



PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION
PABSEC

INTERNATIONAL SECRETARIAT

Doc.: GA63/CC62/REC198/24

RECOMMENDATION 198/2024*

“Investing in Human Capital for Innovation and Prosperity in the BSEC Region”

1. The Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) underlines that human capital is a fundamental driver of progress as it enhances innovation and prosperity. Being an asset for a country's economic development, it plays a crucial role in enhancing productivity, innovation, and competitiveness. Investment in human capital is a key factor in socio-economic development and a strategic direction for many countries. Increasing human capital contributes to societal cohesion, and governments and policymakers often focus on strategies that promote human capital development to enhance the overall well-being of their citizens.
2. PABSEC stresses that realization of the full potential of human capital is determined by the effective management of the complex relationship between human, industrial (infrastructure, industry) and natural capital (natural resources, lands, forests, water resources, etc.) Investing in education and training programs, improving healthcare access, and promoting lifelong learning are some of the basic factors to enhance human capital. Additionally, fostering inclusive and equitable societies that provide equal opportunities for all individuals is crucial for maximizing human capital potential and allows people to realize their creative goals and be useful members of society.
3. The PABSEC recalls its previous relevant documents, adopted at previous General Assemblies, such as: Report and Recommendation 184/2021 - Objectives and Challenges of Cooperation in the field of Education in the Black Sea Region after the Pandemic; Report and Recommendation 178/2020 - The Role of Parliaments in Combating Pandemic - Social Aspects; Report and Recommendation 172/2019 - Unemployment in the BSEC Member States. The Role of the State in Facilitating Job Creation; Report and Recommendation 169/2019- Pension Systems in the BSEC Member States; Report and Recommendation

* Assembly debate on 15 May 2024 (See Doc. GA63/CC62/REP/24, Report of the Committee on Social and Humanitarian Policy “Investing in Human Capital for Innovation and Prosperity in the BSEC Region”, discussed on 5 March 2024 in Skopje; Rapporteur: Mr. Yevhen Pyvovarov – Ukraine)

Text adopted at the Sixty-Third General Assembly in Tirana on 15 May 2024

160/2017- Social Protection and Benefits for Young Families in the BSEC Member States; Report and Recommendation 156/2017 - Role of Parliaments in Strengthening Legislative Framework for Economic Growth and Social Integration; Report and Recommendation 157/2017 - The Role of the Parliaments in Providing Sustainable Healthcare Systems in the BSEC Member States, etc. and reaffirms its consolidated commitment to support reforms and policies, improving the well-being of the people.

4. The PABSEC stresses that states with a high level of human capital are more competitive globally. A well-educated and skilled workforce attracts investment and creates a dynamic labour market. Highly skilled people contribute to the creation of new products, services, industries, and jobs. Skilled human capital is essential for achievements in science, technology, and innovation. In today's fast-paced, ever-changing world, the ability to adapt to new conditions and embrace change is necessary to success.

5. The PABSEC shares concerns that the BSEC Member States face several challenges in the field of human capital development, including in the areas of education, skills development, employment, gender equality, brain drain, healthcare, aging populations, etc. An unstable political climate, military actions and conflicts undoubtedly undermine economic activity and do not leave room for the region to fully enjoy the benefits of economic cooperation. Even the countries that are not directly involved in conflicts suffer the economic, social and political consequences of regional instability. Solving the existing socio-economic problems requires a comprehensive approach, including increased investment in human capital in order to ensure sustainable economic growth, innovation and prosperity.

6. The PABSEC recognizes that the parliaments and governments play an important role in shaping policies related to human capital. Determining the right domestic policies and creating the necessary institutional environment have a strong impact on economic success. Domestic reforms, coupled with efforts to promote regional integration, pave the way for improved economic performance, which in turn boosts human capital, innovation and prosperity. Ensuring the balance of overall work and creating a unified system of mechanisms focused on achieving the goals and objectives at the regional level has a significant impact on increasing the efficiency of activities.

7. The PABSEC welcomes that the BSEC Organisation continues to deepen economic cooperation in the region and lay the foundation for social cohesion and common progress. While much has already been achieved, it is essential that the Black Sea region takes full advantage of its diverse opportunities and, through collective efforts at all levels, ensures that effective economic cooperation is achieved, as well as greater and more effective investments in people are made to strengthen human capital.

8. **Therefore, the PABSEC recommends** that the parliaments and the governments of the BSEC Member States:

- i. *support* investment in human capital, such as education and training programs, promoting lifelong learning, and providing opportunities for skills development, which are essential for building a highly skilled workforce, that strengthens economies and societies as a whole;
- ii. *enact* legislation, which promote access to quality education, healthcare services, and social protection systems that enhance human capital development;

- iii. *rethink and improve* existing service delivery systems for training children and their education;
- iv. *allocate* a significant portion of their budgets to resources to fund scientific research and innovation, public schools, universities, and vocational training programs;
- v. *provide* financial aid in the form of scholarships and grants to encourage individuals to pursue higher education or vocational training;
- vi. *encourage* continuous learning and upskilling by promoting programs and initiatives that encourage individuals to acquire new skills;
- vii. *support* the development of new technologies, products, and services, ultimately leading to economic growth and increased job opportunities;
- viii. *improve* the efficiency of service delivery systems in the short and medium term, and create the foundations for longer-term, inclusive, sustainable development;
- ix. *collaborate* with private sector organizations to develop and implement programs that promote investment in human capital;
- x. *support* comprehensive approach and increase investments in human capital in order to ensure sustainable economic growth, innovation and prosperity;
- xi. *share* experience, information and conduct regular monitoring to improve human capital performance;
- xii. *initiate* the organization of seminars, round tables and other bilateral and multilateral events with participation of the representatives of the BSEC Member States, aiming resolve issues at regional level, related with the human capital development;
- xiii. *maintain* active cooperation with the BSEC Organization and BSEC-related Bodies (BSEC Business Council, Black Sea Trade and Development Bank, International Center for Black Sea Studies) for the effective implementation of the “BSEC Economic Agenda: Towards a Sustainable Future of the Wider Black Sea Area”.

9. The PABSEC invites the BSEC Council of the Ministers of Foreign Affairs to consider this Recommendation.