

THE CONTRIBUTION OF HUMAN CAPITAL TO SUSTAINABLE DEVELOPMENT

WORKSHOP DISCUSSION PAPER

BACKGROUND

Emerging long-term visions of sustainable development have only recently begun to acknowledge the specific role of social and human capital in the SEE Region, and to integrate various aspects of social and human capital formation at national and sub-national levels in the strategic analysis and prescriptions for implementation. Matching dynamics on labour markets, under- and postgraduate, formal, informal and non-formal education, the undertaking of life-long learning, are tested as policy instruments and debated as cross-cutting themes over strategic development domains, while still gaining ground in policy research and independent studies.

The workshop introduces several national-level cases, including the drafting and implementation National Sustainable Development Strategies and Local Agenda 21 in Romania, aiming to support debate and draw the basis for a perspectives for the region.

I. Integrating Human Capital in the strategic process towards Sustainable Development – a regional approach for SEE

The concept of sustainable development has been gaining a well-deserved recognition over the past decades, proving to be *the* path to adopt when aiming towards a genuine social and economic development. In an growingly interdependent world and also considering the specific historical, political, economic and social complexity of SEE, a regional approach has emerged as an useful tool assisting individual nations in their attempt to achieve sustainability as parts of a regional plan.

While striving for a sustainable development pattern, one particular factor has proven crucially important for the countries of the region: the Human Capital. The quality of the Human Capital is the most important condition for a successful transition towards a sustainable model of development. In order to answers SD challenges it is mandatory to develop Human Capital integrating the latest knowledge and scientific achievements regarding the concept of Sustainability.

Many of the long-term, subtle, double-sided interactions between development and human capital formation become apparent in a close survey at the local level, as human capital underpins development today, creates capacity for policy-making and implementation, enables responsiveness to change and the formation of social capital, and supports the institutions that ultimately translate some of the gains of development into further accumulation of human capital through education, the labour market, professional and informal channels.

Several potential issues to be tackled individually as well as regionally are as follows:

- ✓ Improvement of the quality of the components of Human Capital
- ✓ Education and Training
- ✓ Research and Development
- ✓ Change the current structure of economic systems through “short-cuts” towards the implementation of “Best Available Technologies” (BAT’s)

- ✓ Increase the role of services and work productivity within the overall metabolism of the socio-economic system – sustainable use of resources, with high added value
- ✓ Identify additional and alternative solutions (i.e. local government finance and emerging strategic public private partnerships) for the improvement of priority domains – energy, transportation, nature conservation, water management and waste management
- ✓ Long term thinking and holistic approach

II. Human capital links to local sustainable development: Lessons from the implementations of Local Agenda 21 programme

a. Local experiences: the Romanian lesson:

The National Centre for Sustainable Development (NCSD) Foundation and partner organizations have initiated and contributed to integrate Human Capital development as a key factor for Sustainable Development in for Romania, reaching towards a regional vision. The Foundation's decade-long experience assisting local administrations with building their endowment of crucial skills is proposed as reference in the broader, national and trans-national picture of human capital demand in the region's varied social, economic, environmental and political contexts. Evidence from independent reports on human capital and long-term sustainable development, and from the recent strategic deliberation, consultations and negotiation process leading to the drafting of the National Strategy for Sustainable Development, bring evidence from the bottom-up policy implementation perspective.

The eight-year long project linking local development strategies and agendas through a common coordinating framework, provides an excellent case study: a survey of the closely-tailored input to local development strategies, policy-making and development projects allows to grasp the complex interdependencies underlying human capital formation. The project's documentation and experiences, communicate a first-hand view over the long-term transformations, inter-generational mechanics and short-term dynamics of Human Capital; policy responses and the public sector's demand for human capital.

b. Understanding the challenges, scale and scope of **a regional approach** aiming to connect Human Capital and Sustainability Development.

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KEY QUESTIONS

Overall, the workshop will address several of the policy questions the conference proposes:

What is the current situation of human capital development through lifelong learning, from the national and regional perspectives in Central and Eastern Europe?

What constitutes good practice in regional cooperation on human capital development for sustainable development today?

What are the key areas where strategic foresight and policy coordination can provide coherence and complementarily between education, innovation and research in CEE countries? What are the regional dimensions?

What lessons from current national policies and strategies for sustainable development and human capital development, move towards an integrated regional perspective?

The presentations and debate questions are intended to constitute reference points regional initiatives and the agendas of regional networks on the links between human capital development and overall development sustainability.

EXPECTED OUTCOMES

The presentations, discussion and dialogue throughout the workshop are expected to gravitate toward the following broader topics:

Education for sustainability – between challenge and necessity

As the first concrete steps are taken towards a 'broad picture' of the state of human capital as it affects the premises and prospects of sustainable development in SEE today. Between the strategy process and policy implementation results much remains to be learned.

Beyond politics and policies, gaps in applied research span broad questions on social stratification and mobility, socio-human capital particularly along the dimensions of professionalization, the potential for collective action in the context of institutional change, capacities for deliberate intervention, the capacity of management and organizational cultures to generate change, the learning capacity for innovation and sustainability of political party structures; civic attitudes, mentalities and behaviours are yet to undergo any systematic mapping.

Social versus human capital

As a result of the recent enterprise of a group of non-governmental organizations¹ on the study "*Back To Basics: Professionalism First*"² and the renewed National Sustainable Development Strategy³, one critical conclusion emerges: the importance of personal development and formation options with clearly applied professional specializations, cannot be overestimated. The stage of analysis, debate and orientation ought to yield concrete interventions and tangible results onsite.

For Romanian experience to resonate through Regional Cooperation, we propose the following policy areas for discussion:

- Transformed curriculum and course structures⁴ towards professional applications and the career orientations of the student body;
- Rapprochement and cooperation between universities and their public and private clients;
- Student internships and professional development stages further extended with research institutions and businesses;
- Greater involvement of universities in science research corresponding international standards for R&D competitiveness;

1 The Institute for Projects on Innovation and Development, the National Centre for Sustainable Development, the Black Sea University Foundation and the Romanian Association for the Club of Rome with the collaboration of the Romanian Academy and the Commission for Prospective Studies.

2 Released in 2008

3 Adopted by the Romanian government in August 2008

4 The concept of 'modularity' proposed here was publicized and has been acknowledged as an experiment in: Mircea Malitza, Orio Giarini - *The Double Helix of Learning and Work*, A report to the Club of Rome, CEPES – UNESCO, 2002, 173 p. 2003 , reprinted in Romanian in 2005

- Partnerships towards these objectives, between universities in the region and their prominent European peers,
- Better technical schools and high-schools supported by private industries or the State;
- Prospective studies and long-term studies adapted to the timeframes specific to sustainable development;
- The renewed education shall deploy competencies in social sciences and the humanities, in the arts and the principles of human rights and cultural diversity, the values of cooperation and empathy for the ends of raising harmoniously achieved individualities among the youth;
- Postgraduate education must advance knowledge and skills in the spirit of the Knowledge Age and face its demands.

These works and ideas have reached a broad audience in Romania and enjoy the benefit of intense participation in the extended Black Sea Region and in South-East Europe. For the autumn, two international sessions are being prepared in Bucharest and Constanța: on 'Universities and the Society's Vital Signs', 'The Case of Energy' and 'University Reforms'.

Formulation of a regional approach linking Human Capital and Sustainable Development

Starting with the international view and national-level cases presented in the workshop, experiences from other member states of the European Union are sought, as positive experiences must be deployed and amplified regionally; the coordination base and support of the European Union is vital for bringing programmes in these domains to life.

ORGANISATION / METHODOLOGY / STRUCTURE

Facilitator: The National Centre for Sustainable Development

NCSDD, the National Centre for Sustainable Development, has had an instrumental role in the drafting of the first National Strategy for Sustainable Development for Romania, adopted by the Romanian Government in 1999. In recognition of its successful track record assisting local government bodies to draft and enact sustainable development strategies as a bottom-up process matching the national coordination effort for SD, NCSDD was called for a similarly substantial role on the renewal of the national SD strategy (November 2007 – November 2008).

As the LA21 focal point in Romania, NCSDD assists local administrations with drafting and implementing sustainable development strategies based on broad stakeholder consultation. NCSDD provides continued support to local SD commitments by advising municipalities on projects towards sustainable provision of public services and integrating renewable energy resources, among others.

The organization was established in 1997 at the solicitation of the Romanian Ministry of Foreign Affairs, as a national advisory body to provide institutional support for the implementation of the first National Strategy for Sustainable Development. In 2001 NCSDD matured into a non-profit, non-governmental foundation with the support of the Romanian Academy and the United Nations Development Programme. Through its statutory mission, NCSDD is committed to entrench the concept of sustainable development into the transformation of the Romanian society, economy and environment throughout the process of European convergence.

NCSDD is recognized as one of the foremost resources for local development policy in the country. It is currently accredited as the UNEP National Committee, holds national representation status with the UN Council for Sustainable Development and consultative status with the UNDESA.

Workshop plan

The workshop will examine the cases and contributions presented in the light of current change with particular attention on setting aside the concepts, strategic approaches and policy areas that connect human capital development with the long-term demands for sustainability in its social, environmental and economic dimensions.

The discussion is expected to provide various perspectives on solutions, and what future policy ought to demand to learn from research in the short and in the long run. And, in particular, how both research and policy can / should adapt to the time frames of sustainable development.

From local experiences and lessons to a regional approach: how would a regional strategy bring an added value to the process; steps to be taken.

The workshop will commence with the invited presentations introducing the dimensions of interdependence between human capital development as a cross-cutting, integrating component of sustainable development and review the effects of the current state of human capital development on overall development sustainability in the CEE region.

A session of debate around the *key questions* will then be open for discussion.

Chair: Dr. Slobodan Milutinovic (Republic of Serbia), Professor, University of Nis

Input persons and discussants

Romania:

Dr. Calin Georgescu (input person), Executive Director, National Centre for Sustainable Development

Amb. Sergiu Celac (discussant), Senior Adviser, National Centre for Sustainable Development

Germany:

Dr. Harry Stolter (input person), Head of Department, Modern Media and Development of Vocational Training Curricula, InWent - Capacity Building International

Mr. Jochen Sonntag (discussant), Senior Project Manager, InWent - Capacity Building International

Moldova:

Dr. Anatol Gremalschi (input person), Program Director, The Institute for Public Policy

Bulgaria:

Ms. Rada Tchalakova (input person), Senior Expert, Ministry of Environment and Water

Ms. Mariana Barouh (input person), Senior Expert, Ministry of Environment and Water

Austria:

Thomas Schauer, (input person), Director, European Support Centre for the Club of Rome

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