



# Meaning and Influence of Intellectual Capital on National Economy: Human Capital Perspective

**Prof. Pirjo Ståhle**

Finland Futures Research Centre  
Turku School of Economy,  
FINLAND

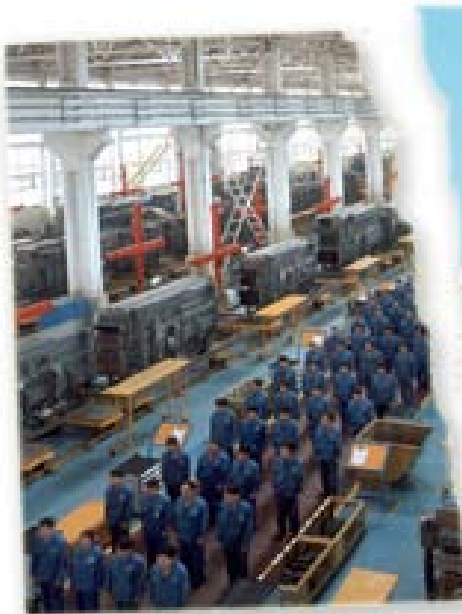
# The sources of wealth

*Intellectual Capital*

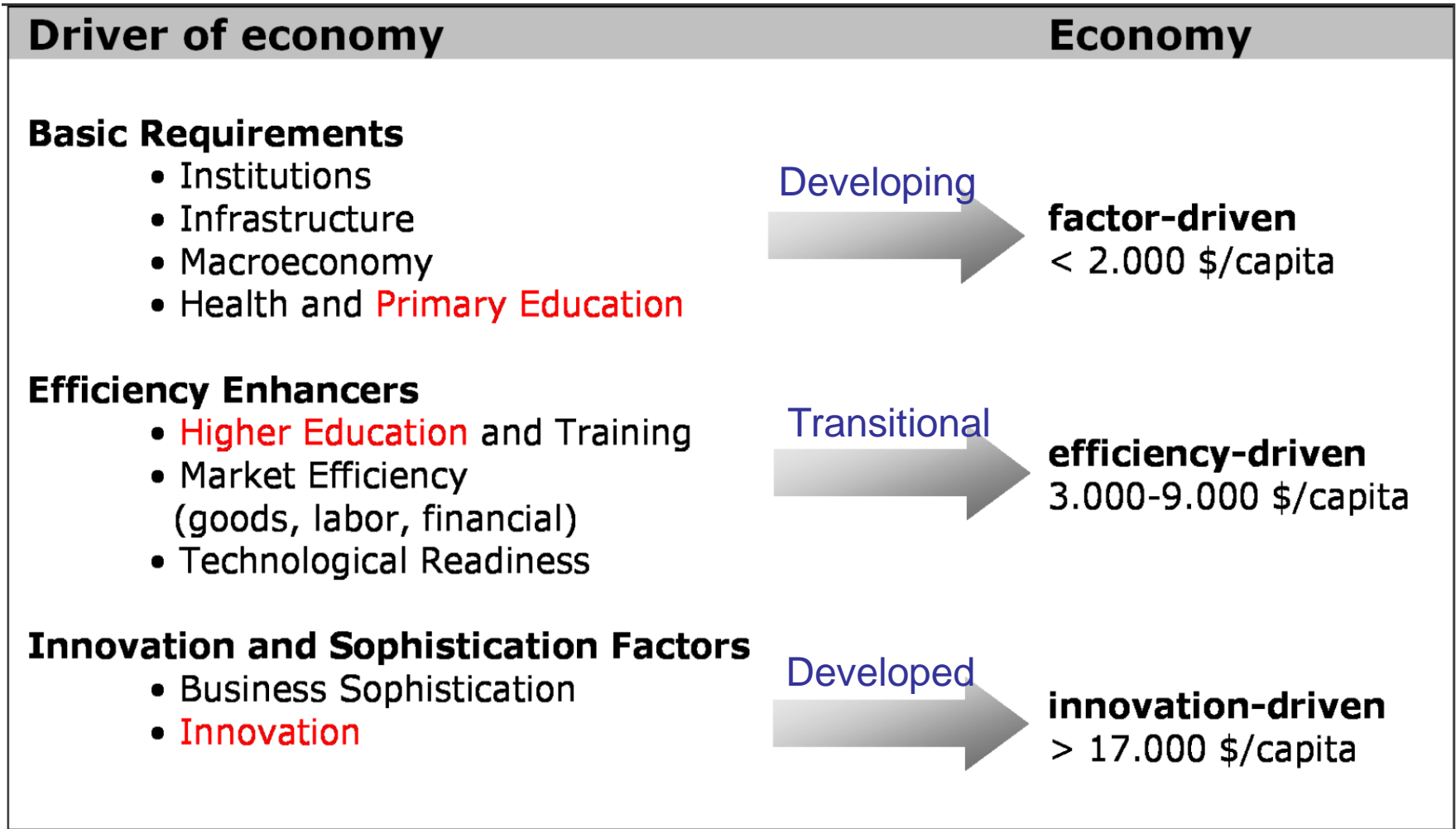
*Human – Structural - Relational*

*Financial Capital*

*Physical Capital*

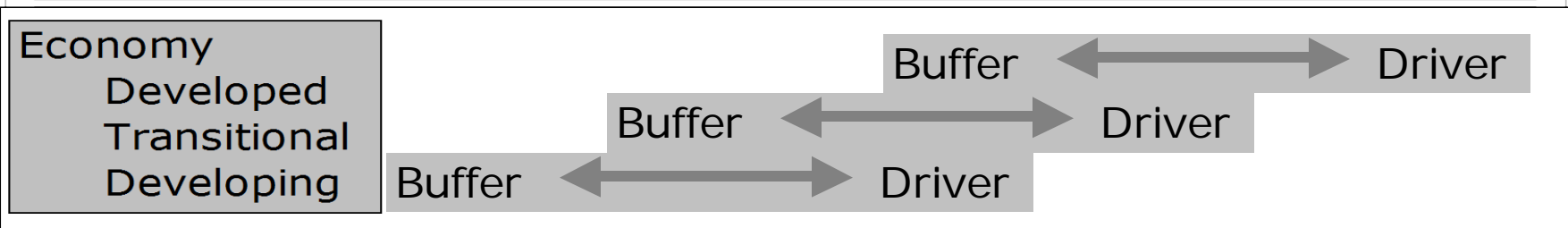


# Key economic drivers by WEF



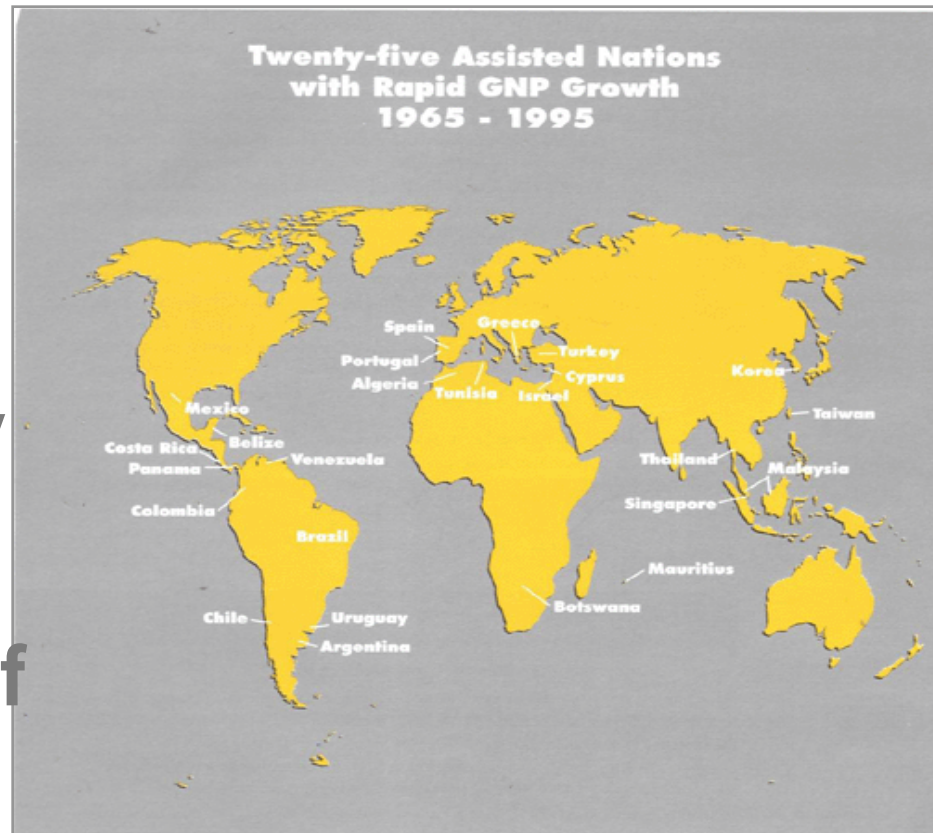
# Economic drivers vary according to the developmental phase

Key <b>Drivers</b> and <b>Pillars</b>	Economy		
	1 Developing	2 Transitional	3 Developed
Level Focal frame			
Societal framework	<b>Basic Democracy</b>	Basic Democracy <b>Transparency</b>	Basic Democracy Transparency <b>Connectedness</b>
Business environment	<b>Regulatory Basis</b>	Regulatory basis <b>Entrepreneurship</b>	Regulatory basis Entrepreneurship <b>Openness</b>
Knowledge creation	<b>Basic education</b>	Basic education <b>Knowledge transfer</b>	Basic education Knowledge transfer <b>Innovation</b>
Infrastructure	<b>Basic infrastructure</b>	Basic infrastructure <b>ICT and logistics</b>	Basic infrastructure ICT and logistics <b>High-tech / Infra</b>



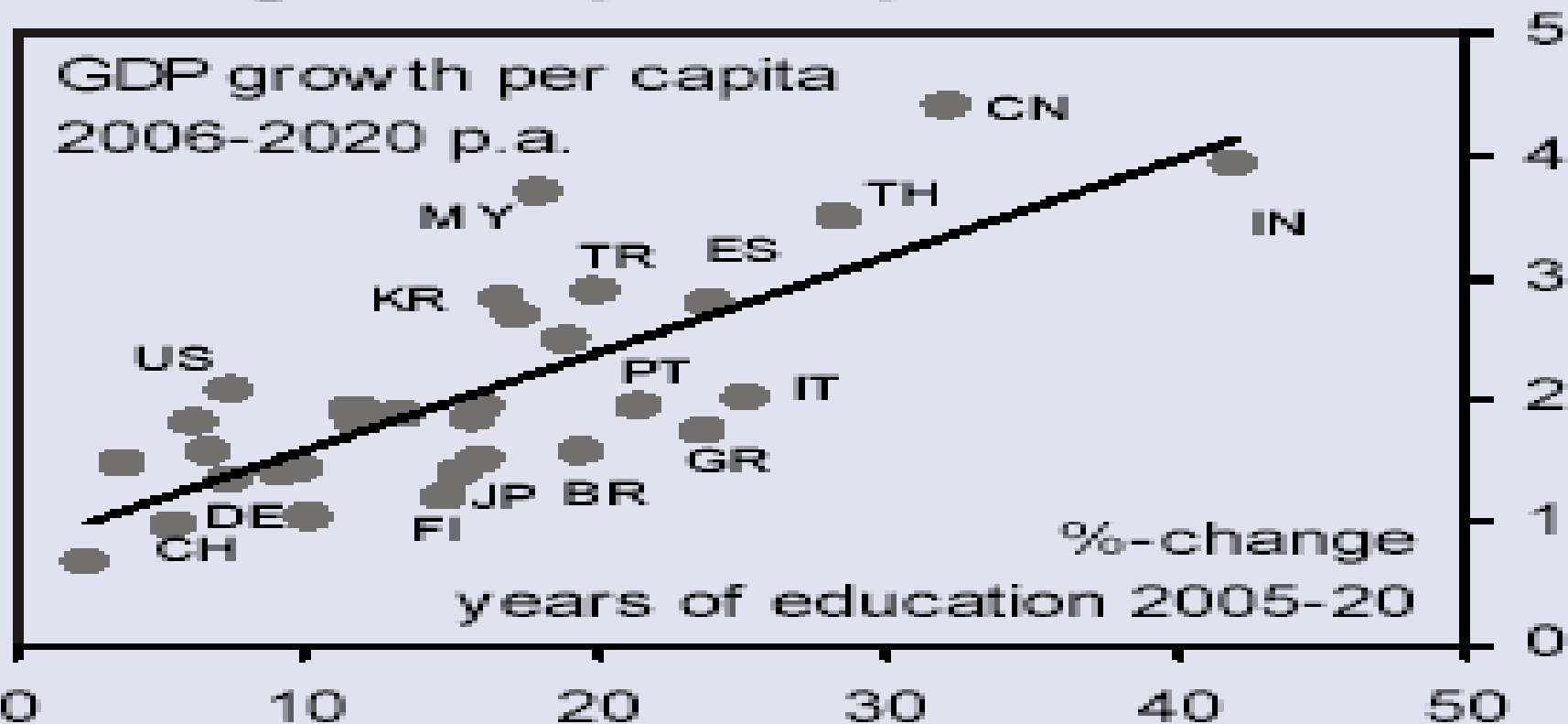
# There is evidence that Human Capital

- ❑ boosts GNP growth
- ❑ decreases  
economical volatility
- ❑ softens the effects of  
global recession

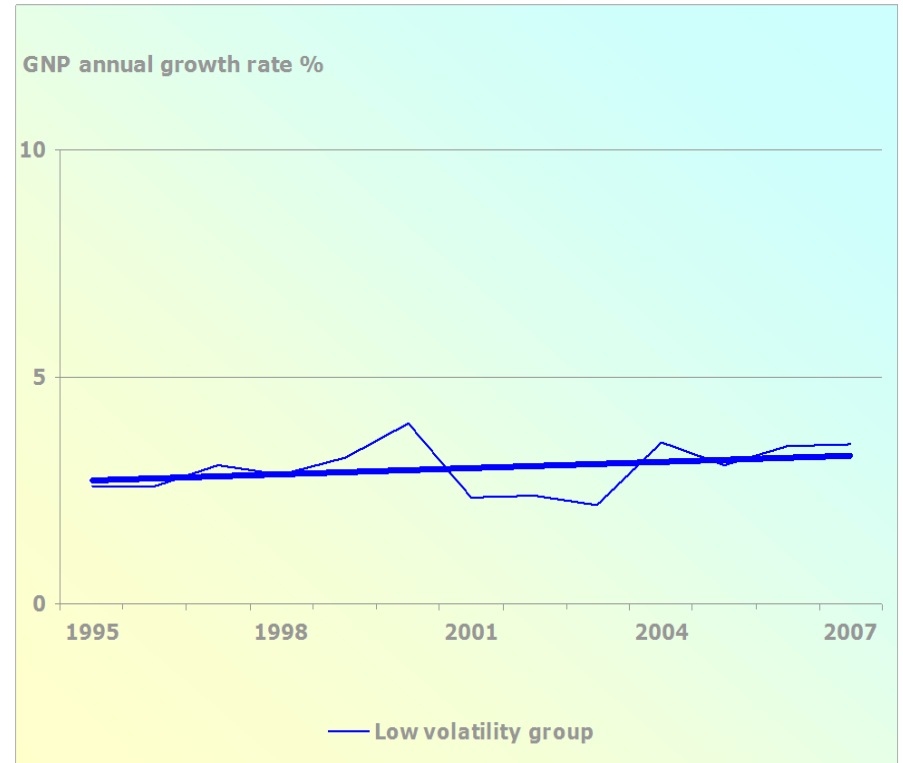
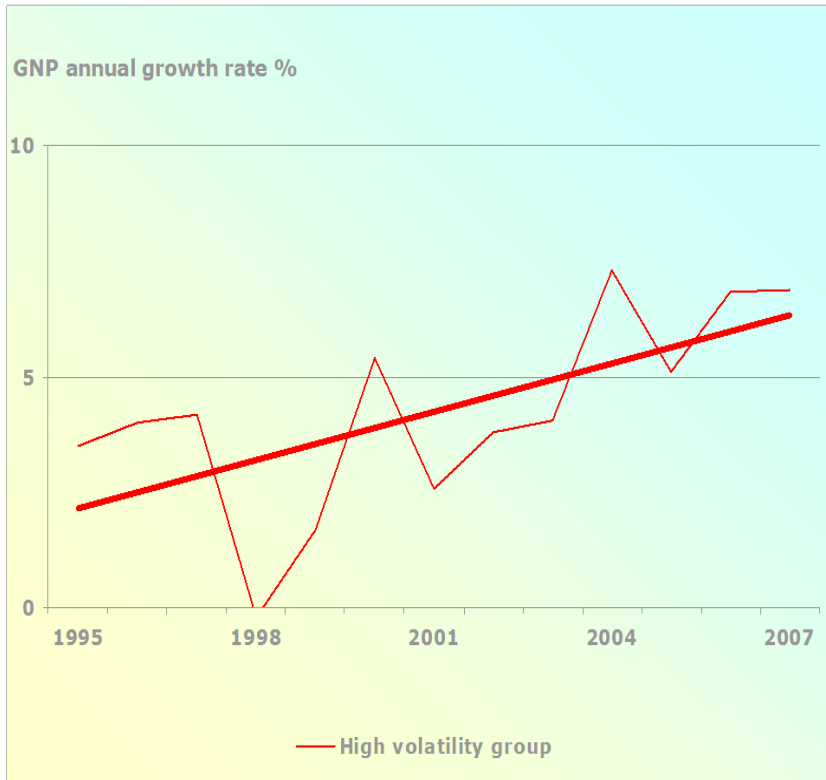


# Human Capital boosts economic growth

**More human capital = strong GDP growth per capita**



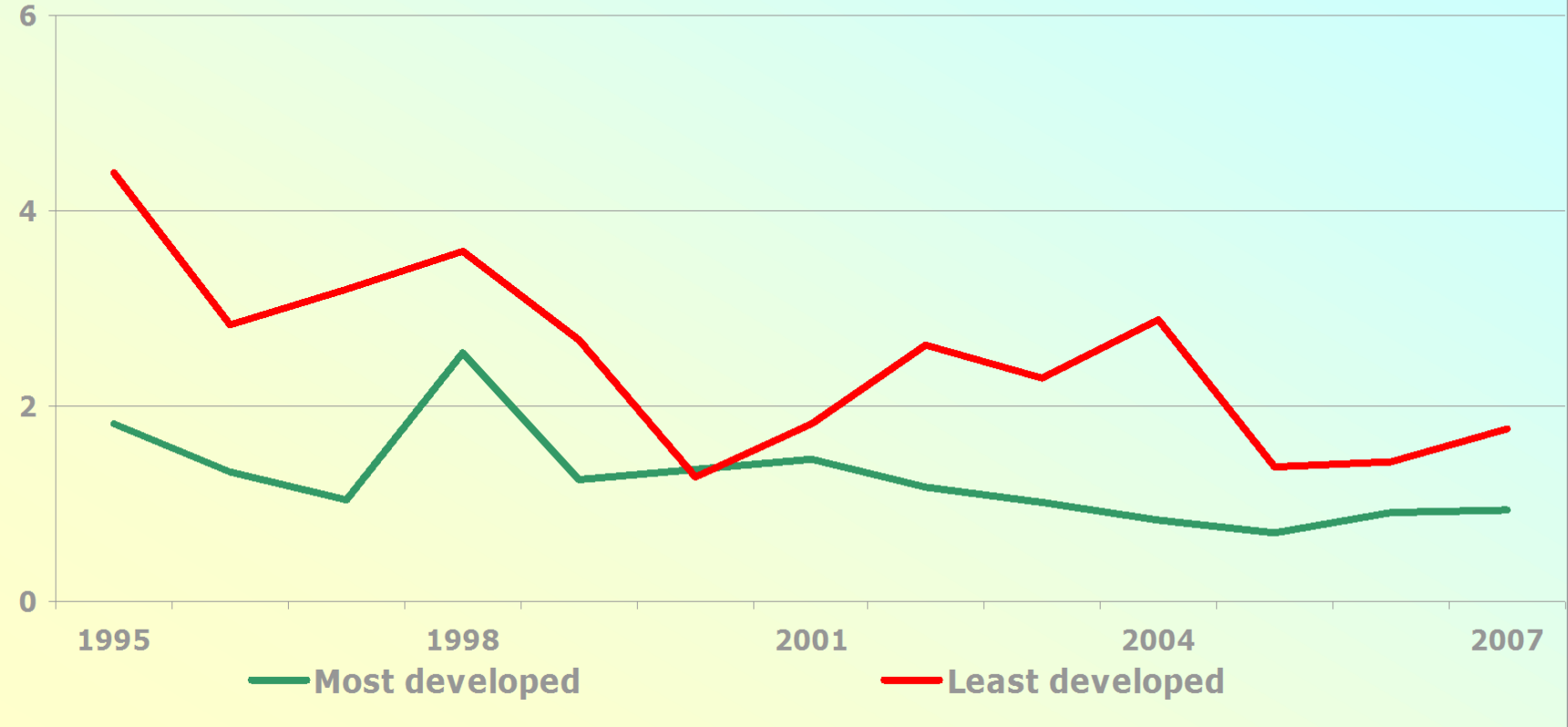
# Rapid growth, high volatility



# HC creates economical stability in developing countries

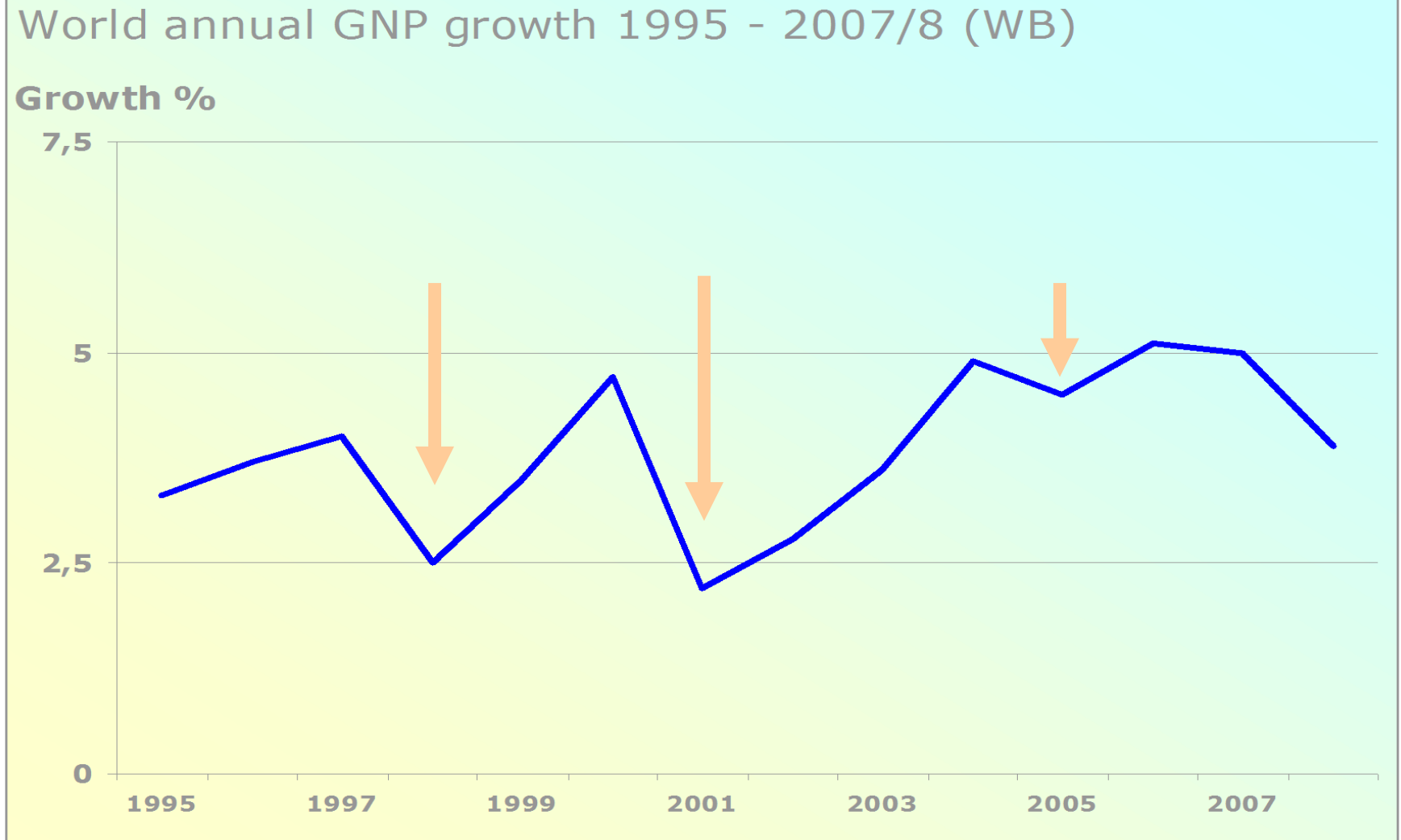
Volatility of GNP growth in **developing economies** decreases as human capital increases. Most/Least developed countries here measured by developmental stage of educational system in country group (IMD 2008/2009).

Volatility of GNP growth



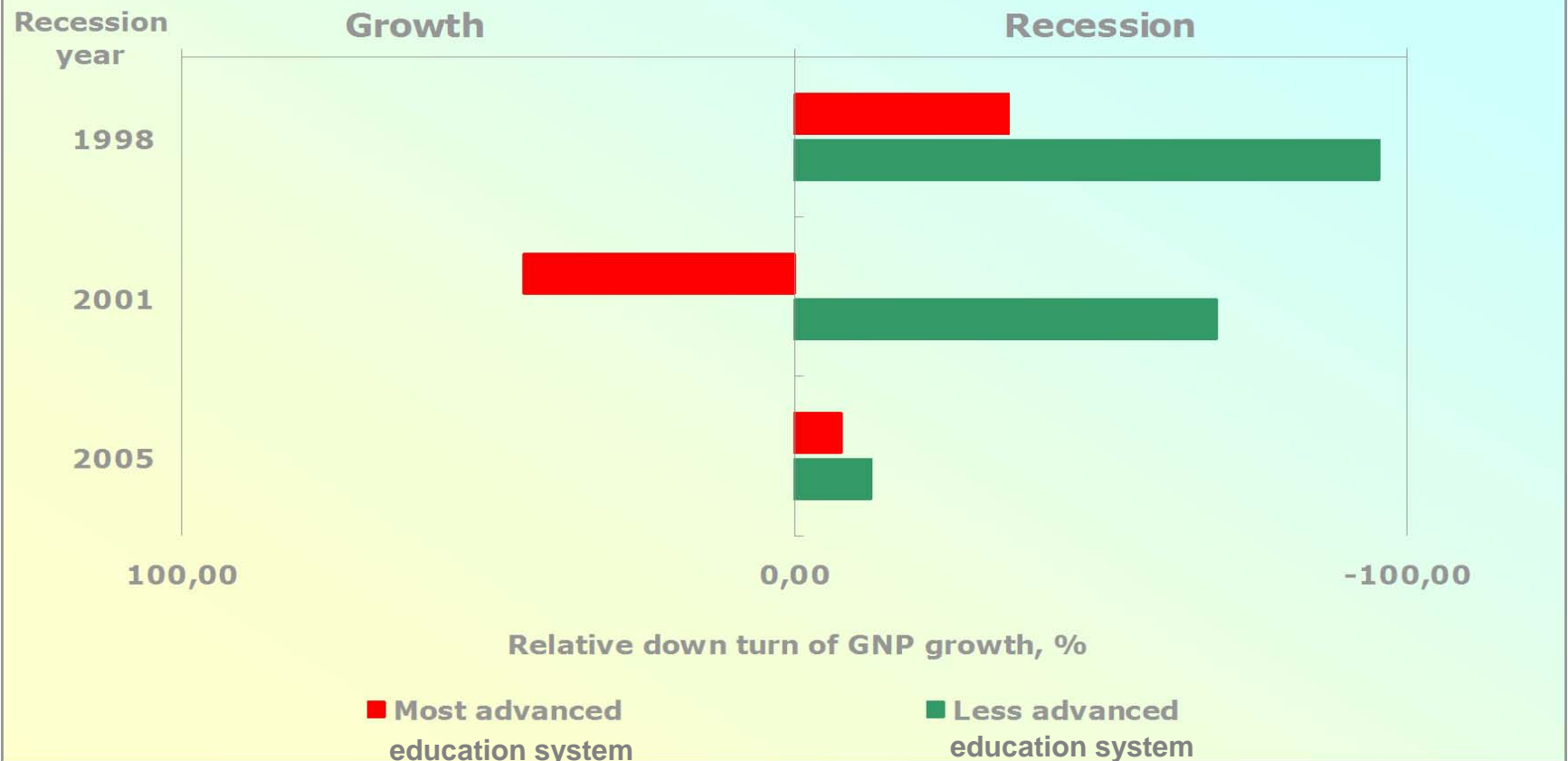


# Global recessions ...



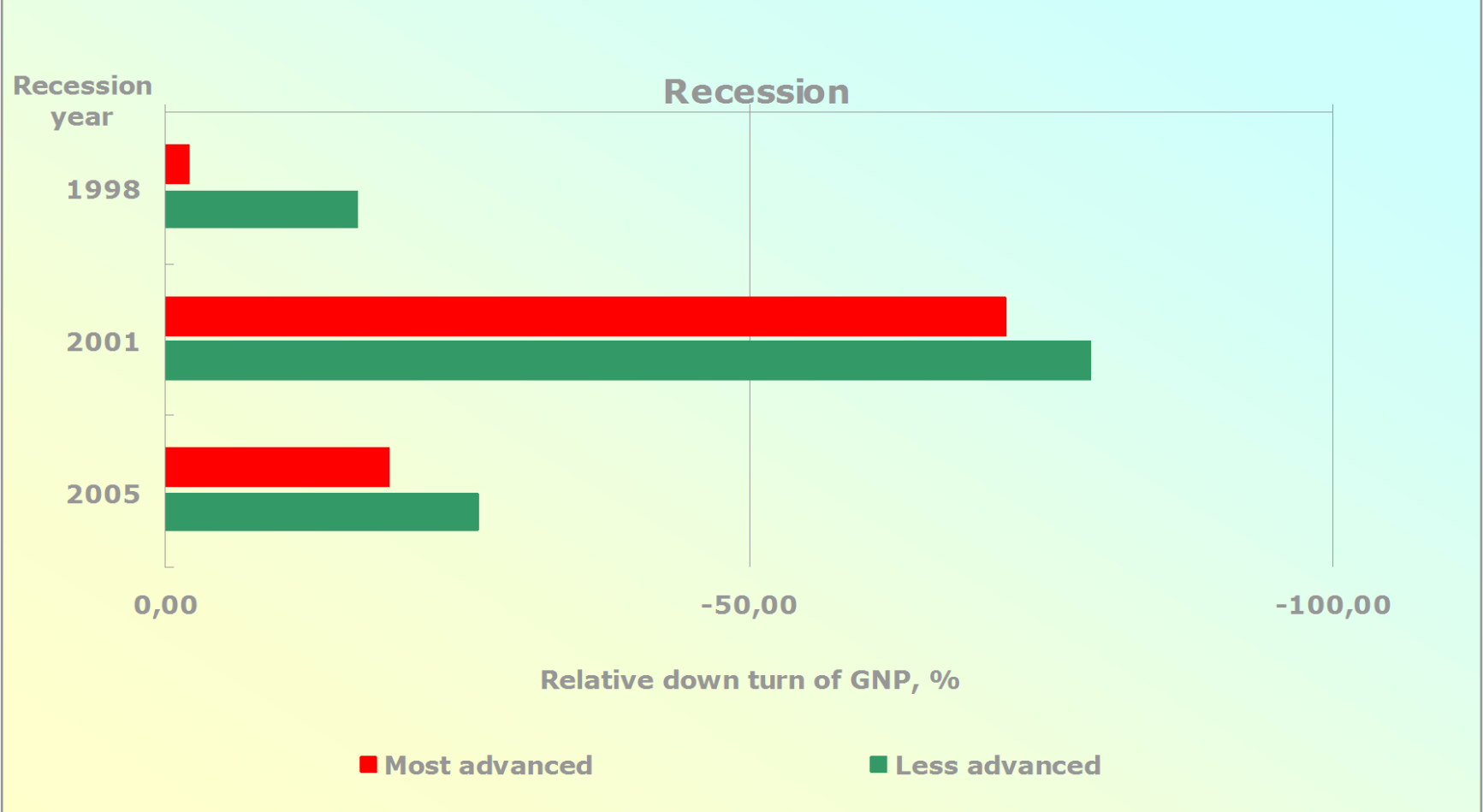
# ... are softened by HC in developing economies ...

Human capital also softens economic recessions in **developing economies**. Most/Less advanced countries here by developmental stage of educational system in country group(IMD 2008/2009).

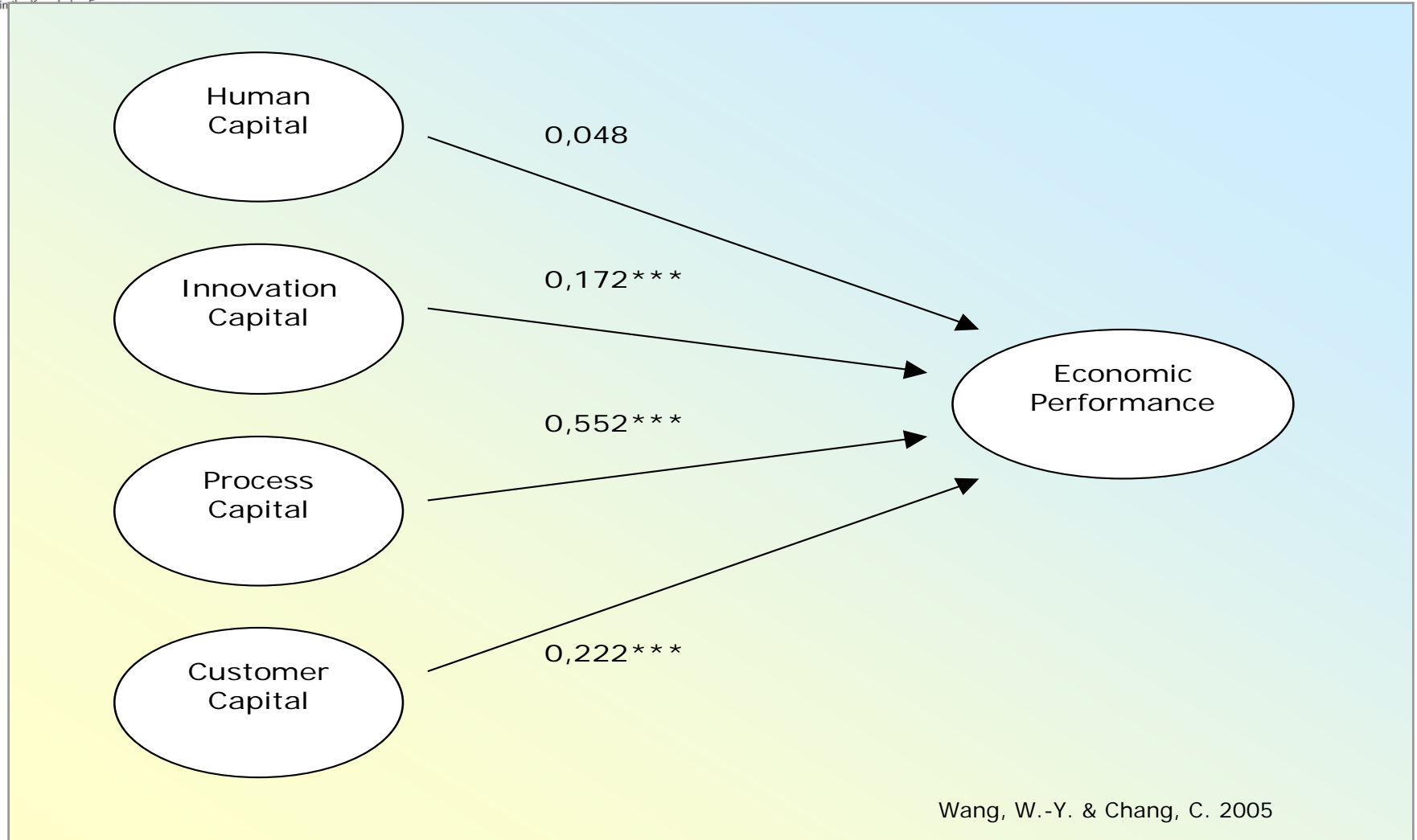


# ...but also in the top economies

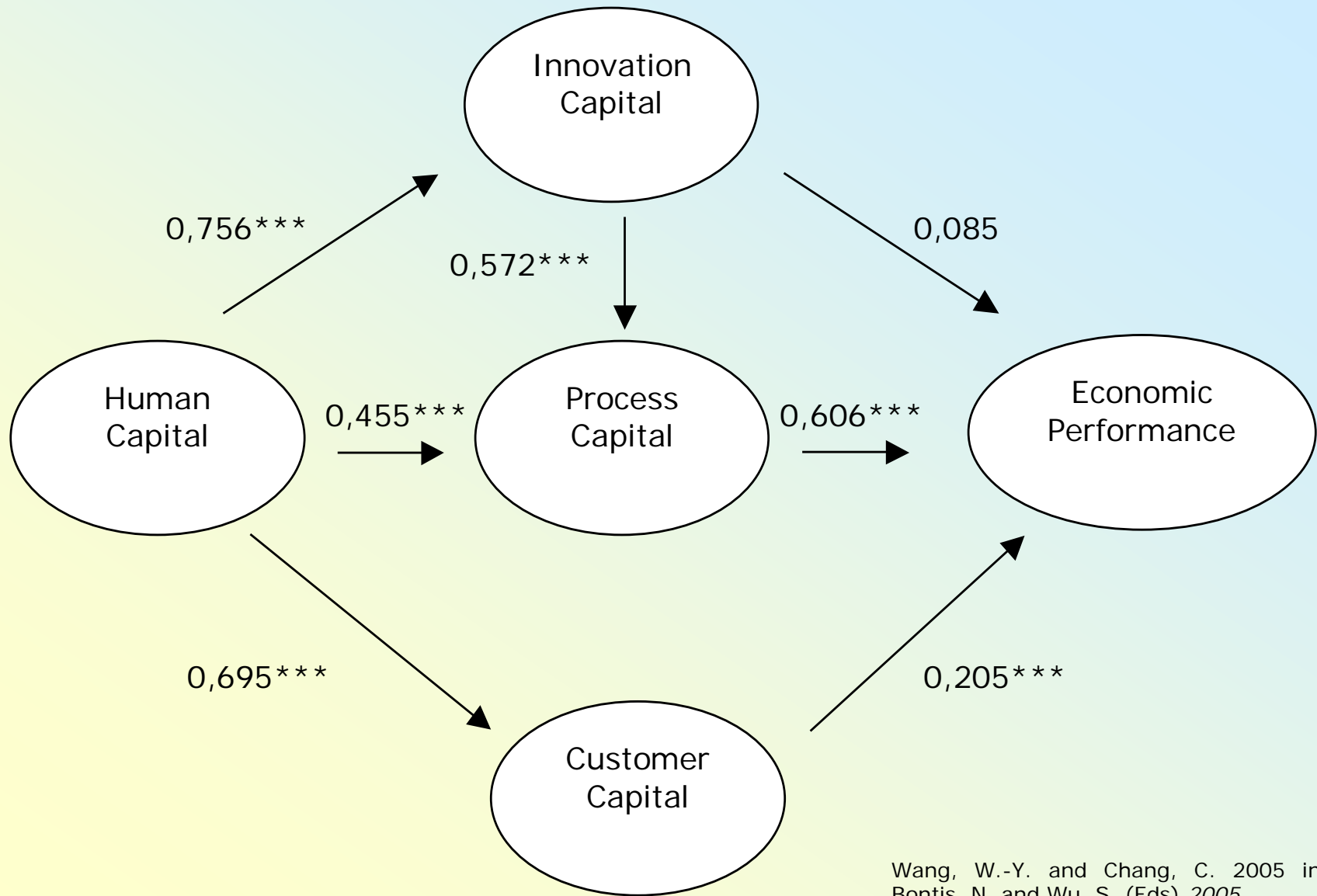
Human capital softens economic recessions in **developed economies**. Most/Less advanced countries here by scientific advancement in country group (IMD 2008/2009).



# How HC correlates to economic performance



Wang, W.-Y. & Chang, C. 2005



Wang, W.-Y. and Chang, C. 2005 in Bontis, N. and Wu, S. (Eds) 2005

# HC indicators that were used

- Education system  
(in developing economies)
- Science and Innovation  
(in developed economies)



**In developed countries**  
economy is boosted by  
high level scientific  
infrastructure and  
advanced innovation  
systems.

**In developing countries**  
economy is best  
boosted by basic  
education system.

