Abstract: The importance of human capital for economic well-being is historic. Theories show that people's development is the basis for the sustainable growth of the economy. The state of health of the population has always influenced the economic state and was also influenced by the economy; thus, in the context of a precarious economy, lack of food and low levels of living lead to various diseases, as in France, eighteenth century to the revolution of 1789, there have been 30 years of famine and disease caused by lack of food, which has stagnated economic evolution. Thus, the topic of actuality, regarding the field of economic growth and the increasing integration of human health in this process, are the premises of a complex analysis of an interdisciplinary approach. The importance of the topic is derived from understanding the health of human capital as a resource for the development of society and not as a resource consumer while understanding the role of the individual decision in managing their health. Beyond the individual perspective on health, its subjective perception and individual decision-making for the choice of behavior that maximizes health, the state can be an important factor in ensuring the functioning of national health systems. The main objective of this paper is to identify, based on the specialized literature consulted on the impact of human capital and, in particular, its health, on economic growth, by analyzing the ways and the factors by which human capital influences economic activity.

Keywords: economic theory; health; human capital; economic growth.

1. Introduction

The basis for the economic development of a state is represented by the health of the population. The issue of the population has always existed in the economic thinking, the effects of people's physical and mental health on the economy of a state, being associated with the force of struggle in wars and labor on the earth, as well as the power to rule the state. Thus, for a country to prosper from an economic point of view, it mainly requires a large, labor-intensive population; However, given that only people with a balanced health status can have labor, we can say that the state needs a healthy population.

Numerous studies and researches have highlighted the existence of a close relationship between the state of health of the population and the country's economy because the labor force of the people is an important factor of the economic growth. It is common knowledge that within each family, insufficient budget and low levels of information lead to the impossibility of developing future generations, actions that result in difficulty in working in the future and thus perpetuating the precarious state of the economy at the national level. Economic status influences the state of health of the population through the level of income, which determines the lifestyle of each person. On the other hand, the health status of the population influences the economic condition through the labor capacity, an important factor in the growth of a country's economy.

2. Research Methods

The research methodology used includes qualitative research, which offers the possibility of a profound understanding of the subject of the research and, in this way, the chance of a complex explanation of it, by methods such as analysis and synthesis of the specialized literature, which ensures the formation of a true image of the phenomena studied. The qualitative dimension used supported the analysis of the state of knowledge, the presentation of the main paradigms of the field and the analysis of the bibliographic data. The theoretical approach was based on the bibliographic study of the importance of the development of human capital for the economy and the health status, which led to a thorough foundation of the empirical approach. The research methodology is based on three main stages, namely (1) the identification of the specialized literature, (2) its selection, (3) the corroboration of the studies and their summary. The literature is based on a series of studies, largely conceptual, which present a
fundamental theoretical orientation related to the importance of the health status of the population and its influence on the economy of a country. The methods used focus on identifying concepts and detailing them, as well as on identifying studies on the correlation between health status of human capital and the economy, given the state of interdependence between them.

3. The theory of human capital in economy

The theory of human capital as a separate economic subject began to form at the end of the 1950s, based on scientific ideas about human production forces, ideas developed by Smith (2011), Marx (1953), Mill (2000), Marshall (2013), Schumpeter (2003) and others. In search of sources of economic growth, economic economists and historians have backed the theory that investment in education and health to develop human capital leads to safe economic growth. This is also true in the current period, where human resources are increasingly being replaced by technology because technology is created by man.

Human Capital Theory is the end of a series of works carried out in the 1950s by researchers at Chicago's Economics Department on topics related to the "demand" of education, the functioning of the labor market, explaining the evolution of the population's activity rate, between salaries, etc. At that time, the originality of these works was based on the idea that issues such as education or health must be considered economic acts, involving investments from families, individuals, and the state. However, in 1960, in the article "Capital Formation by Education", Schultz made the first explicit references to the modern theory of human capital. Thus, the first to develop the concept of human capital was Theodore Schultz (1902 - 1998), an American scientist and a representative of the Chicago School. The principles of his theory were mentioned in the articles "Capital Formation by Education" (1960), where he identified and presented the importance of investing in human capital education, saying: "The increase in national income is a consequence of the addition of education to human capital." (Schultz, 1960: 581) and in "Investment in Human Capital" (1961). He explained the term "human capital" as a set of knowledge, abilities, and qualifications that support the main function of production, and the results are profitable for the individual, organization, and society in general. (Schultz, 1960: 571-583).

In the 1980s, when gains between professionals and workers were differentiated, the thorough study of human capital was emphasized. Thus, Ljungberg and Smits (2005) argue that, at that time, the differences in
earnings indicated higher demands for an informed and qualified workforce. (Ljungberg & Smits, 2005: 25). It has been concluded since that time that technology is developing on the basis of informed and qualified human capital. Lucas (1988, 1990) argued that the fundamental principle underlying the theory of human capital is to convince the fact that the learning possibilities, the accumulation of knowledge and abilities of the population are of incomparable value with other resources involved in the production of goods and services, such as material and financial resources. Drucker (1993) emphasizes that the process of economic growth does not consist of the capital of enterprises, which can be consumed or depreciated over time, but in the degree of development of human capital that can not be lost (Drucker, 1993: 56) for this reason and from a strategic perspective, investing in human capital through training and development. Benhabib and Spiegel (1994) test a number of models to analyze the role of human capital in economic development and consider human capital to be composed of the educational level and the workforce, aspects that contribute to the production and the growth of an economy. (Benhabib & Spiegel, 1994: 147-173). The study by Hanushek and Kimko (2000) identifies the standard of living of a nation with the average (average) education per adult member of society and notes that the qualitative level of education has a significant effect on the growth of gross domestic product of inhabitants. (Hanushek & Kimko, 2000: 1184 - 1288). Hendricks (2002) puts the issue of measuring the human capital of workers from different countries, through salary gains, on the same labor market; the conclusion of his study is that education and acquired skills are reflected in production and thus make the difference between wage earnings. (Hendricks, 2002: 198-219). Engelbrecht (2003) supports human capital as having significant contributions to economic growth, particularly through the ability to use technology. (Engelbrecht, 2003: 40 - 51). From the perspective of these studies, education, and training, through which work skills are acquired, are seen as investments in labor training and increasing the productivity of individuals and organizations, aspects that encourage growth and the development of the economy at international level. There is no doubt that education is an important aspect of sustainable economic growth and development alongside health because healthy people can and will be educated and can work in the workplace.
4. Health status- an essential aspect of human capital

Kuznets (1966) argues that the development of human capital is a feature and condition of economic growth; economic growth is directly proportional to human capital, which, through production and consumption, contributes to the welfare of the economy. (Kuznets, 1966: 56 - 59). Blaug, in the article "The Empirical Status of Human Capital Theory: a Slightly Jaundiced Survey" (1976), has developed a correlation between human capital and economic activity, claiming that "The basis of human capital theory comes from the fact that people - and limits economic activity to options among the various commodities offered by the market, but simultaneously makes a number of options between immediate consumption and future satisfaction. In this respect, education, health expenditure, professional training are considered to be investments that are analogous to the physical investments of enterprises, undertaken by the individuals themselves or on their behalf, by the collectivity." (Blaug, 1976: 829). Investing in human capital is a future gain, both individually and at the organizational level. Being aware of this aspect, in direct proportion to the financial possibilities, both people invest in their own development, and businesses invest in employees, hoping for a multiplied gain from these investments.

Becker (1964) advocated the importance of associating the concept of human capital with that of school education, but also of health, aspects that increase the quality of workers and their productivity. Thus, countries that have seen continuity in revenue growth have also had a continued increase in investment in education and health. (Becker, 1964: 24). The optimal level of efficiency of workers can be achieved by correlating education with a balanced state of health. Becker (1994) supported the formation of human capital, noting: "I will speak of another kind of capital. Schooling, computer-based training, medical care, lectures on the virtues of punctuality and honesty are also human capital, in the sense that they improve education and health, which increases a person's gains throughout his life sale." (Becker, 1994: 15-16). Becker's human capital theory aims to explain the earnings resulting from people's integrity, education, and health, at the individual level and across society. It is, therefore, necessary to look at schooling and health as a form of investment in human resources, with direct benefits to society.
5. The importance of human capital health for economic growth

Generally speaking, the formation of human capital requires an investment; in particular, at the level of each family, investment in education and training depends on the health of children. These factors are potentially important for explaining economic growth. Health is more important than education; while the health of a child is affected, parents will invest primarily in health and then in education; also, when people are healthy, they can work anything, while education will distinguish the categories of work.

**Figure 1:** Causal links between health, education and economic growth

*Source:* author elaboration

Often, the educational level, which contributes to the formation of human capital, is transmitted from generation to generation. This process takes into account, however, the health of the child to be educated. When a child faces health problems, his / her family will mainly invest in improving his / her health, and then in his / her education. Thus, (Figure 1), a healthy child will be educated, and an educated child will become an educated and healthy adult because it will be aware of the effects of food and harmful habits on health. An educated child will become a healthy adult, but a healthy child will not necessarily become an educated adult; only that a healthy child can be educated. A healthy adult will have the ability to develop professionally, work, and thus lead to economic growth. Also, a healthy adult will often have a healthy baby; an educated adult with balanced eating habits will have a healthy baby that he will educate; a healthy and educated, labor-force and at least medium-level wage earner will invest in the health
and education of the child. Thus, generation 2 will develop through a healthy and educated child who, by becoming an adult through the workforce, will lead to economic growth.

Human capital is built on health and education and/or professional training, which helps to increase a person's economic productivity, that is to say, it allows him to produce more than quantity and quality, an aspect that results in an increased income. Thus, both the family and the state, as well as the workers and employers, need to invest in the health, education, and training of human capital. Like any other investment, these investments require sacrifices, and people agree to make those sacrifices, realizing that they will be rewarded with additional income in the future. Human capital development is associated with health and education levels, which should lead to a richer, longer-term country. It is also necessary to consider the aspect of the financial resources that the developed countries have invested in human capital and how long the whole process ran from investment in health and education to the growth of the national economy. It is easy to realize that, in general, countries that currently have sustainable economic growth are the ones who have always invested in health and education. National economic trends tend to interfere with the desire and capabilities of human resource development when these issues are not financially supported.

Mushkin (1962), highlighted the importance of health as an essential component of human capital formation, more important than education, given that "the return on investment in healthcare is often attributed to education." (Mushkin, 1962: 130). Fuchs (1966), highlighted the importance of health as essential to economic growth, studying this aspect of America's economy. (Fuchs, 1966: 65-103). Studies conducted by Kuznets (1955, 1966), Denison (1967), Barro and Sala-i-Martin (1995) demonstrate that sustained economic growth at the national level is closely linked to improving education, nutrition, and health of the population. At an individual level, the correlation between education and a balanced healthy state lead to positive effects on income and living standards.

Grossman (1972) developed a model demonstrating that "human capital stock" influences the wage level of individuals, and "the health stock of human capital "determines the time that workers can devote to production, and thus their income in money (Grossman, 1972: 223 - 255); as such, health must be considered as an integral part of human capital. In a similar tone, Wagstaff (1986) also demonstrates a positive relationship between investment in health, human capital and economic growth, (Wagstaff, 1986: 195 - 233), also underlined by Ehrlich and Chuma (1990),
which considers that the determination of the optimal level of investment in health has, as a result, the wealth of a state. (Ehrlich & Chuma, 1990: 761-782). Galama (2015) suggests slight changes to Grossman's original model through the need to analyze the correlation between healthcare investment and the evolution of healthcare demands (Galama, 2015: 1 - 47), changes that prove to be capable to strengthen Grossman's model (1972), as a reference point for studying behavioral behavior related to the demand for health care. Investments in the health sector do not necessarily lead to access to it by the population but will increase significantly the confidence and willingness to carry out research on their own health and those close to them.

The development of human capital means having a well-balanced health state, the accumulation of knowledge and skills necessary for the socialization and evolution of society, the effects of this process is reflected in the development of the economy. Financial resources, natural resources, foreign aid, international trade are key elements of economic growth, but none of them is more important than human resources, which are one of the key factors for sustainable economic growth.

Measuring the capacities of human capital and how to implement them for economic growth is a difficult process to accurately quantify. However, over time, investing in people's development has led to national gains. A study by Sianesi and Van Reenen (2003) has shown that a 1% increase in investment in human capital leads to a 3.81% increase in labor productivity and accelerating GDP growth per capita by 3%, arguing that investment in human capital formation has positive effects on GDP growth. (Sianesi & Van Reenen, 2003: 157 - 200). Investing in human capital needs to be seen primarily as an investment in health and education. The effects of investing in human capital are reflected in the life expectancy of the population, in the workforce, and in the field in which people work, which is directly proportional to income. The influence of these investments is reflected in GDP by the health status of the population, which reduces the costs of the state with free and compensated medicines on the one hand and the payment of anticipated sickness pensions on the other; the ability of the population to work improves their own standard of living and health, as well as their children, and directly influences the national economy.

The context of human resource development in the contemporary period is grounded in the theories of economic growth and aims at a balanced development of society. Economic growth is the one targeted by the state or employers investing in people, and, in fact, human capital is used to obtain financial profit. It is questionable how many employers are
investing in employee development without expecting a profit. However, investing in human capital development, albeit extremely important, is not sufficient for rapid economic growth, and this kind of investment needs to be accompanied by a proper development strategy. Developing human capital leads to economic growth but the first aspect to be considered is an investment in health and education, because sustainable economic growth depends directly on the level of development of these issues.

6. Conclusion

The health of human capital contributes to economic and social welfare in three ways, namely: (1) people prefer and want to be healthy; this aspect refers to the individual thinking and behavioral behavior of each individual that reflects on society as an argument in the function of utility or social welfare, because healthy people are useful to society; (2) the consumption of goods and services is largely influenced by the level of health, the marginal utility derived from consumption, is partly a function of the state of health; if people are not healthy, then they will not be able to consume goods and services produced by others, which will be an obstacle to economic and social progress; (3) without good health, other economic objectives, such as income generation that allows goods to be consumed on the market, investment in the education system for professional development, investment in various businesses, can be compromised; in other words, health is essential to the ability of an individual or community to undertake the desired activities or functions for economic and social progress. However, although the consumption of most types of goods and services directly generates direct economic well-being, the consumption of goods and health services contributes only partially to this phenomenon, because the consumption of health services can improve the individual state but also reflect the needs of the population and state expenditures and to each family in this respect. On the one hand, people would prefer not to spend in terms of money and time, but they do so because they think they will protect or improve their health. On the other hand, the state has to invest financial resources to cover the waxes and needs of the population in this segment, although investing in prevention programs is far less costly compared to treating affections. As a result, economic well-being is due to the consumption of non-health goods and services, but access to prevention services leads, in the long run, to economic welfare.
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