

CONCEPTUAL DEVELOPMENT OF HUMAN CAPITAL

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Abstract:

This paper aims in presenting the development of human capital concept from the perspective of labour market. The starting point of the conceptual framework was the strictly quantitative approach. In the taylorists view, the labour force was considered a classical production factor. Afterwards the so-called transitional period included some qualitative attributes as contributing to labour performance. Ultimately, the human capital concept has developed within an integrative approach, in which the education and skills have a valuable position, where intangible attributes of labour forces become the main determinants of firms' competitiveness. The study proposes a conceptual mark between potential and real human capital, including the quantitative and qualitative components. The potential human capital is activated on the labour market and capitalized as real human capital. Moreover, we propose a mathematical approach of the economic rate of human capital return, based on the real and potential delimitation.

Keywords: *Human capital, Labour force, Economic rate of return*

JEL codes:: *E24, J24, O15*