



## WAYS TO DEVELOP HUMAN CAPITAL IN THE CONDITIONS OF INNOVATION ACTIVITY AND DIGITAL ECONOMY

**Asatullayev Khurshid Sunatullayevich,**

Professor of Tashkent State University of Economics

**Matyoqubova Muxayyo Baxtiyor kizi,**

Master's degree from Tashkent State University of Economics

**Annotation.** This article provides scientifically based proposals and practical recommendations for the development of human capital through involvement in the innovation sector, large-scale digitization of the economy, strengthening the integration of Science, Education and business.

**Keywords.** Innovation activity, digital economy, human capital, innovation, competition, science, education, health, manufacturing factor, electronic document, digital technology.

### INTRODUCTION

In the context of globalization, renewal and upliftment require integralization, innovational thinking and the collective harmonization based on them and an innovational environment in each area. The fact that the attitude towards human capital on the demand for the digitalization of the economy has changed in relation to the views of the 20th century, as well as theories on the formation of the human factor and capital in it, has reached a completely new stage. In this, education, the formation and accumulation of practical experience, health, the search for information constitute an investment in human capital. At the same time, education and training, training for a profession increase a person's level of knowledge, that is, serve to increase the volume of human capital. Migration and the search for information cause the labor force to be vulnerable to areas and sectors that are highly paid to labor, that is, with a high value of human capital.

According to the international company specializing in strategic management solutions, by 2024 the share of the digital economy in the world is 23 trillion. Reaches US dollars. Its share in world GDP will increase from the current 17.1 percent to 24.3 percent, the number of enterprises using cloud technologies will increase by 58%, artificial intelligence – by 86 %, digital large – scale data-by 80%. The data exchange rate of cellular networks in the network standards 5G standard reaches 20 Gbit/s, which will be 4 times higher than that of standard networks 4G[1].

In general, the formation of human capital in any state and society covers complex processes in the mother's womb influenced by a huge number of factors, such as the healthy development of an individual, his birth, maturation at the level of a person and a person. Among them are peace and tranquility, a strong state social protection policy aimed at the health of mother and child, a healthy environment in the family, the inclusion of the population with a continuous educational system that combines preschool education, school and other types of education, their quality and effectiveness.

The science of Economics was enriched by a number of concepts that characterize the participation of people in labor activity: labor force, labor resources, human resources, human capital, labor potential, etc.k. From them, the concept of Human Capital acquires a much wider meaning – it is the main force that intensively develops the economy, society and its initial



Cottage Family, is an educated part of labor resources, has the ability to intellectually manage life and labor activities. The development of human capital is important for stability in humanity, the economy, societies and around the world.

In Uzbekistan, special attention is paid to studying the problems of the formation and effective use of human capital, the creation of a national HR system and improving the issues of its strategic planning. According to the initiative of our president, we will explain that 2020 in our country is exactly the year of development of Science, Education and digital economy, with targeted steps to increase the role of a person in the economy. Because behind this decision is the question of bringing scientific potential and education to a new stage of development of the New Uzbekistan. Therefore, on September 21, 2018, a decree "on approval of the strategy for the development of innovation of the Republic of Uzbekistan in 2019-2021" was signed by our President Shavkat Mirziyoev in order to rapidly introduce modern innovative technologies in social and other spheres into the economy, using the innovative model of development of Uzbekistan, including the achievements of Science and technology. In accordance with this decree, in 2019-2021, the strategy for the development of innovation of the Republic of Uzbekistan[2] and the target indicators of the concept for the development of science until 2030 were approved[3]. According to the opinion of the head of our country, Shavkat Mirziyoev, "the most important task is the formation of innovative thinking in the minds of our people[4]. Where there are no innovations, there is no development and no competition." From this chmqmb, the main goal of the development strategy was defined as the development of human capital as the main factor determining the level of competitiveness of the country in the international arena and its innovative development.

## LITERATURE REVIEW

While the focus on human capital was reflected in early research by G. Becker in the 1960s, it has been argued that to date, the focus on human capital is important as it focuses on components such as the education and health of young children[5]. This, in turn, was reflected in the fact that the beginning of reforms for the development of human capital in children has become more relevant than ever.

Druker believed that there were many interruptions between development concepts and their implementation[6]. It is these interruptions that will be possible to overcome with the help of the human capital index of the World Bank expert group. New dimensions convince countries to invest in human capital as soon as possible. It prepares everyone for the future economy – competition and prosperity in everything that can meet there. And this contributes to the fact that all the same applies to the global system. The inability to invest in human capital is extremely expensive for World Development and for all mankind.

Academician Abdurakhmanov admitted that "the importance of human capital is higher than that of Natural Resources, material wealth and tools. Therefore, human capital is considered the main factor in economic growth and efficiency. The concept of human capital as an economic category, together with the development of the world Information community and the "knowledge economy", is regularly expanding. At present, human capital is an intensive production factor for the development of society and the family, as well as the economy, which covers intellectual and managerial Labor, the environment of living and labor activity. It ensures effective and rational operation as a generating factor in the development of human capital"[7].

Today, as long as countries cannot effectively invest in human capital, large costs arise,



# Western European Journal of Historical Events and Social Science

Volume 2, Issue 10, October, 2024

<https://westerneuropeanstudies.com/index.php/4>

ISSN (E): 2942-1926

Open Access| Peer Reviewed

 This article/work is licensed under CC Attribution-Non-Commercial 4.0

especially for the poor. These costs put the coming generations in dire straits. The inability to lay the groundwork for their citizens to live effectively due to the technological progress that requires large costs, not only goes hand in hand with high costs, but also causes serious inequality. This also threatens security, after all, unsatisfied requirements can create disturbances.

In this respect, countries that do not make permanent investments in human capital will be forced to eliminate tax defects and exceptions, improve revenue collection, and refocus costs. Egypt and Indonesia, for example, have drastically reduced their energy subfields in recent years and reoriented these resources to the development of social protection and health care systems. Revenue from tobacco taxes from 2012 to 2016 made it possible to triple the budget of the Department of Health in the Philippines as well as the proportion of the population covered by health insurance[8].

The economy of developed countries depends on the development of innovation, intellectual economy, and this economy, based on the flow of innovations, requires chukur knowledge, renewal and a new idea, modernity from the subjects of market relations, relying on human capital. Therefore, in the years of independence, special importance is attached to the processes of creation and wide introduction of innovations in the development of the economy of our republic, in this regard, comprehensive targeted measures are implemented. As a result, a certain level of development of this area was achieved. In this direction, fairs of innovative ideas, technologies and projects were organized, institutions of Public Administration were reorganized, conditions for creating innovations were improved, and a legal framework in this area was created.

Collective harmonization is the achievement of a concentration of knowledge in the areas of the social and economic sectors with integrations, the manifestation of original inventions on the basis of succession, and the creation of conditions that develop according to the law of the principle of "knowledge through science" and rise to the level of innovation. Today, life stages innovation-a research that begins with an idea that arose due to the thoughtful understanding of the problem, in the exhaustive concentrated integration of knowledge, the product of active cooperation of scientific and technical personnel of the field, proved to be a product of a full and prosperous life based on renewal, a factor that provides social and economic.

The science of Economics was enriched by a number of concepts that characterize the participation of people in labor activity: labor force, labor resources, human resources, human capital, labor potential, etc. From them, the concept of Human Capital acquires a much wider meaning – it is the main force that intensively develops the economy, society and its initial Cottage Family, is an educated part of labor resources, has the ability to intellectually manage life and labor activities. Human capital is a reserve of abilities, qualifications and goals concentrated in a person, a factor that ensures the competitiveness of the economy of any country and state in the world market, strongly influencing the activities of Public Administration, Legislation and executive bodies[9].

Adding to the above points, it should be noted that at present, the management of innovations remains as one of the less developed parts of the mechanism of organizational and economic management of the national economy. In this regard, in the address of the president of the Republic of Uzbekistan to the Supreme Assembly "...the active transition to the digital economy will be one of our top priorities for the next 5 years, although our country has risen



to 8 points in 2019 according to the "International Information Communication Technology Development Index", we are still very behind. Most ministries and departments, enterprises are completely far from digital technologies, which, to say, is also true..."[10], they insisted. Thanks to this, at the next time in Uzbekistan, consistent measures for the development of the digital economy are being implemented, electronic document exchange in state bodies and other organizations and e-commerce systems for the service of individuals and legal entities are being phased in.

It should be noted that the theory of human capital is faced with a new task of quantitative assessment of it on a national, regional and local scale. In this, digital technologies open up a wide range of opportunities for maintaining unbiased statistical accounting, which allows you to deeply study and understand the processes of development and modernization of the labor market.

Uzbekistan has a strong need for educated and qualified personnel, especially in the field of education and applied scientific research. A significant lack of qualified personnel in the field of digital technologies and the organization of scientific research is today compensated for by specialists of our older country and foreign experts.

In the regions, it is necessary to establish interregional centers that allow the collective use of competitive technologies[11], since by combining the resources of modern personnel, intellectual, material and technical, information and administration, innovation in enterprises causes an increase in the quality and economic efficiency of activities[12].

The development trend of the world economy shows that the need for knowledge, skills, qualifications and new professions is gaining special importance as one of the important factors of development. According to international rating agencies, in the period up to 2035, the modern global labor market acquires the following characteristics. "The Global labor market consists of digitization and approval, leading to the emptying of the labor force." As of 2025, the reduction of garden jobs with robotization is 10-30 percent; rural areas and small towns are part of the risk group; The HR function also changes; they are also digitized; freelancers "make up 50 percent of the workforce, and 44 percent of global employment is equal to their share".

According to him, during the nationwide boycott, azralmas became part of the growing human capital. At the same time, according to the provisions of Sharia, Islamic laws and Sharia law cannot be abolished until Sharia law is abolished[13].

The human capital index of the countries of the world for 2020 was published by the World Bank. For the first time, the rating, which was attended by 174 countries with a population of 98% of the world's population, included the data of the Republic of Uzbekistan on the field of Health and education. This data covers the period until March 2020 and serves as the main indicator of Child Health and education until the pandemic. Uzbekistan, which participated for the first time in these studies, with a result of 62 percent, was recorded in 4 of the CIS countries, next to the Republic of Belarus (70 percent), the Russian Federation (68 percent) and the Republic of Kazakhstan (63 percent). Experts say that the effective use of human resources in the digital world, the development of human resources and the introduction of international standards in this regard will provide the basis for the rapid increase in investment attractiveness in developing qualifications.

## CONCLUSION

In conclusion, it should be noted that in the management of innovation activities, the following proposals will be based on the promotion of human capital development:



# Western European Journal of Historical Events and Social Science

Volume 2, Issue 10, October, 2024

<https://westerneuropeanstudies.com/index.php/4>

ISSN (E): 2942-1926

Open Access| Peer Reviewed

 This article/work is licensed under CC Attribution-Non-Commercial 4.0

- formation of modern qualities and research of specific features of the structure of the development of digital economy;

- to increase the efficiency of managing production relations under the influence of digital technologies in the conditions of changing the labor market, thereby influencing the change in the specific abilities and personal qualities of a person, creating the appropriate organizational conditions for the acquisition of modern professions;

- in the development of Innovation Management in enterprises, digital technologies open up a wide range of opportunities for unbiased statistical accounting, as a result of which the opportunity to achieve the proportionality of demand and supply for competitive personnel in the regions.

At this point, it is worth noting that the creation of conditions for the education and healthy maturation of children from an early age, as well as the improvement of the system of professional orientation of growing young people by industry and their effective use in the country's path to prosperity will determine the future development of the country.

In this regard, in order to achieve strategic goals in the conditions of digitization, to achieve new heights, to ensure competitiveness in the world market, the role of intellectual youth, experienced and modern-minded high-potential personnel and specialists in the country is incomparable. This need is not easily met on its own, at the heart of this lies the idea of human capital and its management. Therefore, the discovery of a person's potential and mobilization towards the achievement of certain goals will serve to form the solid foundation of modern personnel and the sustainable development of our country.

## LIST OF USED LITERATURE

1. McKinsey & Company | Global management consulting <https://www.mckinsey.com>
2. President Of The Republic Of Uzbekistan Sh.M.Decree Number PF-5544 of Mirziyoyev "on approval of the strategy for the development of innovation of the Republic of Uzbekistan in 2019-2021" dated 21.09.2018.
3. President Of The Republic Of Uzbekistan Sh.M.Decree No. 6097 of Mirziyoyev "on approval of the concept of the development of science until 2030" dated 29.10.2020.
4. Achievements of Science-an important factor in development / President of the Republic of Uzbekistan Shavkat Mirziyoyev - from his speech at the meeting with the leading figures of science of our country on December 30, 2016 / people's word newspaper.- 31 December 2016.
5. Becker G. S. Investment in Human Capital: A. Theoretical Analysis // Journal of Political Economy. Supplement. Oct., 1962.
6. Друкер П. О профессии менеджера / пер. с англ. – М., 2008.
7. Абдурахмонов К. Мехнат иқтисодиёти: Назария ва амалиёт / Дарслик. Т.: Ўзбекистон Республикаси Фанлар академияси «fAN» нашриёт давлат корхонаси, Т.: 2019. – 223 б.
8. Мансурова, М. М. (2022). ИНСОН КАПИТАЛИ НАЗАРИЯСИННИГ ШАКЛЛАНИШИ ВА РИВОЖЛАНИШИ. Экономика и социум, (6-2 (97)), 514-521.
9. Корчагин Ю.А.Российская газета [Электронный ресурс]. Ю.А.Корчагин. – Режим доступа: <http://www.rg.ru/2012/01/10/zakony.html>.
10. Address Of The President Of The Republic Of Uzbekistan To The Supreme Assembly. 2020.
11. Асатуллаев, Х. С., & Астанакулов, О. Т. (2018). Совершенствование



# Western European Journal of Historical Events and Social Science

Volume 2, Issue 10, October, 2024

<https://westerneuropeanstudies.com/index.php/4>

ISSN (E): 2942-1926

Open Access| Peer Reviewed

 This article/work is licensed under CC Attribution-Non-Commercial 4.0

инновационной активности в условиях конкуренции. *Актуальные проблемы гуманитарных и естественных наук*, (3), 44-48.

12. Ulashov, A. (2023). The Main Areas of Development of Small Business and Private Entrepreneurship in Ensuring Economic Activity. *EUROPEAN JOURNAL OF BUSINESS STARTUPS AND OPEN SOCIETY*, 3(6), 23-29.

13. Ulashov, A. R. (2024). Ways to increase investment activity of enterprises in Uzbekistan.