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## THE MAIN FACTOR OF THE DEVELOPMENT OF THE NEW ECONOMY POST-INDUSTRIAL SOCIETY

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### Abstract

The article examines the place and role of human capital in the development of an innovative economy; it is shown that the size and quality of domestic human capital today does not correspond to the country's declared transition to an innovative society. The author proposes measures to improve human capital and enhance its influence on the formation of an innovative economy.

### Introduction

Unfolding in developed countries at the end of the last century, the second wave of scientific and technological revolution marked the transition to the creation of a new economy of a post-industrial society. The latter shifts the emphasis from production itself to innovation, that is, sustainable economic growth is ensured not by increasing the output of gradually modernized goods and services, but by a continuous change in the structure of output under the influence of spontaneous and organized changes in demand, as well as an increase in the proportion of investments in human capital. The competitiveness of high-tech industries is increasingly determined by the specific knowledge, skills and level of innovation that are embodied in a skilled workforce and organizational mechanisms. It is no coincidence that one of the prominent theorists of human capital A.M. Bowman called "the discovery of human capital a revolution in the economic sense." [2].

According to the World Bank, the total potential of economic development for developed countries is 64% formed by human capital and only 20% - by raw materials. According to some expert estimates, tens of billions of dollars

are lost annually due to this factor.

### **Literature review**

The increasing humanistic orientation of the economic life of a modern highly developed society puts forward the priority of a qualitatively high level of human well-being and is reflected in the concept of human development, developed by UN and UNESCO specialists. Thus, the transition to a knowledge-based economy means a new stage in the evolution of civilization, when human capital determines the quality of the growth of material production.

And in order to be competitive, we need to learn how to make high-quality and cheap products, actively using the qualifications, education, talent and energy of our population for this. Therefore, today it is extremely important to significantly increase attention to human capital, the creation of such a developed infrastructure that would make it possible to use the accumulated experience and knowledge even more effectively for the purposes of production and consumption.

In order to assess the current state of society and the prospects for its advancement on the path to a society based on knowledge, it is necessary to investigate, first of all, those spheres in which they are born, stored, transferred to other areas, that is, science and education. And this is what reproduces and improves human capital. The level and development trends of all other sectors of the economy depend on the state of education.

### **Main part**

The human capital of North America was \$ 249 thousand, Western Europe - \$ 177 thousand, Central America - \$ 38 thousand, etc. [2].

However, it should be noted that the potential of human capital is far from being fully utilized. This is well supported by the following data. The world turnover in the market of innovative products currently reaches 3 trillion. dollars per year, while the share of the United States - 39%, Japan - 30%, Germany - 16%. [4].

In recent years, the government of our country has taken certain steps to change the structure of our economy, giving it an innovative quality. However, additional efforts are needed to stimulate increased investment in manufacturing infrastructure and innovation. Here it is important to make an innovative breakthrough in understanding the problem not only at the state

level, on the scale of the region, region, but also at a separate economic link.

In recent years, there has been a significant increase in investment in the country's human capital. This is now the fundamental and promising trend in the development of the domestic economy and increasing the level of its competitiveness. However, it must be stated that the size and quality of domestic human capital does not correspond to the country's declared transition to an innovative society. This directly affects the efficiency of the use of the productive forces of society. Due to investments, both on the part of the employee and on the part of the firm, "human capital" changes the size and structure, and the change in individual "human capital" is primary.

Over the years of market reforms in the domestic economy, there have been very significant changes both in the number of students and in the structure and quality of the human capital produced by professional education institutions. At present, the EU countries spend on average 5% of GDP on education, the USA - 6.6%, Japan - 3.5%, and Russia only 0.62%. [one]. Now the budget spends 500-600 dollars per year for training one student, while in the leading universities of the world it spends 20-25 thousand dollars a year. However, even if the state increases funding for our higher education by 1.5 times, it is still extremely insufficient.

Society receives significant socio-economic benefits from the higher level of education of the population and the qualifications of the workforce. Citizens with a high level of education have developed communication skills, they are more active in solving social and economic problems. And all this is extremely important for the formation of an innovative economy.

Speaking about the role of education in the formation of human capital and the enhancement of its impact on the formation of a new economy, it is important to note that its focus on mass character with the outlined commercialization of the educational sphere in general, and especially the level of higher education, characterizes the tendency for the latter to lose the elite factor and, as a consequence this, a decrease in quality. It is no coincidence that among the population who have received higher education, 25% believe that it is not enough to work in real market conditions, 28% - declare an average and low level of national education.

The current situation is due to very indicative reasons for the discrepancy

between the traditional education system and the modern stage of movement towards the innovative quality of economic development. At present, it is important to teach students the skills of reproduction and generation of new knowledge, their adaptation to rapidly changing economic and social conditions. The obvious resulting signs of a high-quality educational level of human capital is the ability of students who have been trained to quickly integrate into the dynamic environment of society's life, which implies not only a high level of professional competence, but also creative, managerial, entrepreneurial abilities and the ability to work collectively with social communication skills, and also knowledge of foreign languages.

The formation of an innovative economy makes new demands on the quality of the educational level of human capital. From the point of view of investing the latter, it is necessary to solve the following main problems. First, up to the present time, the domestic educational system operates on traditional teaching technologies and the content of the educational process - the transfer of ready-made knowledge, which in the context of the development and expansion of the availability of open information networks should change its very essence. The main problems of the education system are as follows:

- a) lack of uniform professional, educational standards and programs;
- b) there are no full-fledged links between professional education and research activities;
- c) there is no responsibility for the final results of educational activities of educational institutions and the possibility of conducting an independent examination of the quality of education;
- d) there is no qualification confirmation system, etc.

It is obvious that the success of the development of the content and technologies of education is in many ways an interconnected system, how effectively the existing backlog will be reduced and the establishment of interconnections between the education system and the conditions dictated by the innovative economy.

It is impossible not to note such a defect of the domestic educational system as the lack of susceptibility to its technological progress and the emergence of new post-industrial specialties. This has a particularly negative effect on the formation of an investment economy. This susceptibility depends on the

nature and sustainability of the relationship between education and practice, represented by labor market demands and forecasts of staffing needs. In the domestic economy, this relationship is weak and non-institutionalized, and therefore, the possibilities of human capital for innovation are significantly reduced.

In industrialized countries, the continuity of the processes of modernization of technology and improvement of technology gives rise to new specific forms of cooperation between education and business. These are, for example, the concentration of an enterprise around a powerful scientific and educational complex, or, conversely, the emergence of educational institutions serving high-tech corporations in a targeted manner. For example, Stanford University is the main supplier of highly qualified personnel for the American Silicon Valley, where 20% of the world production of computers and electronic components is concentrated. The share of practical teachers and industrial consultants here reaches almost 75%. In the Cambridge zone, the powerful potential of three research and educational centers at once - Harvard and Boston universities, as well as the Massachusetts Institute of Technology is involved. [5].

The complexity of the effective use of human capital in modern conditions is the accelerating process of obsolescence of knowledge. It is possible to get out of this situation by constantly updating knowledge in accordance with the ever-accelerating modernization of fixed capital.

Speaking about the role of education in improving human capital, it should be noted that this is a systemic problem that cannot be solved by isolated actions of the authorities, business entities, and educational institutions. It is necessary to develop a national strategy for the development of human capital through training and retraining of the personnel potential of enterprises: a dialogue between business and the state by delineating responsibility for the implementation of such a strategy; identification, jointly with the state, of professionally qualified requirements by sectors of the economy.

A significant place in the reproduction of human capital is given to the health of the population. The physical deterioration of human potential is accompanied by the aging of the human body of workers. It has been proven that the health status of an employee is 15–20% hereditary and 50–55% depends on the lifestyle and working conditions. It is necessary to take into

account the characteristics of the health of both the individual (individual health of citizens) and the nation as a whole (public health, determined at the national level).

International statistics indicate a significant differentiation of countries in terms of the main indicator of the human capital index, the health of the country's inhabitants. The highest life expectancy is typical for countries such as Andorra - 83.5 years, Japan - 80.0, Sweden - 78.7, Switzerland - 79.9 years. As you can see, these are countries with high rates of socio-economic development. Countries such as Angola have the lowest life expectancy - 38.5; Zambia - 37.3; Zimbabwe - 38.1. This group of countries belongs to the category of the least developed and is characterized by extremely low indicators of socio-economic development - high child mortality, hunger [3].

The need for the transition of the domestic economy to the innovative stage of development requires a revision of the current situation through the formation at the state level of an institutionalized mechanism for sustainable reproduction of human capital through a systemic state policy in human-forming areas. The development of this mechanism presupposes the comprehension and legislative consolidation of the long-term goals and system of priorities of the state, as well as the forms of its participation in the process of expanded reproduction of human capital. In its most general form, the institutionalized mechanism of sustainable reproduction of human capital should include, in our opinion, a set of the following interrelated measures:

- Creation of effective mechanisms of state financing of human capital;
- development of models of interaction between the state, business community, society by involving non-state enterprises and institutions in the sphere of human capital reproduction, creating favorable conditions for them;
- drawing up state and regional forecasts of the need for personnel, implying the formation of state orders for training, advanced training and retraining of personnel;
- improvement of the employment service, its functions and the financing system.

### ***Conclusions***

Naturally, one cannot rely only on the strength of the state. This is

completely unrealistic. What is needed is not isolated measures, no matter how radical they may seem, but the implementation of a systemic state policy that actively affects the processes of reproduction of human capital. This consistency presupposes the active influence of the state not only on the sphere of education and health, but also the implementation of an appropriate personnel policy, migration, etc.

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