Abstract


Key words: Higher Educated Manpower, Human Capital, Economic Growth and Economic Development

The purpose of this study is to identify the effect of Higher Educated Manpower (HEM) on economic growth in Iran and find the causes of non-utilization of HEM for economic development in Iran.

The importance and value of educated manpower (human capital) has come strongly on the forefront of all economic policies everywhere in the world. Human capital formation plays an important role in economic development. In fact, effective use of physical capital itself is dependent upon human capital. After Second World War, most of the developing countries had done effort for formation of human capital with expanding of education system. Iran, such as, other developing countries could increase the number of educated manpower that lead to considerable accumulation of human capital but, in spite of need to use human capital in the process of economic development, it is unsuccessful to using them.

The estimated method for finding the relationship between higher educated manpower (human capital) and economic growth of Iran is based on the standard growth accounting methodology with human capital specifies an aggregate production function according to Cobb-Douglas technology and taking log differences. According to Reymo’s model, human capital have influence on the growth accounting function with two indices: number of higher educated employee and higher education and research expenditure. The researcher created a questionnaire with 51 questions in 4 parts (economical, educational, socio-cultural and administrative) for finding causes of unutilized higher educated manpower.
According to obtained results, the positive effect of the HEM on the real gross domestic product clarified. Thus, the HEM is positively effective on the economic growth of Iran. According to our sample opinion, from 51 factors, 50 factors have effect on unemployment of HEM. The priority of effective factors on unemployment of HEM is administrative, educational, economical and socio-cultural respectively.

For faster economic growth and development, Iran need the efficient use of HEM. The findings have implications to inefficiency of the parts of administrative, educational, economical and socio-cultural system that have relation with non-utilization of HEM.