

HISTORICAL IMPORTANCE OF HUMAN CAPITAL DEVELOPMENT IN THE PROCESS OF SOCIO-POLITICAL REFORMS IN UZBEKISTAN

Ibragimov Ibragim Axmedovich

Teacher of the "History" department faculty of "Social and Economic Sciences" Urganch State University

Abstract. Human capital development plays a crucial role in shaping the socio-political landscape of any nation. In the case of Uzbekistan, a country rich in history and cultural traditions, the process of socio-political reforms has been deeply intertwined with the development of its human capital. This article delves into the historical importance of human capital development in Uzbekistan and highlights its role in driving positive change and progress in the country.

Key words: socio-political reforms, significance of human capital, economic development, ideological, political conflicts.

Introduction. There are many cases that show such significance of human capital in the history of economic development. The consequent destruction of physical and human resources, a corrupt government, ideological, political conflicts from the remnants of the colonial rule, and the lack of system for state-building were huge hurdles to cross in pursuit of national economic development.

The 'first learning generation' achieved universal basic education and emphasized vocational learning to supply the necessary skilled workers for economic development. This stage involved the formation of basic institutions for a modern education system, the sequential expansion of education from basic to higher education, and the effective skills built from vocational education and training for industrialization. This sequential nature of educational expansion, rather than all-at-once type of expansion, solved the limited resource problem and made transition smooth because the demand for higher levels of education naturally evolved over time.



Figure 1. Country face the same global challenges

Human capital development is at the core of these deliverables and is seen as a priority for creating stronger societies, through mobility and people-to-people contacts and in particular through investment in developing young people's skills. Human capital development actions are required for most of the 20 Deliverables, including support for the environment and enhancing energy efficiency,

more engagement with civil society, good governance with the involvement of stakeholders beyond governmental institutions, the development of SMEs and entrepreneurship, and creating job opportunities at the local level. These ambitions require more integrated lifelong learning solutions, going beyond education systems and building structural capacities for adult learning, rather than fragmented training initiatives. Human capital allows an economy to grow. When human capital increases in areas such as science, education, and management, it leads to increases in innovation, social well-being, equality, increased productivity, improved rates of participation, all of which contribute to economic growth. Human capital refers to an individual's qualities deemed valuable to the manufacturing process. It includes employee knowledge, skills, expertise, health, and education. Social scientists use this term while referring to the monetary worth of a worker's knowledge and abilities [1]. Human capital refers to the fundamental productive capacities of human beings. It includes the pool of knowledge, skills, and other qualities possessed by individuals. It contributes to human productivity. Investing in education, on-the-job training, and health can enhance these capacities. Evaluation of this concept is often in terms of profit as it is an asset providing a flow of services. However, broader measurements of production are also employed. Human capital research has shown to be a particularly successful field of study with ramifications for people, businesses, and governments.

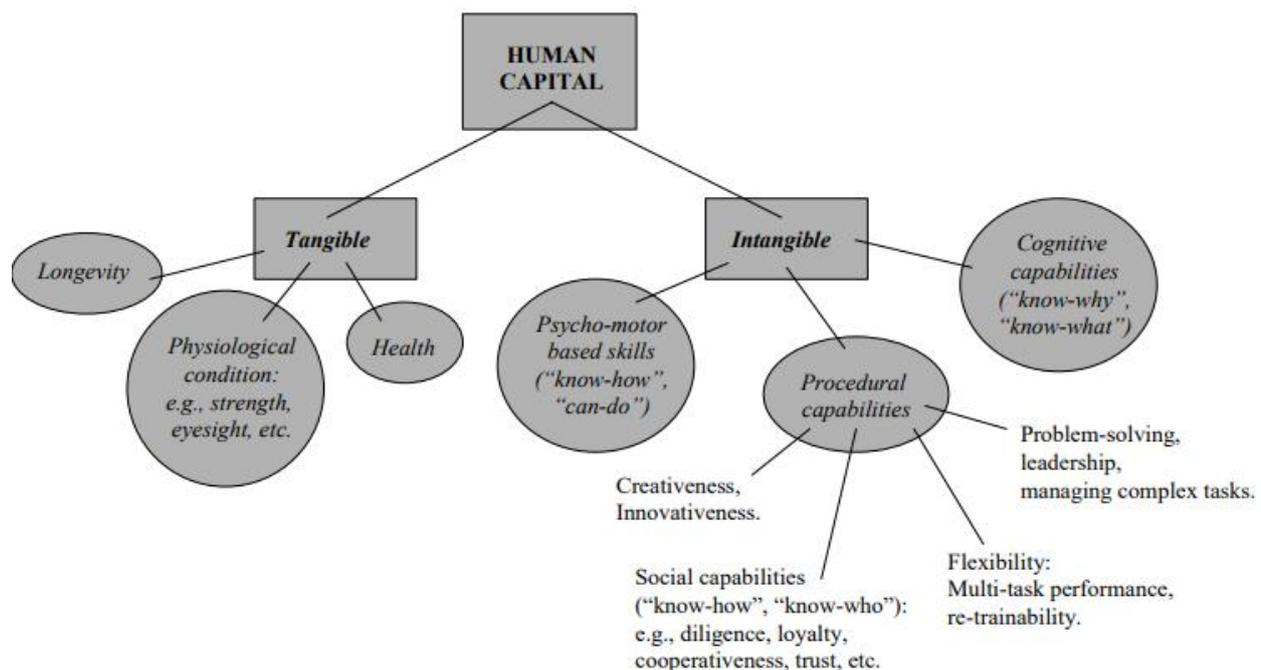


Figure 2. Human capital: A taxonomy

The general topic has generated a vast amount of study, with education as an investment in this capital as the main focus. Human capital is a crucial element of the productive foundation; education is responsible for developing human capital resources for the economy and society. Education raises a society's quality of life through enhancing human competencies, social norms, habits, and production. It is a nation's education investment to promote economic prosperity. Investing in it for sustainable development cannot be overstated. Globally, the years spent in education are a significant factor in calculating human capital [2]. A substantial rise in the average years spent in formal education enhances a nation's people capital. However, the investment in education will be advantageous since it will increase employment opportunities, economic activity, and growth. In

addition, education may increase both economic and noneconomic rewards through improving health and nutrition. It contributes significantly to economic expansion and sustainable development. There are several methodological advancements for measuring human capital stock [3]. To measure it, contemporary literature evaluates costs, income, education, and health. In addition, in terms of education and language ability, it is a primary factor of variations in company ownership between groups. Human capital theory refers to enhancing human productivity and efficiency with a greater emphasis on education and training. The study of human resources constitutes the study of human capital. It discusses the formation of economic value based on how our society functions. According to this theory, sufficient investment in people will lead to economic growth. For instance, several nations provide their citizens with a free college education because they recognize that a better-educated population tends to earn and spend more, encouraging the economy. This theory may appear appealing, although the core idea is not without its flaws. The notion underlying the human capital theory is that individuals should invest in themselves [4].

The review of empirical evidence at the macroeconomic level features a discussion of the deficiencies of data and methods in many of the international cross-section studies, and contrasts recent econometric findings on the role of education in economic growth among the developed economies with the conclusions derived through more detailed analyses of their historical experiences. Significant policy implications do emerge from the modern macroeconomic growth literature, but these are very broad in nature and not particularly germane to the situation of small, open economies that may lack a substantial industrial base or the extensive human and institutional infrastructure required to generate the knowledge-based needed for their peoples' well-being and their firms' competitive success in international markets. However, many may argue that workers are first and foremost assets, whereas some individuals find it depressing to be referred to as "business equipment" or corporate property. Others contend that this capital development approach does not permit precise measurements of abilities and skills. To evaluate or reward employees based on these is intangible [5]. It can also result in charges of favoritism and bias in the job. While improving employee skillsets and competencies is essential, it is not sufficient to sustain a whole enterprise. Modern sociologists and anthropologists disagree with the theory, arguing that it is based on fairly simplistic assumptions.

Importance of Human Capital

- It is essential because it increases productivity in several ways. First, according to the its hypothesis, education is an investment in skills that contributes to increasing production.
- Education raises an individual's human capital stock, enhancing productivity and contributing to economic growth.
- Human capital, indicated by the accumulation of scientific knowledge, is directly responsible for generating new designs/ideas. Moreover, by enhancing research and development, investment in such capital promotes an increase in physical capital, which results in economic expansion.
- Individuals' continuous acquisition of knowledge, whether via deliberate efforts or learning by doing, increases labor and capital productivity, contributing to economic growth.

Its formation refers to accumulating such capital over time. It is the process of obtaining and growing the quantity of qualified and knowledgeable individuals. It is crucial for the growth of an economy. Such formation may be done by creating a competent, trained, and productive workforce through improved education, health.

Conclusion. Human capital development has played a pivotal role in the process of socio-political reforms in Uzbekistan by nurturing the knowledge, skills, and capacities needed for positive change. Through educational reforms, economic transformations, and inclusive initiatives, Uzbekistan has placed significant importance on developing its human capital. As a result, the country has witnessed advancements in democratic governance, economic growth, and social transformation. To sustain this progress, continued investment in human capital remains essential, ensuring a bright and prosperous future for Uzbekistan.

References

1. Bassanini, Andrea, Stefano Scarpetta and Ignazio Visco, "Knowledge, Technology and Economic Growth: Recent Evidence from OECD Countries," OECD, Economics Working Paper no. 32, [ECO/WKP (2000)32].
2. Broadberry, Stephen, "Human Capital and Productivity Performance: Britain, the United States and Germany, 1870-1990," forthcoming in Paul A. David and M. Thomas (eds.), *The Economic Future in Historical Perspective*, London and Oxford: Oxford University Press for the British Academy.
3. David, Paul A., "Computer and Dynamo: The Modern Productivity Paradox in a Not-Too-Distant Mirror," in OECD, *Technology and Productivity: The Challenge for Economic Policy*, Paris and Washington D.C., pages 315-348.
4. Jorgenson, Dale W. and Barbara M. Fraumeni (1995c), "Investment in Education and U.S. Economic Growth," in D.W. Jorgenson, *Productivity, Volume 1: Postwar U.S. Economic Growth*, Cambridge, Mass. and London: MIT Press, pages 371-388.
5. Kendrick, John W., "Total Capital and Economic Growth," *Atlantic Economic Journal* 22(1).