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EVOLUTION OF THE CONCEPTION “HUMAN CAPITAL”

The purpose of the article is to disclose the content of evolution of the human capital as a scientific concept and phenomenon of the economic life. It is necessary for the subsequent quantitative analysis of interconnection between the human capital development and structural changes in the economy. As formation of the human capital occurs at the same time under the influence of external factors (investments, information, education, healthcare, culture) and internal factors of self-development (unique capabilities, creative work, self-education), the research of the human capital gets the interdisciplinary nature by using economic, sociological, managerial and psychological methods, so that the results are often contradictory.

Key words: income, intellectual potential, skills, capabilities, human capital.

Introduction. The transition from the traditional economy, which is based on productive process, to the knowledge economy, which uses ideas and innovation as driving force, requires to maximize human and intellectual potential. The objective of maintaining and increasing the standard of wellbeing depends on intellectual capabilities, multiplied during self-directed continuing education, on readiness of employees to use the accumulated potential in their professional activity. The main problem of the study of the human capital as a phenomenon of the economic life is that on the one side there is the economy, creating external environment and conditions for its reproduction, and on the other side – the human capital with its inherent development motivation. The necessity to maintain economic growth and improve its quality in globalization requires restructuring of the international and national economies that can provide them with greater stability and competitiveness. For this reason, one of the priority lines of the scientific research is the study of causes and consequences of structural changes, which cause transition to a postindustrial stage of development of society and knowledge economy. The relevance of the researched problem is determined by transformation of the human capital into the key economic resource of development of the postindustrial society.

Main part. Any education process, which was not followed by work in specialization, was not regarded by T. W. Schultz as a contribution to the human capital. The term “human capital”, it’s based on a “capital”, pointing to its economic content, which is determined by acquired valuable human qualities, which are able to improve due to appropriate investments [9]. Proceeded from the assumption about decision making with respect to increase in education level due to correlation of related benefits and costs [7].

Such a representation, applied to the level of individuals, was confirmed by later studies [3], [4] pointed out inextricable connection with its holder

as a distinctive feature of the human capital: “We cannot separate an individual from his knowledge, skills, health or values, just as it is possible to relocate financial and real assets apart from their owner”. Also extended the concept of the productive human capital by inclusion of human health and even his behavior: “The concept of the human capital also includes harmful addictions, such as smoking and drug use. The human capital in the form of positive work habits or addictions to alcohol has a significant positive or negative impact on productivity both in the market sector and outside of it” [6].

So the definition of the human capital at the conceptual level: the human capital expresses economic relations between his owner and a consumer of provided labor services concerning a set of knowledge, skills, abilities, experience, creativity, health and other qualities, applied in the professional activity. It provides the owner of the human capital with productive efficiency and increasing economic viability from investments in it. The approaches to the study of the human capital supplement each other in describing the components of its competences, both acquired in response to investments in education, and innate skills, developing in the process of socialization of capabilities and experience. However, there is no unity in the interpretation of the human capital among modern researchers.

At the same time, advanced theories of the human capital, which initially received the widest distribution, are mainly different by its sociological orientation. In these theories, not only the relation of costs and income from education influences on the choice of trajectory of professional and personal development, but also other potential benefits, such as favorable work conditions, good relationship with staff and superiors, prestige of profession. These last benefits were in the center of the study; this was the reason why capital treatment became partly noneconomic. Awareness of importance of social capital and intersubjective inter-

action was reflected by the sociologist P. [8] in allocation of three types of the capital: economic, cultural and social. It would seem, that primacy of the classification should be allocated to the economic capital, which is acquired through the expenditure of social and cultural capital. However, the economic capital is in subordinate position, as it only contributes to development of the human capital, as incorporated cultural capital providing flow of investments in education: "From the beginning, the definition of the human capital, despite its humanistic connotations, has not progressed further economist and ignored the fact that the result of educational activity depends on cultural capital investments that have been made by family" [8]. The cultural capital, according to him, is a set of knowledge, skills, education, and advantages derived by individual from parents. It is formed in the process of transferring knowledge and relationships, which are necessary for success within modern social systems and obtaining higher social status. By the social capital P. he understood "unit of actual or potential resources associated with owning a strong network of more or less institutionalized relationships of mutual acquaintance and recognition", i. e. a set of relationships with social environment of an individual, which depends on the size of network, which he can create. This example shows that, even now, in many studies the capital, as a profitable value, has not been sufficiently investigated.

According to the modern view of the components of the human capital, it can include the innate, educational, biological and social human capital. Except for the first one, they are able to increase due to implementation of appropriate investments. Investments in the human capital increase the capabilities of its owner to adapt to changes, using the emerging opportunities better. With long-term returns, such investments are among the most effective, especially if we implement them at the maximum possible early stages of human life.

The integral components of any kind of the human capital are knowledge and skills. If you associate accumulation of knowledge the results of long-term investment in education, then the increment of skills is provided mainly by the natural instinct, specialization, repetition, practice. Skills, which are defined by psychologists as implementation of capabilities in a specific kind of activity [2] received the following economic interpretation, "the talents or capabilities of an employee used while fulfilling the variety of tasks" [1], where tasks are "units of the working activity that manufacture products". Consequently, in the process of manufacture the knowledge achieves its potential through the skills. Due to such com-

ponent interaction of the human capital, the increasing of the Labors' marginal product is achieved. These services fall under purchase and sale, and their market value depends on the marginal product. Its size is determined by the aggregate of work effort and benefits from the use of the human capital. The effect of application of the human capital can not only increase, but also decrease owing to the weak adaptation to the changes caused by the insufficient level of education, or by partial deskilling that occurred during the period of being unemployed. Despite the diversity of the approaches to considering the human capital, the underestimation of its intellectual component in the scientific literature seems obvious. The human capital occurs in the continuously proceeding process of socialization and learning, based on the possession of the intellectual potential by individuals in different degrees of manifestation. The latter is commonly understood as intellectual and psychosocial capabilities, talents and opportunities, introduced by a man in the individual and social process of education.

The quality and quantity of the human capital, formed in the process of constant changes, depend primarily on the intellectual potential of a subject (in particular, its capabilities to acquisition of knowledge). Its implementation requires a certain duration and intensity of education, work experience, the degree of socialization. Obviously, the capabilities, which form the basis of the human capital, can be varied, but intellectual capacities are considered the dominant among them. This circumstance should be determinative when choosing the aspects of studying of the human capital in order to avoid wage content. While estimating the value of the human capital, the scientists usually do not differentiate its accumulated stock, owned by the economic entity, and its amount, which is used in the real economic process. The degree of influence of the intellectual and physical components of the human capital on his returns depends on the content of the activity of a person, involved in the production process. Insufficient demand for the creative qualities of the human capital in production eventually leads to its depletion. And intensive exploitation is able to cause its long-term consistent gain. The steady growth of interests in accumulation of the human capital by the majority of economic entities is explained by the increasing returns from investments in the capital. Alongside with that only the potential of knowledge and skills possesses the real economic value. This potential is implemented in a particular production process. The effective use of the human capital requires professional labor services, needed from its owner under the

received task. Based on the incidental competencies, the high level of human development should be actualized in the ability to adapt to changes in production, initiating the emergence and hastening the development of the most useful from them. Combining and modifying the existing knowledge in accordance with the current needs of the manufacturing process, the owner of the human capital confirms its existence with the capacity to constant studying and its creative practical application of the results. The given thesis with all its perceived obviousness often remains without consideration of scientists. This leads to arising differences in the understanding of the human capital as a scientific definition and as a phenomenon of the economic life.

The sequence of the research stages was dictated by the chronology of changes in ideas of scientists about the human capital in the process of transition assumptions to the postindustrial economy. In this connection, it is possible to rely on the observed tendency of strengthening the contribution of economics to the knowledge of the phenomenon. The author's position on this issue is expressed in it. In particular, in a number of developed in the "New growth theories", implementation of the technological progress is determined by investments into the human capital, and a high level of education of the population serves as prerequisite for sustainable economic growth. By including the human capital in the production function of the national economy

On account of the study of the evolution of interpretations of the human capital the following characteristics were emphasized: firstly, it represents the heritage of a particular person; it is inseparable from him, and is considered as his property; secondly, it tends to bring income; thirdly, it obtains efficiency of functioning, which is expressed in improved productivity, quality and creativity of the provided with labor services; fourthly, it has the increasing returns from investments.

Research methods. The purpose of the study predetermined the applied research methods. The

major of them were analytical and historical-evolutional, which allowed to reveal, on the one hand, the existing contradictions in interpretations of the human capital, and on the other hand, to identify the general direction of changes in visions of it.

Experimental research base. It concludes scientific works of the leading Western scientists, and also correlation of analyzing theoretical propositions with realities of the economic life in the most developed economies of the world.

Conclusion. First, the created theory of the human capital should reflect different approaches to the consideration of a man in all the coherent multitude of its properties and qualities. Second, unduly broad interpretation of the human capital leads to insufficient attention of the scientists to the economic content of this notion and phenomena of the economic life. That is the reason why there is no clear understanding of its essential characteristics, despite the variety of the given definitions of the human capital. The specifics of forming of the intellectual components of the human capital as the basis of its functioning remains understudied. It is important to develop estimating procedures of the human capital value and the degree of its impact on the macroeconomic dynamics, suitable for its practical application. The analysis of the impact of investments in the human capital on the structural shifts in the economy is considered as a progressive one. They allow quantitatively express the reciprocal connection between the human capital development and the structural changes in the economy at the macro- and meso- levels. The models help to reveal the emerging tendencies in the structural transformation and to predict their action in the future.

Finally, as consequence sustainable and effective development of human capital and work of keep pace with the development of workers in line with the general progress in various fields, in addition to encouraging workers to work fully, thus promoting their development and progress is very important and contributes to economic growth beyond the perceptions.

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