

## **Factors in the Formation and Development of Human Capital in the Regions of the Republic of Uzbekistan**

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**Abstract.** *This article examines the essence of investing in human capital and explores the key factors influencing its formation and development. The study delves into the composition of human capital, highlighting its multifaceted nature and significance in driving economic and social progress. A central focus is placed on understanding how investments in education, healthcare, and skills development contribute to the enhancement of human capital. The analysis underscores the critical role of human capital development as a primary factor in fostering sustainable growth, innovation, and competitiveness. Through a comprehensive exploration of these elements, the article provides valuable insights into the strategic importance of prioritizing human capital investment to achieve long-term societal and economic goals.*

**Key words:** *socio-economic advancement, human capital, strategy, dynamic workforce.*

In an innovative economy, knowledge becomes not merely an individual's personal asset but a critical economic resource that shapes a nation's development trajectory. Human capital, encompassing individuals' skills, knowledge, health, and capabilities, holds strategic importance for socio-economic advancement. Understanding the formation, accumulation, and utilization of human capital is essential for fostering sustainable development and global competitiveness. This paper explores the multifaceted role of human capital in the innovative economy, with a particular focus on Uzbekistan's initiatives as part of its Development Strategy for 2022-2026.

Human capital is the bedrock of economic progress in modern societies. As noted by Becker, investment in education and training enhances individuals' productivity, contributing to overall economic growth. In the context of the knowledge economy, human capital extends beyond basic education, emphasizing lifelong learning, innovation, and adaptability. According to Schultz, the accumulation of human capital is crucial for achieving higher income levels and improving societal welfare.

The innovative economy necessitates a shift in the perception of human capital from a passive resource to an active driver of transformation. Knowledge and skills, particularly in science, technology, engineering, and mathematics (STEM) fields, are pivotal for fostering innovation and addressing global challenges such as climate change and digitalization. Furthermore, the integration of digital technologies and artificial intelligence demands continuous upskilling and reskilling, underscoring the dynamic nature of human capital development.

Recognizing the strategic importance of human capital, Uzbekistan has outlined a comprehensive framework within its Development Strategy for 2022-2026. The fourth pillar, "Equity Social Policy, Development of Human Capital," underscores the government's commitment to fostering inclusive

growth and enhancing the quality of its workforce. This initiative aligns with global trends prioritizing human capital as a central component of national development strategies.

Uzbekistan's strategy emphasizes universal access to education and vocational training. The government has pledged to double the scale of vocational training programs, aiming to provide opportunities for one million unemployed citizens. This initiative highlights the importance of equipping individuals with market-relevant skills, addressing both unemployment and skill mismatches in the labor market. To diversify and expand educational opportunities, the government plans to increase the participation of non-state educational institutions to 30%. By fostering public-private partnerships, Uzbekistan seeks to leverage the expertise and resources of private entities, enhancing the overall quality and accessibility of education. The strategy aims to increase youth enrollment in higher education to 50% by 2026, reflecting a commitment to broadening educational attainment. Additionally, the establishment of at least 50 non-governmental higher education institutions underscores the government's focus on fostering diversity and innovation in the higher education sector. The introduction of trial-testing systems for textbooks and educational-methodological complexes in general education schools marks a significant step toward curriculum modernization. By involving foreign experts in the evaluation process, Uzbekistan aims to align its education system with international standards, fostering global competitiveness and ensuring that students are equipped with the skills needed in a rapidly changing world.

Despite its ambitious goals, Uzbekistan faces several challenges in implementing its human capital development strategy. These include ensuring equitable access to quality education, addressing regional disparities, and overcoming resource constraints. Moreover, the integration of non-state actors and foreign expertise requires robust regulatory frameworks to maintain quality and accountability. Nevertheless, the strategy presents significant opportunities for socio-economic transformation. By investing in human capital, Uzbekistan can harness the potential of its young and dynamic population. The emphasis on vocational training and higher education aligns with global best practices, fostering a workforce capable of driving innovation and economic diversification.

Uzbekistan's initiatives reflect broader global trends in human capital development. Countries worldwide are prioritizing investments in education, health, and skills development as part of their sustainable development agendas. For instance, Finland and Singapore have achieved remarkable success by emphasizing high-quality education and continuous learning, serving as models for other nations. Additionally, the COVID-19 pandemic has underscored the importance of resilient and adaptable human capital systems. The rapid shift to remote learning and digital work environments has accelerated the demand for digital literacy and technological proficiency. Uzbekistan's focus on integrating modern technologies into its education system aligns with these global shifts, preparing its workforce for the challenges of the digital age.

To ensure the successful implementation of its human capital development strategy, Uzbekistan should consider the following policy measures. Encouraging collaboration between government, private sector, and international organizations can enhance resource allocation and foster innovation in education and training programs. The quality of education depends significantly on the competence of teachers. Comprehensive training programs, coupled with competitive salaries, can attract and retain skilled educators. Establishing systems that support continuous learning and upskilling can ensure that the workforce remains adaptable to changing economic demands. Expanding access to digital tools and resources can bridge educational gaps and enhance learning outcomes, particularly in remote and underserved areas.

Human capital, defined as a set of social relations, aligns closely with the structure and dynamics of society. The advancement of human capital is intrinsically linked to an individual's consciousness, morals, spirituality, worldview, and the socio-economic and political framework of the social system. With intelligence as a defining feature, individuals interpret real-world events and shape the world through their scientific reasoning, work, and potential. The development of human capital is deeply influenced by the prevailing social environment.

To foster innovative human capital, it is essential for every family within a country to prioritize education from an early age. Children should be encouraged to pursue knowledge, instilled with a passion for science, and nurtured to appreciate hard work. They should also be educated using modern technologies and textbooks that meet global standards. Knowledge equips individuals with the ability to utilize societal opportunities, while skills drive social development and economic growth. This underscores the importance of sustained investment in education.

Achieving targeted educational outcomes requires comprehensive improvements in both the quantitative and qualitative dimensions of the education system. Despite the availability of state mechanisms, the efficiency of governmental oversight in the education sector remains inadequate. Persistent challenges in ensuring the quality of education highlight the urgency for systemic reforms and transformative measures to elevate educational standards.

Human capital is the cornerstone of socio-economic development in the innovative economy. Uzbekistan's Development Strategy for 2022-2026 demonstrates a strong commitment to fostering human capital through investments in education, vocational training, and institutional reforms. By addressing existing challenges and leveraging opportunities, Uzbekistan can build a resilient and dynamic workforce capable of driving sustainable growth and innovation. The successful implementation of this strategy will not only enhance individual and societal well-being but also position Uzbekistan as a competitive player in the global economy.

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