
ADVANCED FOREIGN EXPERIENCES OF USING HUMAN CAPITAL IN THE SERVICE SECTOR

Dauletmuratov Adilbay Mirzabaevich

Associate Professor of the Department of Management and Fundamentals
Economics, KSU named after Berdakh, Uzbekistan
dadil1509@mail.ru.

The value of the human capital of the countries of the world was calculated by the staff of the World Bank. By taking into account the funds spent by the state, family, companies, businessmen and various funds for the formation of human capital, the size of the expenses directed to the formation and improvement of the human capital of the society is determined every year.

There are also some differences in quality and productivity between the human capital of a developed country and that of a developing or underdeveloped country. Human capital in developed countries is heavily invested and they also have better quality of personnel due to excellent education and health care systems. It is natural that the efficiency of quality human capital is also high and good.

Since human capital in underdeveloped countries is created with few and cheap investments, its value is low and its quality is not high. Its only advantage is that it is cheap, and because of this, it has the possibility of being used in the labor market, although it is small.

According to the World Bank estimates, 64% of growth in transition countries depends on the quality of human capital, that is, the knowledge and skills accumulated by the population to find effective solutions in the production process and everyday life¹.

In countries like Japan and Germany, the share of human capital is 80% of the national wealth. And economic well-being depends on acquiring new knowledge and applying it to life.

The fact that education takes such an important place ensures the state's constant attention to this field and its participation in it. At the same time, it is becoming increasingly clear that no country, even the most developed and advanced country, can take on all the tasks in this field.

In order to search for an effective model in the educational system, the experience of countries such as the USA, France, Italy, Japan, South Korea, Singapore, the Russian Federation, Kazakhstan, Latvia and Turkey was studied.

¹ www.woldeconomics.com



Below we present the results of the study of modern educational programs that can be used for the formation of a mobile management apparatus and the improvement of the state regulation of the education sector in the Republic of Uzbekistan.

According to public administration in the field of education:

- in most of the world's leading countries (USA, South Korea, Singapore, Turkey), almost the entire sector (preschool, general secondary, vocational and higher education) is coordinated and managed by a single Ministry of Education. At the same time, in the field of higher education of South Korea and Turkey, the Ministry of Education determines only the curriculum and examination rules, and other issues in the field of management are dealt with by the Council of Higher Education, which is made up of the heads of higher education institutions;
- there are practices in the ministry that cover other fields as well as education, and the Japanese practice deserves special attention in this regard. Because the ministry covers the fields of culture, sports, science and innovation in addition to education, in France, in addition to education, the tasks of developing and implementing youth and sports policy, in Kazakhstan and Latvia - in the fields of science and innovation. In other countries, other departments deal with science and innovation. For example, in the USA - the State Department of Science, Technology and Innovation, in South Korea - the Ministry of Development of Science and Information Technology and Communications, in Turkey - the Ministry of Industry and Technology;
- the results of the study of the experience of foreign countries show that there is no practice of state regulation of a separate field of education by several ministries according to the types of education. Countries such as France, Italy (from 2021) and Russia (from 2018) have established two ministries based on the ministries of education, in particular, the ministry of pre-school, general secondary and vocational education and the ministry coordinating higher education activities along with science and innovation. Increasing the role of the scientific board in the activities of universities, in turn, increasing their contribution to determining the need for cooperation between education and science in the field of training of personnel for the coordination of science and scientific research activities, to mechanisms for evaluating the quality of the activities of professors and teachers and scientific staff of higher educational institutions. is the reason.

According to the concept of human development, at the center of society's development should be not only simple economic indicators, but also a person first. The ultimate goal of development and the main criterion of its effectiveness is to



expand people's opportunities, to meet their spiritual and material needs in a better quality, in accordance with the values generally recognized in society, and to achieve a higher standard of living.

Statistical indicators in the analysis of the rate of economic development are objective and can be compared. But, how to evaluate the success of "human development"? The fact is that different societies, nations and peoples have different worldviews, cultures, and values, but in all places, when it comes to "higher level of life", the general views are similar. It covers concepts such as health and longevity, material well-being, level of education, spiritual satisfaction from work, safety, cultural harmony. During the entire period of worldwide application of the concept of human development, indicators have been developed that represent the level of human development in a particular country and allow to compare them with the situation in other countries. Human Development Index (HDI) was adopted as the main indicator. It is a composite index that evaluates the average level of a country's achievements in three areas: health and longevity (life expectancy), quality and level of education (length of education), and the level of decent and comfortable living (gross national income per capita).

The Human Development Index (HDI) is an index that measures the average achievement of three main indicators of human development:

- health and longevity;
- knowledge;
- a decent standard of living.

It should be noted that the human capital index measures the extent to which the child will become an effective worker in the future. The value of the index ranges from 0 to 1, and the closer the value is to 1, the more mature the children of today will be in the future.

In the preparation of the research, many factors describing the economic, social, political and environmental situation in the countries and regions covered by the research, including the situation in the field of human rights and civil liberties, participation in community life, social security, the level of territorial and social mobility of the population, the level of cultural development indicators, access to information, health care, unemployment, crime, environmental protection and other factors are taken into account.

In the final ranking, all conditions are ranked on the basis of the Human Development Index and divided into four categories according to the degree of acceptance:

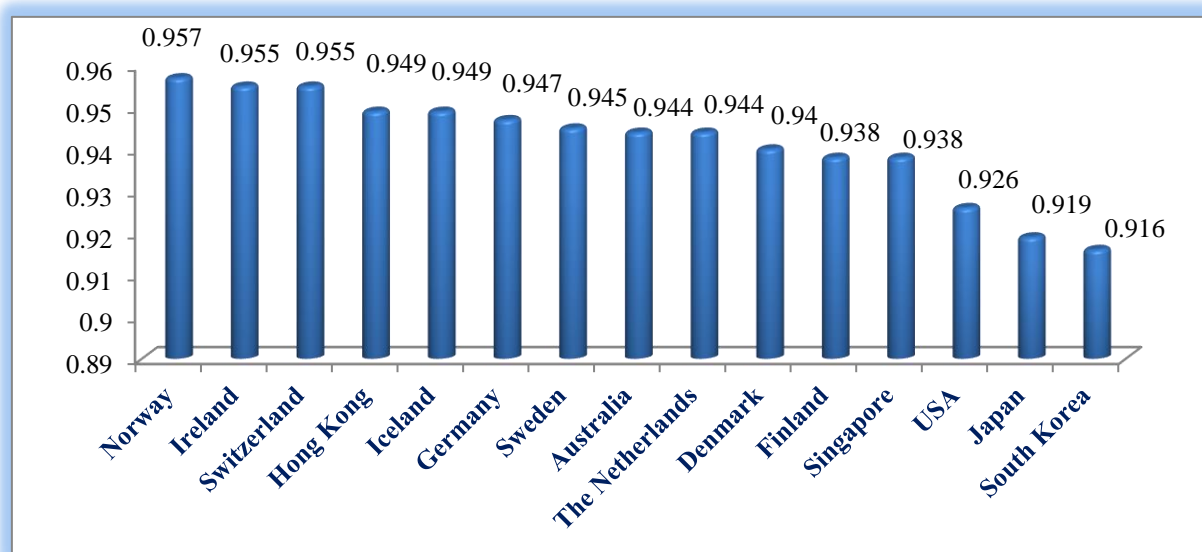


- Countries with a very high human development index (above 0.9).
- Countries with a high human development index (from 0.8 to 0.9).
- Countries with an average level of human development index (between 0.5 and 0.8).
- Countries with a low human development index (less than 0.5).

In the course of the research, we analyzed the indicators of the countries with the highest and lowest indicators of the human capital index and the countries of the Commonwealth of Independent States.

The latest version of the Human Development Index was released in 2020 (showing the results of 2019).

If you pay attention to the data of the histogram 1, the 10 countries with a very high index of human development are Norway, Ireland, Switzerland, Hong Kong, Iceland, Germany, Sweden, Australia, the Netherlands and Denmark, all of these countries have an index above 0.9.

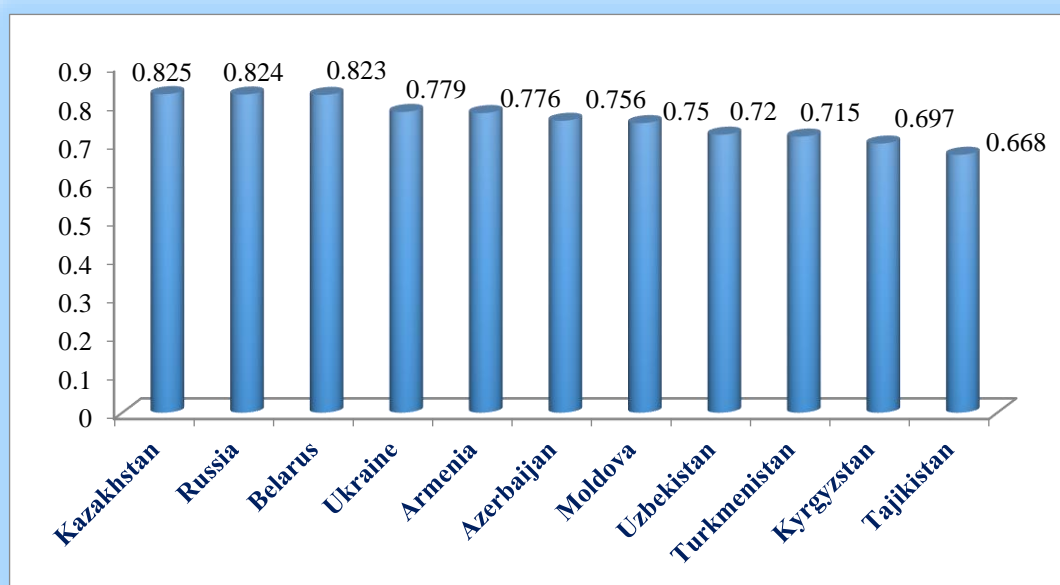


Histogram 1. Countries with Very High Human Development, 2020

Source: Developed by the author based on data from <https://gtmarket.ru/ratings/human-development-index>

From the CIS countries, Kazakhstan, Russia and Belarus are included in the second group of the rating, and the rest of the countries are included in the third group (histogram 2.).





Histogram 2. Human development index of CIS countries, 2020

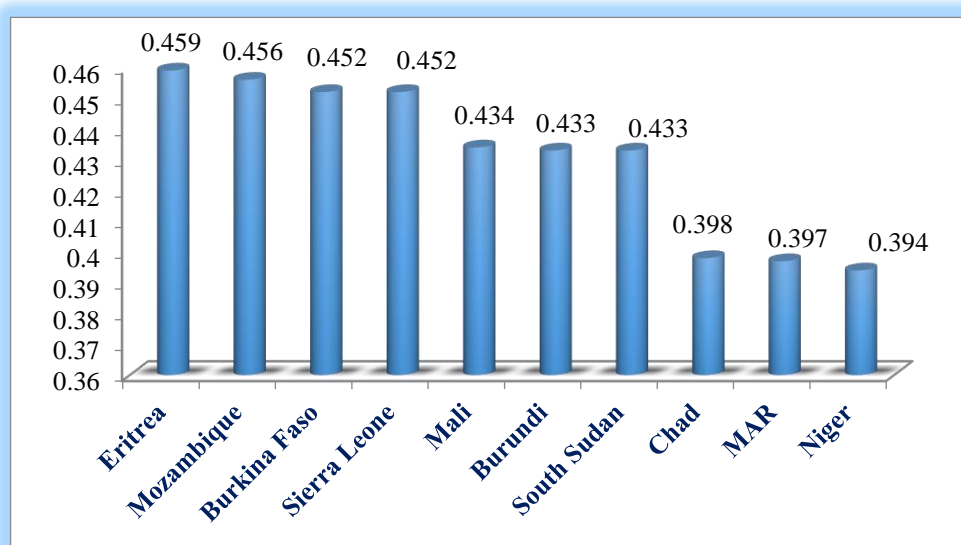
Source: Developed by the author based on data from <https://gtmarket.ru/ratings/human-development-index>.

It should be noted that until 2020, the data of the Republic of Uzbekistan was not published in the "Human Capital Index" rating. That is, only health and economic indicators were presented by Uzbekistan and this was accepted by the World Bank. However, until 2017, the information provided on the quality of education (students' knowledge assessment) was not accepted due to the fact that the monitoring work carried out to determine the knowledge of schoolchildren in our country was not in accordance with international standards. In order to provide reliable information on the quality of education in our country, in November 2019, the Education Inspectorate, in cooperation with the World Bank, studied the knowledge of schoolchildren in mathematics based on the questions of TIMSS international studies.

The results recorded by schoolchildren in these tests also served as important information for determining human capital in our country.

African countries have the lowest index of human development. 10 of them included Eritrea, Mozambique, Burkina Faso, Sierra Leone, Mali, Burundi, South Sudan, Chad, Central African Republic and Nigeria (histogram 3).





Histogram 3. Countries with the lowest ranking on the Human Development Index, 2020

Source: Developed by the author based on data from <https://gtmarket.ru/ratings/human-development-index>.

The latest version of the Human Development Index was released in 2020 (showing the results of 2019).

Taking this into account, in the process of research, we studied the experiences of some countries with a high index of human capital, including Japan, South Korea, Singapore, and Germany.

We can cite the economy of Singapore as a clear example of the correct use of its opportunities and circumstances, and how nature and circumstances can turn into a historical economic miracle. Singapore is one of the most open, successful and attractive countries for investment in the world, including the absence of corruption in the country, stable prices and a very high GDP per capita (66,176 dollars)².

After Singapore gained independence in 1965, Liang Kuan Yew was credited as one of the founders of the country's economic miracle. He was the first Prime Minister of the Republic of Singapore and led the government from 1959 to 1990. Each country, aiming to achieve prosperity, first of all chooses its own development strategy. There were various factors involved in achieving this goal. One such factor is having a leader with mature management, political knowledge and skills. One such political figure of the 20th century is Lee Kuan Yew. As a result of the

² <https://take-profit.org/statistics/countries/singapore>



economic and political reforms implemented in the country during his time, Singapore is one of the most developed countries today. This can be learned by looking at its historical development. Following the correct use of human capital, reasonable economic and investment policies, Singapore officially became a modern country, a standard of development.

One such factor is having a leader with mature management, political knowledge and skills. One such political figure of the 20th century is Lee Kuan Yew. As a result of the economic and political reforms implemented in the country during his time, Singapore is one of the most developed countries today. This can be learned by looking at its historical development. Following the correct use of human capital, reasonable economic and investment policies, Singapore officially became a modern country, a standard of development³.

According to education experts, Singapore has linked economic development and improved living standards to education. In particular, the standard of education is developed here in the first place. A lot of money is spent on this. From the very beginning, special attention was paid to attracting the best teachers and increasing their influence. Even now in Singapore, the tradition of hiring teachers from among the graduates of the most prestigious educational institutions of the world has been preserved.

Most importantly, Singapore has actively invested in education and human capital. In 1960, Singaporeans had an average of three years of education, and a quarter of a century later, Singaporean schoolchildren took first place in the international mathematics Olympiad. In addition to investing in human capital, the government has pursued a policy of attracting foreign employees.

Notably, Singapore's human capital development strategy focuses on investments in technical education and high-tech occupations. It should be noted that in Singapore, teachers are civil servants. The budget of the Ministry of Education is second only to the Ministry of Defense (5% of GDP). About \$12.9 billion is spent annually on education. This is 18.7% of the total state budget (\$68.6 billion). The literacy level of the population in the country is 96%⁴.

According to the results of research by scientists from the University of California in the USA, there is a connection between a person's educational (intellectual) level and his life expectancy. Every year of education until the age of 35 adds a year and a half to a person's life. The death rate among people with secondary education is 54

³ <https://take-profit.org/statistics/countries/singapore>

⁴ <https://take-profit.org/statistics/countries/singapore>



percent higher than among people with higher education. The average life expectancy of those who complete a tertiary education before age 25 is seven and a half years longer than that of those with a secondary education. Hence, the knowledge acquired as a result of education contributes to a person's longevity, and as a result, education is a special sociobiological process⁵.

Summarizing the research results, the following conclusions can be drawn:

- the practice of Singapore, South Korea, Russia, Italy, and the United States in terms of public administration in the field of education, integration and coordination of education, science, and innovation is the most optimal in the conditions of Uzbekistan, because the share of universities in the training of scientific personnel is 77 percent, and research institutes prepares only 23% of specialists;
- according to modern educational programs, the introduction of continuous education program will bring additional investments to Uzbekistan by increasing the level of human capital and forming the professional skills required in the labor market. The state should ensure not only consumer equality, but also equal rights in the field of education, health services, as well as political and civil rights. It serves the growth of human capital.

Literature

1. Khudyakova E. G. Human capital as a factor in the competitiveness of an enterprise / E. G. Khudyakova // International Research Journal. - 2015. - No. 6 (37) (part 3). - S. 124-126.
2. Usmanov B.Sh., Kadirov M.Q., Eltazarov J.D. The role of education and science in the formation of human capital (scientific and popular treatise). – Samarkand: SamDU, 2015. -18 p
3. Leras-Muney, Adriana. The Relationship Between Education and Adult Mortality in the U.S. // Review of Economic Studies, Vol. 7, No.1: 189221, January 2005
4. <https://gtmarket.ru/ratings/human-development-index>
5. <https://take-profit.org/statistics/countries/singapore>
6. www.woldeconomics.com

⁵ Leras-Muney, Adriana. The Relationship Between Education and Adult Mortality in the U.S. // Review of Economic Studies, Vol. 7, No.1: 189221, January 2005

