

HEALTH AS A COMPONENT OF HUMAN CAPITAL

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Abstract

Scientific literature describes human capital with a focus on its positive impact on various areas of life. The greatest attention is paid on the analysis of the relationships between human capital development and economic growth. Human capital is related to the growth of the country's economy, higher productivity level, positive results of organization performance and other benefits of higher stock of human capital. Skills, knowledge, experience are components of human capital that are frequently mentioned by defining human capital. However, health as a component of human capital is mentioned much less often.

Purpose – this research aims to analyze the concept of human capital highlighting the importance of health as the component of human capital.

Design/methodology/approach – this paper is based on the comparative and systematic literature review. Considering of different approaches of the human capital concept authors starts analysis with a presentation of human capital definition, which allow to identify human capital components that are mostly described in relation with human capital. In the second part author presents the relationships between health and human capital and highlights the importance of health improvements. The last part is devoted to discussing the development of human capital, emphasizing that health investments are relevant to the development of this capital form.

Findings – scientific literature defines human capital in different ways. Some of the authors defines human capital with an emphasize to its micro economical and macro-economic impact. According to Lee, Ihm, Ryu (2017) human capital is non-tradable asset that is important for economic decisions that are made by individuals and for an aggregate economy. Human capital is also defined by highlighting its constituent components. Based on Juščius, Adaškevičiūtė (2010) human capital could be defined as asset of internal resources that builds and adds value to the organization and such resources include knowledge, skills, experience, motivation and health. Comparative

analysis shows that relations between health and human capital are identified differently. In some ways health is identified as a human capital (Becker, 2007) or its domain, (Villa, 2017). Results of the analysis shows that components of human capital are closely related. According to Villa (2017) health is important to production of other human capital domains as some cognitive skills. Human capital is developed in different ways however health investments could positively influence the stock of human capital and the improvements of other human capital components.

Research limitations/implications – this work is a review of existing literature, which allows to analyse issues of human capital more deeply however a detailed statistical analysis is necessary.

Practical implications – The results of this analysis in particular, will stimulate deeper scientific discussions on importance of health improvements as a basis for human capital development. Also, it will encourage to draw attention to the importance of health development at the individual, organization and country-wide level.

Originality/Value – literature reviewed performed by author structures information, that allow to make comparison of different viewpoints and providing new insights into the analysed topic.

Keywords: health, health capital, human capital, components of human capital.

Research type: literature review.

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