

1 On Human Capital

- Critical Notes

RESEARCH PAPER

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Abstract

These notes present an attempt to clarify the relevance of the human capital concept in labour economics and theories of economic growth. The characteristics of human capital are compared with those of the “owned” capital while the aspects of market behaviour of individuals, households and firms concerning the acquiring of productive skills are discussed. The process of acquiring productive skills has all the characteristics of investments including the problems of financing, measurement of inputs and outputs, and of rational choice among available possibilities. The role of human capital in economic development is explained and the influence of disposable human capital on international trade and movements of productive factors considered.

Keywords: human capital, economic growth, international trade

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