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The Importance of Human Capital Development in Ensuring Sustainable Economic Growth

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Annotation: ***Today's dynamically developing world is moving towards the formation of a knowledge society, an innovative economy, and a market for goods of intellectual activity. In such a society, the development of science and fundamental education represent a profitable investment in a special production that creates knowledge as a commodity with a certain value. The global economy is characterized by the demand for innovation not by individual entrepreneurs, but by national economies. The knowledge economy is a new stage in the development of the economy, in which knowledge plays a decisive role, and its production is a source of growth.***
Keywords: innovative economy, innovation, global economy, investment.

I. INTRODUCTION

A special category has appeared in science - "human capital", which includes knowledge, practical skills, creative and thinking abilities of people, work culture. Accumulating and using it, economic entities receive a rent that is identical to the income from investments in securities or from bank lending.

Attention is drawn to the fact that at present, investment in knowledge in developed countries is growing faster than investment in fixed assets. Of the total amount of knowledge that mankind has, 90% has been obtained in the last 30 years, just as 90% of the total number of scientists and engineers trained in the entire history of civilization are our contemporaries. These are the most obvious signs of the transition from an economy based on the use of natural resources to a new economic model in which education and science, research and implementation of their results play a leading role. The share of new knowledge embodied in technologies, equipment and organization of production in industrialized countries accounts for up to 80% of GDP growth. Capital in the traditional sense of the word ceases to be the only basis for assessing the value of a commodity. Intellectual resources act as development tools, with the help of which various financial and economic tasks are solved: increasing the market value, attracting investments, and economic growth. It should be noted that over the past 15 years, the capitalization of Russian companies has increased 30 times. This speaks of the colossal importance of intellectual capital.

The formation and development of an innovative economy based on the latest technologies, the creation and dissemination of information, and the preservation of the environment presupposes the implementation of the concept of sustainable development. Sustainable or, more precisely, continuously supported development (sustainable development - SD) is understood as development that meets the needs of the current moment, but does not jeopardize the ability of future generations to satisfy their own needs [1]. The main goal of this type of economy is the sustainable development of all elements of the socio-economic structure of society, including human resources.

At the world conference under the auspices of the UN on environmental management and development, held in 1992 in Rio de Janeiro, a declaration was adopted containing 27 principles of sustainable development.

Taking care of people, ensuring their rights to a healthy and fruitful life in harmony with nature was proclaimed a paramount principle. The need to achieve sustainable development in the Russian Federation is beyond doubt. The decision to transition the country to a sustainable development model was made back in the 1990s. In Russia, sustainable development is considered primarily in the context of solving economic and environmental problems. So, in the "Concept of the transition of the Russian Federation to sustainable development", approved by Decree of the President of the Russian Federation No. 440 of 04/01/1996, the following definition is given: "Sustainable development is a stable socio-economic development that does not destroy its natural basis" [2].

Achieving sustainable development involves the formation of sustainability capital, which is made up of the sum of capitals. Sustainable development experts consider different types of capital. Summarizing the research, five types of capital can be distinguished that ensure sustainable development: financial, natural, industrial, social and human [1; 3].

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Finance capital ensures production, although it is not itself productive. Natural capital includes natural resources and the global ecosystem. [5, 12–13]. Productive capital ensures the production of goods and services. Social, the most difficult to measure type of capital, includes elements of trust and mutual understanding, common values and socially significant knowledge [3, 1].

Human capital, in the modern sense, is what is usually called human potential or human resources. It can also be defined as the totality of human resources inherent in an individual, including individual abilities, knowledge, qualifications, time and energy. The theory of human capital proceeds, first of all, from the receipt by individuals of private economic benefits from its use. More educated people are more economically active and can earn higher wages. On the other hand, studies analyzing the impact of education on economic growth show that human capital in general, and education in particular, have a serious impact on the growth of economic well-being in society. [1, 1162]. OECD research shows that a 10% increase in human capital leads to an increase in the return on capital by 4–7%. Human capital includes the productive abilities of people acquired by them through education and labor skills.

Andrey Sharp, Executive Director of the Center for the Study of Living Standards (Canada), interprets human capital as the total investment in such areas as education, health, training in the production process, migration, which increases the productivity of the individual both in the labor market and in non-market activities. . [5, 3]

Sustainable development implies an increase in productive and natural capital, but the development of human and social capital is no less important. For example, World Bank studies in the 1990s showed that in many poor countries, investment in women's education brings the greatest return, significantly increasing human capital in these countries. There is ample evidence that increasing the length of schooling for girls and women will reduce child morbidity rates. Society benefits when women are educated and can earn their own money. Not only is women's income-generating potential increased, but they are also given the opportunity to regulate family size, improve nutrition and improve the health of its members. [3, 6]

The study of the sustainability of human capital involves identifying relationships with other types of capital, such as natural and economic [5, 12–13]. There are complex two-way relationships between natural capital, defined as natural resources and the world's ecosystems, and human capital, which is formed in the education and health systems. Let's consider some of the positive and negative impacts of human capital on natural capital: • A population with a high level of knowledge and skills can also expand the range of types of natural capital by finding additional resources, making better use of the existing resource base with new technologies, and developing substitutes for scarce resources:

1) A population with a high level of knowledge and skills has the ability to develop technologies to solve environmental problems that threaten the world's ecosystems.

2) Indirectly, the accumulation of human capital increases national income, which provides resources for solving environmental problems, in many cases even with current technologies.

3) The population, especially if it is growing in size, will consume more non-renewable natural resources, resulting in the depletion of existing reserves. It is also possible to increase the pressure on the environment, as a result of air, water and land pollution and due to the destruction of plant and animal species.

A balanced labor market, effective mechanisms to stimulate the population to receive education demanded by the country's economy will be essential to ensure sustainable economic development in the context of the transition to innovative socially oriented development. In general, we can conclude that the most important factors that ensure the sustainable development of human capital, as well as its effective use, are, first of all:

a) recognition of the leading role of human capital in the socio-economic development of society;

b) sustainable socio-economic development of the country, its regions, taking into account the cyclical development of economic and social processes;

c) creation of conditions for equal accessibility of everyone to knowledge, education, culture, medicine, sports, national and world spiritual values [6, p. 362];

d) harmonization of the state policy of human capital development with other areas of state regulation of economic and social development;

e) improvement of the institutional environment that promotes the systemic development of a person, the formation of innovative properties of human capital;

f) mitigating the consequences of the transition in the sphere of state social policy from extreme paternalism to extreme individualism, increasing indicators of the level and quality of life of the population of the Russian Federation;

g) Ensuring environmental safety, improving the sanitary condition of places where people live.

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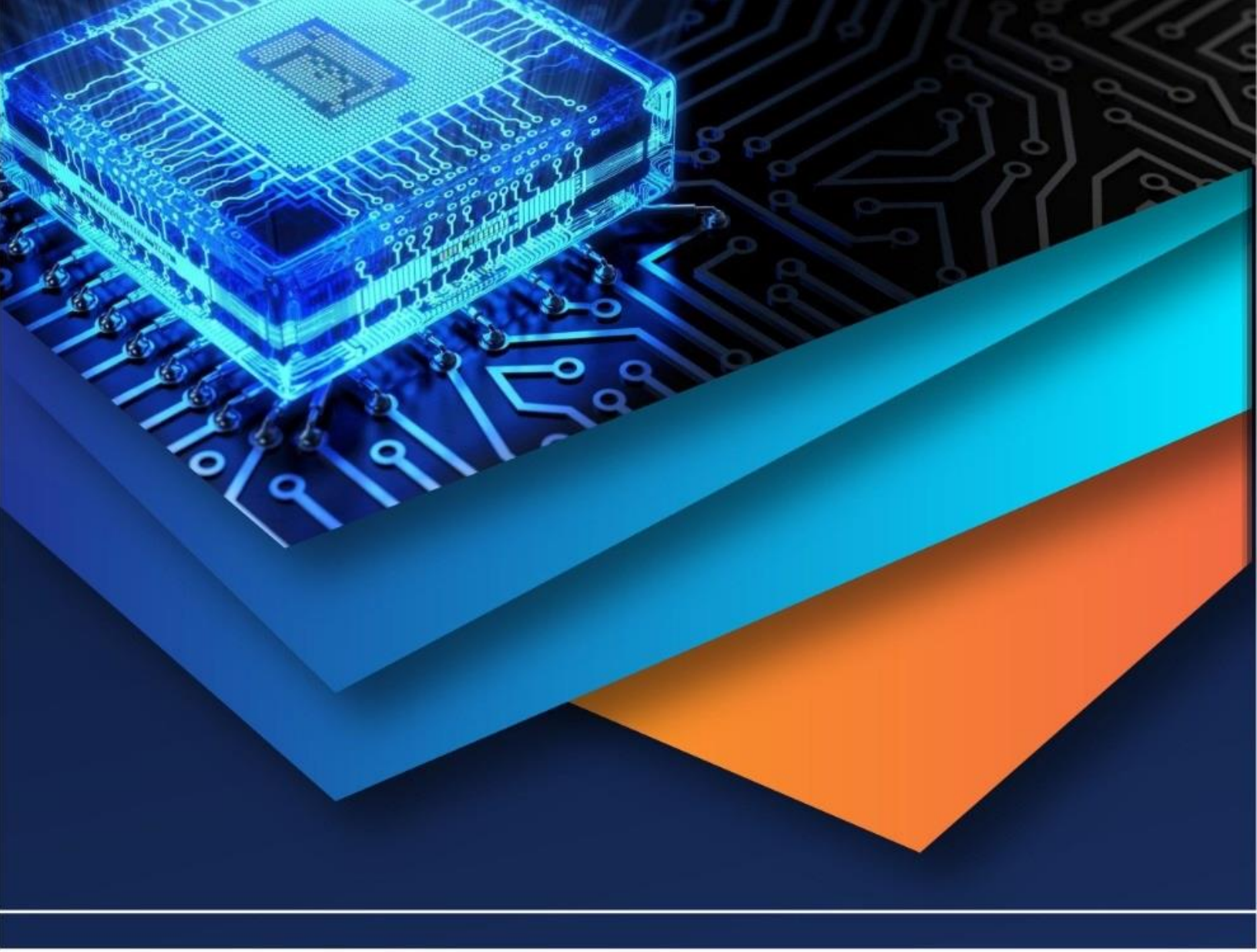

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