

The Concept of Human Capital in the System of Related Economic Categories

Kholbaeva Sabina Rustamovna

*PhD student, Tashkent State University of Economics, Uzbekistan, Tashkent
skholbaeva16@mail.ru*

Abstract: In the scientific community, the problem of the correlation of the category "human capital" with other related categories remains. The article scientifically substantiates the approach to the disclosure of the concept of "human capital" as a labor force with innate, formed and accumulated knowledge, skills, abilities and health, as well as others, which, when used in the labor process, provide a certain benefit to their owner in the form of income and economy of the country as a whole.

Keywords: human capital, potential, human potential, human resources, labor potential, capital, work force.

The term "human capital" was proposed by D. Mincer in 1958, and then the Nobel Prize winners in economics T. Schultz, G. Becker, S. Kuznets, as well as other scientists, significantly expanded and deepened the concept itself and the relationships associated with it.

There is no consensus in the scientific literature about what human capital is and what its structure is, what elements should objectively be included in human capital, how they relate and interact with each other, what mutual influence they have. Some authors consider it as an integral part of intellectual capital, others as an investment in human development, and others as a whole as abilities embodied in a person.

There are many definitions of the concept of "human capital" by different authors. We present some of them in Table 1.

The main difference in the above definitions lies in those specific aspects that their authors take as a basis - the very fact of owning this special type of intangible wealth, the process of its acquisition and the corresponding costs, or returns, benefits, the result of its functioning.

Table 1. Different interpretations of the concept of "human capital" ¹

T. Schultz	"All human resources and abilities are either innate or acquired. Everyone is born with an individual complex of genes that determines his innate human potential. Valuable qualities acquired by a person, which can be enhanced by appropriate investments, we call human capital." ²
------------	--

¹ Systematized and compiled by the author

² Shultz T. Human Capital in the International Encyclopedia of the Social Sciences. - New York, 1968. - Vol. 6.

G. Becker	“Human capital is formed through investment in people, among which are education, training on the job, health care costs, migration and the search for information on prices and incomes”. ³
L. Thurow	“Human capital is defined as the productive skills, abilities and knowledge that an individual possesses and is measured by the market price of the totality of goods and services produced by him”. ⁴
A.I. Dobrynin, S.A. Dyatlov, E.D. Tsyrenova	“Human capital is a certain stock of health, knowledge, skills, abilities, motivation formed as a result of investments and accumulated by a person, which leads to an increase in the qualifications of an employee, is expediently used in one or another area of social reproduction, contributes to an increase in productivity and quality of his work and thereby most leads to an increase in the earnings of this person”. ⁵
R.I. Kapelyushnikov	“Human capital is a stock of knowledge, skills and abilities that each person has and which can be used by him both for production and consumer purposes. It is human because it is embodied in the person of a person, it is capital because it is a source of future income or future satisfaction, or both”. ⁶
S.A. Kurgan	“Human capital is a stock of knowledge, skills and other qualities formed as a result of investments and accumulated by individuals, which, when used appropriately, generates new value and a stream of income.” ⁷
H.A. Volgina, U.G. Odegov.	“Human capital is a stock of knowledge, skills and motivations formed as a result of investments, reflecting the totality of physical, intellectual and psychological qualities and abilities of an individual” ⁸

Thus, the above analysis of the concept of "human capital" allows us to consider that the subject of research in the theory of human capital are human abilities (as well as skills and abilities) - innate and acquired, the quality of these abilities and the degree of their possible return when used in activities for the benefit of oneself. individual and society as a whole.

Human capital is recognized as one of the most important categories of modern economic science. But the problem of the correlation of the category "human capital" with other related categories remains. A review of the literature showed that the most diverse judgment is allowed in the ratio of the economic categories "human capital", "human potential" and "labor force".

If we talk about the differences in terms of "human capital" and "human potential", then in general terms they can be formulated as follows: - human capital considers only those abilities, knowledge and skills of a person that can make a profit in his work activity; and human potential considers all abilities, regardless of whether a person participates in labor activity or not (table 2.).

Human potential in general includes all abilities, health stock, knowledge, skills, needs, interpersonal relationships, i.e. the totality of a person's capabilities and characteristics, both quantitative and qualitative characteristics of the entire population, regardless of participation in economic activity.

³ Becker G. Human behavior: an economic approach. - M.: GU HSE, 2003. - 336 p. – (Selected works on economic theory).

⁴ Thurow L. Investment in human capital. – Belmont: Wadsworth Publ., 1970. – 96 p

⁵ Dobrynin A.I., Dyatlov S.A., Tsyrenova E.D. Human capital in a transitive economy: formation, evaluation, efficiency of use. - St. Petersburg: Nauka, 1999. -312 p.

⁶ Kapelyushnikov R.I. How much is Russia's human capital worth? - M.: Higher School of Economics, 2012. - 76 p. – (Preprint / Higher School of Economics – National Research University; WP3/2012/06).

⁷ Kurgansky S.A. The structure of human capital and its assessment at the macro level //

News of the Irkutsk State Economic Academy. - 2011. - No. 6. - p. 15-22.10.

⁸ Labor Economics: social and labor relations: textbook. / ed. H.A. Volgina, U.G. Odegov. - M.: Exam, 2006. 736 p.

In turn, human potential is different from the concept of labor resources and labor potential. A distinctive feature of both concepts of labor resources and labor potential is that they consider only the economically active population of the country. And, since "labor potential is only one of the subsystems of a larger category of human potential", then the main difference between labor and human potentials is that the first category considers the able-bodied population and its ability to produce, and the second - the entire population, including disabled, and all abilities, including non-productive ones.

Table 2. Interpretation of the concepts of "human capital" and related economic categories⁹

Potential	— it is an opportunity, the ability to manifest ¹⁰ .
Human Potential	— it is a set of abilities, knowledge, skills and personal characteristics of a person, regardless of the extent to which they find or can find a specific application in productive activities. ¹¹
Human Resources	— is the able-bodied population of working age and employed persons younger and older than working age. ¹²
Labor potential	— currently available and foreseeable future employment opportunities, characterized by the number of able-bodied populations, its professional and educational level, and other qualitative characteristics. ¹³
Capital	(lat. capitalis - main) - in a broad sense - this is everything that can generate income, or resources created by people for the production of goods and services ¹⁴
Human capital	— it is the knowledge, skills, abilities and abilities embodied in people that enable them to create personal, social and economic well-being. ¹⁵
Work force	— the ability to work, the totality of physical and intellectual abilities that a person has and which are used by him in the production of life's goods. The labor force really exists in the personality of the worker and is the main productive force of society, the primary (along with land, nature) factor of wealth, the determining element of the productive forces. Labor force statistics in developed countries usually include all employed (including military personnel) and unemployed. A synonym for the concept is the category "economically active population". ¹⁶

In other words, with the advent of the concept of "human potential" within the framework of economic science, a new category has appeared that reflects the direct and indirect productive abilities and needs of

⁹ Systematized and compiled by the author

¹⁰ Dictionary of foreign words. Komlev N.G. - M., 2006. - P.314

¹¹ A.A. Fedotov Human potential and human capital: the essence and difference of concepts // Economics and business: theory and practice. 2021. No. 7. URL: <https://cyberleninka.ru/article/n/chelovecheskiy-potentsial-i-chelovecheskiy-kapital-suschnost-i-otlichie-ponyatiy>

¹² Decree of the Cabinet of Ministers of the Republic of Uzbekistan "On improving the methodology for determining the number of people in need of employment, including the methodology for surveying households on employment issues, as well as developing a balance of labor resources, employment and employment of the population" dated December 22, 2017 No. 1011

¹³ Economics and law: a dictionary-reference book. Compiled by: L. P. Kurakov, V. L. Kurakov, A. L. Kurakov, 2004. Source: <http://economics.niv.ru/doc/dictionary/economy-and-law/index.htm>

¹⁴ Economics and law: a dictionary-reference book. Compiled by: L. P. Kurakov, V. L. Kurakov, A. L. Kurakov, 2004. Source: <http://economics.niv.ru/doc/dictionary/economy-and-law/index.htm>

¹⁵ OECD 2001. The Well-being of Nations THE ROLE OF HUMAN AND SOCIAL CAPITAL. EXECUTIVE SUMMARY // <https://www.oecd.org/education/innovation-education/1870573.pdf>

¹⁶ Dictionary of economic theory. - Novosibirsk: RGTEU, Novosibirsk branch. V. P. Teplov. 2007.

people: quantitative and qualitative characteristics of the participation of the population in economic activity.¹⁷

Another closest identification of human capital to the category of "labor force".

For example, S.Yu. Roshchin identifies these two economic categories, stating: "Qualitative characteristics of the labor force, a person's ability to work, his skills, knowledge, skills can be considered as human capital".¹⁸

K. Marx understood labor power as "the totality of physical and spiritual abilities possessed by the organism, the living personality of a person, and which are put into action whenever it produces any use values"¹⁹. If we consider the definitions of the concept of "human capital" L. Thurow, A.I. Dobrynina, R.I. Kapelyushnikov and other authors, their opinions are similar in that human capital is knowledge, skills, and the ability to produce items and services. These abilities are realized only in the labor process. Thus, human capital and labor force are similar to each other in one thing, in the most important thing - they are inseparable from a person. Both human capital and labor force are the ability to work.

S.G. Mikhneva, when determining the ratio of two relevant categories of economic science - "human capital" and "labor force", identified two categorical forms of ability to work. She believes that abilities for executive labor should be called "labor force". And the ability to intellectual work is "human capital".²⁰ At the same time, the ability to perform labor in the reproduction process takes the form of an easily reproducible, renewable resource that is used in the production process to implement production decisions. The abilities for intellectual (creative) work in the reproduction process take the form of a rare and not easily reproducible resource used in the production process to obtain new knowledge, new information combinations. Thus, the intellectualization of labor, which requires a continuous increase and updating of the volume of knowledge and skills, flexibility, mobility, solving non-standard tasks from an employee, distinguishes human capital from a simple labor force. Human capital, in addition to production skills, includes the ability to intellectual, creative activity, to create new knowledge, the ability to adapt to constantly changing conditions of activity due to a high level of professional knowledge. The common moment that unites the categories of "labor force" and "human capital" is the ability of a person to work.

However, an important criterion expressing the movement of capital is its accumulation. Consequently, human capital is not only innate properties that largely determine the natural quality of the labor force, but the accumulated properties of a person. Such accumulated properties characterize knowledge, skills, abilities, experience, health, acting as elements that form human capital. It is the labor force that is the basis of human capital, because "the natural properties that the labor force possesses ensure the accumulation of knowledge, experience, skills, turning them into human capital".²¹

In his study of the correlation between the categories "labor force" and "human capital" S.V. Gorbunova writes: "In relation to human capital, labor force is its beginning and substance. The formation of human capital goes through the formation, first of all, of the ability to work, that is, the labor force. But the labor

¹⁷ A.A. Fedotov Human potential and human capital: the essence and difference of concepts // Economics and business: theory and practice. 2021. No. 7. URL: <https://cyberleninka.ru/article/n/chelovecheskiy-potentsial-i-chelovecheskiy-kapital-suschnost-i-otlichie-ponyatiy>

¹⁸ Roshchin S.Yu. Labor economics: economic theory of labor: textbook. allowance / S.Yu. Roschin, T.O. Razumova. - M. : INFRA, 2001. - p. 125.

¹⁹ Marx K. Capital / K. Marx, F. Engels // Works. - 2nd ed. - T. 23. - S. 178.

²⁰ Mikhneva S.G. Information economy and a new paradigm of political economy of labor / S.G. Mikhnev // Bulletin of the Peoples' Friendship University of Russia, series "Economics". - 2002. - No. 1 (8). - p. 53.

²¹ Korogodin I.T. Social and labor system: questions of methodology and theory / I.T. Korogodin: monograph. - M. : Paleotype, 2005. - p. 148.

force “does not reflect the aspect of investment and does not show the “capitality” of investments in the development of labor abilities”, and “the category of “human capital ”allows you to focus on the fact that multidirectional investments are needed to obtain the greatest return from an employee ...”.²² Thus, human capital, in contrast to the related category "labor force", can be accumulated as a result of investment.

It should be understood that human capital is not capital in the true sense of the word, but a capital-like form of using human labor, which has taken a peculiar form of “human” capital. After all, for a long time in the history of society, labor acted as the main factor of production. It is a form of capital because it is the source of future earnings, or future satisfactions, or both. It is human, because it is an integral part of a person".²³

We share the point of view that the labor force is the closest category to human capital.

Based on the foregoing, we give our own concept of human capital: Human capital is a labor force that has innate, formed and accumulated knowledge, skills, abilities and health, as well as others, which, when used in the labor process, provide a certain benefit to its owner in the form income and economy of the country as a whole.²⁴

The labor force is the main input to most production processes, and the value of this input depends to a large extent on the accumulated knowledge, health, experience, that is, the human capital that people bring to the production process. It follows from this that the process of production consumption of human capital is inseparable from its owner. The condition for receiving income from human capital is the labor effort of the employee.

Thus, in any economic system, the improvement of a person's natural and acquired abilities for work corresponds to an increase in labor efficiency, an improvement in the quality of products, as well as an expansion of social reproduction. Strengthening human health, improving its professional and creative potential, culture is a comprehensive reserve for the development of the country, a reliable basis for the prosperity of society and the stability of the state.

List of used literature

1. A.A. Fedotov Human potential and human capital: the essence and difference of concepts // Economics and business: theory and practice. 2021. No. 7.URL: <https://cyberleninka.ru/article/n/chelovecheskiy-potentsial-i-chelovecheskiy-kapital-suschnost-i-otlichie-ponyatiy>
¹Author's development
2. Becker G. Human behavior: an economic approach. - M.: GU HSE, 2003. - 336 p. – (Selected works on economic theory).
3. Decree of the Cabinet of Ministers of the Republic of Uzbekistan “On improving the methodology for determining the number of people in need of employment, including the methodology for surveying households on employment issues, as well as developing a balance of labor resources, employment and employment of the population” dated December 22, 2017 No. 1011

²² Gorbunova S.V. Human capital and labor force: a point of view on the relationship between concepts [Electronic resource] / S.V. Gorbunov. – Access mode: <http://www.e-rej.ru/Articles/2007/Gorbunova.pdf> (date of access: 20.02.2013).

²³ Kapelyushnikov, R.I. How much is the human capital of Russia? / R.I. Kapelyushnikov; National research University "Higher School of Economics". - M. : Ed. House of the Higher School of Economics, 2012. - 76 p.

Kapelyushnikov R. Modern Western Concepts of Labor Force Formation. P- 16

²⁴ Author's development

51	ISSN 2576-5973 (online), Published by “Global Research Network LLC” under Volume: 6 Issue: 4 in Apr-2023 https://globalresearchnetwork.us/index.php/ajebm
	Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

4. Dictionary of economic theory. - Novosibirsk: RGTEU, Novosibirsk branch. V. P. Teplov. 2007.
5. Dictionary of foreign words. Komlev N.G. - M., 2006. - P.314
6. Dobrynin A.I., Dyatlov S.A., Tsyrenova E.D. Human capital in a transitive economy: formation, evaluation, efficiency of use. - St. Petersburg: Nauka, 1999. -312 p.
7. Economics and law: a dictionary-reference book. Compiled by: L. P. Kurakov, V. L. Kurakov, A. L. Kurakov, 2004. Source: <http://economics.niv.ru/doc/dictionary/economy-and-law/index.htm>
8. Gorbunova S.V. Human capital and labor force: a point of view on the relationship between concepts [Electronic resource] / S.V. Gorbunov. – Access mode: <http://www.e-rej.ru/Articles/2007/Gorbunova.pdf> (date of access: 20.02.2013).
9. Kapelyushnikov R. Modern Western Concepts of Labor Force Formation. P- 16
10. Kapelyushnikov R.I. How much is Russia's human capital worth? - M.: Higher School of Economics, 2012. - 76 p. – (Preprint / Higher School of Economics – National Research University; WP3/2012/06).
11. Kapelyushnikov, R.I. How much is the human capital of Russia? / R.I. Kapelyushnikov; National research University "Higher School of Economics". - M. : Ed. House of the Higher School of Economics, 2012. - 76 p.
12. Korogodin I.T. Social and labor system: questions of methodology and theory / I.T. Korogodin: monograph. - M. : Paleotype, 2005. - p. 148.
13. Kurgansky S.A. The structure of human capital and its assessment at the macro level //News of the Irkutsk State Economic Academy. - 2011. - No. 6. - p. 15-22.10.
14. Labor Economics: social and labor relations: textbook. / ed. H.A.Volgina, U.G. Odegov. - M.: Exam, 2006. 736 p.
15. Marx K. Capital / K. Marx, F. Engels // Works. - 2nd ed. - T. 23. - S. 178.
16. Mikhneva S.G. Information economy and a new paradigm of political economy of labor / S.G. Mikhnev // Bulletin of the Peoples' Friendship University of Russia, series "Economics". - 2002. - No. 1 (8). – p. 53.
17. OECD 2001. The Well-being of Nations THE ROLE OF HUMAN AND SOCIAL CAPITAL. EXECUTIVE SUMMARY // <https://www.oecd.org/education/innovation-education/1870573.pdf>
18. Roshchin S.Yu. Labor economics: economic theory of labor: textbook. allowance / S.Yu. Roschin, T.O. Razumova. - M. : INFRA, 2001. - p. 125.
19. Shultz T. Human Capital in the International Encyclopedia of the Social Sciences. - New York, 1968. - Vol. 6.
20. Tnurow L. Investment in human capital. – Belmont: Wadsworth Publ., 1970. – 96 p