

IMPROVING HUMAN CAPITAL AND RAISING THE STANDARD OF LIVING OF THE POPULATION

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The concept of human capital has the most diverse application in the world economic science, which has successfully managed to prove the high efficiency and necessity of investing in a person. This category allows you to look at such problems as income distribution, the role of education in the process of social reproduction, family planning, economic growth, motivation, migration, not only from the psychological, social and demographic points of view, but also provides an opportunity to explore them directly from the point of view of the economy. There are a large number of works devoted specifically to the theory of human capital.

Human capital is presented as the totality of all the production qualities of an employee. The classical definition is considered to be the definition of G. Becker: „Human capital is the stock of knowledge, skills, and motivations that everyone has”. According to W. Bowen, it “consists of the acquired knowledge, skills, motivation and energy that human beings are endowed with and which can be used ... for the production of goods and services. J. Ben-Porat considers human capital as "a fund whose function is the production of labor services in social units of measurement and which in this capacity is similar to any machine as a representative of material capital." From the point of view of D. Berg, “human capital is a stock of professional experience accumulated by an employee. It represents value for potential income in the future.”[2]

The role of investments in the reproduction process of human capital is also of paramount importance. We can represent it schematically, as shown in Figure 1.

In connection with the growth of human needs, there is an increase in goods and services. The quantitative and qualitative growth of production, in turn, requires the improvement of production capabilities and human development, in other words, the development of all elements of human capital. Subsequently, human development leads to the emergence of new needs. In the process of reproduction, resources or investments are necessary for all elements of human capital. The increase in needs contributes to the growth of investment in human capital. On the other hand, the level of investment in human capital depends on their effectiveness. The more efficiently investments are used, the less they are required and vice versa.

At present, the available intellectual capital is less and less consistent with the volume, structure and technological level, and most importantly, with the tasks of modernizing the economy of Uzbekistan. At the same time, a tense situation has developed with the national health capital. Against the backdrop of a sharp decline in living standards in the 1990s the quality of the population has deteriorated significantly.

Today, the quality of national human capital not only underlies the socio-economic development of the state, but also acts as the most important factor in national security. The demographic situation in the country is characterized by a birth rate that ensures the reproduction of the population, inefficient use of migration potential, which does not correspond to the strategic interests of Uzbekistan and poses a threat to the country's national security.

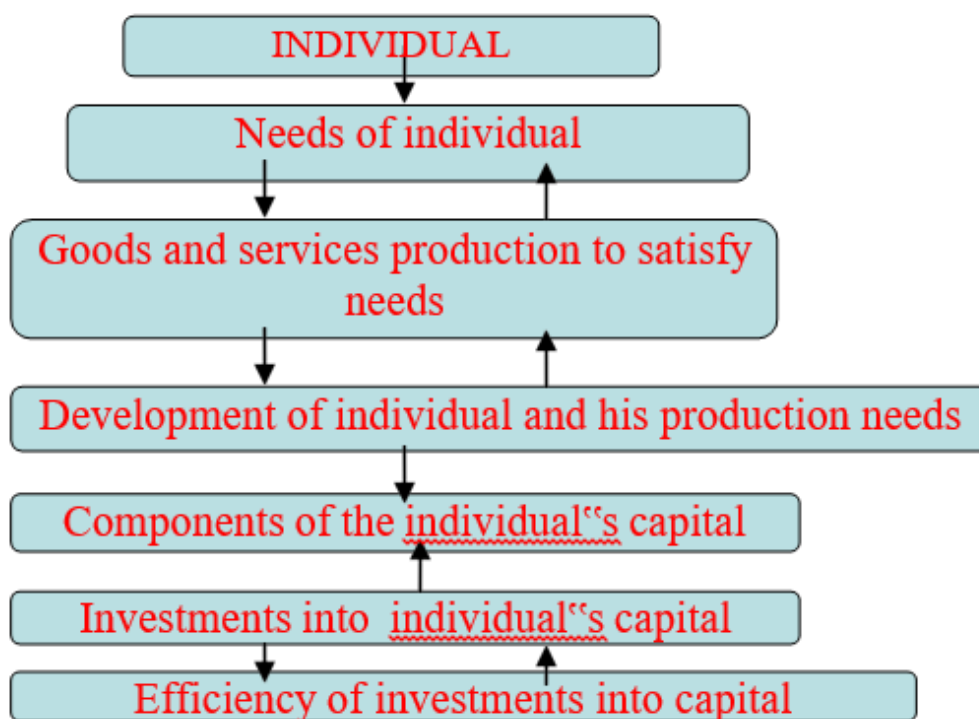


Figure 1. Role of investments in human capital

Human capital in Uzbekistan is not used to its full potential. The transition from a planned system to a market one led to the depreciation of the human capital accumulated earlier. This affected knowledge, perception, thinking habits, skills acquired both during formal education and in the process of work. Productivity has dropped drastically. Approximately 40% of workers were forced to change their profession.

Due to this kind of stress, many people have deteriorated health and well-being in general. However, the positive trait of our mentality played an important role. The desire and readiness to constantly learn was very useful at the time when it was necessary to replenish the lost human capital.

First of all, it is necessary to focus on improving the socio-economic, cultural and educational conditions for state functioning.

Using the experience of developed countries, in order to increase the efficiency of interaction between the labor market and higher education services in the republic, it is necessary to pay attention to the following:

- ensure interdependent development of higher education services and labor markets;
- further improvement of professional skills and practical experience of students in the development of the country's education system in accordance with the requirements of the labor market;
- it is necessary to create a public employment service based on the experience of the USA, England, Australia, Canada, Germany, Finland and Japan;
- it is advisable to gradually introduce the legal framework for establishing cooperation between the public and private sectors in the country, creating technology parks, and providing training for qualified workers in the state subsidiaries or employing enterprises.

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The position and function of a human in the modern management system have undergone substantial change as a result of the growth of the digital economy. Social production brought out a person's strengths and abilities. Modern businesses include their human capital as one of their production assets. It generates revenue for both the nation as a whole and a particular individual or organisation. Since education and other facilities for the younger generation are so important, our President gives them a lot of attention. Numerous international leaders place a high focus on the efficient use and development of human resources. He makes a positive impact on both the efficiency of the country's economy and the quality of life. The most varied applications of the notion of human capital can be found in the field of economics, and they have all been used to demonstrate the high effectiveness and importance of investing in people. This category gives you the chance to examine issues like income distribution, the role of education in social reproduction, family planning, economic growth, motivation, and migration not just from a psychological, social, or demographic point of view, but also directly from the standpoint of the economy. Numerous books are explicitly devoted to the topic of human capital. Human capital is presented as the totality of all the production qualities of an employee. The classical definition is considered to be the definition of G. Becker: „Human capital is the stock of knowledge, skills, and motivations that everyone has”. According to W. Bowen, it "consists of the acquired knowledge, skills, motivation and energy that human beings are endowed with and which can be used for the production of goods and services". [1]

Economic growth is fueled by human capital. It is now feasible to generate highly skilled staff and encourage the development of innovations thanks to the introduction of the idea of continuous education. • Affordable and quality education for all population groups • Unified development strategy of education ministries • State system of education quality assessment • Developed infrastructure; increased number of schools (no more than 27 students per class), universities (170,000 people per university), and kindergartens • Transition from mass education to inclusive education • Implementation of a voucher¹ system of education • High salaries for lecturers and teachers (higher than the market average), providing lecturers and teachers with a wide range of benefits • Active implementation of online education • Developed private education market • Lowered unemployment to 6.2% • Creation of the system of expert assessment of the labor market • Strong protection of migrant labor rights • Introduction of a continuing education system • Qualifications of specialists meet the needs of