



e-ISSN 2798-8260



Jurnal ISO: Jurnal Ilmu Sosial, Politik dan Humaniora Vol: 4, No 2, 2024, Page: 1-7

# Human Capital and Its Developing Factors

Sharipov Mirzoxid Latifovich

Technology, Management and Communication Institute, Uzbekistan

DOI: <https://doi.org/10.53697/iso.v4i2.2165>

\*Correspondence: Sharipov Mirzoxid Latifovich

Email: [sharipovmirzoxid@gmail.com](mailto:sharipovmirzoxid@gmail.com)

Received: 10-10-2024

Accepted: 09-11-2024

Published: 16-12-2024



**Copyright:** © 2024 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

**Abstract:** In the article, concepts are discussed historically and focuses on two major components of human capital, education and training, and health. The institutions that encourage human capital investment are discussed, as is the role of human capital in economic growth. The notion that the study of human capital is inherently historical is emphasized and defended.

**Keywords:** Science, Capital, Education, Health, Human Capital, Training, Human Resources, Human Factor, Training.

## Introduction

Human capital is the most valuable resource with advanced science and technology in today's world. Human capital is the sum of knowledge, health, skills and abilities that people have acquired during their lives and enable them to realize their potential as useful members of society. Community-created access to quality education, health care reforms, and investment in people through job creation and skills development greatly contribute to the development of human capital, the eradication of poverty and the formation of a socially integrated society. Economic growth and development depends both on human capital and material resources, and on factors affecting productivity. Investments in these areas complement and reinforce each other. The development of human capital depends on the availability of tangible assets such as well-organized infrastructure, educational laboratories, equipment, as well as a stable and well-managed economy.

## Methodology

Initially, human capital was understood only as a sum of investments that increase a person's ability to work - education and professional skills. In a broad sense, human capital is an intensive production factor of economic development, community and family development, knowledge, intellectual and managerial labor tools, population health and living environment, high potential of modern qualified personnel.

At present, scientific researches in the field of human capital are conducted by scientists and researchers such as O.F.Fayzullaev, M.N.Abdullaeva, J.S.Ramatov, G.G.Gaffarova, Z.D.Davronova on the nature of human capital, its formation and development. In this article, the essence, sources and characteristics of intellectual human capital were researched, and the methods of analysis and synthesis, generalization, comparative analysis, induction and deduction were used.

## Result and Discussion

A fundamental difference between humans and other species is the extensive transmission and preservation of knowledge among humans. This transmission and preservation is what has led to modern economic growth. But the transmission could not have been broad based and could not have reached the “masses” of people if not for institutions called schools.

Knowledge was, and still is, transmitted without a formal and extensive school system. Socrates taught Platon; Platon taught Aristotle; private tutors taught the Confucian classics to hundreds of thousands of Chinese from the Sung to the Qing so they could take part in the “exam system”; apprentices were taught skills by their masters; parents have always taught their children. But only with schools, in which training begins with young children, could the system reach large numbers of ordinary people.

In almost all places and during most historical periods, education has been publicly provided and publicly funded. There have been times when the private sector has been larger, but the public sector has almost always increased in relative importance compared with the private sector. The reasons for the increasing government involvement in education are many.

The state has various interests in education that increase demand for schools and, in turn, lead the state to subsidize education. A main interest of the state is that education provides public goods of various types including endowing citizens with a set of common values. The state also has interests in correcting market failures concerning schooling.

Democracies require literate citizens and educated leaders; nondemocratic governments often restrict education. States have a multiplicity of needs for educated individuals including teachers, engineers, military personnel, clerical staff, and bureaucrats. Education creates positive externalities of many types, such as lower crime rates and better health. In places with low population density, schools are often natural monopolies, and state provision or regulation can be justified on efficiency grounds to increase the quantity available to the public and decrease the price.

Another reason for state involvement in education is that parents often face capital market constraints. Some parents may be insufficiently altruistic, and because children cannot write binding contracts with their parents, they cannot borrow against their future human capital. To increase efficiency, the state might want to lower the interest rate faced by parents and children. A customary way of doing this is to have the schools funded by

communities as in an “overlapping generations” framework. Young families with children are subsidized by older families whose children have grown.

In 1650 Thomas Hobbes famously wrote in the *Leviathan* that life was “[solitary], nasty, brutish, and short.” He meant that without strong government, civil society would disintegrate into war of every man against every man. But in 1650 life was “nasty, brutish, and short,” with or without strong government. It was filled with infectious disease and pestilential maladies. And people really were “short.” They were 5 in. shorter in Great Britain and France than today and 7 in. shorter in Denmark than currently.

People eventually became healthier and taller. They live a lot longer now and have less nasty lives with less pain and suffering. People now die mainly of chronic diseases, far less from infectious maladies. During the period from the 1600s to the present, the human body changed in a multitude of ways and in a time frame that defies the usual rules of Darwinian evolution.

Increased resources allow people to invest more in their health human capital. But, in addition, more health human capital allows people to be more productive. In the discussion that follows, the causation will mainly go from increased resources to advances in health human capital. There is also an important historical literature in which the causation goes from improvements in health to increases in income.

Improvements to health for most of history are the result of increased resources, not the cause. More resources allow people to consume more calories and protein and to eat more nutritious foods. Investments in improved nutrition enhance health human capital.

## **DISCUSSION**

The Three Historical Phases.

### **Phase I: Improvements in Nutrition**

Phase I, described by Fogel as the escape from hunger and malnutrition in Europe, occurred from 1700 to the late nineteenth century. Fogel and his coauthors have emphasized that increased income produced better nutrition and that better health, as children and as adults, allowed the population to fight off infectious disease.

The notion that health status improved around 1700 because of a marked decrease in chronic malnutrition goes back to Thomas McKeown, a medical historian who wrote *The Modern Rise of Population*. McKeown’s goal was to eliminate from consideration two competing factors – public health and medical treatments.

### **Phase II: Public Health Interventions.**

The next period, Phase II, occurred from the late nineteenth century to the 1930s and was characterized by public health campaigns and interventions. The era could only have begun in the late nineteenth century because of the necessity for the “how” of disease to be discovered and for scientific discoveries concerning the germ theory of disease to be widely accepted.

Little could be accomplished before the understanding of the germ theory of disease. And even after the mechanism for infectious disease was known, water filtration, chlorination, proper sewage disposal, vaccination, quarantine, and food quality regulations had to await public measures and expenditures. Thus, greater public acceptance of the

channel through which disease spread was essential. Without that municipalities could not have gained the support to spend large sums on projects to provide clean water and to separate sewage from drinking water.

### **Phase III: The Age of Modern Medicine**

The third phase began with the introduction of sulfa drugs in 1935. It was preceded by other medical advances such as the small pox vaccine and salvarsan, an arsenic compound to treat syphilis. The first antibiotics, penicillin in 1941 and streptomycin in 1944, were followed by a multitude of broad-spectrum drugs and antivirals.

Infectious diseases were responsible in 1900 for 30 % of all deaths in the United States but just 17.5 % in 1936 and only 4 % in 2000. A combination of public health measures and modern medicines has all but eliminated infectious disease as a cause of death. Not only have life spans been lengthened, a host of modern medical procedures and medications have improved the quality of the years remaining.

In sum, the majority of the gains in longevity in the United States and elsewhere in the rich world came about before the spread of modern medicine. But modern medicine is probably responsible for most of the increase from 65 to 75 or 80 years in the expected age at death from 1936 to 2000 for US men and women. And because of modern medicines and treatments, chronic disease no longer incapacitates large numbers of individuals in their older years.

### **Conclusion**

Human capital is the stock of productive skills, talents, health, and expertise of the labor force, just as physical capital is the stock of plant, equipment, machines, and tools. Within each type of capital, the performance, vintage, and efficiency can vary. The stocks of human and physical capital are produced through a set of investment decisions, where the investment is costly in terms of direct costs and, for human capital investment, in terms of the opportunity cost of the individual's time.

This methodology was employed to understand how human capital affects income levels and economic growth. I mentioned that individual well-being could also be impacted in ways that do not necessarily get reflected in aggregate output. Quality of life measures, as they are called, have become an important research area but are difficult to produce historically.

This article has discussed how human capital is augmented and the rules that are often employed in making human capital investment decisions. Two main types of human capital have been considered here – education and training and health. Both are produced in schools, families, firms, and a variety of other facilities. Both types of investments require good information. Knowledge regarding the cause of disease was important in making investments in health human capital, particularly expensive ones determined by governments, such as water purification. Information regarding the effectiveness of education is required for public investments in schools.

This article has not emphasized the forces that alter population growth and labor force participation, both of which are related to aggregate measures of human capital. These

subjects are covered in other essays, as is the effective use of human capital that can be hampered by discrimination and insufficient geographic mobility.

I have stressed that the subject of human capital is inherently historical. There is much that remains to be explored historically. Why do governments expand formal schooling, and why is informal training more important in certain places and during certain periods? What has been the interplay between grassroots demands for schooling and top-down provision of education? What is the interaction between education and health? Currently, more educated people are healthier. But has that always been the case? The history of schooling across the globe, particularly outside Europe and North America, is still in its infancy. The list of questions and topics in the study of human capital and history is long

## References

- S.A. Grachev, M.A. Gundorova, V.A. Moshnov. *Investitsii v human capital*. Vladimir. 2016.
- I.N. Shapkin. *Human capital: theory, istoricheskiy opyt i perspektivy razvitiya*. Moscow. 2017.
- M. Kuronov. Human capital is created at school. *Marifat newspaper*, 23.07.2018.
- Ya.I. Kuzmin, L.N. Ovcharova, L.I. Jacobson. *Kak uvelichit human capital and ego investment and economic and social development*. Moscow. 2018.
- Claudia Goldin. *Human Capital*. Harvard University and National Bureau of Economic Research. USA. 2021.
- Mirzokhid Latifovich Sharipov, Nilufar Maksudovna Koshanova. (2021). The essence of human capital, its importance in the development of the state and society. «Academic research in educational sciences». Volume 2. Issue 4. 1259-1268.
- Sharipov M.L. (2020). The scientific heritage of Central Asian thinkers, their role and importance in the development of science and world civilization. "Science and Education" *Scientific Journal*. Volume 1 Special Issue. 157-172.
- Nisar, Q.A. (2021). Green human resource management practices and environmental performance in Malaysian green hotels: The role of green intellectual capital and pro-environmental behavior. *Journal of Cleaner Production*, 311, ISSN 0959-6526, <https://doi.org/10.1016/j.jclepro.2021.127504>
- Hricak, H. (2021). Medical imaging and nuclear medicine: a Lancet Oncology Commission. *The Lancet Oncology*, 22(4), ISSN 1470-2045, [https://doi.org/10.1016/S1470-2045\(20\)30751-8](https://doi.org/10.1016/S1470-2045(20)30751-8)
- Zia, S. (2021). Striving towards environmental sustainability: how natural resources, human capital, financial development, and economic growth interact with ecological footprint in China. *Environmental Science and Pollution Research*, 28(37), 52499-52513, ISSN 0944-1344, <https://doi.org/10.1007/s11356-021-14342-2>

- Zhang, M. (2021). A commentary of GPT-3 in MIT Technology Review 2021. *Fundamental Research*, 1(6), 831-833, ISSN 2667-3258, <https://doi.org/10.1016/j.fmre.2021.11.011>
- Marrucci, L. (2021). The contribution of green human resource management to the circular economy and performance of environmental certified organisations. *Journal of Cleaner Production*, 319, ISSN 0959-6526, <https://doi.org/10.1016/j.jclepro.2021.128859>
- Saeed, B.B. (2019). Promoting employee's proenvironmental behavior through green human resource management practices. *Corporate Social Responsibility and Environmental Management*, 26(2), 424-438, ISSN 1535-3958, <https://doi.org/10.1002/csr.1694>
- Whysall, Z. (2019). The new talent management challenges of Industry 4.0. *Journal of Management Development*, 38(2), 118-129, ISSN 0262-1711, <https://doi.org/10.1108/JMD-06-2018-0181>
- Danvila-del-Valle, I. (2019). Human resources training: A bibliometric analysis. *Journal of Business Research*, 101, 627-636, ISSN 0148-2963, <https://doi.org/10.1016/j.jbusres.2019.02.026>
- Lenihan, H. (2019). Driving innovation: Public policy and human capital. *Research Policy*, 48(9), ISSN 0048-7333, <https://doi.org/10.1016/j.respol.2019.04.015>
- Fenech, R. (2019). The changing role of human resource management in an era of digital transformation. *Journal of Management Information and Decision Sciences*, 22(2), 176-180, ISSN 1524-7252
- Rashid, L. (2019). Entrepreneurship education and sustainable development goals: A literature review and a closer look at fragile states and technology-enabled approaches. *Sustainability (Switzerland)*, 11(19), ISSN 2071-1050, <https://doi.org/10.3390/su11195343>
- Dietrich, C.F. (2019). Medical Student Ultrasound Education: A WFUMB Position Paper, Part I. *Ultrasound in Medicine and Biology*, 45(2), 271-281, ISSN 0301-5629, <https://doi.org/10.1016/j.ultrasmedbio.2018.09.017>
- Nieves, J. (2018). Human resource practices and innovation in the hotel industry: The mediating role of human capital. *Tourism and Hospitality Research*, 18(1), 72-83, ISSN 1467-3584, <https://doi.org/10.1177/1467358415624137>
- Gope, S. (2018). The effect of HRM practices on knowledge management capacity: a comparative study in Indian IT industry. *Journal of Knowledge Management*, 22(3), 649-677, ISSN 1367-3270, <https://doi.org/10.1108/JKM-10-2017-0453>
- Zeweld, W. (2017). Smallholder farmers' behavioural intentions towards sustainable agricultural practices. *Journal of Environmental Management*, 187, 71-81, ISSN 0301-4797, <https://doi.org/10.1016/j.jenvman.2016.11.014>

- 
- Joo, B.K. (2017). Workplace happiness: work engagement, career satisfaction, and subjective well-being. *Evidence-based HRM*, 5(2), 206-221, ISSN 2049-3983, <https://doi.org/10.1108/EBHRM-04-2015-0011>
- Riley, S.M. (2017). Human capital matters: Market valuation of firm investments in training and the role of complementary assets. *Strategic Management Journal*, 38(9), 1895-1914, ISSN 0143-2095, <https://doi.org/10.1002/smj.2631>