

## HUMAN CAPITAL IN ECONOMIC GROWTH AND ANALYSIS OF FACTORS AFFECTING ITS POTENTIAL

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**Annotation.** *The development of human capital in the country is a leading factor in ensuring sustainable economic growth and improving the quality of other sectors of the economy. The article examines the place and role of human capital development and its reflection in the development of the country's economy. The main factors influencing the formation of a human resource are considered. Its role in improving economic growth is studied and recommendations are made to increase the potential of human capital.*

**Keywords:** *human capital, economic growth, quality of education, investment, human resources potential, standard of living*

## IQTISODIY O'SISHDA INSON KAPITALI VA UNING SALOHIYATIGA TA'SIR QILUVCHI OMILLAR TAHLILI

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**Annotatsiya.** *Mamlakatda inson kapitalining rivojlanishi barqaror iqtisodiy o'sishni ta'minlash va iqtisodiyotning boshqa sohalari sifatini yaxshilashning yetakchi omilidir. Mazkur maqolada inson kapitali rivojlanishining o'rni va roli hamda uning mamlakat iqtisodiyoti rivojlanishida aks etishi o'rganiladi. Inson resursining shakllanishiga ta'sir qiluvchi asosiy omillar ko'rib chiqiladi. Uning iqtisodiy o'sishni yaxshilashdagi roli o'rganiladi va inson kapitali salohiyatini oshirish bo'yicha tavsiyalar beriladi.*

**Kalit so'zlar:** *inson kapitali, iqtisodiy o'sish, ta'lim sifati, investitsiyalar, kadrlar salohiyati, turmush darajasi.*

## ЧЕЛОВЕЧЕСКИЙ КАПИТАЛ В ЭКОНОМИЧЕСКОМ РОСТЕ И АНАЛИЗ ФАКТОРОВ, ВЛИЯЮЩИХ НА ЕГО ПОТЕНЦИАЛ

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**Аннотация.** Развитие человеческого капитала в стране является ведущим фактором обеспечения устойчивого экономического роста и повышения качества других сфер экономики. В статье исследуется место и роль развития человеческого капитала и его отражение в развитии экономики страны. Рассматриваются основные факторы, влияющие на формирование человеческого ресурса. Изучается его роль при улучшении экономического роста и даются рекомендации по повышению потенциала человеческого капитала.

**Ключевые слова:** человеческий капитал, экономический рост, качество образования, инвестиции, потенциал кадров, уровень жизни

### INTRODUCTION

In progressive countries, investments in human capital are considered an important factor in increasing competitiveness and ensuring economic growth at the micro and macro levels. Improving the quality of human capital, ensuring the consistent implementation of a strategy aimed at increasing the professional skills and experience of people based on continuous education throughout their life, is an important condition for ensuring sustainable economic development [3].

The processes taking place in the global economy clearly show that the balance of influencing factors the socio-economic development of the country is changing. The World Bank noted that in a study of the composition of global national wealth using the example of "141 countries around the world, the share of human capital in its total value was 64%, and over the past 20 years its contribution has grown by 55%. While the share of human capital in national wealth was 70% in high-income countries of the Organization for Economic Co-operation and Development (OECD), its contribution in low-income countries was 41%." [13]. It is the differences in human capital determines differences in the competitiveness of a country's economy on the world market, the well-being of the population as a whole, and human development, in particular, it becomes known that the differences in per capita income between countries are 10-30% [14] and this fact is explained precisely by human capital. It should be noted that today the factors of economic growth are changing. Instead of traditional factors (labor, land, capital, entrepreneurial abilities), factors such as science and education, that is, the intelligence of the nation as a whole, come to the fore.

In any national economy, human capital is a decisive factor of production, an important condition for supporting the national economy and increasing its competitiveness. Currently, human capital is assessed as an important factor in sustainable economic development in countries that have developed during the day. The transition of economic growth from raw materials to innovative sources brings to the surface human capital as the main factor ensuring an increase in national wealth, becoming the main resource for creating added value.

In Uzbekistan, the share of human capital in the structure of national wealth is 62%, while, according to World Bank experts, the share of physical capital in the structure of national wealth across the world averages 16%, natural capital - 20%, human capital - 64% (in such progressive countries as Germany, Japan, Sweden, the share of human capital in the structure of national wealth reaches 80%) [15].

Human capital is one of the most important components of the program of transition to a market economy. In this regard, the issues of developing and ensuring a mechanism for its effective formation in the conditions and requirements of our time acquire particular importance. It is known from the history of many developed countries that in order to achieve economic growth, special attention was paid to improving the quality of human capital, such as the main lever in the formation of statehood. These include countries such as the USA, Japan, China, Singapore, which today account for half of the world's GDP. As a result, the current economic situation both in the world and in our country requires fundamental changes in the structure and composition of human capital, as an invaluable economic resource, through the development of a strategy to improve the quality of its potential.

Many people believe that since the 20th century, the development of countries has been based on technology, which is known from the sources of many academic economists. In particular, in the 21st century, knowledge economy countries have their own particularly important challenges to increase economic growth. In improving these matters, improving the quality of the human factor plays a particularly important role. Thus, due to the current development in our century, new conditions and theories for the formation of human capital are emerging.

The reflection of global developments in this area is clearly visible in our country. The proof is provided by the "New Development Strategy of Uzbekistan for 2022-2026" approved by the President of the Republic of Uzbekistan on January 28, 2022, where the implementation of a fair social policy and the development of human capital is clearly emphasized in the fourth direction. This indicates that the importance of human capital development is considered at the political level and this directly affects the economic position of the country in the world arena.

Consequently, in ensuring the stability of economic growth, factors influencing the formation of human capital in the conditions of technical development play an important role. In this regard, education, health, science, ecology and factors such as income

distribution play an important role in which the full potential of a person is improved. And at the same time, scientists have discovered that the national economy develops where special attention is paid to the mental potential of the human resource.

**Methodology and research.** The effective functioning of the economy most of all depends on how much employees are materially and morally interested in achieving high final results. The general level of education of a worker and his professional qualifications become a decisive factor in economic growth. The shortage of highly qualified personnel directly affects national income production and savings levels [2].

Human capital refers to the acquired knowledge, skills, motivation and energy that are endowed in an individual's mind and which can be used to produce goods and services. The most important forms investments in a person are considered to be general and vocational education, healthcare, migration, access to information (table).

**Table**

**The effectiveness of the influence of factors on the formation of human capital**

<b>Factors</b>	<b>Efficiency</b>
Education and training on the job	the volume of potential human capital increases
Health protection	reduces morbidity and mortality, increases the duration and intensity of use of human abilities
Migration	promote the movement of people to areas where lifestyles improve
Possession of information	his work is well paid

**Results.** Recognition of the importance of human capital is reflected in models of economic growth. For example, in the improved model of R. Solow, along with investments and an increase in the number of employees, the factor of technical progress is also taken into account, which means not only the growing mechanization of production, but also an increase in the labor efficiency of workers, depending on their health, education and qualifications.

In the works of G. Mankiw, D. Romer and D. Weil, capital is divided into physical and human. At the same time, they came to the conclusion that the share of physical capital in income is equal to 1/3, and the share of human capital ranges from 1/3 to 1/2. They also studied the relationship between the educational sphere and the income of the population.. At the same time, the share of the education factor in the growth of national income was, according to E. Denison's estimates, for the USA - 15%, Belgium - 14, Holland - 5, England - 12, Italy and Norway - 7, France - 6, Denmark - 4, Germany - 2% [1].

Like physical capital, the formation of human capital requires significant expenditures both from the individual himself and from society as a whole. The investment will be carried out only if it brings certain benefits. The individual's benefit from investing in

human capital is expressed in an increase in permanent income. In developed countries, there is a steady dependence between the level of education and income received throughout life.

**Discussion.** A. Maddison carried out calculations for a later period. According to his data, in 1973-1984. the contribution of the education factor to the economic growth of the USA was 23.4%, Great Britain - 30.2, Japan - 11.3, France - 27.5, Germany - 5.9% [6]. Calculations show that the contribution of education has increased significantly over recent decades. The importance of human capital is also proven by the experience of the post-war decades. Despite their lack of natural resources, Japan, Taiwan and other Asian countries have achieved significant development success by relying on a well-trained, educated and disciplined workforce. Over the last 25 years of the 20th century. The gross domestic product of the Asian Tigers increased approximately 4 times.

**Conclusions** In the developing world, intellectual ability has become important and the need for the power of an educated and skilled person is increasing. Because the highest scientific and technical discoveries in the world are created by such highly qualified personnel. Also, any discoveries must be used only for the sake of human interests and happiness.

In the modern process of globalization, innovation is one of the most important strategic resources of any country. The successful solution of socio-economic problems, the introduction of new industrial and financial technologies, the development of innovation and investment infrastructure, increasing intellectual competence, the production of export products, import substitution, and the accumulation of foreign exchange reserves are associated with innovation activities to a certain extent. In the modern process of globalization, innovation is one of the most important strategic resources of any country. Successful solution of socio-economic problems, introduction of new industrial and financial technologies, development of innovation and investment infrastructure, increasing intellectual competence, production of export products, import substitution, accumulation of foreign exchange reserves to some extent related to the innovative activities of human resources.

There remains an objective need to create the necessary conditions to ensure changes in the human capital management system due to the prevalence of problems such as the departure of qualified personnel abroad, non-specialized employment of the population, and the mismatch of qualifications with job requirements. In such a situation, it is necessary to develop and implement a mechanism for managing human capital, taking into account the interdependence of the processes of formation and use[4].

Indeed, it is impossible to achieve innovative development without developing human capital. According to well-known economists, an indifferent attitude towards investing in human capital can sharply reduce the country's competitiveness. For a country to develop economically, it is necessary to educate talented people.

Over the years, material and natural resources, industrial and agricultural sectors of the economy, gold, foreign exchange reserves, etc. become an ever-decreasing part of the national wealth. According to some experts, by 2030 they will not be equal to even 10% of the national wealth of developed countries. In other words, the intellectual and spiritual factor is a decisive condition for national wealth, the most important indicator of state power and determines the level of development of society, as a result of which it will become the main lever in economic development [12].

The problem of sources of economic growth is also particularly relevant for modern Uzbekistan, when an active economic policy is being pursued on the world stage. As the experience of developed countries has shown, the possibility of transition to sustainable economic growth in a market economy depends on the most efficient use of human resources

At the same time, it is necessary to carry out reforms to change the educational process, innovation and investment skills, and improve the mentality and culture of the population. Positive human capital (creative or innovative) is defined as human capital that provides a profitable return on investment made in it in the process of development and growth. Positive human capital makes a great contribution to the development of the education system, the growth of knowledge, the development of science, improving public health, improving the quality of information and increasing the economic growth of the country.

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