

# Human capital in the regional development system

*Izruddin Dasuev\**

Kadyrov Chechen State University, Grozny, Russia

**Abstract.** All states have to take an urgent look at the development of their own countries and goals. The current state of the world economic system forces all states to reconsider their goals and means of development. As part of a global revision in the fundamentals for functioning economic systems is underway, and the role of social factors as an important component of the system's functioning is begun to be conceived in a completely different way. Belarusian models have always been based on a fundamental understanding of the success of its development through improving a person's personality, improving the quality of human potential, a high degree of social responsibility and stability in society. Since the start of the five-year plan, the country's development has been identified as one of the priorities for an innovative path to development that is based primarily on human factors. The country's transition to an innovative path of development, based primarily on the human factor, has been identified as one of the priorities of the five-year plan that has just begun. It is necessary to improve modern complexes of science, education, healthcare and other sectors of the social sphere. In addition it will require improving systems for the most complete creative realization of human capabilities, as well as motivation systems for the most complete creative realization of human capabilities.

## 1 Introduction

Lately, there has been a growing emphasis on the concept of "capital," extending beyond just the economic sphere to encompass various aspects of social life. Primarily, the spotlight has been on "human capital [1]." This newfound interest is centered on human creative abilities and how they are nurtured and developed. Increasingly, companies are recognizing the significance of amassing human capital as the most valuable form of capital. In practice, this shift has prompted a reevaluation of previous approaches to fostering human potential, with a focus on adapting to the challenges posed by economic transformations. Effectively addressing these practical concerns hinges on the development of a well-founded concept for human capital development [2].

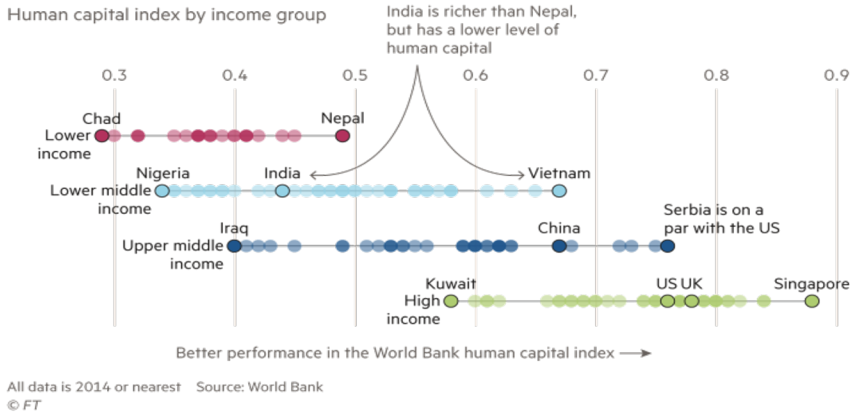
This framework necessitates a thorough exploration of the core and underlying foundations of human capital production and reproduction. Investments serve as this fundamental underpinning. Therefore, the examination, consolidation, rationale, and

---

\*Corresponding author: [lukmus2008@mail.ru](mailto:lukmus2008@mail.ru)

clarification of methodological approaches related to investing in human capital are not only pertinent but should take precedence within the structure of socio-economic research as a whole.

### Many poorer countries outperform richer ones in human capital



**Fig. 1.** Human capital: unleashing the real wealth of poor nations

Literature before economic reforms, the analysis of the economic yield of human creative abilities was inadequately addressed [3]. In the literature predating economic reforms, the analysis of the economic yield of human creative abilities was inadequately addressed. A fundamental concept in the theory of human capital is found in the idea that capital is an accumulation of assets that, when cultivated, produces returns through investment. Because of this, the theory of human capital is based on an individual association. It consists in elements such as the level of education and physical well-being, training quality, work experience, and salary.

According to economic literature, there are many approaches to categorizing human capital based on the elements of costs and investments that have been included in it. These are the categories that encompass educational capital, health capital, and cultural capital. Notably, these categories include education capital, health capital, and cultural capital.

## 2 Research Methodology

Speculating about the exact requirements for the quantity and quality of human capital under the governance of economic systems in the integral world economic order remains a complex task. Nonetheless, drawing insights from the experiences of core countries such as China, India, Japan, South Korea, and Singapore during the formative stage of this order suggests certain prerequisites for cultivating human potential and shaping human capital:

1. Continuous Higher Education: Serving as the cornerstone for lifelong learning and development.
2. Creative Aptitude: A desire and skills for creative self-expression.
3. Moral Boundaries: Ethical standards that preclude the misuse of knowledge against humanity or society's interests.
4. Healthy Lifestyle: The ability to maintain productivity and well-being into old age.

Those within the population who do not meet these criteria may find themselves at the social periphery, contributing to the existence of the precariat—a group less in demand in processes of economic development and reproduction. Consequently, general population metrics, whether concerning those of working age or average per capita statistics, become

less relevant [4]. Instead, the need arises for differentiated indicators that account for social and professional categories, levels of qualification, educational attainment, engagement in creative activities, and innovation.

Despite the contemporary approaches for understanding the role of human capital within the global economic system having reached an advanced level in terms of methodology and theory, they often neglect these aforementioned features [5]. The omission is attributed to the inherent distinctions in world economic and technological structures. Given that scientific concepts in this field are inherently multinational and interdisciplinary, there is a pressing need to consolidate and refine various approaches from economics, sociology, anthropology, and political science. This includes a specific focus on aspects of analyzing human capital as the principal macroeconomic resource shaping competitiveness.

### 3 Results and Discussions

The long-term socio-economic development forecast for the Russian Federation until 2030 outlines three fundamental scenarios for the nation's economic progress. It underscores that achieving sustained long-term growth in labor productivity hinges on a substantial enhancement of education quality, the promotion of indigenous scientific research, and their practical implementation. These scenarios are as follows [6]:

1. **Conservative Scenario:** In this scenario, the development of human capital and its quality improvement don't significantly contribute to the overall productivity of the factors that steer economic processes.

2. **Innovation Scenario:** This scenario envisions bolstering the innovation component of the national economy's development through the enhancement of human capital. This involves improvements in education and healthcare, along with increased involvement of higher education institutions in scientific research and development.

3. **Accelerated Scenario:** The accelerated scenario is underpinned by a substantial boost in labor productivity and swift advances in science and technology.

Human capital plays a critical role in regional development within Russia, as it does in many countries. Here are some key aspects of how human capital influences regional development in Russia:

**Economic Productivity:** Human capital is a major driver of economic productivity. Regions with a well-educated and skilled workforce tend to have higher economic output. In Russia, regions with strong educational institutions and a focus on human capital development often experience higher levels of economic growth.

**Innovation and Technology:** Human capital is essential for innovation and technological progress. Regions with a highly educated population are more likely to engage in research and development activities, fostering innovation. This, in turn, attracts investments and creates high-tech industries that can drive regional development [7].

**Labor Market:** The availability of skilled labor is a significant factor for businesses when choosing where to establish operations. Regions with a well-educated and trained workforce are more likely to attract companies, leading to job creation and economic growth.

**Quality of Life:** A region's human capital directly affects the quality of life for its residents. Highly educated and skilled individuals often enjoy a higher standard of living. This can lead to increased consumption, improved infrastructure, and better public services in regions with strong human capital.

**Education and Healthcare:** Investments in education and healthcare are key drivers of human capital development. Regions that prioritize these areas tend to have a more

educated and healthier population. Russia's regions with robust educational and healthcare systems tend to exhibit better human capital outcomes [8].

**Migration:** Human capital can influence internal migration patterns [9]. Regions with strong economies and good opportunities tend to attract skilled workers. Conversely, regions with weak human capital may experience outmigration, leading to a brain drain.

**Social Cohesion:** A region's social cohesion and sense of community can also be influenced by human capital. A well-educated population often participates more actively in community and civic life, which can have positive effects on regional development.

**Inequality:** Disparities in human capital development can lead to inequalities between regions. It's crucial for policymakers to address these disparities to ensure more equitable regional development [10].

In summary, human capital is a cornerstone of regional development in Russia. Regions that invest in education, skills development, and healthcare tend to experience more robust economic growth and an improved quality of life for their residents [11]. Balancing human capital development across all regions is a challenge, but it is essential for fostering equitable and sustainable regional development in Russia.

## 4 Conclusions

Currently, the evolution of the Russian economy predominantly aligns with the trajectory of the conservative scenario. However, the economy's growth displays significant variances in terms of both structure and regional development. This situation necessitates a set of measures aimed at reducing socio-economic disparities at the regional level and an expedited strategy for the development of human capital. To achieve this, it's vital to construct a model for assessing human capital, built upon the principles of complexity and multi-level analysis, which can be seamlessly integrated into the framework of strategic socio-economic planning for the nation's economic development.

## References

1. A. A. Daukaev, R. Kh. Dadashev, L. S. Gatsaeva, R. A. Gakaev, IOP Conf. Series: Earth and Environmental Science, 378 (2019)
2. A. Yu. Apokin , D. R. Belousov, Scenarios for the development of the world and Russian economy as a basis for scientific and technological forecasting, **3(3)**, 12–29 (2009)
3. Bio-Economy Technology Platforms. The European Bioeconomy in 2030: Delivering Sustainable Growth by addressing the Grand Societal Challenges (2021)
4. C. Cagnin, E. Amanatidou, M. Keenan, Orienting European Innovation Systems towards Grand Challenges and the Roles that FTA Can Play, **39(2)**, 140–152 (2020)
5. E. Reynard, M. Panizza, Geomorphosites: definition, assessment, and mapping. Geomorphol Relief , 177–180 (2018)
6. EU-Russia Energy Dialogue, Energy Forecasts and Scenarios 2009–2010 Research. Final Report (2021)
7. K. Haegeman, F. Scapolo, A. Ricci, E. Marinelli, A. Sokolov, Quantitative and qualitative approaches in FTA: from combination to integration?, **80**, 386–397 (2021)
8. R. Kh. Ilyasov, Spline modeling and analysis of relationships in the economy with the possible presence of regression switching points, **11(4)**, 165-175 (2018)

9. K. M.-S. Murtazova Ecological and economic assessment of sectoral agricultural technologies, **3(15)**, 68-71 (2021)
10. A. S. Salamova, Socio-economic factors in the fight poverty and hunger in the modern world: the scientific approach of Amartia Kumar Sen, **17(1)**, 237-245 (2023)
11. A. S. Salamova, Global networked economy as a factor for sustainable development, 03053 (2020)
12. I. Bayhan, O. Akova, The Manager, **12(6)**, 2-19 (2021)