

HUMAN DEVELOPMENT AS PER REFORMIST APPROACH

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Abstract. In the following article the recent trends in the development of human capital in Central Asia are analysed based on the diverse sources.

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Quo vadis labor categories, the author notes analogies and differences between human capital, physical capital, labor resources, labor force. Thus, there are a number of analogies between human and physical capital. Both capitals must correspond to each other, that is, complex and expensive equipment must be managed by qualified highly paid specialists; the formation of both requires the diversion of funds from current consumption; investments in physical and human capital can lead to accumulation; both they have a monetary value and the evaluation of their investment efficiency is identical. Their differences can be clarified by the example of the concepts of labor and variable capital. Human capital takes the form of variable capital and interacts with physical capital as part of the total productive capital. The labor force represents that part of human capital that an individual is willing to sell to an entrepreneur in order to receive from the latter the means of living in the form of wages. Further, the concepts of “human resources” and “human capital” are distinguished. Labor resources can be transformed into capital only when certain conditions are created that provide an opportunity to realize human potential in the activities of an enterprise, region, country. Thus, only when a person is engaged in social production and labor resources bring real income, they can be called capital. [1]

Human capital should be considered at the macro level (national and regional) and micro level (enterprise and individual). At the macro level, human capital includes the contribution of the region, the country to the level of education, professional training and competence, health and includes the totality of the human capital of the entire population of the region or country. At the micro level, human capital represents knowledge, skills, accumulated experience and other production characteristics acquired by a person in the process of study, professional training, practical experience, with the help of which he can earn income. Understanding the essence of labor categories at the macro and micro levels is necessary when developing theoretical provisions and practical recommendations for solving employment problems in the national economy.

In addition, culture should be taken into account in the definition of human capital. The upbringing and morality of an individual, which form his mentality, are an important factor in the development of human capital. Taking into account these provisions, human capital is a natural and acquired as a result of investments, a set of physical, mental and entrepreneurial abilities of a person, as well as his knowledge, skills, skills, professionalism, health and culture used to generate income in the future.

There are factors of formation and factors of human capital development. Formation factors contribute to the structural development and self-development of human capital, in which it acquires new qualitative and quantitative characteristics. Development factors form the progressive movement of human capital and contribute to the achievement of a new state, more efficient than the previous one.

Among the factors of human capital formation, the following are highlighted in the work: biological (hereditary and acquired), health, social and economic factors. Taking into account the socio-economic situation of Tajikistan, the author substantiates the level of development of science, education and culture, income level, health and living conditions of the population, as well as migration processes as factors of human capital development.

Analyzing the existing methods of measuring and evaluating human capital, the author notes that some components are difficult to calculate in individual countries due to the specifics of statistical accounting and measurement forms. It is noted that the use of the Human Development Index (HDI) is more acceptable for assessing the level of human development in Tajikistan compared to other assessment methods.

Human capital is the main wealth and the most valuable resource of any society, the main criterion of socio-economic progress. The problem of studying man, the formation of human capital, his combined creative qualities and abilities, investments in human capital is one of the main and central problems of world science. Therefore, the 21st century retains the relevance of studying the problems of formation and effective use of human capital, expanding opportunities for its further development.

The prospects for further socio-economic development of Uzbekistan are associated with the qualitative development of human creative abilities, which become the main factor in the development of a knowledge-based economy. The human capital of a nation is one of the main components of the national wealth of society. Therefore, there is an urgent need to study the problems of effective use of the already accumulated human capital, expanding the possibilities for its further development, as well as the development of The relevance of this study has determined the scientific-based recommendations for the formation and fuller realization of human capital.

The economic category of “human capital” was formed gradually, and at the first stage it was limited to the knowledge and ability of a person to work. Moreover, for a long time human capital was considered only a social factor of development, that is, a cost factor, from the point of view of economic theory. It was believed that investments in education and upbringing were unproductive and costly. In the second half of the 21st century, the attitude towards human capital and education gradually changed dramatically.

The COVID-19 pandemic has negatively affected Kazakhstan’s progress in human capital development, experts warned at a round table organized this week by the World Bank and the Agency for Strategic Planning and Reforms under the President of the Republic of Kazakhstan (ASPIR). The discussion is aimed at promoting a comprehensive and open political dialogue on the necessary investments and strategic plans to improve skills and labor productivity in the country.

Today, Kazakhstan’s economy lags behind in some key indicators of innovation and competitiveness, and the level of professional skills development in the country is lower than in the countries of the Organization for Economic Cooperation and Development (OECD), which the country focuses on. Moreover, the COVID-19 pandemic has significantly reduced domestic economic activity: The country’s GDP fell from 4.5% in 2019 to 2.6% in 2020, and the poverty rate increased from 6% in 2016 to 14% in 2020. To overcome the economic shock and achieve the goals of the strategy “Kazakhstan-2050”, targeted reforms are needed to diversify the economy towards the development of more complex sectors based on knowledge and skills.

There are some significant inequalities in Kazakhstan in terms of indicators of human capital development by region, gender and socio-economic status. A child born today in the country in 20% of the most affluent families has a chance to reach 64% of the level of their potential productivity, while a child born in 20% of the least affluent families will reach 53% of their potential. Regional differences are particularly pronounced in terms of learning outcomes.

The introduction of advanced developments in the branch of the national economy, the multiplication of the scientific potential of the country contribute to bringing domestic science to the world level. Turkmenistan was twice elected to the UN Commission on Science and Technology for Development - first from 2014 to 2016, and then for 2017-2020, which is an example of its growing international authority in this area.

Over the 30 years of Turkmenistan’s independence, the size of large investments in the national economy has increased hundreds of times, amounting to over USD 200 billion. This was stated by the head of the Ministry of Finance and Economy of the country Mukhammetgeldi Serdarov in an interview with the newspaper Turkmenistan, centralasia.news reports.

Over 66% of this money was directed to the manufacturing sector. The Minister noted that this made it possible to radically modernize production and increase the competitiveness of processing industry products. According to minister o of finances of has been strengthened.

Turkmenistan's economy is one of the fastest growing in the world, adding that the economic growth rate in the first half of this year reached 6.2%. Cooperation with such reputable financial institutions as the International Monetary Fund, the World Bank, the European Bank for Reconstruction and Development, and the Islamic Development Bank is intensifying.

One of the latest indicators of the stability of the national economy is the rating of the Fitch agency, the head of the Ministry of Finance recalled. In August of this year, the world's most prestigious rating agency Fitch Ratings assigned Turkmenistan a short-term rating of "B" and a long-term rating of "B + stable". The status was obtained when assessing the assets of the stabilization fund, which is one of the guarantors of the financial well-being of the state.

Kyrgyzstan ranks 76th in the ranking of countries on the Human Capital Index. The World Bank has released the results of a new study. "Human capital is often the only kind of capital available to the poorest population. The index directly links improvements in health and education outcomes to productivity and economic growth. I hope that it will encourage countries to take urgent measures aimed at increasing the volume and effectiveness of investments in the population, in particular in young people," said Jim Yong Kim, President of the World Bank Group [1].

Financing of healthcare, education, labor productivity improvement and other investments in human capital pay dividends only over time. Kyrgyzstan is ranked 76th in the list of 157 countries of the new rating. Singapore takes the first place, the USA - 24th, Kazakhstan - 31st, Russia - 34th. In last place is the Republic of Chad. Every year, on October 17, the World Anti-Poverty Day is celebrated.

What is extreme poverty? There is a common indicator that assesses the level of extreme poverty and allows you to compare different countries - the international extreme poverty line. It is calculated taking into account data on differences in the cost of living in different countries (using purchasing power parity based on 2011 prices). This figure is USD 1.9 per day per person and includes the cost of food necessary for human life and providing a minimum daily calorie requirement.

As of 2015, 10 percent of the world's people live in extreme poverty - more than 700 million. Extreme poverty is concentrated in sub-Saharan Africa, where more than 40 percent of the population lives on less than \$1.9 a day. In Kyrgyzstan, the number of people living on less than USD 1.9 per day is 1.4 percent of the country's population.

According to analysts, in 2018, the GDP per capita in Kyrgyzstan will be equal to \$ 1.2 thousand. In the Europe and Central Asia region, the countries with the lowest GDP per capita are Tajikistan, Uzbekistan and Kyrgyzstan. For comparison, the Republic of Malawi has the minimum GDP per capita in the world (USD 300.9), and Luxembourg has the maximum (USD 108 thousand).

The World Bank considers three aspects of well-being: income and consumption of the population; living conditions and quality of life - whether there is access to basic necessities of life: health, education, water, sanitation and electricity; and productivity, that is, whether the contribution of the population to the economy is productive through access to roads, electricity, water.

The number of people living in extreme poverty is lower than at any time in history. Despite the fact that the world's population is increasing, the number of the extremely poor is gradually decreasing. World Bank President Jim Kim believes that the current generation is the first in the history of mankind that can end extreme poverty. Eradicating extreme poverty by 2030 and ensuring well-being for all are the main goals of the World Bank's activities.

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