

ЧОВЕШКИЯТ КАПИТАЛ И ЗНАЧЕНИЕТО МУ ЗА НАШЕТО СЪВРЕМИЕ

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Резюме: Статията описва базови икономически теории, разгледани през призмата на човешкия капитал и развитието му през годините. Подчертана е значимата роля на човешкия фактор за нашето съвремие. Анализирано е нивото на образование на трудовия пазар, като са използвани данни от Евростат. Обосновани са изводи и препоръки за подобряване на качествените фактори на човешкия капитал. Набелязани са основните негативни тенденции, свързани с развитието на човешкия капитал в сферата на образователния, социалния и икономическия сектор. Очертани са мерки и препоръки за подобряване знанията и уменията на активната работна сила и положителната ѝ интеграция на трудовите пазари.

Ключови думи: човешки капитал, учене през целия живот, икономически растеж, активна политика, пазар на труда, инвестиции.

Jel: J21; J24

THE HUMAN CAPITAL AND ITS SIGNIFICANCE FOR OUR PRESENT

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Abstract: The article describes basic economic theories examined through the prism of human capital and its development over the years. The significant role of the human factor for the modern world has been underlined. The educational level of labour markets is analysed through the used data from Eurostat. Major negative trends have been identified, related to the development of human capital in the educational, social and economic sectors. Measures and recommendations have been outlined to improve the knowledge and skills of the active labour force and its positive integration into the labour markets.

Key words: human capital, lifelong learning, economic growth, active politics, labour market, investment.

Jel: J21; J24

Introduction

This article discusses the development of human capital as a fundamental basis for the prosperity of each nation's economic, social and demographic development. It influences all spheres of life directly and indirectly through its relationship with science, health, education, employment, cultural values. Human capital is a significant factor for economic and social prosperity, for strengthening, improving and developing production and increasing incomes.

At the beginning of the 21st century, the focus of management decisions increasingly shifted towards investing and promoting the development of human capital. Nowadays,

knowledge and technology for the competitiveness of economies play an important role. International institutions, including the EU, are focusing their efforts on human capital as a decisive factor for future prosperity. The Lisbon Strategy and the EU 2020 Strategy on Development are focused on education. They are expressed in particular in the notions of "knowledge economy" and "smart, sustainable and inclusive growth". In the context of globalization and increasing competition, the European Union has adopted three interrelated objectives: accelerated and stable economic growth based on the knowledge and education economy; achieving full and quality employment; ensuring social security and cohesion. (The Europe 2020 strategy).

The purpose of this article is to examine basic theories about human capital and trace the metamorphosis it has undergone over the years. Conclusions and recommendations for improvement of the quality of human capital are made, based on Eurostat data of the educational level of the population.

1. The essence of the concept of human capital and its development over the years.

Human Capital is very important and significant for our modern world. It possesses some universal features of economic capital, such as its ability to recover and accumulate, but there are significant differences between them. The formation of human capital is a long-lasting process involving numerous phases and activities. For the development of human capital are important all social and economic systems, such as human health, ethnic and religious affiliation, psychological and emotional state of the individual, their value system, family environment, cultural and spiritual development, etc. Human capital is indivisible by its owner. (Dulevski, L., 2012).

In general, three types of major investors in human capital can be identified. First of all, this is the individual and their family, who are the source of private investment in human capital. The second investor in human capital is the particular company. The state is the third major investor that carries out typical investments in human capital through public finance engagement. (Dulevski, L., 2012).

In the economic literature, three basic approaches are used for measuring the human capital: "cost-based", "income-based" and "education-based". An integrated approach, consisting of the above three, is often applied. (Dulevski, L., 2012). Investments in human capital are justified if their expected extra revenue is higher than the investment costs incurred. There are many definitions of human capital. In this paper, we perceive the definition: "human capital is a set of a man's capabilities and capabilities to perform certain labour services through payment or to meet certain needs." ¹ (Dulevski, L., 2012, pp. 14). The determination of the value of human capital is based on labour supply and demand on the labour market, where the average competitive salary for a given job with a certain complexity, significance and responsibility reflects the market price of human capital.

On the basis of, numerous in-depth research over the years in the field of human capital and investment in it, the irrefutable assertion that has been reached is that investment in the individual in terms of education and enrichment of their knowledge is the key to building a qualified and capable individual, contributing to the economic growth. In the present study, what has been attempted, in practical terms, is to prove

¹ Dulevski, L., (2012), "Oceniavane na choveshkia capital: Podhodi i reshenia", Godishnik na UNSS, pp. 14

the aforementioned statement about the importance of education, for the benefit of the individual and society as a whole.

2. Significant theories and methods for the study of human capital

The theory of human capital was formulated in classical economic theory in the 17th and 18th centuries. In the 17th century, the founder of English Classical Political Economy, William Petty, in the "Treatise on Fees and Taxes", attempted to make a monetary assessment of the economic potential of a person. According to him, the value of man as well as land is equal to the income earned for twenty years as an annuity. (Peti, U.; Smith, A.; Ricardo, D., 1993). A significant contribution to human potential was realized later in the second half of the 18th century. Adam Smith in his work, "The Wealth of Peoples", makes an analogy between investing in physical capital and funding for improving the skills of the workforce. A. Smith for the first time, developed the thesis of skilled labour as more productive and providing higher incomes. When people invest in machines, their expectation are to increase gross profit. When people invest money in improving the quality of the workforce, the goal is again the same that is to say providing more growth. (Smith, A., 1776). A representative of neoclassical theory of the late 19th century A. Marshall in his work „Principles of Economics“ says: "Man is both a goal of production and a factor. From every point of view, man is the center of the problems of production as well as the problems of consumption." ² (Marshall, A., 1993, pp. 209). Over the years, many theoretical discussions have been conducted on human capital, some of which are the work of W. Farr, E. Engle, T. Whittlen, S. Hübner, E. Woods and K. Metsger, X. Boag, Fr. Cap, R. Mayo-Smith, J. Walsh, L. Dublin, and A. Lotka (Huseinov, B., 2017). The Nobel laureate Amartia Sen has contributed to the development of human capital theories. He examines the labour potential of a person for the economic development of a country. For him and his followers, economic development goes through building the capacity of individuals, institutions, organizations and territories to effectively develop and use resources. For Sen, man is a major factor in the growth of the economy. He draws attention to the use of an integrated approach to studying the quality of human indicators in the field of social and employment policies. (Amartya, S., 2003). Indisputable merit in contemporary human capital theory is given by American economists Theodor Schultz and Gary Becker, representatives of the Chicago School. In the 1860s and 1870s, they laid the foundations for the fundamental modern theory of human capital. T. Schulz first considers human capital as an additional source of income, and education as one of the specifics of human capital. He considers that: "the concept of capital is based on something actually existing, which has the economic capacity to provide future services of value." ³ (Schultz, T., 1961, pp. 17). G. Becker performs a study on the cost-effectiveness of education by comparing the costs and benefits of education. It determines the rate of return on investment in the formation of human capital. M. Friedman and G. Becker think that as the accumulated wealth is inherited, so is the inherited talent, the gift, the qualities of a person, no matter in what area they are pledged. Inherited human qualities are predetermined for the development of the individual. Becker, Murphy and Tamura prove that the growth of the stock of human capital leads to an increase in income per capita, but is associated with a negative effect on the willingness of individuals to have more children. (Simeonova-Ganeva, R., 2009). Kazakov A. also as above believes that human capital is a particular form of capital that

² Marshall, A., (1993), "Printsipi na ikonomiksa", Moskva, pp. 209

³ Schultz, T., (1961), "Investment in Human Capital", American Economic Review, pp. 17

relates to the person and is the result of investments in knowledge, qualifications and production experience and construction of skills, all these are a factor for an efficient and competitive worker. (Kazakov, A., 2010). The theory of American economist L. Turou is that: "Human capital is a combination of knowledge, skills, experience, motivation, acquired and maintained throughout life. They are capitalised in the work activity and lead to increased productivity and income at national and individual level"⁴ (Huseinov, B., 2017, pp. 7). In the 1950s and 1960s, different views of human capital emerged. Jacob Minser, in 1958, wrote the article "Investing in human capital and personal distribution of income". In it, for the first time, the personal distribution of income is explained by the difference in the qualifications of individual entities. In modern economic theory and practice the equations of Minser are among the most widely used in the economy of labour and the economy of education.

It develops a production function of wages, which expresses the statistics-mathematical dependence, investigating the relationship between labour income, education and experience of employees. A research by Jacob Minser in the last decades has established itself as fundamental in this area. Minser together with Becker, Schulz and Rose develop the concept of human capital and the internal rate of return on education. (Huseinov, B., 2017). E. Dennison is considered to pioneer in the models to assess the contribution of human capital to economic growth. In 1988, Lucas developed unifying theories of economic growth and human capital. It launches a series of theoretical and empirical research on the link between economic growth and production factors, in particular, the impact of human capital on economic growth. (Huseinov, B., 2017).

The UN develops methodology and indicators for human capital and sustainable economic and social development. For the most correct measure is offered „an index for development“, which includes not only GDP per capita in PPPs (purchasing power parity), but also development and level of education, life expectancy and up to 200 indicators to assess economic development and changes in population's wellbeing of 183 countries in the world. (www.un.org/ru/index.html).

Human capital and the means invested in it are one of the main problems of modern economic theory and practice. Unfortunately, this research does not cover the numerous scientific studies, the importance of investment in improving knowledge and skills as a decisive factor in building quality human capital. The above concepts are a small part of the plentiful discussions about the nature and content of human capital. Individual authors not only strive to assess human capital, but also to determine the benefits and returns on investments. In the next part of the research, an empirical study has attempted to show, apparently, that higher education leads to increased employment, which is a prerequisite for economic growth.

3. Human capital measured by: Employment rates by sex, age and educational attainment level (%) for the EU and Bulgaria.

Employment rates by sex, age and educational attainment level (%) - The indicator is calculated by dividing the number of employed people within the age group 20-64 years having attained a specific level of education by the total population of the same age group and with the same educational attainment level. The educational attainment level is coded according to the International Standard Classification of Education (ISCED). Data until 2013 are classified according to ISCED 1997 and data as from 2014 according to ISCED 2011. - Less than primary, primary and lower secondary education (ISCED levels 0-2) -Upper secondary and post-secondary non-

⁴ Huseinov, B., (2017), "Ikonomicheski efecti i pazarni aspekti", Narodnostopanski arhiv, pp.7

tertiary education (ISCED levels 3 and 4) -Tertiary education (ISCED levels 5-8) (ISCED 1997: levels 5 and 6). The indicator is based on the EU Labour Force Survey (LFS), covering the population living in private households. (<https://ec.europa.eu/eurostat>).

Table 1.

Employment rates, sex-total; years 15-64; education (levels 0-2)

| Geo/time | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------|------|------|------|------|------|------|------|------|------|------|
| European | 47.9 | 46.0 | 45.1 | 45.2 | 44.4 | 43.7 | 43.3 | 43.7 | 44.5 | 45.5 |
| Bulgaria | 32.9 | 32.3 | 29.7 | 27.5 | 27.4 | 27.8 | 29.7 | 29.6 | 29.6 | 33.4 |

Source: Eurostat database

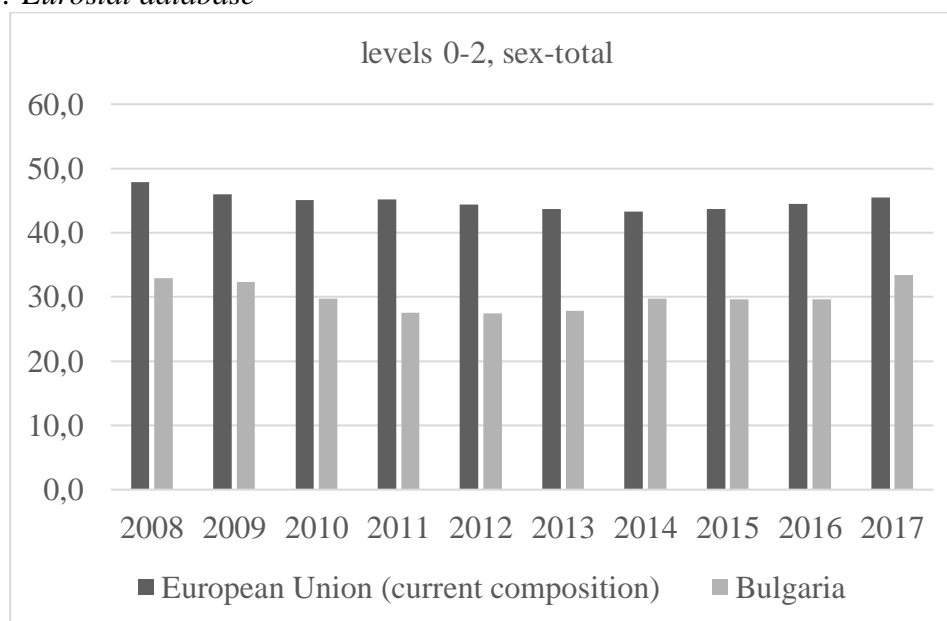


Fig. 1. Employment rates, sex-total; years 15-64; education (levels 0-2)

Table 1 and the chart show that during the years 2008-2017, in the EU and Bulgaria, the employment rate of men and women with basic and lower education is below 50%. The reason for this negative trend is that people with low education find it harder to start a legal job. The majority of the surveyed population finds jobs in the “gray economy” and in fact, they are not on the labour market. This has a negative impact on the economy of each country because these people do not pay social security contributions and taxes and could not be involved in different active labour policies to develop their potential.

Table 2.

Employment rates, sex- males; years 15-64; education (levels 0-2)

| Geo/time | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------|------|------|------|------|------|------|------|------|------|------|
| European | 57.6 | 54.7 | 53.4 | 53.3 | 52.0 | 51.1 | 50.5 | 51.2 | 52.2 | 53.3 |
| Bulgaria | 38.6 | 38.2 | 34.5 | 31.6 | 31.2 | 31.7 | 34.3 | 34.6 | 35.4 | 40.1 |

Source: Eurostat database

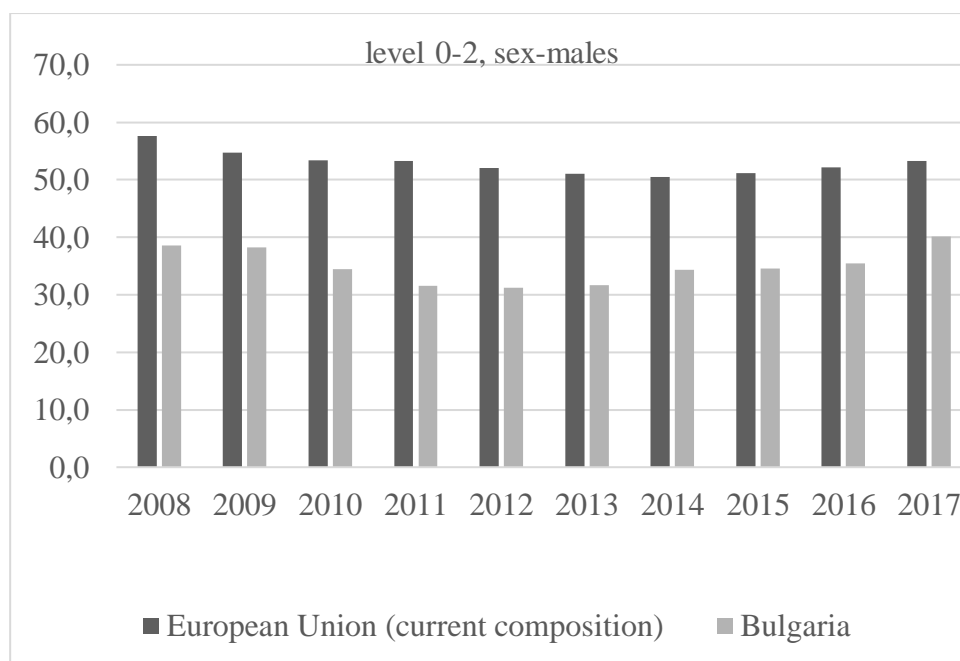


Fig. 2. Employment rates, sex-males; years 15-64; education (levels 0-2)

Table 2 shows that the employment of men with basic and lower education in both Bulgaria and the EU is higher than the total employment date of Table 1 and Figure 1. The reason for this higher employment is the fact that in the labour markets, men have greater opportunities for legal work, especially in the manufacturing and construction sectors, which are one of the largest industrial sectors for each country. For the most part of workers in both sectors, no specific knowledge and skills are required.

Table 3.

Employment rates, sex-females ; years 15-64; education (levels 0-2)

| Geo/time | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------|------|------|------|------|------|------|------|------|------|------|
| European | 38.6 | 37.6 | 37.0 | 37.3 | 36.9 | 36.3 | 36.0 | 36.0 | 36.5 | 37.2 |
| Bulgaria | 27.2 | 26.4 | 24.8 | 23.2 | 23.6 | 23.7 | 24.8 | 24.2 | 23.4 | 26.2 |

Source: Eurostat database

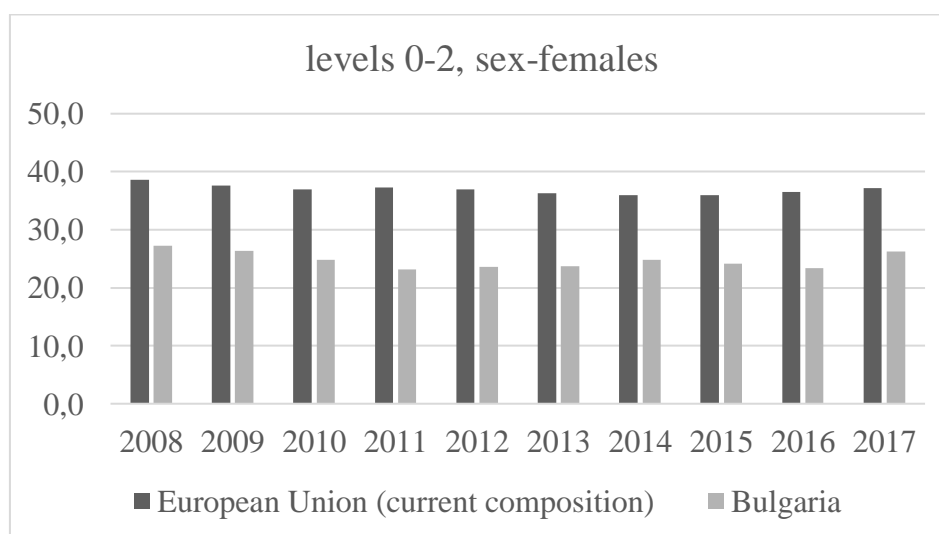


Fig. 3. Employment rates, sex-females; years 15-64; education (levels 0-2)

Table 3 and the related figure show the employment of women with basic and lower education for the EU and Bulgaria. Compared to men, the percentage of women participating in the labor market is lower. The main reason for this is that less educated women have a much lesser chance of career development. Many of them drop from the education system, due to childbirth and child raising. For many women, in a subsequent period labour market integration is very difficult, and they belong to "discouraged persons", preferring to devote themselves to the family.

Table 4.

Employment rates, sex-total; years 15-64; education (levels 3-4)

| Geo/time | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------|------|------|------|------|------|------|------|------|------|------|
| European | 70.4 | 68.8 | 68.3 | 68.3 | 68.0 | 67.7 | 68.4 | 69.0 | 69.9 | 70.9 |
| Bulgaria | 72.7 | 70.0 | 65.3 | 63.5 | 63.4 | 63.6 | 65.2 | 67.2 | 67.8 | 71.7 |

Source: Eurostat database

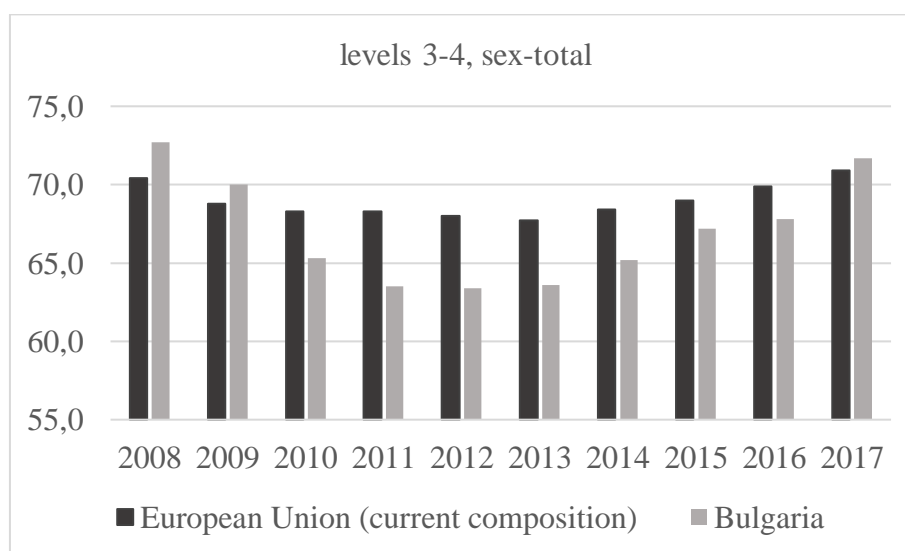


Fig. 4. Employment rates, sex-total; years 15-64; education (levels 3-4)

The overall employment rate for men and women with secondary education in the EU and Bulgaria is approximately the same for all the years surveyed. The employment rate is over 60%. The employed persons with secondary education have a higher percentage, compared to those with completed basic and lower education. The reason for the higher employment rate for people with completed secondary education is that they have the opportunity for better paid legal employment, compared to those with basic and lower education. Many of them continue their professional development through education and training courses and programmes. In some cases, at a later stage, people also graduate in higher education.

Table 5.

Employment rates, sex-males; years 15-64; education (levels 3-4)

| Geo/time | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------|------|------|------|------|------|------|------|------|------|------|
| European | 76.8 | 74.6 | 74.1 | 74.0 | 73.7 | 73.3 | 73.9 | 74.5 | 75.5 | 76.4 |
| Bulgaria | 78.1 | 74.7 | 70.0 | 67.4 | 66.9 | 67.2 | 69.1 | 71.5 | 72.3 | 76.2 |

Source: Eurostat database

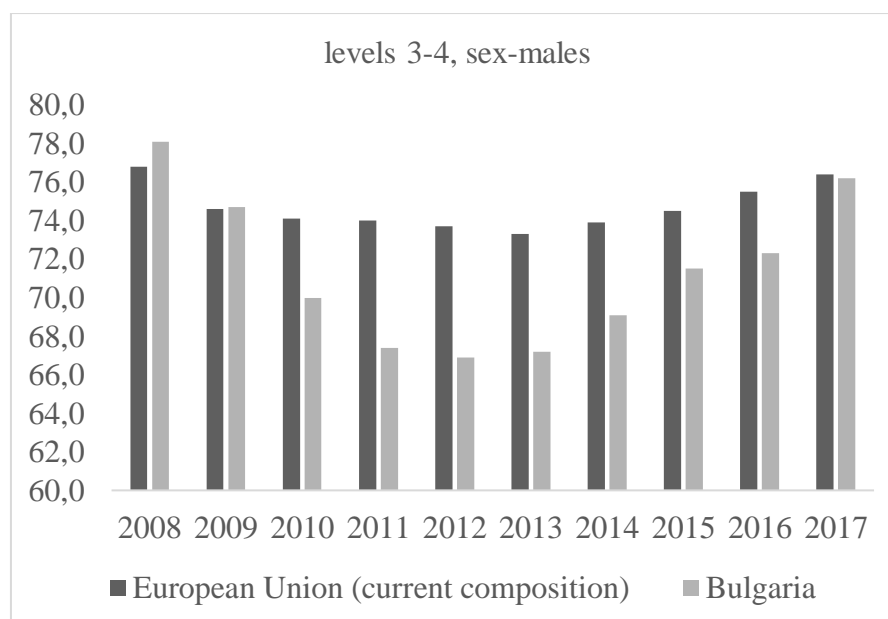


Fig. 5. Employment rates, sex-males; years 15-64; education (levels 3-4)

Table 5 and Figure 5 show the employment of the male population with levels of education (3-4). For the EU and for Bulgaria, men on the labour market account for over 65% of the total population with the same level of education. The male employment rate of people with secondary education is higher for both the EU and Bulgaria, compared to the employment of men with basic and lower education. The fact is that graduating from secondary education allows men to work in legal organizations, enabling them to grow and improve themselves in the working process.

Table 6.

Employment rates, sex-females; years 15-64; education (levels 3-4)

| Geo/time | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------|------|------|------|------|------|------|------|------|------|------|
| European | 63.6 | 62.8 | 62.3 | 62.2 | 62.0 | 61.9 | 62.6 | 63.2 | 64.1 | 65.0 |
| Bulgaria | 66.7 | 64.6 | 59.7 | 59.0 | 59.2 | 59.2 | 60.3 | 61.9 | 62.3 | 66.1 |

Source: Eurostat database

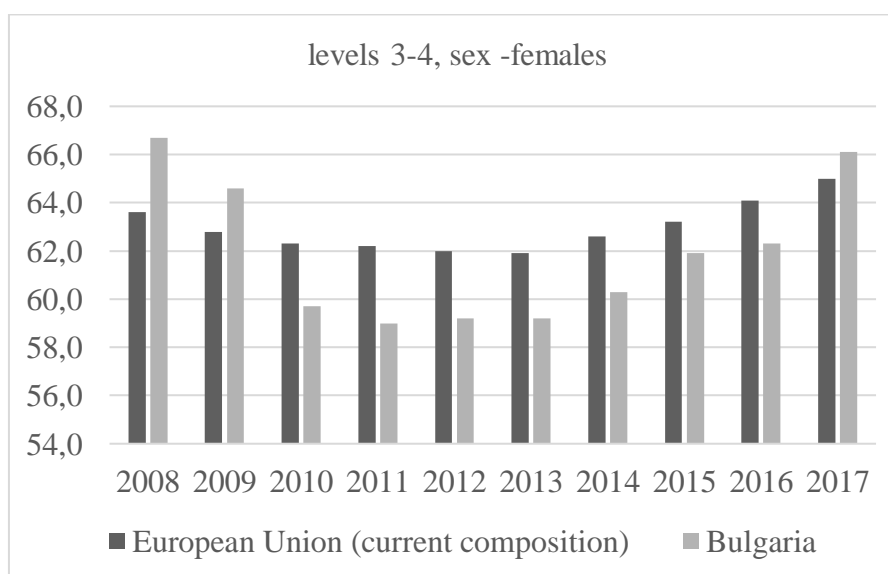


Fig. 6. Employment rates, sex-females; years 15-64; education (levels 3-4)

The employment rate for women with completed secondary education is higher than the employment rate of women with basic and lower education. This is because women with higher education have the desire and opportunity to develop their labour skills for more prestigious and well-paid work. The employment rate of women, compared to men, for Bulgaria and for Europe is lower. One of the reasons, as well as for those with low education, is the greater economic opportunity to find employment in the male professions.

Table 7

Employment rate, sex-total; years 15-64; education (levels 5-8),

| Geo/time | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------|------|------|------|------|------|------|------|------|------|------|
| European | 83.7 | 82.8 | 82.3 | 82.0 | 81.8 | 81.7 | 82.0 | 82.7 | 83.4 | 84.0 |
| Bulgaria | 86.1 | 85.5 | 82.7 | 81.2 | 81.1 | 80.7 | 81.7 | 84.0 | 84.2 | 85.5 |

Source: Eurostat database

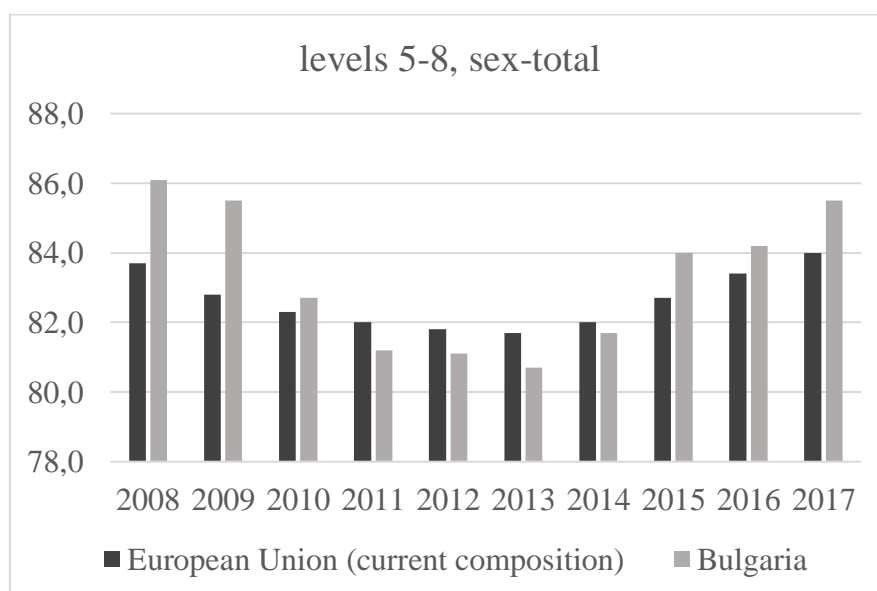


Fig. 7. *Employment rates, sex-total; years 15-64; education (levels 5-8)*

The employment of the population with the highest level of education (5-8) for the EU and Bulgaria is almost the same. For Bulgaria, the employment rate of persons with higher education is slightly higher than in the EU. The percentage of the population with higher education, compared to primary and secondary education and for the EU and Bulgaria is the highest, about 85%. One reason for high employment is that these people prefer to work outside the gray economy. They integrate well into the labour markets and they have career growth.

Table 8.

Employment rate, sex-males; years 15-64; education (levels 5-8),

| Geo/time | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------|------|------|------|------|------|------|------|------|------|------|
| European | 87.4 | 86.3 | 85.8 | 85.7 | 85.6 | 85.4 | 85.7 | 86.4 | 87.1 | 87.7 |
| Bulgaria | 89.8 | 89.6 | 85.3 | 83.1 | 82.9 | 83.1 | 84.5 | 86.7 | 86.6 | 87.9 |

Source: Eurostat database

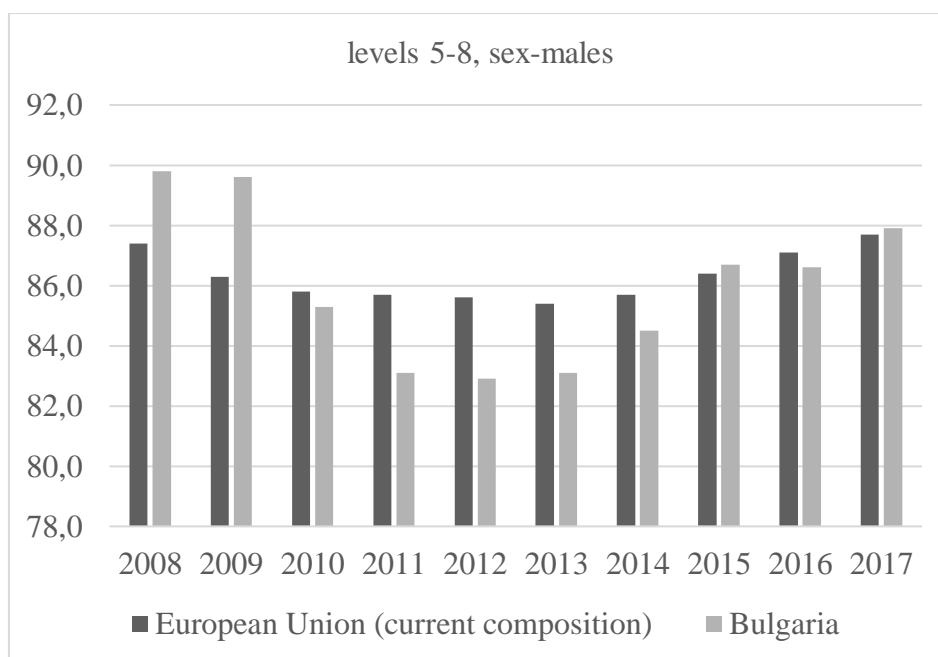


Fig. 8. Employment rates, sex-males; years 15-64; education (levels 5-8)

In table 8 it is noted that employment of the male population with education levels (5-8) for the EU and for Bulgaria is between 80-90%. Men with a high level of education have a greater opportunity for high posts and well-paid employment. They have enough time and opportunities to improve their working skills. They do not have to break away from the labour markets and devote themselves to the family. There is, of course, a possibility for fathers to raise children, but they are exceptions.

Table 9.

Employment rate, sex-females; years 15-64; education (levels 5-8),

| Geo/time | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------|------|------|------|------|------|------|------|------|------|------|
| European | 80.3 | 79.6 | 79.1 | 78.7 | 78.4 | 78.4 | 78.8 | 79.4 | 80.2 | 80.7 |
| Bulgaria | 83.7 | 82.9 | 81.1 | 80.0 | 80.0 | 79.1 | 79.9 | 82.3 | 82.6 | 83.9 |

Source: Eurostat database

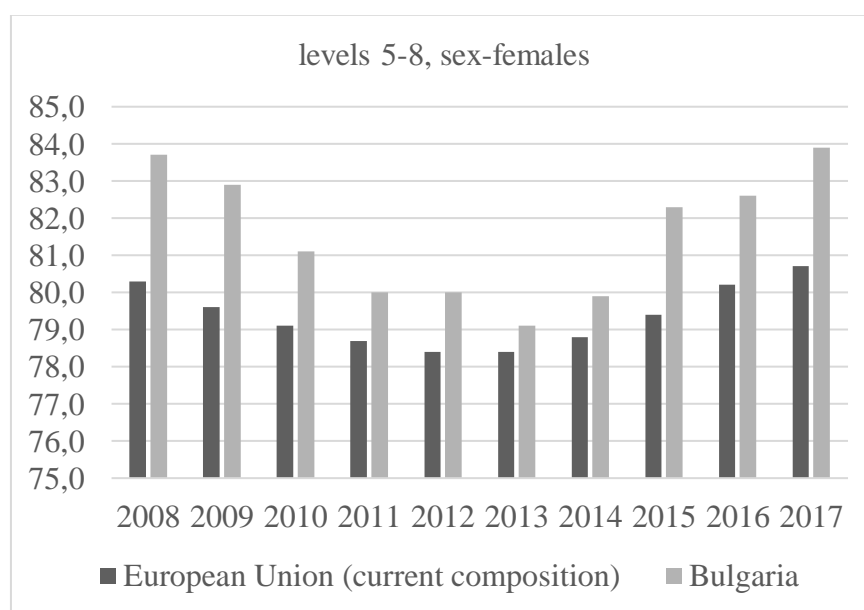


Fig. 9. Employment rates, sex-females; years 15-64; education (levels 5-8)

The employment rate of women with higher education is between 75-85% for the EU and Bulgaria, with women employed in Bulgaria being slightly higher than the female workforce in the EU. It is noticeable that in higher education, again, the number of employed men is greater.

Tabl. 10 Average % on level of education by the total population of the same age group and with the same educational attainment levels (0-2), (3-4), (5-8), Bulgarian/EC, 2008-2017

| GEO/LEVELS EDUCATION AVERAGE% | LEVELS (0-2) | LEVELS (3-4) | LEVELS (5-8) |
|--------------------------------------|---------------------|---------------------|---------------------|
| BULGARIA | 29.99% | 67.0% | 83.27% |
| EC | 44.93% | 69.0% | 82.64% |

The conclusion from the presented graphic-tabular data is that the higher level of education of individuals in one country, provide the greater employment rate of the population. We have proved the fact that higher education has more benefits for both the individual and society as a whole. We can say that more educated people have a higher level of employment and are much less likely to fall into unemployment. The relationship is clear that in less educated people the risk of unemployment increases. At the same time, low education or lack of education reduces the chance of finding legal work. Usually, these people are subjected to a certain degree of discrimination, depriving themselves of the possibility of equal protection of their interests in the form of contractual relations, protection of their rights. Often, they tend and accept work in the darkest sectors of the economy, in which employment is completely illegal. This is one of the reasons for the low employment rate among those with a level of education (0-2). For the EU and for Bulgaria are below 50%, and the workers with high education are over 80%, almost twice as much for Bulgaria and for the EU.

The second conclusion, which we can point out from the study, is the lower employment rate for women, compared to men at all levels of education. Despite the significant progress made by the EU, in the last 50 years, in terms of promoting gender equality and eliminating all forms of discrimination in society and in the labour market, there are still differences in the level of employment for men and women, as proved by the present study.

The main reasons, as indicated above, relate to the women's withdrawal of the economic life for a long time period, for the purpose of childbirth and raising children. In today's dynamically changing time, it is very difficult to return to the labour market after a certain absence. The lost labour years of a woman, besides the loss of professional development, hide other negatives, namely less work experience, lower social security rights, greater adaptation efforts after the period of absence.

According to Eurostat data, unemployment is greater among women. Almost one third of women in the EU work part-time to be able to devote time to their families. Statistics show that women with higher education have a higher percentage than men, but men take higher positions and take around 16% higher wages than women.⁵

From this research, it is possible to indicate some negatives in terms of human capital and to outline some recommendations for its positive development.

⁵ <https://ec.europa.eu/eurostat/documents/2995521/8319991/1-18102017-BP-EN.pdf>

4. The modern age and the negative impact on human capital in Bulgaria.

- The employment rate of people with low education is very small. Most of these people are employed in the shadow economy. Many people work without requiring social security or formally receiving a minimum wage to avoid paying social security contributions and taxes, which leads to public finance negatives.
- A serious problem are illegal immigrants residing in the country, who are also not part of the labour force and work illegally.
- The informal economy is damaging the state for tax evasion. It happens that the state is trying to compensate for this by further raising the legal economy, which is a burden for those who work legally. Especially for small and medium business.
- Persons in the informal economy are outside the labour market and cannot be registered and included in training courses and integrated into labour markets.
- Eurostat shows that women in the EU are better educated, but still have lower employment and pay. They are less experienced and have greater difficulties in finding work, despite the protective legal and institutional documents and measures related to gender equality at European and national level.
- Part of employers are reserved when they have to hire a young woman to work. The main reason is that, at some stage, she will either go on for maternity leave or will be often absent from her workplace because of the raising of children. Although many efforts have been made in the direction of equality between men and women, this research has concluded that the existing stereotype on the role of women in economic and social life has not yet been overcome.

5. Measures and recommendations for improving the quality of human capital

- Administrative cooperation between member states needs to be more effective in order to prevent undeclared work. For those with low education, who are the most vulnerable group of social exclusion, there should be applied proactive relevant labour policies in order to be successfully integrated into labour markets.

- It is necessary to stimulate high education and human capital development to compensate for the large number of persons in retirement age. The younger generations are increasingly smaller. "The aging will exert a strong pressure on the labour market in the direction of restructuring and take measures to adapt it to absorb the working population in the above mentioned age groups."⁶ (Choutilova-Yochkolovska, K., 2008, pp. 197).

- The dynamically evolving processes of globalisation and integration in the field of economy, continues to be accompanied by poverty, unemployment and deep gaps between rich and poor. A prerequisite for poverty and inequality is the emerging major difference in the quality of human capital. We have in mind the differences between the literate and illiterate population, which leads to deepening of inequalities. Many people without education work for very low wages, they are called "poor working". It is necessary to prevent people from dropping out of the education system at an early stage. A prerequisite for better employment and economic prosperity is the completion of secondary education.

- Better- built working conditions in the companies are a prerequisite for better work results. Investing in health and safety conditions at work in a company is a necessity. "Maintaining workers' health has a direct and measurable positive impact on

⁶ Choutilova-Yochkolovska, K., (2008), „Evropejskiat socialen model – kak da go razbirame?“, sbornik dokladi ot Shestata nachna konferencija na mladite nauchni rabotnici s mejdunarodno uchastie „Bulgaria v Evropejskata ikonomika“, „Universitetsko Stopanstvo“, Sofia, pp. 197

labour productivity and contributes to improving sustainability for social security".⁷ (Apostolov, V., 2014, pp. 55).

- This study shows that the higher the education of women, the smaller the employment gap between them and men is. In this connection, it is necessary to take measures to prevent women from early leaving of the education system due to pregnancy and childbirth. Training courses aimed at healthy sexual culture are needed. It is important to build a living values system focused on education and personal development at an early age.

- It is important to build flexible forms of work, especially for women, so that they can successfully combine work and private life. Ensuring appropriate social and work programmes for an easier and smoother adaptive period of return to the working environment after maternity is a necessity that would bring positive economic results.

Conclusion

Nowadays, human capital is seen as a key factor for competitiveness not only at the level of companies but also nationally and internationally. We need increasingly educated and trained people to meet the challenges of a dynamic and uncertain future with serious social problems such as unemployment, social exclusion and poverty. Now, it should also be considered that there is a problem of aging of the population in Europe, which is particularly acute for Bulgaria and which inevitably leads to deficits in the labour market and thus to the self-restricting of the economy competitiveness. In these terms, it is necessary to seek approaches of "updating knowledge and skills and providing flexible employment opportunities for the elderly, shifting the psychological attitudes of employers and society as a whole towards reevaluating the working, intellectual and spiritual potential of the adult population in Bulgaria".⁸ (Choutilova-Yochkolovska, K., 2008, pp. 200). Our country's efforts for economic and social development need to be adapted to the new trends and processes of global and European development, to growing competition, and also to achieving a full integration towards the European social model. Globalisation, new professions and flexible forms for the realization of labour markets make permanent learning a necessity. If a person wants to be competitive and good at a profession, it is necessary to obtain new knowledge and skills. The mindset of learning is not only part of a professional characteristic; it is a necessity for the person to be successful in a knowledge-based world. We live in the era of innovations and new technology is a prerequisite for the success of society to invest resources and efforts in educating and developing human capital with the aim of "building and maintaining a highly educated intellectual resource, capable of dealing with the high objective needs of society, providing opportunities for their satisfaction"⁹ (Choutilova-Yochkolovska, K., 2008, pp. 194).

As Albert Einstein said: "Education is what remains after everything else is forgotten."

⁷ Apostolov, V., (2014), „Strategicheski tseli na Evropejskia sajuz v oblastta na zdravoslovnite i bezopasni uslovia na trud“, „Panorama na truda“, br.9-10, pp.55

⁸ Choutilova-Yochkolovska, K., (2008), „Evropejskiat socialen model – kak da go razbirame?“, sbornik dokladi ot Shestata nauchna konferencia na mladite nauchni rabotnici s mejdunarodno uchastie „Bulgaria v Evropejskata ikonomika“, „Universitetsko Stopanstvo“, Sofia, pp. 200

⁹ Choutilova-Yochkolovska, K., 2008, „Evropejskiat socialen model – kak da go razbirame?“, sbornik dokladi ot Shestata nauchna konferencia na mladite nauchni rabotnici s mejdunarodno uchastie „Bulgaria v Evropejskata ikonomika“, „Universitetsko Stopanstvo“, Sofia, pp. 194

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