacy, education and proficiency achieved by the population, the creative ability of people to solve problematic situations of cultural and intellectual kind"

MATERIALS AND METHODS

Our examination of the scientific electronic library's consolidated database revealed significant scientist's activity aimed at studying the cultural potential at non-economic levels for example, in modern socio-cultural context (Arefieva and Lukhovskaya, 2010) or in the context of the education system, humanitarian knowledge, youth, etc. Thereupon, cultural potential is increasingly characterized through the prism of its social mission as a unified system of society values which is based on the social cultural preferences formed during centuries of its development and accepted as cultural heritage by present generations.

In widely known sources of economic literature, the concept of "cultural potential" is almost absent. To find the origins of cultural potential's economic content it is better to refer to the classical theories of Marx, Weber, Toynbee where the economics and ethics are presented in indissoluble unity. W. Baumol and W. Bowen's studies gave birth to the economics of culture. The development of these theories is reflected in advanced research in the context of the social economy. The scholars from the State Institute of Art Studies distinguish three unique resources of culture "its maker's creative potential gained over the centuries and developing from generation to generation, cultural heritage the result of many centuries of creator's work, cultural traditions materialized in the interest of the population to cultural values, in its cultural activity" (Voronova, 1998).

The problems of national art culture revival in the conditions of economic transformation can be found in the works of Greenberg, Rubinstein and a number of other scholars the reserachers of "economic socio-dynamics" who explore 'the influence of social transformations on the socio-economic environment of cultural activity and ultimately, on the own potential of culture" (Voronova, 1998).

In the literature, cultural potential is rarely disclosed as an economic category. It is most often determined in a narrower sense as a set of culture's labor and material resources, its part or subsystem (Arefieva, 2015). According to some reseachers, cultural potential includes "the sector's labor resources, the networks of its

institutions and economic performance as well as cultural goods market capacity (Voronova, 1998). In the textbooks on the economics of culture, there are 5 types of cultural resource's components: material, energy, natural, financial, information-creative (Voronova, 1998). Thus, in the economics of culture, the concept of "cultural potential" is often replaced by the definition "the resource potential of culture" that deals only with the sectoral component of culture.

It is not correct to equate the concepts of "the resource potential of culture" and "cultural potential". The basis of "cultural potential" is its constituent element's special property the ability to meet the cultural needs of the whole society including households while "the resource potential of culture" is limited by resource utilization in cultural and artistic activities carried out within the system of social division of labor. Therefore, "cultural potential" is a larger-scaled concept described as a set of vital resources (natural and created by humans) which are suitable for making art products both in social and in economic forms.

Our concept of cultural potential as a resource for the national economy rests upon a definition already present in our monograph. "Cultural potential is a set of accumulated cultural resources available to the society at any present moment the set of all those opportunities, reserves, assets and sources which are kept in the nature or accumulated by the society as material and spiritual results of human labor in the field of artistic activity are preserved as cultural values and the objects of cultural heritage accumulated and newly created cultural resources which can continuously meet universal cultural needs in the field of artistic activity, renewable source to meet the cultural needs of the society" (Lukhovskaya, 2009a).

The inclusion of the cultural potential elements into the process of economic products preparation involves distribution of its resources, both in volume and in value terms. However, a part of cultural potential may remain in the form of reserves for subsequent reproduction and distribution (Stepanova and Zhuravlev, 2012). Cultural potential reserves include those cultural resources that already exist or can be used in future for production and accumulation. The main source of cultural reserves is traditional folk culture. This is connected with the cultural potential of households as an attracted component of the family system a set of spiritual and material values in the nearest family environment.

At the present stage of the world's globalization, traditional folk culture is a phenomenon characterizing the property of the whole society, the economic content of which is determined by the ability of cultural resources to reproduce themselves in artistic and cultural activities in order to attract investments to the fixed capital of regions. Cultural potential is sourced by spiritual production by art to be exact. Some researchers proved that "in a socio-economic system, art is on the one hand, the area of spiritual production (the first area) and on the other hand, the area of industrial production (the second area) within the sphere of culture" (Lukhovskaya, 2009). When these two areas combine, they form an integrated economic space and enter the sphere of cultural services the distribution, exchange and implementation of the results obtained by the first and second area.

Therefore, culture can be presented as a system of socio-economic relations ensuring the preservation and reproduction of cultural potential in artistic activities as well as the formation of cultural products (goods and services) as economic resources for the national economy. The key element of this system is art culture the sphere of cultural potential preservation and its reproduction in artistic products.

The development of socio-economic relations in culture allows them to receive social recognition in the market and to take an economic form to become goods and services. The problems of cultural potential maintenance and artistic activity development have been studied mostly at the level of works of a non-economic nature. In fact, artistic activity, initially characterized as a sphere of communitie's socialization is recognized in the modern world as an independent economy field that ensures the reproduction of the tangible and intangible resources in new art forms of cultural goods and as the main economic activity in preserving and accumulating resources in culture (Arefieva, 2010).

Developing cultural potential as an economic system provides and optimal way to ensure the integrity of the artistic activity subjects that are engaged, in the public and private economy sectors, in the preservation of cultural heritage and the production, distribution, exchange or consumption of artistic products as material goods and services. In this respect, researchers corroborate the economic essence of culture that is manifested in its ability to shape the transition of human potential to the final product of his cultural activities which in its turn is involved in the creation and production of qualitatively new conditions for social and economic development of the national economy (Lukhovskaya, 2009b).

The methodological basis for a new regional innovation policy should be the territory's cultural potential in-depth study built upon a renewed theoretical comprehension of its systemic functioning specifics in the economic structure of the region (Stepanova, 2012). The

concept "territory cultural potential" is systemic in nature because such complex socio-economic objects like territories, regions, districts, settlements are of systemic and self-developing character. Broadly speaking, the cultural potential of a region is the totality of this territory's objects and cultural phenomena created by men as well as the conditions, opportunities and resources that are suitable for the formation of new cultural values, goods and services. Culture (as a human capital originator) includes people's creative abilities used and implemented by them both in an organized setting and at the level of households. Cultural potential may include most of the socio-cultural environment with all its traditions and customs, peculiarities of everyday and household activity of the population living in this area.

It should be noted that each district or territory has a different cultural potential. The region may have modest capacities in terms of cultural expositions availability but very rich in terms of intangible historical and cultural assets and in this case, it is possible to develop the potential via materializing these assets. The more diversely cultural phenomena are represented in the economic products created in the territory, the greater the impact of the cultural potential on the region's economy.

RESULTS AND DISCUSSION

The efficiency of cultural resources utilization should be defined (in summary form) as a ratio of values of various parameters that characterize the degree of their use in actual practice to the values of the same parameters that might have been achieved at maximal utilization of objects:

$$E_{CIR} = \frac{\sum_{i=1}^{n}\left(\frac{X_i}{X_{max_i}} \times \alpha_i\right)}{n} \times 100\%$$

Where:

E_{CIR} = The composite indicator of cultural resources utilization efficiency

X_i = Differentiated indicator of real effect of cultural resources utilization

X_{maxi} = The value of the same effect reached at their maximal utilization

n = The number of parameters

Household is considered to be an important subject of cultural potential reproduction in the national economy. The notion of household has many forms and aspects it has a general meaning as well as a number of specific interpretations presented in various sources. Traditionally, a household is defined as an economic unit consisting of one or more persons united by a common budget and place of residence which provides the family with resources and uses the received money to purchase goods and services.

Some researchers define household in the context of artistic activity development as an economic unit consisting of one or more persons who use household resources in the process of cultural potential reproduction in the sphere of amateur folk and design creativity. The ability of households to organize family businesses which are based on the use of cultural potential elements contributes to not only the growth of personal wealth but also the preservation and development of local communitie's cultural heritage.

Studies in the sphere of household cultural potential have been lately acknowledged very important. Recognizing cultural potential as one of the most significant strategic resources for households we should emphasize the main area of its reproduction by the small and medium business amateur folk and design creative work. There is an important element of the household culture intangible cultural heritage transferred from generation to generation.

In this regard, the household is the domain of familie's socio-economic activities to form one of the leading factors for production creativity or artistic skills. The socio-economic potential of the family is considered to be the pivotal factor that ensures the integrity of the household development at all stages of cultural potential reproduction. This process distinctive feature is the inclusion of households into the system of cultural potential formation and reproduction at all stages of the small and medium business development, especially in the regional consumer market.

In modern import substitution economy, it gives the household the status of a special economic entity its establishment as a social institution or a family business organization helps to meet the society's needs in the domestically produced goods and services. This will allow the country to solve many problems the family's self-provision and self-realization, its reproductivity and re-creativity, rural revival (to stop extinction of villages) the development of travel business, internal and inbound tourism; the preservation of historical labor forms in Russia's traditional industrial regions of and the maintenance of local communitie's cultural potential.

In this case, the role of culture is in the following forms of social relations that are associated with cultural potential reproduction. In the reproduction of intangible and tangible cultural values in such its areas as oral traditions, performing arts, customs, rituals and festive events, knowledge and skills, traditional crafts. In the

activation of reproducing spiritual and cultural values in the artistic practice in the support of their integration into the modern creative process. In the development of folk and amateur arts on a professional semi-professional and non-professional (amateur) basis, etc.

The role of the economy is revealed in the development of socio-economic relations in the sphere of reproducing the cultural potential by households which performance is directed to increasing their economic welfare as the economic entities and as a result, improving the society's quality of life.

Thus, the present study's objectives are the following: to actualize the economic theory of cultural potential as a socio-economic resource of the national economy. To contribute to obtaining new, reliable knowledge on the efficiency of reproducing the cultural potential of households as an attracted component of the family system. To update scientific research on preserving Russian artistic activity as one of the major economic and strategic factors in the modern national economy, the concept of development of a new system of economic relations in the sphere of culture and art. To pay attention to the concept of developing a new system of economic relations in the sphere of culture and art.

CONCLUSION

The actualization of scientific investigations in the field of household's cultural heritage preservation, the institutionalization of artistic activity as a special kind of economic activity will expand the scope of research dedicated to cultural potential as a social and economic resource of the national economy and the content of their methodological and conceptual aspects. This will contribute to the unity of approaches in preparing theoretical and methodical bases for newly-created strategic development models in the modern economy of Russia and its regions.

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