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THE IMPACT OF HUMAN CAPITAL AND EDUCATION ON REGIONAL ECONOMIC GROWTH

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ABSTRACT

With the accelerating economic globalization, human capital with education as the core, especially higher education, has become the key to the country's economic innovation and transformation. However, there is still no unanimous conclusion on whether the role played by the academic community in fully exerting human capital can eliminate or narrow the gap between the levels of economic development in different regions of our country. Based on the theoretical analysis of the relationship between human capital, educational level and regional economic growth, many scholars choose typical regional data for empirical analysis to explore existing research deficiencies. Quantitative evidence and theoretical complementarity complement each other to further enhance the value of human capital, to play its due role, but also help to implement the "talent priority" development strategy, build a competitive talent system..

KEYWORDS

Human capital, education, regional economic growth, countermeasures

1. INTRODUCTION

As the concept of human capital is proposed, capital is divided into two categories: physical capital and human capital. In the different stages of social and economic development, the promotion effects they bring are different, and there are significant differences in the role of regional economic development. In economically backward countries, their economic growth is mainly affected by material capital, while in economically developed countries, human capital is a key factor for long-term economic growth. Human capital is a human carrier, and education will be a tool in the future, so that people can make efforts to achieve results and increase the future earnings of people. The investment in education is defined as the sum of the costs of human resources, material resources, and financial resources that are invested in education to improve the skills of workers and to cultivate workers with different degrees of proficiency.

Therefore, human capital and education are inseparable both research main body, our investment in human capital in essence is the investment in education. When we study their respective roles in economic development, we should also focus on the coupling relationship between human capital and education level of the impact of the economy. As a result, we can better optimize the allocation of education and human resources and take the lead in a new era of knowledge-based economy that is full of fierce competition and severe challenges.

2. THE EVOLUTION OF THEORY

Adam Smith is a recognized founder of the classical school of economics. He made indelible contributions to the development of economics. He not only points out the prototype of the human capital theory, but also discovered the spillover of human capital. Since Schultz proposed the theory of human capital based on the United States' postwar agricultural production restoration in the 1950s, Robert and Lucas combined the theory of human capital with modern economic growth theory [1]. The impact of human capital and education on economic growth has been increasingly concerned by domestic and foreign researchers, and has gradually formed three main branches: First, human capital accumulation and its spillover effects have a direct impact on promoting economic growth; second, the accumulation of human capital as an intermediate variable has an indirect effect on economic growth; finally, the combined effects of the direct and indirect effects of human capital on the economy.

With regard to the impact of the coupling relationship between human capital and education on economic development, especially the relationship with regional economic growth, domestic and foreign scholars have done a lot of related research, but their conclusions are not consistent.

Generally speaking, scholars believe that although the country is in different stages of economic development, and its human capital and education may not have the same impact on economic level, human capital and education level have a positive effect on the development of the economy. Petrakispe and other scholars compared the effects of different stages of human capital education on national economic growth at different stages of development and pointed out that the strong driving force for the economic development of developed economies is the human resources developed by higher education [2]. And the human capital cultivated by primary education and secondary education is the source of significant driving force for economic development in developing countries.

However, Ding and Knight are based on the regression analysis of provincial data in China, pointing out that the effect of primary education on China's economic growth has not passed the significance test, and thus the impact is weak, but high school and higher education have a stronger impetus for China's current economic growth, far exceeding the impact of primary education [3]. Pelinescu emphasized the importance of education investment for the accumulation of human capital and elaborated in depth

on all aspects of its impact on the sustainable development of the national economy [4]. At the same time, China's vast territory, large cultural differences between the North and South, and the unreasonable distribution of regional human capital have also led to uneven regional economic development in China. When Fleischer calculated the contribution rate of human capital to economic growth, it divided the country into four major regions: East, Central, West, and Northeast, to conduct research and analysis, in order to verify the stock of human capital and its spillover effects on the important role of the economic development in our country [5].

Although China's research on the relationship between human capital theory and economic growth started late, it has developed rapidly. Ye Maolin pointed out that the average contribution rate of higher education to economic growth is highest; Zhao Erkui et al.'s research shows that the improvement of labor education has a significant positive impact on regional economic growth; with the use of a semi-parametric additivity model, Lu Jin and others fully analyze the mechanism of the human capital level on economic development has led to the conclusion that the level of human capital across the country and the three major regions in the east and west have a similar tendency to promote economic growth [6-8].

Although most existing research findings affirm the positive effects of human capital and education on economic development, there are still some studies that show that the coupling between human capital and education and economic level is not obvious. Ben Habib and Spiegel believe that education and human capital's economic growth effect cannot be statistically significant; Fuente and Domenech's research directly denies the positive significance of human capital and education to the economic growth effect; Chinese scholar Hu Hongbing also pointed out that human capital has played an active role in economic growth in a few regions of China, but it is not significant in the more general areas [9-11].

3. THE DEFICIENCIES OF EXISTING RESEARCH

Domestic research on the level of regional education does not start as early as foreign research, and it focuses more on the research on the distribution and allocation of regional higher education resources. It does not fully study the relationship between the level of higher education and the development of regional economy. Although Wang Su and others have used the model and indicator system of international comparative studies on China's education competitiveness, the competitiveness of China's higher education has been studied and evaluated from the perspective of international comparison; Zhang Xiuping, Wang Jing, and others also conducted empirical research on the competitiveness of higher education in specific provinces and cities [12-14]. However, from the current research findings, most studies on the contribution rate of education to the economy in China are lack of support for normative analysis, and still based on empirical analysis.

From the perspective of the evaluation index system, most of them do not have enough theoretical support, making some indicator systems more casual when they are designed. There is no in-depth explanation of the concept of related indicators, persuasive power is not strong, and some indicators have obvious geographical characteristics. Even some very important indicators of competitive advantage have not been presented in the system, and some included indicators overlap each other. In terms of data selection, researchers only pay extreme attention to the absolute value of the indicator, or just pay attention to the relative value of the data, and the selection of the time limit of the data is also not very scientific. There is no rational use of panel data, nor does it fully consider the impact that spatial effects may have on the assessment results. On the issue of evaluation methods, most scholars use factor analysis and principal component analysis to evaluate analysis, using these methods build a model of system, and can not truly reflect the various indicators for the specific degree of the influence of the human capital level. As far as the analysis of the results is concerned, the existing research lacks in-depth analysis of the influencing factors of human capital.

Specifically, Guo Yingyi and Guo Hui pointed out that some scholars have studied that the effect of human capital and education on economic development is not significant because in their research on the relationship between human capital and education and economic growth, the empirical models used in the selection and analysis of human capital indicators are inconsistent [15]. However, Fang Chao and Luo Yingzi outline the following two main issues: First, whether it is Lucas, Nelson-Phillips, or the comprehensive influence mechanism, the selection of models is based on the theoretical basis of endogenous economic growth [16-20]. The theory of endogenous economic growth seriously ignores the impact of the system, especially the effect of the interaction between the human capital level and the education system on the total output. Second, according to the existing research, the research on heterogeneous human capital still remains at the surface, that is, the level of education and the number of years of education have insufficient attention to the impact on human capital stock.

Therefore, due to the imperfect evaluation system, the result of evaluation is lack of authority, and even sometimes it is contrary to objective reality.

4. CONCLUSION

Through the analysis of the existing research results on the relationship between human capital and education level and economic development at home and abroad, it can be concluded that under normal circumstances, human capital actively promotes economic development, and as a measure of human capital the important component of education, the role of education in promoting economic growth cannot be ignored; and the effect of this effect is closely related to regional differences. The higher the level of education, the better the quality of human capital and the more obvious the promotion of economic growth.

We also need to analyze the deep meanings of conceptual indicators such as the quality of human capital and the stock of human capital and introduce the theory of system coupling efficiency and fixed effect model to expand the research direction in the future, and consider the coupling effect of education level and human capital on the economy. At the same time as impact, other human capital-related variables such as population level, health level, and science and technology level were introduced to measure the quality of human capital in multiple dimensions so as to better analyze the impact of human capital on the economy.

At present, in our country's economic development, we still rely heavily on material capital. China's economic growth is still driven by factor input and capital intensive. However, the effect of green and innovative strategic mechanisms is not significant. The promotion of human capital to growth is not strong. Therefore, increasing investment in human capital and improving the quality of human capital and education are the key to sustained economic and social development. Therefore, in the new stage of development, for effective and smooth promotion of innovative strategic mechanisms, and in order to effectively reduce the dependence of economic growth on physical capital, we should continue to steadily expand investment in higher education funds and comprehensively deepen the education system. Reform and transformation will comprehensively improve the quality of education in terms of scale, structure, quality, and efficiency so that it can meet the realistic matching of human capital required to meet the demands of the new normal economic growth transformation.

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