

The Study on the Effect of Human Capital Education Investment on Economic Growth

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Keywords: Human Capital, Investment, Economic growth

Abstract. In view of the promotion of human capital to economic growth, this paper analyzes the investment promotion of human capital education to economic growth from the angle of human capital education investment (focusing on education expenditure), and puts forward the promotion effect of human capital investment on economic growth. Then it gets the corresponding policy recommendations.

Introduction

There are various reasons for the rapid growth of the domestic economy, but the reason is that, like most developed countries in the world, one of the important reasons is that the investment in human capital education has always been valued. Human capital, as one of the many factors of economic growth, has changed from simple "labor" input into a more complex source of economic growth. In the end, human capital investment has become an important way to develop human capital, but also promoting economic growth is an important prerequisite. How to make the simple "labor" in the past becomes an important driving force of modern economic growth, "human capital" has become an important choice for countries to compete. However, as an important part of human capital investment, education investment determines human capital formation and development.

The Effect of Human Capital Education Investment on Domestic Economic Growth

As one of the important factors to promote the sustained growth of the national economy, human capital is the leading force in the accumulation and creation of physical capital, the development and utilization of natural resources, the promotion and development of the national economy and the promotion of social change.

The continuous investment and accumulation of human capital has promoted the rapid economic growth. The characteristics of human capital elements and knowledge have a huge role in promoting effects on economic growth. First, human capital, which is a basic element of social production inputs, is bound to get the proceeds or output. Second, human capital has the material capital and does not have characteristics, which is knowledge effect. In theory, the knowledge effect of human capital includes three aspects: the demand effect, the income effect and the substitution effect of knowledge progress.

Human capital accumulation can improve the marginal productivity of labor. With the accumulation of human capital in a country or region, its stock will be more and larger. For example, workers have a higher level of knowledge and labor skills, the country or the higher the quality of labor force.

Human capital development can promote the adjustment of economic industrial structure. Human capital is the important factor to promote the change of industrial structure of economy. It is precisely because of the rapid development of human capital (the level of science and technology and the quality of laborers) that the high-tech industry gradually occupies the new century and the whole economic system. At the same time, it is increasing proportion of the structure between the various industries which has undergone important changes.

In addition to the economic growth rate and industrial structure, the promotion of human capital education investment on domestic economic growth is also manifested in the following two aspects:

First, in order to achieve sustainable economic growth, the development of human capital can promote the transformation of economic growth mode from extensive to intensive. Traditionally, due to the constraints of subjective and objective conditions, human capital has not been taken seriously, such as people only blindly by increasing production factors into this way to expand the reproduction. Nowadays, people pay more and more attention to the role of human capital in economic growth, and notice that human capital can partly replace other factors and get more benefits. Therefore, with the development of human capital, people have gradually shifted the economic growth mode from extensive (such as labor-intensive, resource-intensive, capital-intensive, etc.) to intensive (such as technology-intensive) A sustainable, strong growth path. Second, the development of human capital makes the concept of people to be updated and improve their awareness and spiritual quality, economic growth provides intellectual support and spiritual power. First of all, people's ideas and moral quality improvement is to update the economic revitalization and social progress of the pilot. The renewal of ideology and change of behavior mode is based on the improvement of human's scientific and cultural quality and ideological and moral quality. Therefore, the development of education improves the quality of workers, science and technology, increases human capital accumulation, has become an indispensable part of economic development and social progress. Secondly, the formation of market conception and competition consciousness, and the improvement of national cultural quality are the necessary conditions to start modern economic growth. Only by continuously improving the cognitive ability, continuous innovation and timely capture market opportunities make personal and national profit, economic growth and provide intellectual support and spiritual power.

Countermeasures and Suggestions

Through the above analysis of human capital investment in education on domestic economic growth analysis, the domestic human capital education investment itself, such as human capital education investment is unreasonable and the resulting human capital allocation disorder and utilization rate is not high problem.

It should take the following measures and recommendations to solve he above problems and give full play to human capital education investment to promote the domestic economic growth.

First of all, it is on the basis of increasing the total investment in human capital education, efforts should be made to allocate education costs in a matching proportion such as basic education, vocational education, adult education and higher education to make the educational structure more reasonable. The resulting human capital can adapt to the actual needs of economic growth.

Second, the pursuit of human capital in education investment is diversification strategy. Investment in human capital investment education is generally divided into countries, organizations and individuals. For each subject, human capital education investment objectives are different at different times; for the country, its goal is improving the overall quality of all workers, creating all types of talent and optimizing human capital. For the organization, the investment goal is to improve the operational capacity of the members of the organization, to cultivate their professionalism and professional ethics, to optimize the internal organization of the organization's internal and external resources, and to improve the overall structure of the whole society on the use of human capital income, ultimately achieve sound and rapid economic development; thereby, human capital allocation enhances the use of the unit of human capital gains. For individuals, the goal of self-education investment is to be able to self-development of the potential advantages and to improve adaptability, in order to achieve their own value pursuit.

Third, for human capital education investment, it should establish and improve the relevant system to ensure that human capital can fully play its role in economic growth. In order to promote the standardization of human capital formation, on the one hand, institutional construction should abolish some of the current apparent disadvantage of human capital formation and utilization of the system; the other hand, it continue the system innovation. At present, the domestic is in the initial stage of the innovation and reconstruction of human capital system, the latter will be the focus, which not only

can remove the inappropriate system constraints, but also clear the obstacles for the introduction of the new system, the effect will be more obvious. Such as the current system of restricting the flow of talent, the system of low efficiency, these systems have limited the effective form and use of human capital, and social development of incompatible, timely reform is far more than disadvantages. In addition, we must study and learn from other countries to promote the successful experience of human capital formation.

Therefore, the state to complete the system of innovation need to pay a heavy price, while other countries, especially in developed countries, many of the human capital formation system worth learning, such as the education system, pre-job training system, etc., although it cannot be copied but given a lot of useful experience and inspiration, to avoid the system design and choice of detours at a lower cost to achieve their own system construction. For example, by deepening the reform of the educational system and strictly implementing the compulsory education system, the post training system and the continuing education system, the state and local governments should support such systems in terms of finance, taxation, land allocation and registration, and establish corresponding of the reward and punishment system. To ensure the improvement of the scientific and technological quality of the laborers from the improvement of the educational level, we should establish a multi-level and perfect education system to ensure the effective improvement of the quality of the people and finally realize the greater role of human capital in economic growth.

Conclusion

How to maintain human capital to promote domestic economic growth, keep up with the pace of economic development, and strive to do a good job in human capital investment in education, it has become the current and future investment in human capital important issues and is necessary to specific understanding human capital to promote the role of economic growth under the premise of a favorable response to deal with and resolve.

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