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The Essence of Human Capital as an Economic Category and the Role of Education

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Abstract:

the article reveals the essence of human capital using various socio-economic, industrial, property, personal, distributive, institutional, social, reproductive approaches to its content and the place of education in it.

Keywords: human capital, labor, production, property, personal, distribution, institutional, social, reproduction, education, abilities, skills, knowledge, innate abilities, knowledge economy.

INTRODUCTION

In the "Development Strategy of New Uzbekistan for 2022-2026" in our country, after analyzing in depth the complex processes of the world level and the results of the development of our country, in the following years, based on the principle of "For Human Value", we will further increase the well-being of our people, transform economic sectors and rapidly develop entrepreneurship. it was emphasized that it is important to carry out researches aimed at the unconditional provision of human rights and interests and the formation of an active civil society. The higher education system is an important support in improving the human capital and increasing the competitiveness of the state. In this regard, our dear President has emphasized the following: "Improving the quality of education is the only way to develop New Uzbekistan" [1]. In this regard, it is important to reveal the conceptual foundations of human capital as an economic category, its improvement at the expense of accumulation, the compatibility between its content and social form using socio-economic, production, property, personal, distribution, institutional, social, reproduction approaches.

SETTING A SCIENTIFIC PROBLEM

The theoretical aspects of research of human capital and the role of education in it are discussed by the following scholar J. Ben-Poret, A. Marshall, L. Touro, Sakaya T., Dayzard U., G. Baker and T. Developed by Schultz.

Korogodin I.T., Shevchenko D.A., Sergeeva A. from Possiyan olimlap. O., Cherkashin M.D., Redko L.L., Solodukha P.V., Gruzkov I.V., Gruzkov V.N., Tkachenko A.V., Titov V.A., Kapelyushnikov R.I. , Remorenko, I.I., Rozhkov and others have conducted research on this topic.

Theoretical aspects of the research of human capital and the role of education in it. Academicians K.Kh. It is possible to increase the scientific research work.

A representative of the neoclassical school of economic science I. Fisher included a person in the definition of capital. In his opinion, skills and mechanics are not separate capital apart from people, and skilled mechanics themselves should be classified as capital[2].

Russian scientist Korogodin I.T. revealing the conceptual basis of the essence of human capital, when every person is the owner of his own capital, and by improving and improving the quality of this capital, he is interested in obtaining income and increasing it [3].

T. Shults, the founder of the modern human capital theory, says that we call human capital the valuable abilities acquired by a person, which can be improved, strengthened and developed at the expense of appropriate investments [4].

Abdurakhmanova G.Q., an economist from Uzbekistan. and Bozorova S.A. according to the conclusions, the structural structure of the human capital object is as follows: educational capital, including general and special knowledge; on-the-job training capital; health capital; to have information of economic importance that can bring income; migration capital that ensures worker mobility; includes such structural elements as encouraging cocktail activity"[5]. Based on the above-mentioned studies, the quality sign of human capital is a set of specific characteristics that can be combined into individual elements that make up the composition of the quality of human capital.

RESEARCH METHODOLOGY

The article uses dialectical, systematic, integral and synergetic approaches, economic, logical, scientific abstraction, analysis and synthesis, modeling of economic processes and systems, induction and deduction, comparison, generalization, grouping and graphic methods.

MAIN ANALYSIS AND RESULTS

Today, economic knowledge about human capital involves the use of different methodological directions and frameworks to achieve specific research goals. For this reason, we also use socio-economic, production, property, personal, distribution, institutional, social, reproduction approaches in the study of human capital. Russian scientist Korogodin I.T. revealing the conceptual foundations of the nature of human capital, "human capital is an economic category of the social-labor system. This category represents, first of all, a system of economic relations that includes social-economic and social-labor relations. They are based on personal and private property relations According to his conclusions, a person has a private property relationship in relation to his abilities. When every person is the owner of his own capital, and is interested in obtaining and increasing income by improving and improving the quality of this capital. Private property relations between an employee and an employer arises when entering into relationships. Thus, the scientist used a socio-economic approach in his research to study human capital. A person, as the owner of his skills and abilities, strives to constantly study, retrain and improve his personal abilities in order to get the greatest income in the chosen field of activity. Private property relations are relations between an employee and an employer.

The essence of human capital operating in the process of production of goods and services is that it is a self-increasing self-moving value coordinated with the use of wage labor. Human capital as a socio-economic category is a relationship between hired employees and employers, owners of means of production, related to the practical use of the sum of knowledge, abilities, motivations accumulated by an individual to obtain income and profit in the system of social reproduction. Such an approach to the study of human capital can be described as a production approach, since knowledge and skills are taken into account in the production of a person to obtain income.

As an economic category, human capital is an economic relationship between an employee and an employer on the realization of the employee's labor potential and the distribution of income between them [6]. As human capital, the economic relationship of an individual employee with the market represents the economic relationship related to the sale of goods or services and earning income among the consumers of his goods. Human capital brings income to the employee in the form of salary, to the employer in the form of profit and to the state in the form of taxes. Therefore, human capital as an economic category represents the economic relations between the wage worker, the employer and the state on labor potential and the distribution of income between them, and the distribution approach is used here.

Human capital as an economic category represents the organic unity of primary (formation of individual abilities, personal characteristics, acquired skills and qualifications) and secondary (supporting the innovative development of economic entities and society as a whole) socio-economic relations developing in the process of social reproduction [7]. A personal-innovative approach is used here. A person uses his personal characteristics and abilities and contributes to the development of the team, organization, and society as a whole. Human capital is an institutionalized socio-economic form of the existence of labor force, acts as a social value and represents a system of relations related to its formation, improvement, accumulation and use[8]. Using an institutional approach, the author examines the essence of human capital not only as a value that drives a simple flow of income, but also as a social value that determines the vector of formation and use in the existing institutional system. Human capital is a set of socio-economic relations that occur between its owners and the owners of materialized capital, in order to attract them to the process of social reproduction and gain income, in the process of forming, developing and improving human capital. In our opinion, an approach that reflects the interaction of human and commoditized capital is used here. Relationships between subjects on the formation and use of human abilities to achieve specific goals are considered.

The essence of human capital can be expressed through social interactions. In the process of formation of a labor subject in professional activity, relations between individual individuals are expressed regarding the creation of human capital abilities and its consumption, distribution, acquisition and use of resources. Thus, with the help of the social approach, the essence of human capital is considered through social relations in the spheres of social work, professional activity. A person forms and develops his abilities in a certain social group, as well as provides the beginning of this group. At the same time, the social group pursues its goals, performs its tasks using human abilities.

The quality of human capital helps to determine the specific signs and characteristics that appear in human capital in the process of reproduction, that is, it makes it possible to study the material-material product of human capital and its social form. This approach is aimed at researching the circular movement of human capital and all its stages of formation, distribution, exchange and use.

Human capital as an economic category represents the socio-economic system. In this system, there are three main elements: the subject, the object, and the relationship between the subjects about a particular object. The object of this economic category is the human capital itself, which is the total set of knowledge, skills, experience and other abilities of a person that characterizes its material content, including his profession, skills, energy, spiritual forces, etc. As an economic category, human capital entities include, first of all, the owners of this capital themselves - entrepreneurs, hired workers, as well as economic entities that ensure the reproduction of human capital (including households, firms, the state). We came to the conclusion that this economic category is reproduced as its two components, as a whole, its two sides: material - commoditized and social side. The materialized side of human capital constitutes its content, and the social side of human capital is manifested as its social form. A number of scientific principles are necessary for a complete study of the social form of material-commoditized and human capital. It is possible to introduce the principle of systematicity, the principle of correspondence between the content and social form of reproduction, the principle of the sequence of stages of reproduction, and the principle of the development of property relations from simple to extended reproduction.

As an economic category, the essence of human capital has the form of self-expression, which is an expression of its content. The content of human capital includes subjects, objects, relations and relations that occur between subjects in the reproduction of human capital, the mechanism of regulation of these relations, relations and their forms, which are included in the set of gross internal interrelated elements. The form of interaction is a way of organizing content, essence, and it reflects the structural elements of human capital.

There are different opinions about the structural elements of human capital. Abdurakhmanova G.Q., who studied the movement of human capital in the domestic labor market. and Bozorova S.A. according to the conclusions, the structural structure of the human capital object includes the following structural elements:

- ✓ Educational capital, including general and special knowledge;
- ✓ Training capital at the workplace (qualifications, skills, work experience);
- ✓ Healthcare capital;
- ✓ Having information of economic importance (for example, about prices or incomes) that can bring income;
- ✓ Migration capital that ensures worker mobility;
- ✓ Stimulating cocktail activity.

Human capital is recognized as one of the most important categories of modern economic science. However, the problem of correlation of the "human capital" category with other related categories remains. The analysis of the economic literature showed that the most diverse conclusions are made regarding the economic categories of "human capital" and "labour force". For example, the Russian scientist S. Yu. Roshin distinguishes between these two economic categories: "qualitative characteristics of the labor force, the ability of a person to work, his skills, knowledge, skills can be considered as human capital [9].

We support the conclusion that labor force is the closest economic category to human capital. If we analyze the concept of human capital and the above concepts mutually, for example, the basis of the concept of human capital is the workforce, physical and mental abilities [10]. Therefore, labor force should not be identified with human capital, nor should it be opposed to it. The categories of "labour force" and "human capital" are interrelated. In relation to human capital, labor is its beginning and substance. The formation of human capital, first of all, goes through the ability to work, that is, the formation of the workforce. But the labor force does not represent the aspect of investment and does not indicate the capitalization of investments in the development of working ability, and the category of human capital allows to focus on the need for investments of different directions in relation to the employee. Thus, human capital, unlike the corresponding labor force category, can be accumulated as a result of investment. Human capital reflects more opportunities, it is characterized by additional abilities, knowledge and skills accumulated as a result of investments. Therefore, human capital has the right to exist as an independent economic category, because it can be not only reproduced, but also accumulated as a result of investments, as well as bring high income in the future. L. Turow believes that human capital cannot be bought or sold, because it is inseparable from the human carrier and is not a circulating asset. The owner of human capital cannot sell it to another person, because it is unique to this human organism and inseparable from it. An object of exchange between an employee and an employer can only be a certain result of work that is useful and beneficial to the buyer. Such usefulness exists in the service performed by labor. The contract between the employer and the employee is the exchange of labor services for money. Consequently, the object of exchange in the labor market is not human capital, but its labor service. The net result of any service is labor, for which there must be a demand from the employer and an offer from the employee. Therefore, the process of exchanging labor services for wages is carried out in the labor market. At the same time, market relations are established between employees and employers regulated by the market mechanism. Labor service includes human capital service. It is this type of service that has value and consumption value, that can be expressed in a price, that is separate from the person and that is freely exchangeable in the market.

Thus, human capital is embodied in a living person as a collection of abilities, skills, knowledge and experiences, and it cannot be bought or sold. Being a human capital, a hired worker creates a service with his labor, which can be exchanged for money as a result of his labor activity. Labor service is designed to meet the needs of the employer in a certain form of profitability. As a result of the actions of the employee, his work and the expenditure of human capital, the labor service includes certain costs that are necessary for their reproduction and can be represented by value.

Human capital service refers to the relationship between the stages of improvement of human capital. All stages are interrelated, interact with each other and are carried out in mutual unity. Reproduction of human capital ensures the acquisition of necessary knowledge, skills and experiences in a sufficient amount during the period of constant change, in interrelated stages, to perform appropriate work. The formation of human capital took place even before the beginning of human labor. At this stage, education in the family, preschool education institutions, development of all lower systems of the human body as the basis of health and strength, primary education, general and professional work activities are carried out. At this stage, maintaining and improving health is of great importance.

The distribution phase is treated with the exchange phase. In the conditions of the market economy, distribution is not divided into independent stages. It is carried out by exchange and is its direct function. The stage of distribution and exchange is the link between the formation and use of human capital. In the external labor market, exchange also occurs along with the primary distribution of workers by industry, sectors, enterprises, organizations and institutions. The distribution of human capital is carried out according to the request of the employer and the proposal of the human capital services officer in the foreign labor market. Exchange ensures the functioning of the foreign labor market. The movement of workers between industries, sectors, enterprises, organizations, institutions, the payment of wages to employees depends on the external labor market situation.

The use of human capital means the use of a certain stock of knowledge and skills in the production process. The use of human capital is his labor. In the process of work, a person uses his abilities and at the same time develops them by accumulating experience and increases the level of professional competence. A person will be able to do more complex work, his productivity will increase. Thus, due to the use of human capital in the labor process, the development of individual abilities of a person is carried out, knowledge, skills and competences are restored, accumulated and improved, thereby ensuring the improvement of human capital.

A person's interest in improving their abilities encourages a person to make additional investments in education, health care, that is, it increases the level of human capital. At this stage, the most important task for human capital is to perform the function of improvement through investment. The process of improving human capital is as follows (see Figure 1).

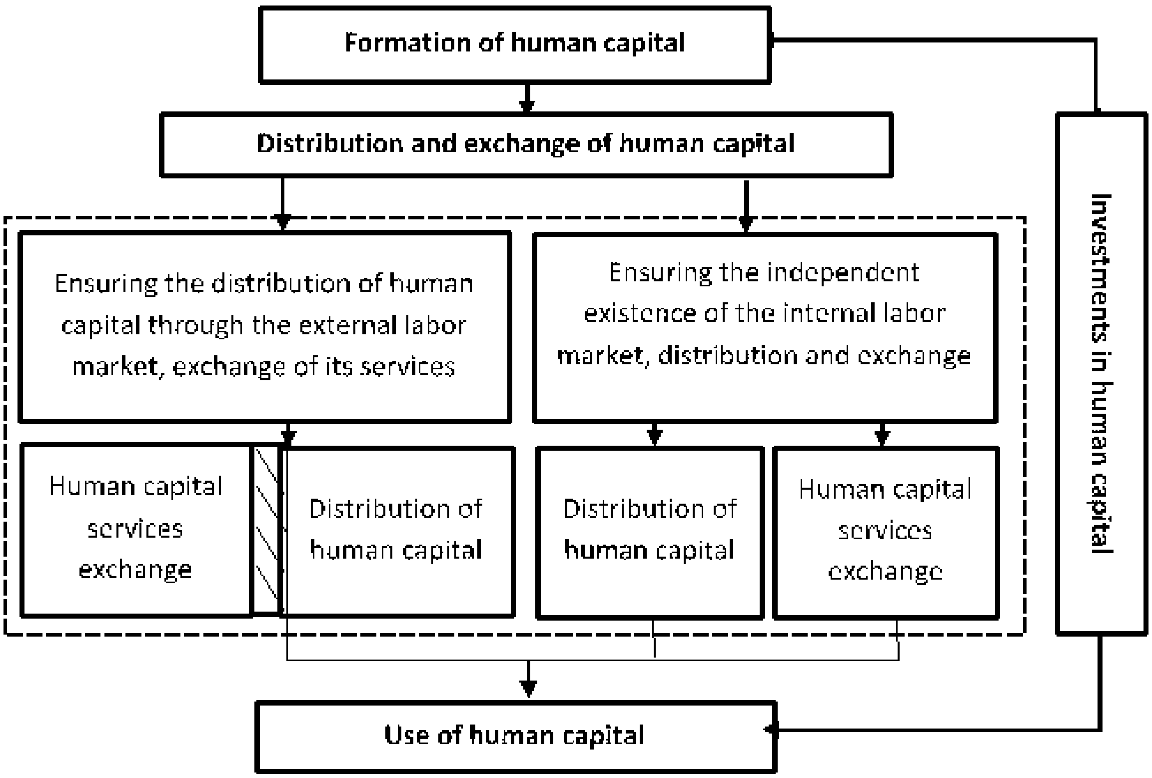

Fig. 1.1. Improvement of human capital process diagram [11]

1. Fig. The process of improving human capital

It can be seen from this Figure 1 that improvement of human capital represents the continuous movement of human labor capacity, that is, its formation, distribution, exchange and use in the labor process. The use of human capital also requires certain costs for its accumulation and improvement. That is, investments are needed to restore human capital and improve it.

Investments in health are intended to create conditions for the physical development of the carrier of human capital. G. Becker believed that an important result of investing in human capital is "Improving the physical and emotional state of a person[12]. All people have different health by nature. "Therefore, the health inherent in a person cannot be an element of human capital, but only a factor of it. But investments made to restore and improve human health can be considered investments in human capital for good reasons. "Investments in education are one-time costs of resources that imply an increase in labor productivity in the future and, in addition, they are associated with a specific person. Compared to investments in other forms of capital, this type of investment is the most beneficial from the point of view of a person and society as a whole, because it and in terms of time, it gives a sufficiently significant economic and social effect.

Human capital is a sum of gross productive abilities, personal characteristics and motivations of an individual, formed and improved due to investments, as property belonging to them, which, when used in economic activity, contributes to the growth of labor productivity and thereby increases the owner's income (wages) and national income. the affected economic category.

In the theory of endogenous growth (American economists P. Romer, R. Lucas, etc.), technological progress is not considered the only cause of economic growth in the long term. They scientifically justified the fact that the level of quality of economic growth depends on the quality of human capital, the improvement of human capital depends on factors such as education, health care, etc. [13]. According to P. Romer, "there is a trade-off between today's consumption and knowledge that can be used to expand tomorrow's consumption. P. According to Romer's theory, the rate of economic growth is directly related to the amount of human capital concentrated in the field of acquisition of new knowledge. According to this theory, countries with a large amount of accumulated human capital achieve higher rates of economic growth. According to the theory of R.

Lucas, the accumulation of human capital is an active economic process that requires certain resources and is the cause of alternative outcomes[14]. According to the theory of endogenous growth, accumulation of knowledge, reduction of production costs, innovations and innovations are important factors of the quality of economic growth.

According to Professor K. Kh. Abdurakhmanov, "Human capital is more important than natural resources, material wealth and tools" [15]. Therefore, human capital is a key factor in economic growth and productivity. The concept of human capital as an economic category is steadily expanding along with the development of the world information community and the "knowledge economy". In the current period, human capital is an intensive production factor for the development of the economy, society and family, which includes intellectual and managerial work, the environment of living and working activities. This ensures effective and rational functioning of human capital development as a productive factor. According to the theory of human capital, accumulation of human capital can be done in different ways. The most important of them is the accumulation of capital based on the improvement of skills during education and professional training. A person's "value" increases throughout his or her life stages, and this value is used to increase labor productivity, while increasing personal capital gains and encouraging the person to make personal investments in furthering his or her capabilities. Investments in human capital usually mean spending on education, training, health care, and human retraining and skill improvement.

Investments in education can be conditionally divided into formal and informal. Official investment in education is determined by the professional training and retraining received by this population in secondary, vocational, and tertiary education and post-tertiary education. Informal investment in education is the main prerequisite for self-education through reading scientific and fiction literature, development of gaming and educational computers, art, physical education and sports, improvement in various fields. Investing is done at the level of family, company, state and individual. Investing in children is the main form of investing in human capital at the family level. These investments will meet the specific needs of parents in the future, and bring income in the form of direct financial support for children in the future. Parents play a central role in children's human capital accumulation. The state spends a large part of its funds on education, because a well-educated population is the mainstay of the country's development. Employers are willing to improve the skills of their employees because they expect that their costs will be covered and that they will receive additional benefits due to the high productivity of the workers. The quality sign of human capital is a set of specific characteristics that can be combined into individual elements that make up the composition of the quality of human capital.

CONCLUSIONS AND SUGGESTIONS

1. There are commonalities and differences between human capital and labor. They are similar to each other because they are inseparable from their carrier, which means the unity of the essence of the productive person, and the common substantial basis is the ability of a person to work.

2. Human capital is a sum of gross production abilities, personal characteristics and motivations of an individual, formed and improved due to investments, as a property belonging to them, which, when used in economic activity, contributes to the growth of labor productivity and thus the owner's income (wages) and national economic category affecting the growth of income.
3. Globalization processes in the field of education are manifested in the form of two trends. On the one hand, as a result of the process of globalization of education, it is characterized by mutual cooperation and integration of national higher education systems. On the other hand, the process of formation of global education is taking place.
4. In our opinion, human capital is a sum of general knowledge and professional skills acquired and accumulated during the life activity of an individual, which contributes to economic growth and human well-being.

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