

The Regulation of Human Capital: Public Frameworks and Firm-Based Policies

Christopher Arup

Introduction

How do we study the regulation of human capital when human capital is relational and cumulative and its regulation is decentred and mixed? After some preliminary conceptualisations, this chapter adopts a case study method. The case study is human capital in the legal sector. This case study method can best describe the regulation; the categories of the law, such as intellectual property, are not fluid enough to do so.

Belying its name, human capital is rarely discrete and codified. We now know that much of it is acquired through “learning by doing” and it coalesces only tacitly in the memories of individuals and organisations. The regulation of human capital is both public and private. Public regulation largely operates at the point of entry to the labour market. Private regulation occurs when workers and employers combine, to develop human capital while putting it to use on the job. Yet, the two sources of regulation interact and overall the mix of regulation is changing in response to post-modern modes of production and knowledge work. Greater co-ordination is being sought.

In its case study of the legal sector, the chapter identifies a disjuncture between the expectations of workers and employers. This disjuncture is undermining investment in human capital. Greater public/private co-regulation may overcome this problem, but there are forces working against co-ordination particularly at a local level.

Concepts

Human Capital

If we are to pursue this analysis, we must first have a sense of the tacit, relational quality of human capital. We start by stressing that human capital is more than a repository of information. It is a composite set of

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