

Investment in Human Capital and Economic Growth and the Development of Basic Literacy as the Basic Units of Educational Effects (External aims of education)

Hanifa Obralić

University of Travnik, Travnik, Bosnia and Herzegovina
obralich@hotmail.com

Tarik Obralić

University of Travnik, Travnik, Bosnia and Herzegovina
obralict@hotmail.com

Human factor as an essential part of all ongoing in the educational, economic, political, social, cultural, environmental and other plans (external aims of education) directly affects the process of the economic and social development which is directly implied by the educational effects, mainly through the labor productivity growth in a global sense. Education, as a process of socially beneficial and personally applicable *knowledge of work* in terms of occupation and professions in achieving social communication and social status, is the focus of many scientific disciplines especially pedagogy, psychology and sociology. It is a very complex multitasking, dispersive and variable process with lasting social roles and the basic form of human capital formation.

Education recognizes the concept of human capital in its economic aspect through the investment in human capital, and on the other, through the educational production measured by the monetary system. Meanwhile, it is the product of the educational production behavior in the labor market. Therefore, the need of investment in education is required as the main-establishment of human capital investment and economic growth and development of initial literacy as important determinants of educational effects (external aims of education).

Education is one of the main factors for the human capital quality, which is crucial for the international competitiveness of the national economy and sustainable development (Education Policy Analysis, 2002). Thus, in this case, the investment in human capital is concerned. This investment in human capital provides long-term and stable economic growth and the development of basic literacy as determinants of educational effects (external aims in education).

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