



## HUMAN CAPITAL IS A CORE VALUE DIGITAL ECONOMY

**Sherzod Dekhkanov**

PhD in Economical Sciences, Lecturer, Department of Management, Fergana Polytechnic Institute, Fergana, Uzbekistan

E-mail: [sh.dekhkanov@ferpi.uz](mailto:sh.dekhkanov@ferpi.uz)

Article history:	Abstract:
<p><b>Received:</b> 10<sup>th</sup> October 2022  <b>Accepted:</b> 10<sup>th</sup> November 2022  <b>Published:</b> 20<sup>th</sup> December 2022</p>	<p>This article reveals the formation of the spread and development of human capital, its cardinal transformation, which are necessary both for participation in the creation and dissemination of digital technologies, and for their use in the business process in the digital world of knowledge, skills and determining factors of production, entrepreneurship and employment. The article substantiates and recommends the competence model and its indicators in the Fergana region.</p>
<p><b>Keywords:</b> digital technologies, digital transformation, digital literacy, digital competence, digital consumption, digital security, digital communication, competence model, formation, human capital, project implementation.</p>	

### INTRODUCTION

Usually human capital is taken to mean abilities, knowledge, skills, and mastered competencies, which together determine the economic productivity of a person (human labor activity is measured in money, a person is seen as an economic resource).

Today, advanced technologies in the field of digitalization and the industrial revolution contribute to the formation of human capital of a fundamentally new quality. As we know, the classical approach to human capital highlights two key components: special and general skills. Until now, special human capital was considered the most valuable, and general was assigned a spatial importance. In the digital economy, however, these roles are changing. It is general skills and literacy (competence) such as strategic thinking, emotional intelligence, adaptability, creativity, the ability to work under uncertainty, the ability to constantly retrain [1].

### METHODOLOGY

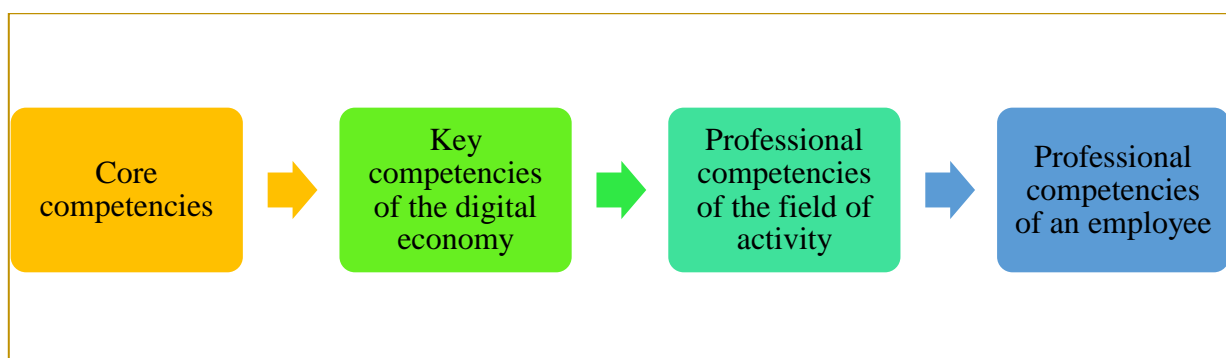
The implementation of digital technologies in the digital economy generates demand for specialists with

specialized digital competencies, a comprehensive understanding of the field of activity, and knowledge and experience in related fields. The active development of ICT, on the one hand, leads to a reduction of jobs and an increase in wage inequality, and, on the other hand, makes it possible to create fundamentally new in-demand and well-paid professions.

The competence of human capital will be determined by the ability and readiness to work effectively and efficiently in various socially significant situations on the basis of used key competencies [2].

It is necessary to provide purposeful training to form a systematic set of competencies that will later serve to solve various tasks in the chosen professional field.

A distinction is made between basic, key and professional competencies. Competencies that are applied throughout a person's life in all spheres of his/her activities are considered to be basic competencies. Professional competencies include creative thinking, continuous self-development, and productive activities. The interrelation of competencies (Fig.1) determines their systematicness



**Fig.1. Scheme of interconnection of competencies in the system of digital economy competencies.**



The analysis of national approaches to the establishment of competences showed that different degrees of detail are allowed based on the tasks of social development.

In Finland, competences are grouped into 4 groups:

1. Ways of thinking, critical thinking, problem solving, decision making;
2. Learning skills;
3. Ability to work and ability to work in a team, tools for work, information literacy;
4. Skills for everyday life: civic literacy, skills for life and career, professional and social responsibility, cultural awareness and competence.

Canada distinguishes between 6 groups of core competencies:

- 1) Critical thinking;
- 2) Creativity, innovation, entrepreneurship;
- 3) Communication;
- 4) Cooperation; 4;
- 5) Character education;
- 6) Civic literacy (the ability to act in fluid and ambiguous circumstances).

The Republic of Korea has developed "cross-cutting competencies for the 21st century. They are six: 1) self-management, 2) knowledge and information management, 3) creative thinking, 4) aesthetics and emotionality, 5) communication, and 6) civic literacy.

The Russian Atlas of New Professions has been developed in Russia, where 11 supraprofessional skills are highlighted:

- 1) Ecological thinking;
- 2) Project management;
- 3) Systems thinking;
- 4) Work with people;
- 5) Work under uncertainty;
- 6) Programming/robotics/artificial intelligence;
- 7) Artistic creativity skills;
- 8) Multilingualism and multiculturalism;
- 9) Interdisciplinary communication;
- 10) Customer-oriented;
- 11) Lean production.

The system of key competences of the European Union is the most interesting from the international experience. According to it 4 qualification levels were developed, each of which has two sublevels:

1. basic level:

- performance of certain operations in a particular competence area under the guidance of a specialist;
- independent performance of certain operations in a specific area of competence and involvement of a specialist if necessary.

2. Intermediate level:

- independently performing certain operations in a specific area of competence and solving emerging problems;
- independent execution of certain operations in a certain competence area according to one's own needs and solving both clearly defined and non-standard tasks for this purpose

3. Advanced Level:

- Guiding others in performing certain operations, demonstrating the capabilities of various technologies, and suggesting different ways to solve problems;
- Performing certain operations in the particular field of competence according to one's own needs and the needs of others, in complex circumstances.

4. Highly specialized level:

- Determining ways to solve complex problems in a specific competency area under limited information, self-development, and making one's own contribution to professional activities;
- Solving complex multi-factor problems in a specific area of competence, finding opportunities for self-development, proposing new ideas and processes.

Based on an appropriate set of basic competencies, a system of key digital competencies is formed, extending to the digital economy.

## RESULTS AND DISCUSSION

We can consider the main value of improving the quality of human capital to be not just an increase in the volume of knowledge, but the acquisition of specific experience of activity. Digital competences are a system of knowledge, skills, experience, abilities, which are required when using information and communication.

Digital competencies are one of the main priorities for the development of basic and specialized skills. Mastering digital competencies facilitates tasks in media and digital environments, media literacy expands opportunities for communication, communication, collaboration, and collaborative problem solving. Effective, systematic accumulation of knowledge as well as critical, professional and flexible thinking are very valuable.

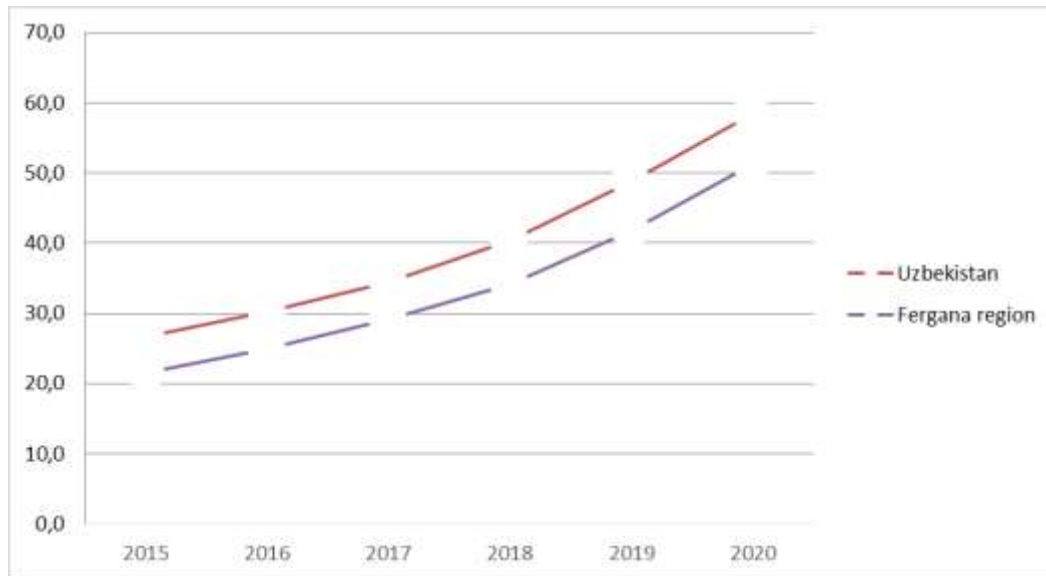
Digital competencies extend to the sphere of digital content creation, including information security software, digital well-being and competence.

According to our study, in 2020, the proportion of households connected to the Internet in Uzbekistan is 58.4% (in Fergana region this figure was 51.2%), which is 9.6% more than in 2019 (Fig. 1). In this regard, the problem of digital literacy of the population, both to the professional sphere and at the user level, is acute [4].



It is known that digital literacy is determined, on the contrary, by the knowledge and skills that are necessary for the effective use of digital technologies

and resources of the Internet. Digital literacy of the population is formed from digital consumption, digital competencies and digital security [1].



**Fig. 2. Share of households connected to the Internet in Fergana region compared to the whole territory of the Republic of Uzbekistan.**

Human digital literacy, i.e. the ability of a person to adapt to the demands of the time on whether he will be able to find the necessary data, transfer them, use the opportunities that digital multimedia provide in the conditions of colossal volumes of information.

With the digitalization of the economy, knowledge is subject to depreciation, the more intensively some information is used in production, more and more is counted in the cost of each unit of production goods. Apparently for this reason, many people and even whole countries were not ready for the realities of the digital economy.

Currently in Uzbekistan there is a high demand for the use of foreign technology, caused by the low quality of equipment. First, the lack of highly qualified specialists, the competition between countries for a place in the knowledge economy is constantly intensifying. Uzbekistan has not been particularly successful in this field. The country is in a transition phase between a resource economy and a knowledge economy. Secondly, there is low automation of production. By the way, in the next 10-15 years, up to 50% of work operations in the world will be automated. Third, in the new "digital" society, citizenship will be replaced by compulsory identification on government and banking resources on the Internet. All human activity should switch exclusively to an electronic format and paper documents will be decisively excluded. Fourthly, the low level of wages contributes to the outflow of highly skilled personnel in

foreign companies, reducing the competitiveness of the economy in the world market and slowing down innovation development in all spheres of activity. Fifth, the high level of monopoly and bureaucracy digital economy breaks the usual models of industrial markets. In a general sense, digitalization is the application of new methods of generating, processing, storage and transmission of data, as well as digital computer technology in the economic activity of society [4].

In our opinion, the new quality of human capital is manifested in its competence, which is the accumulation of additional skills that provide life and professional formation in the digital environment.

The national program of Uzbekistan 2020-2023 plans to graduate 1 million Uzbek programmers-engineers for the digital economy. Based on this program, 30 mono-centres for education and training of programmers-engineers have been organized for Fergana region in rural areas. Also, 50 thousand information specialists and qualified personnel will be attracted to work in the ICT sphere as well as 10 thousand gifted young men will be mobilized in mathematics and physics to be trained for state grants for studying abroad. Here, specialists in Web programming and computer science will also be retrained. In addition, 1 million people will be trained online to improve digital literacy and competence.



## **CONCLUSION**

Human capital is one of the most powerful drivers of economic development in general, and in the realities of a digitized world, it becomes even more important. Successful digital transformation in the country is now impossible to imagine without the necessary computer skills within society. That is why Uzbekistan pays great attention to programs to create digital human capital as a result of a system of programs, which certainly contributes to bringing the economy of the Republic to a new level.

## **REFERENCES**

1. Zelenov A.V. (2020). Management of Human Capital Development in the Digital Economy. *Kursk*. pp.7-13.
2. Smironov V.T. (2005). Human capital: content and types, assessment and stimulation. *Orel GTU*. pp.510-513.
3. Yakimchuk S.V. (2015). Development of human capital: regional aspect. *Kiev*. pp.20-23.
4. Butaboev M.T., Mulaydinov F. (2021). Digital Economy. *Textbook Tashkent*. pp.76-91.