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Human Capital as an Important Factor in Shaping an Innovative Economy

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Annotation: There is a strong correlation between human capital and economic growth. Human capital influences economic growth and helps people develop the economy by expanding their knowledge and skills. This article discusses the role of human capital in shaping the economy.
Keywords: innovative economy, human capital, developing process.

I. INTRODUCTION

The economic reforms carried out during the transition to a market economy after the independence of Uzbekistan require a deep observation and study of the role of man and the individual in ensuring the socio-economic development of the country. After all, socio-economic reforms in our country, aimed at building a democratic, free society based on a socially oriented market economy, are aimed at the full development of the individual and the provision of welfare. In order to improve the lives of different social groups of people and the population, to realize their goals and interests and aspirations, it is necessary to democratize and modernize society, modernize and reform the country, strengthen its economic and political independence. In this regard, the Address of the President of the Republic of Uzbekistan Sh.M.Mirziyoev on the most important priorities for 2019 states: is our goal. We have huge tasks ahead of us in this direction, they said.

Human capital is the knowledge, skills and experience that workers have acquired in the economy. Skills are economically important because a knowledgeable workforce can lead to increased productivity. The concept of human capital is the realization that not everyone has the same skill sets or knowledge. It is also possible to improve the quality of work by investing in people's education.

Economic growth is an increase in the ability of an economy to produce goods and services compared to previous periods. Economic growth is measured by a change in a country's gross domestic product (GDP). GDP is an expression of the total production of goods and services for the economy. For example, if a country's GDP is 2.5 percent per year, then the country's economic growth is 2.5 percent higher than last year. To determine how human capital affects growth, we must first consider two key factors of economic growth in the economy.

It is estimated that consumers are responsible for more than two-thirds of economic growth in the U.S. economy, with consumers spending on clothing, automobiles, technology, etc. are increasing the purchase of home and household items. such as home appliances. All of these costs have a positive volatility effect, improving employment in a variety of industries, such as retail, automakers, tech shops and home builders. Expenditures will also lead to GDP growth across the economy.

The production function is designed to reflect the dependence of production on the capital-labor ratio in an intensive form (for each worker). If the abscissa represents the capital-labor ratio (k) and the ordinate represents the productivity (y) per worker, the curve of this function increases as the capital-labor ratio increases. At a slower pace of growth, this reflects a proposal to reduce labor productivity, which is limited by the addition of additional capital units. The degree of propensity to function for a given value of capital-labor (i.e., an increase in productivity at the expense of additional capital unit investment) determines the share of capital in value-added production. The rest goes to the employee's salary.

The globalization and internationalization of working life, the breakdown of entrepreneurship, working life and labor relations, new health risks and risks in the use of new materials and technologies, as well as the reorganization of working hours, the growing diversity of the workforce, aging and partially limited labor such social and economic relations have a strong impact on the morale of employees, while the structural reforms of resources and service systems affect the positive and effective conduct of labor activities. As a result, they face new challenges, such as increasing their responsibility to choose the mental, emotional, and voluntary behaviors that are necessary for their destiny, community, and family. In this regard, the social and mental health of the employee of the enterprise is important, and by paying more attention to it, it is possible to have a positive impact on the socio-economic processes of the state.

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For example, the outbreak of the COVID-19 coronavirus pandemic in the world has shown that Uzbekistan, as well as other countries in the world, has a weak public health, physical health and a healthy lifestyle. The coronavirus pandemic has caused millions of people worldwide to lose their jobs. According to the International Labor Organization, 1.6 billion workers in the informal economy in various parts of the world are at risk of losing their income as a result of the reduction in working hours. As a result of the coronavirus, the number of unemployed in the United States approached 40 million, and the number of people who applied for unemployment exceeded 39 million. These figures are much higher than during the Great Depression. To support the country's population, low- and middle-income citizens received $ 1,200 in one-time payments. An additional $ 500 was also provided for each young child (under the age of 17).

The Chinese government announced in April that the unemployment rate was 6 percent. Experts from the Economist Intelligence Unit and Societe Generale estimate that figure is close to 10 percent. According to Bloomberg, a report released on April 24 by analysts at a Chinese brokerage firm said unemployment in the country was around 20 percent, with 70 million people losing their jobs.

In April, more than 800,000 people lost their jobs in the Russian Federation, bringing the total number of unemployed to 4.3 million. According to the analysis of the Ministry of Labor, the number of unemployed in the country could reach 6 million by the end of the pandemic. As a result, in April, the number of people officially registered as unemployed in the Employment Service reached 1.3 million. Compared to March, this figure increased by 80%, or 727 thousand people were registered. 1.1 million people received pensions. According to the analysis of the Ministry of Labor, the number of officially registered unemployed could reach 2.5 million people. In Uzbekistan, the unemployment rate in the first quarter of 2020 was 9.4%. According to the report, in January-March 2020, the highest unemployment rate was recorded in Samarkand and Surkhandarya regions with 9.8%, and in Jizzakh, Kashkadarya, Syrdarya and Fergana regions with 9.7%. The lowest unemployment rate was in Tashkent (7.8%). For information, the unemployment rate in Uzbekistan in the first quarter of 2019 was 9.4%.

Investing in workers has experience in creating good working conditions in the global economy. If employment improves, consumer spending will increase, leading to increased company revenue and additional business investment. As a result, employment is a key indicator or measure to determine what GDP growth will be.

The OECD, or Organization for Economic Co-operation and Development, is a group of more than thirty member countries that helps shape and develop economic and social policies around the world.

The OECD regularly analyzes the impact of education levels on employment and consequently economic growth. The OECD Education at a Glance 2020 review looked at how education systems work, the level of costs, and who benefits or participates, as well as how the growth of education for men and women in the OECD affects employment growth.

In 2020, the OECD found that for countries with grammar and high school education, 72% were employed for men aged 25-34 and 45% for women. At the same time, the employment rate for those with a college or graduate degree is 89% for men and 81% for women. Although investment in human capital wants to grow more, this does not mean that jobs will be available for newly trained workers. Geography also plays an important role when it comes to job creation and labor movement. If the jobs are located in the northern part of the country, but the skilled labor force is in the south, the cost of relocation or reluctance to relocate may hinder growth.

II. CONCLUSION

The urgency of the subjects directly related to the economic needs of society is related to the current state of the global and national economy, the transition to the postindustrial stage, which is the main reason for the development of productive forces. The modern approach to human economics and its behavior, which exists within the framework of the theory of human capital, is applied in the practice of economic development of postindustrial countries. Modern foreign and domestic researchers believe that the appropriate type of investment in finance, science, education, health, labor mobility and is one of the central factors in the growth of national wealth. However, questions about the effectiveness of investments, the impact of factors and indicators on human capital are rarely reflected in the scientific literature and require additional research.

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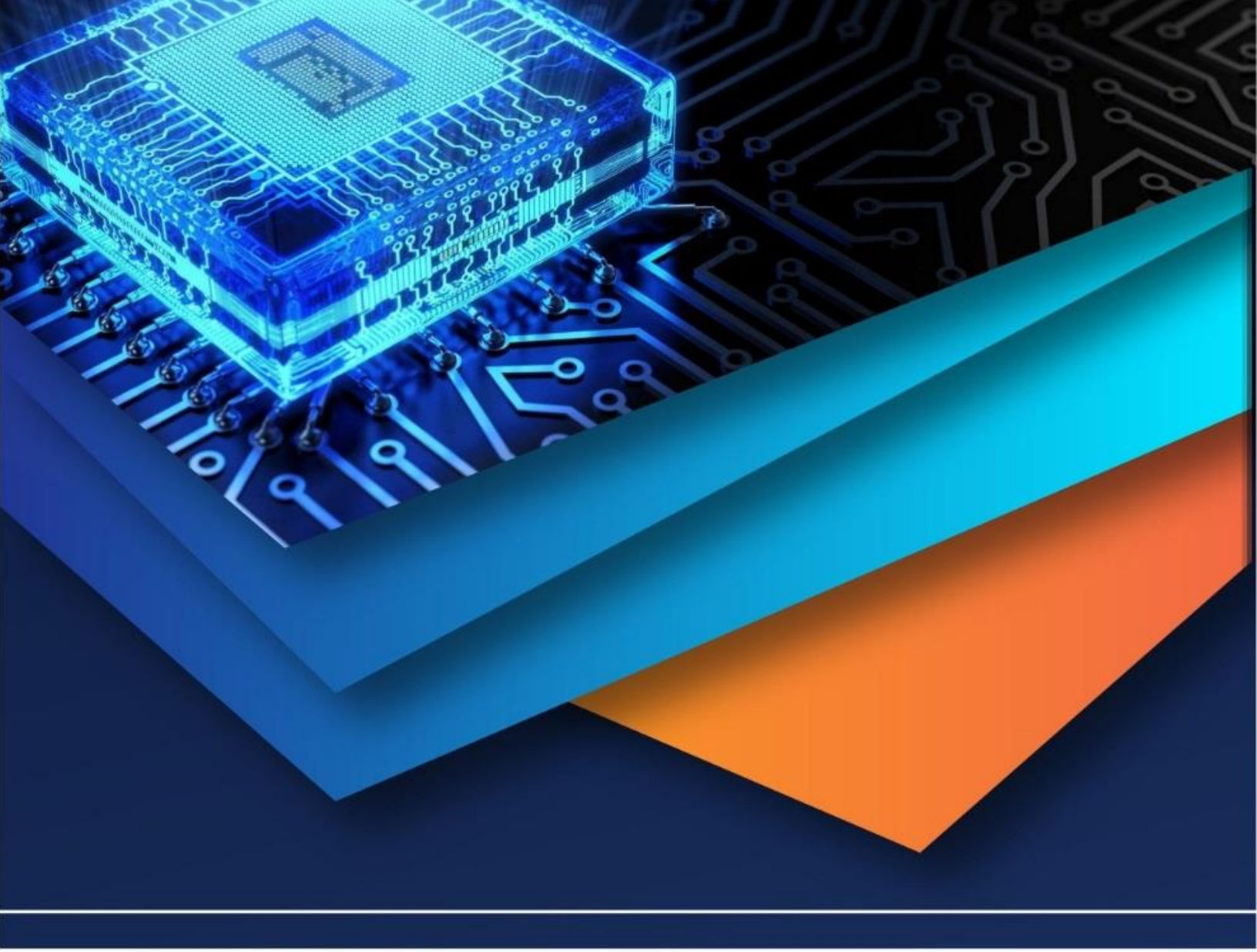

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