

INVESTING IN HUMAN CAPITAL AND ITS ROLE IN ACHIEVING ECONOMIC GROWTH IN LIGHT OF THE KINGDOM'S VISION 2030

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Abstract

This study aimed to identify the role of investment in human capital in achieving economic growth in light of the Kingdom's Vision 2030 by focusing on the period (2016-2023), and by following the content analysis method, as it is one of the methods of the descriptive analytical approach. The study reached a set of results, the most important of which are: that there is a direct correlation between investment in human capital and indicators of economic growth. The increase in the volume of spending on education, human development, health, and social services in the Kingdom led to an increase in the value of the gross domestic product; Investment in human capital is an essential factor in diversifying sources of GDP, and this is evidenced by the high percentage of non-oil sectors' contribution to GDP, and that the Kingdom has achieved a distinctive leap in the field of human resources development, as a result of the increase in the volume of spending in this aspect. Investment in human capital has contributed to reducing unemployment rates and the dependency ratio for individuals of working age, and has also contributed to expanding the scope of women's participation in the labor market. However, human development indicators in the Kingdom are still below the desired level.

Key words: Investment, Human Capital, Economic Growth, Vision 2030

Introduction

The term capital has been a key term and concept related to factors of production since the early twentieth century. It refers to the money and material wealth of an individual or organization, which is employed in the production process to indirectly satisfy human needs, or it refers to the assets accumulated through production processes. Physical capital, meaning tangible assets, formed the main focus of the industrial economy from the nineteenth century until the mid-twentieth century, which witnessed the beginning of interest in intangible assets, including human assets, education, experience, and skills possessed by the human resources working in the organization, becoming a component of physical capital. This led to the emergence of new terms such as: intellectual capital, knowledge capital, human capital, etc. Because human capital represents the primary pillar of societal advancement and progress, and a crucial element in the success of economic development plans and strategies, the past few decades have witnessed widespread interest in this wealth. This interest has been characterized, in part, by the view of the human element as one of the capital assets of various countries, organizations, and economic entities. This has been accompanied by the widespread use of the term "human capital" in modern and contemporary economic,

administrative, and educational literature. To the extent that education should be an investment in people so that they can participate effectively in various development processes, the scope of investment in human capital extends to all areas and levels of health services, social care, and human development, linking all of this to economic growth. The concept of human capital essentially refers to all human forces, energies, and capabilities that can be invested to further contribute to the development of economic resources and wealth, and to achieve economic growth in any country or society. Economic growth can only be achieved through investment in the development of human energies, capabilities, skills, and potential, first at the individual level, and second at the societal level. Conversely, investment in human capital can only be achieved according to the choices determined by economic development plans and programs.

The Problem of the Study

Investing in building and developing human capital has become a strategic direction for both developed and developing countries, in light of contemporary economic, scientific, and technological transformations and challenges. These transformations have forced them to exert maximum efforts and harness the greatest possible resources and capabilities to achieve cumulative quantitative and qualitative growth in human capital, as a fundamental pillar for achieving real leaps in all areas of economic development.

The Kingdom of Saudi Arabia has responded to this trend, placing it at the forefront of its strategic priorities, embodied in Vision 2030. It has worked to translate this trend into practical implementation through numerous projects, most notably the Human Capability Development Program, which seeks to achieve globally competitive levels (), and other programs and projects that contribute to the same goal.

Based on this, the problem of the current study is the need to identify the role of investment in human capital in achieving economic growth in light of the Kingdom's Vision 2030. This can be expressed through the following main question:

What is the role of investment in human capital in achieving economic growth in light of the Kingdom's Vision 2030?

Significance of the Study

The importance of the study stems from the growing interest in keeping pace with the rapid transformations in the contemporary environment, which have imposed a trend toward building and developing human capabilities and energies (human capital), and investing them to the maximum extent possible in development programs and strategies across various productive and economic sectors and fields. This importance is embodied today by the Human Capability Development Program 2030 in the Kingdom of Saudi Arabia.

This study also represents an attempt to achieve scientific contribution and arrive at new results that will benefit many entities and institutions in developing their development visions and strategies.

Study Hypothesis

The study is based on a main hypothesis: (Investment in human capital plays an effective role in achieving economic growth in light of the Kingdom's Vision 2030).

Study Objectives

The study generally aims to identify the role of investment in human capital in achieving economic growth in light of Vision 2030, by monitoring and tracking the reality of investment in human capital and its relationship to the reality and trajectories of economic growth in the Kingdom of Saudi Arabia.

Study limits

Subject Limits: The study is limited to investment in human capital and its role in achieving economic growth in light of the Kingdom's Vision 2030.

.Spatial Limits: The Kingdom of Saudi Arabia
 .(Temporal Limits: The period (2016-2023
 Study Methodology

To achieve the study's objectives, the researcher adopted a descriptive-analytical approach, namely (content analysis), which combines qualitative and quantitative analysis of secondary sources, including reports, statistical bulletins, documents, and official publications related to the subject of the study, while leveraging the content provided by previous studies and .research, as well as other relevant literature

This method helps collect, present, analyze, and discuss quantitative and qualitative data, achieving optimal understanding of all aspects of the phenomenon studied in real life and .providing appropriate recommendations to address shortcomings and deficiencies, if any

:(Study Structure (Research Plan

The study consists of an introduction that includes the research problem and questions, its importance and objectives, its limitations, its methodology, and its plan. It also includes three chapters. The first chapter addresses the theoretical framework and previous studies. The second chapter sheds light on the reality of investment in human capital in light of Vision 2030, focusing on the education and human development sectors, and the health and social services sectors. The third chapter examines the role of investment in human capital in achieving economic growth in light of Vision 2030. The study concludes with a conclusion that includes the most important findings and recommendations. Section One

Theoretical Framework and Previous Studies

This section addresses the theoretical framework and a review of previous studies that address :both investment in human capital and economic growth, as follows

First: The Theoretical Framework

:The theoretical framework defines the study's terms and concepts, in several areas, as follows
 Investment .1

Investment is a common economic concept, often referring to the optimal use of resources, or the employment of available resources and the creation of value through their optimal .exploitation and employment to achieve satisfaction and meet specific needs

Investment can be operationally defined in this study as: enhancing the role of educational institutions in developing and enhancing human resources, making optimal use of them, and .employing them to achieve economic growth in the Kingdom of Saudi Arabia

Human Capital .2

The term "human capital" began to be used in the early 1960s, as confirmed by the writings of the American economist Keith W. Schultz in 1961, in which he emphasized that individuals who acquire useful skills and knowledge that have economic benefits become a form of physical capital and an important part of the outcome of investment (). The efforts of Gary Becker, starting in 1965, subsequently contributed to the popularization of this term and the development of human capital theory (). Since then, the term human capital has become widely used as a serious method to attract and direct attention to the contribution of labor to the performance of organizations and the development of societies, especially in the efforts of the economist Jacob Mincer, who contributed to the development of the concept and theory of human capital in the 1980s (). Then, the concept of human capital has received wider attention in light of globalization and the saturation of the labor market due to the recent contraction in various economies of the world, as developed and developing countries have turned towards developing human capital more in order to accelerate economic growth by devoting the necessary time and effort to it (). The concept of human capital refers to the stock of knowledge, skills and abilities acquired through education and practice, which are available to individuals from human resources with distinguished capabilities, able to fill

administrative and technical positions in the organization, and have creative and innovative capabilities. Therefore, human capital includes the advanced knowledge of workers, their accumulated experiences, their technical and artistic skills, as well as their satisfaction, morale .() and cohesion as an integrated work team

Other researchers have defined human capital as the result of the interaction of four elements: historical heritage, education, experiences, and individuals' attitudes in life and work (). Human capital has also been defined as the economic value of the knowledge, expertise, skills, and abilities of workers (). Others have argued that the concept of human capital goes beyond knowledge, skills, and expertise to encompass all general life experiences, social .() skills, values, beliefs, and various attitudes

Human capital can be operationally defined in this study as the accumulated stock of knowledge, expertise, abilities, and skills, both innate and acquired by individuals through education and various means of learning, acquiring knowledge and experience during their employment, which contributes to improving their standard of living, enabling them to contribute to the development of society, and achieving economic growth. 3. Investing in Human Capital

Investing in human capital is generally defined as: all expenditures aimed at developing the skills, knowledge, and capabilities of individuals who contribute to, or can contribute to, a country's economic and social development. These individuals are not limited to the working population alone, but also include the actual, anticipated, or potential participation of other individuals in the economic and social development process. Investment in human capital focuses on several key areas, including: education, training and human development, health .() and social services, migration, and labor

Investment in human capital is directed toward developing three main components of : () individuals, represented by the following

General basic components (competencies); these include all levels of basic education, .1 thinking and scientific research skills, the ability to handle information and use it to solve .problems, and the acquisition of additional social skills and expertise

Specific qualitative components (experiences and expertise); these include knowledge, .2 experience, and skills in dealing with modern technologies, and the ability to employ them in .various areas of work and production

Scientific and technical components (qualifications); these include analytical and applied .3 skills related to various scientific and technical disciplines, and the associated productive .capabilities

Procedurally, investment in human capital in this study can be defined as: spending on individuals to develop their capabilities, nurture their talents, and increase their productive skills and knowledge, enabling them to continually increase their income and improve their .standard of living, contributing to raising the country's level of economic growth

Economic Growth .4

Economic growth is defined as the rate of increase in real production or income in a country over a specific period of time, or the increase in national income or gross domestic product (GDP) growth. GDP growth is essential for improving the standard of living, measured by per capita income (GDP). Economic growth is also defined as the continuous process by which the productive capacity of a national economy increases over time to raise the levels of national output or income; it is also the increase in the scale of economic output resulting .(from rising resource expectations or technological advancements (GDP

Economic growth is measured using indicators that allow for comparison of economies according to agreed-upon accounting rules. Economic growth is often measured by the rate of change in gross domestic product (GDP), or the amount of GDP per capita. GDP measures the

current value of goods and services produced for sale in a given economy over a single year. An increase in GDP indicates that the economy is expanding, while a decrease in GDP .indicates a decline

Economic growth is operationally defined in this study as: an increase in production volume and a rise in gross national product rates resulting from optimal investment of all national human and natural resources, enhancing the role of technology in developing the national .economy, and focusing on investment in human capital in light of Saudi Vision 2030

Second: Previous Studies

There are many previous researches and studies that dealt with the variables of the current study, so that the most important things that the researcher has learned from them can be addressed, according to a chronological sequence from the most recent to the oldest, starting with the study (Al-Shahri and Al-Qahtani, 2024) (), which aimed to research the impact of human capital investment on the efficiency of outputs according to the Kingdom's Vision 2030, by applying it to a sample of educational institutions (schools in southern Jeddah), following the descriptive analytical approach, and distributing a questionnaire to a sample consisting of (100) individuals, and the study concluded that there is a high level of human capital investment among employees in schools in southern Jeddah for the three dimensions (skills, experiences, knowledge). As for the study (Al-Badrani and Al-Ahmadi, 2023) (), it aimed to identify the impact of investment in human capital (education sector) in the Kingdom of Saudi Arabia on economic growth during the period (2013-2022), following the descriptive analytical approach, and it concluded The study indicates a deficiency in the level of education funding, and a negative impact of the education sector's allocations from the general budget on the gross domestic product. The study (Al-Eid, 2021) also aimed to identify the impact of investment in education on economic growth in the Kingdom of Saudi Arabia during the period (1978-2015), following the standard approach. The study concluded that the interruption of education in the Kingdom is still in the development phase, and does not have a direct impact on the Kingdom's economy. In addition, the study (Saqr, 2021) aimed to investigate the role of human development in achieving some sustainable development goals in the Kingdom of Saudi Arabia. The study concluded that the relative importance of the life expectancy index far outweighs the education index in the years from 1998 to 2018 in the Kingdom, and that the relative importance of the human development sub-index related to income in the Kingdom was more improved than its counterparts related to health and education, and that the three indicators of the quality of health services place the Kingdom of Saudi Arabia within the average category of the quality of these services, and that the three indicators of the quality of educational services place the Kingdom of Saudi Arabia within the high category of the quality of these services. The study by Al-Abdullah and Al-Ghamdi (2020) aimed to uncover the impact of human development on the economy of the Kingdom of Saudi Arabia in light of Vision 2030 for the period (1990-2016) using a standard approach. The results of the study indicated a direct relationship between human development indicators according to the United Nations Development Program (life expectancy at birth, spending on education, average income) and economic growth. The study by Kamal (2020) aimed to identify the reality of spending on university education and its impact on economic growth in the Kingdom of Saudi Arabia, by applying the standard approach. The results of the study concluded that there is no relationship between spending on education and economic growth, and that the increase in the number of graduates from higher education had an adverse effect on economic growth. The current study seeks to reach new conclusions regarding the reality of investment in human capital and its role in achieving economic growth in light of Saudi Vision 2030, during the period (2016-2023). It also aims to provide recommendations that

will enhance the level of investment in human capital in the Kingdom, and to identify any shortcomings and ways to address them

Section Two

The Reality of Investment in Human Capital in Light of Vision 2030

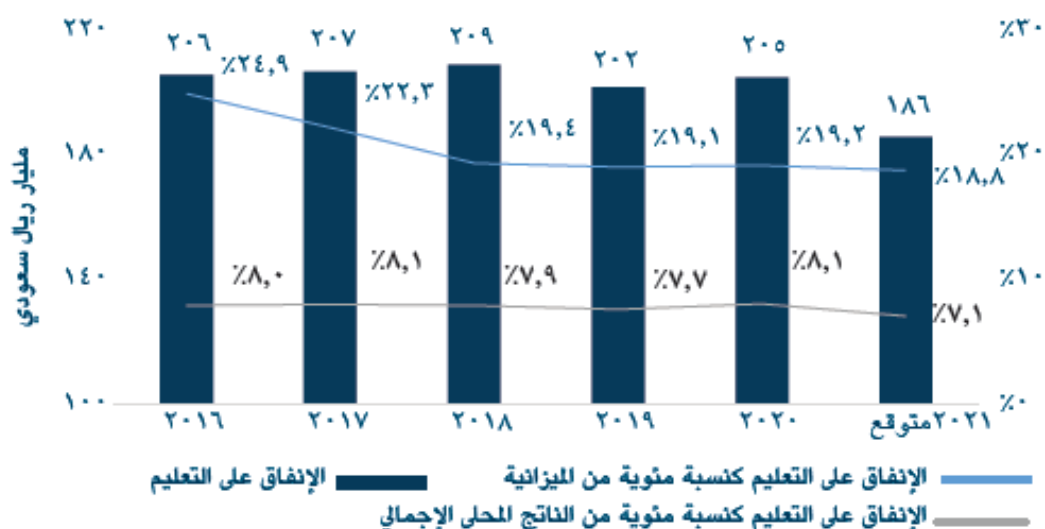
Since the launch of Vision 2030 in 2016, the Kingdom of Saudi Arabia has sought to achieve numerous developmental leaps across all economic, social, and cultural fields. The vision has placed great emphasis on education, training, and human development, as well as health, social services, labor, and human resources. Hence, this study was held to monitor and track the reality of investment in human capital in light of Vision 2030 during the period (2016-:2023), in several axes as follows

First: Investment in the education sector

Vision 2030 expressed the Kingdom's orientation towards bridging the gap between higher education outcomes and labor market requirements, developing public education, guiding students towards appropriate career and professional options, providing opportunities for their rehabilitation and flexibility in moving between various educational paths, and working to make at least five Saudi universities among the best (200) international universities by the year 2030. It also aims to enable the Kingdom's students to achieve advanced results compared to the average international results and obtain an advanced classification in global indicators of educational achievement, through the preparation of advanced educational curricula that focus on basic skills, in addition to developing talents and building character. Strengthening the role of the teacher, raising the level of his qualification, monitoring the level of progress in this aspect, publishing the results of indicators that measure the level of educational outcomes on an annual basis, working with specialists to ensure the alignment of higher education outcomes with labor market requirements, concluding partnerships that provide training opportunities for graduates locally and internationally, and creating platforms concerned with human resources in various sectors in order to enhance training and qualification opportunities. Working to develop job standards for each educational path, and creating a comprehensive database to monitor the academic progress of students from the early stages of education to the advanced stages, in order to monitor, evaluate and improve educational outcomes.

The Kingdom of Saudi Arabia has worked to develop a distinguished and highly efficient education system. Its focus on the sector was evident in its high spending, allocating nearly a fifth of the budget to education. Government spending on education stabilized between 7% and 8% of GDP during the period (2016-2020), which is higher than similar rates in many developed countries. Significant government investments in the sector and increased private sector participation have led to the continued development of the education sector. Since 2017, the Kingdom has permitted 100% foreign ownership of private schools, which has helped increase investor participation in the education sector. This policy also aligns with the Ministry of Education's goal of increasing private sector participation in total education from 12.5% in 2017 to 25% in 2020, across all educational levels from kindergarten to secondary school, adding approximately 900,000 students to private education

(Figure 1
(Trends in Education Spending in the Kingdom (2016-2020



Source: Ministry of Finance, General Authority for Statistics

The demand for education continued to grow, supported by population growth, as the enrollment rate in kindergarten increased from 13% in 2015 to 23% in 2020, while the percentage of assigning primary grades (boys) to female teachers in government schools increased to 11%. The number of beneficiaries of virtual kindergarten services reached more than 300,000. The number of published scientific research increased to 33.6 thousand researches in 2020, in addition to an increase in the number of registered patents granted to employees of Saudi public universities for the year 2020, as it reached (143) patents at the local and international levels. Statistics showed an increase in the number of secondary school graduates completing education in the General Organization for Technical and Vocational Training, where the target was 12.5% in 2020 and reached 23.77% ().

Spending on the education sector continued to increase, from 207 billion riyals in 2016 to 210 billion riyals in 2023:

Table (1):
Education Budget Development (2016-2023)

(Education budget (billion riyals)	Year
207	2016
207	2017
209	2018
202	2019

192	2020
202	2021
189	2022
210	2023

Source: State General Budget Reports for the years (2016-2023)

Second: Investing in Human Development and Labor

Since 2021, the Kingdom has launched the Human Capacity Development Program, which primarily aims to prepare a globally competitive citizen. This program is based on developing the basic and higher education systems, increasing spending on education, training, human development, and labor, reducing unemployment rates, and expanding women's participation in the labor market. The program contributes to positive change in the Kingdom's macroeconomic indicators. This program is the primary strategy for investing in human capital in light of Vision 2030 ().

The program is based on three strategic pillars, as illustrated in the following figure ():

Figure (2):
Strategic pillars of the Human Capacity Development Program



Source: Information Document: Human Capacity Development Program (2021-2025)

In 2001, the Kingdom established a Human Resources Development Fund (HRDF), which primarily aimed to support efforts to qualify and employ the national workforce in the private sector, by providing various services to support training, employment, and empowerment of individuals in the labor market (). In light of the Kingdom's Vision 2030, this fund has become one of the most important national actors in the field of developing human capital in the Kingdom. The number of actual beneficiaries of the Fund's services in 2023 reached approximately (46,661) beneficiaries (). The Kingdom of Saudi Arabia is one of the countries

suffering from unemployment, and it has sought to address this problem by creating appropriate solutions to keep pace with the development process. Prior to 2016, the unemployment rate in the Kingdom was extremely high, reaching 29%, with a large percentage of women being concentrated in it. Therefore, one of the most important goals of Vision 2030 was to reduce this rate to the lowest possible level. During the period (2016-2023), the unemployment rate declined significantly, ranging between 7.5% and 4.9%, according to World Bank Group statistics.

Table (2):
Development of the unemployment index in the Kingdom (2016-2023)

% Unemployment rate	Year
5.60	2016
5.90	2017
6.00	2018
5.60	2019
7.50	2020
5.60	2021
5.60	2022
4.90	2023

Source: World Bank Statistics

Thanks to the results achieved in the field of human capacity development and combating unemployment, the age dependency ratio of the working-age population stabilized between (42%-39%) during the period (2016-2023), as shown in the following table:

Table (3):
Age dependency ratio of the working-age population (2016-2023)

Human Development Index	Year
42.00	2016
41.00	2017
40.00	2018
39.00	2019
40.00	2020
40.00	2021
40.00	2022
40.00	2023

Source: World Bank Statistics

Third: Investment in health and social services

The health and social services sector has received significant attention in Vision 2030. During the period (2016-2020), this sector was able to raise the quality of services provided, facilitate access to services, and protect against health risks. This was achieved by launching 10 health

clusters covering 12.95 million people by the end of 2020 across various regions of the Kingdom. This also resulted in a 50% reduction in referrals outside the patient's area of residence within the Kingdom, and a 65% increase in the number of health sector workers, including doctors and nurses. This was linked to an increase in spending on this sector, from 105 billion riyals in 2016 to 256 billion riyals in 2023. Actual spending is projected to increase by 63.9% by the end of 2022. This sector also witnessed a 35.2% increase in spending by the end of 2023. Compared to the approved budget, this is mainly due to support for social support and protection system programs ().

Table (4):

Development of the Health and Social Services Sector Budget (2016-2023)

Health and Social Development (Budget (billion riyals)	Year
105	2016
134	2017
175	2018
190	2019
190	2020
197	2021
227	2022
256	2023

Source: State General Budget Reports for the years (2016-2023)

The following table shows health resource indicators per ten thousand people:

Table (5):

Health resource indicators per ten thousand people (2018-2022)

2022	2021	2020	2019	2018	Indicator
40.1	39.8	36.4	37.6	34.7	Doctors
10.6	10.0	8.7	10.6	9.6	Pharmacists
62.4	65.4	62.3	66.2	61.1	Nurses and Midwives
43.0	42.6	39.3	41.1	41.2	Allied Health Care
0.66	0.69	0.72	0.75	0.79	Health Care Centers
24.3	25.0	24.9	25.7	25.0	Number of Beds in All Hospitals

Source: Ministry of Health Annual Report 2022

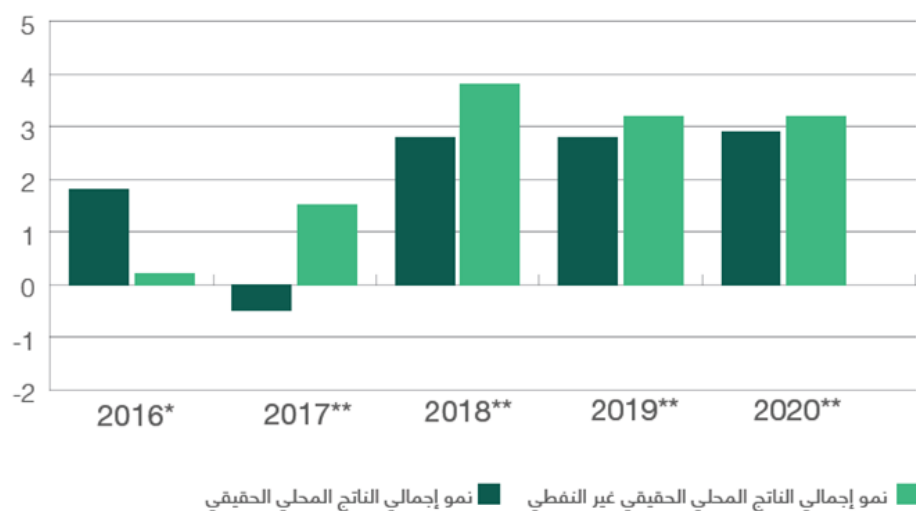
Section Three

The Role of Investment in Human Capital in Achieving Economic Growth In Light of Vision 2030

Economic theories and the findings of most previous research and studies confirm that investment in human capital plays an effective role in achieving economic growth. This is also confirmed by the experiences of leading countries in this field.

In the Kingdom of Saudi Arabia, economic growth indicators have witnessed a remarkable shift, dominated by rising values. The GDP growth rate continued to rise during the period (2016-2020) at varying degrees, reflecting the transformation brought about by the Kingdom's Vision 2030 in the direction of the national economy.

Figure (3):
Gross Domestic Product Growth (2016-2020)

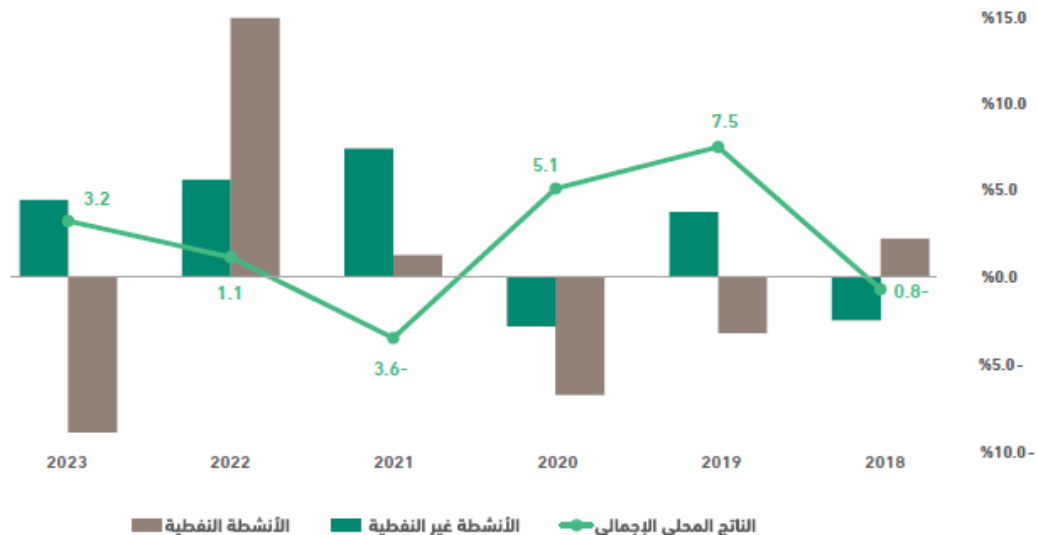


Source: State General Budget Statement for 2018

Real GDP in 2021 grew by 1.8% compared to the same period in 2020. Real non-oil GDP recorded high growth rates of about 5.4%, driven by the performance of the private sector, which recorded a growth rate of 7.0%, reflecting the improvement in various economic activities in general. Meanwhile, real oil GDP declined by 3.4%, due to the voluntary reduction in the Kingdom's crude oil production to maintain global market balance. Economic activity performance indicators also witnessed remarkable growth, which strengthened the continued recovery from the COVID-19 crisis in 2021, with vaccination rates rising to more than 70% in all regions of the Kingdom. The rapid increase in vaccination rates has led to further easing of precautionary measures, in addition to allowing the partial return of in-person classes in the education sector, which has positively impacted consumption levels (). Actual real GDP performance increased by 8.7% in 2022 compared to the 2022 budget estimate of 7.4%, the highest increase in the past decade. This was driven by a 15.4% real GDP growth in oil activities, driven by the continued increase in global demand for oil, in addition to a 5.4% real GDP growth in non-oil activities, supported by the reform and economic diversification programs under the Kingdom's Vision 2030. The Kingdom recorded the highest real GDP growth among G20 countries. All non-oil activities also achieved positive growth rates during 2022. The largest growth was in transportation, storage, and communications, with a 9.1% increase, followed by manufacturing, excluding oil refining, with a 7.7% increase. This was driven by the increase in the number of new factories that began production in 2022, amounting to 1,023 factories, bringing the total number of factories

to approximately 10,518, a growth rate of 2.2% compared to 2021. Social services also recorded a growth rate of 5.1% ().

Figure (4): Developments in the real GDP growth rate by main economic activities (2018-2023)



Source: Actual Budget Performance Report for the End of Fiscal Year 2023

In 2023, the actual performance of real GDP decreased by 0.8%, due to a 9.0% decline in real GDP from oil activities. The Kingdom's oil production declined by about 9.2% during 2023. Despite the decline in real GDP, real GDP from non-oil activities witnessed a growth of 4.4% as a result of the positive and expansionary performance of the private sector and the efforts made to accelerate the implementation of major projects. Real GDP from non-oil activities recorded the highest contribution to real GDP in more than three decades, at 50%, bringing the total of non-oil activities to 1.7 trillion riyals at constant prices (). Through Vision 2030, the Kingdom has achieved many accomplishments that reveal the role of investment in human capital in achieving economic growth. Non-oil revenues increased from 1,526 billion riyals before 2016 to 1,804 billion dollars in 2023. The percentage of non-oil domestic product to the gross domestic product increased from 55% to 59%. The value of foreign direct investment in the Kingdom also increased to 17,625 billion riyals. The number of factories increased to 9,984 factories. The percentage of Saudization in national military industries increased to 12.6%. The percentage of women's participation in the labor market also increased to 34.5%. The unemployment rate decreased to 7.7%, with an increase in the rate of kindergarten enrollment to 23%, and an increase in the percentage of working people with disabilities who are able to work to 12%. All of this reflects the role of investment in human capital. In achieving economic growth.

Table (6):
Economic and social indicators of Vision 2030 achievements for the period (2016-2023)

2020	قبل 2016	Indicator
1804	1526	Non-oil revenues (billion riyals)
%59	%55	Ratio of non-oil GDP to GDP
17.625	5.321	Value of foreign direct investment in the Kingdom (billion riyals)
9984	7206	Number of factories
%12.6	%2	Rate of Saudization in military industries
%34.5	%19.4	Women's participation in the labor market
%7.7	%29	Unemployment rate
%23	%13	Rate of kindergarten enrollment
33588	15056	Number of published scientific research papers
%12	%7.7	Rate of working persons with disabilities who are able to work

Source: The Kingdom's Vision Annual Report

GDP indicators clearly reflected per capita income in the Kingdom during the period (2016-2023). Per capita income increased to its highest level in 2022, reaching \$50,683 annually, compared to \$45,389 in 2020, the lowest value during this period, with an average annual value of \$48,000.

Table (7):
Development of GDP and Per Capita Indicators in the Kingdom (2016-2023)

Per capita GDP % growth rate	GDP per capita (thousands of dollars)	GDP growth % rate	GDP (million dollars)	Year
0.10-	48166	1.9	6.66	2016
1.40-	47501	0.90	7.15	2017
0.80	47688	3.2	8.46	2018
1.20-	47298	1.1	8.38	2019
4.00-	45389	3.6-	7.34	2020
5.20	47754	5.1	8.74	2021
6.10	50683	7.5	1.10	2022
2.20-	49568	0.8-	1.06	2023

Source: World Bank Statistics

Conclusion

In light of the above, it has been shown that investment in human capital plays an effective role in achieving economic growth in line with Saudi Vision 2030. This validates the hypothesis upon which the study was based. While this indicates a close relationship between investment in human capital and economic growth, the actual impact achieved remains modest, underscoring the need to continue increasing the volume of investment in human capital to reach the desired level, where the Kingdom is able to rely on its human wealth to achieve economic growth. The study's findings and recommendations can be summarized as follows:

First: Results

1. There is a direct correlation between investment in human capital and economic growth indicators. The increase in spending on education, human development, health, and social services in the Kingdom has led to an increase in the value of the gross domestic product (GDP).
2. Investment in human capital is an essential factor in diversifying sources of GDP, as evidenced by the high contribution of non-oil sectors to the GDP.
3. The Kingdom has achieved a remarkable leap in human resource development, driven by increased spending in this area. However, human development indicators in the Kingdom remain below the desired level.
4. Investment in human capital has contributed to reducing unemployment rates and the dependency ratio for working-age individuals in the Kingdom, and has also contributed to expanding women's participation in the labor market.
4. The health and social services sector received the highest percentage of spending and investment among other sectors, especially in 2022 and 2023. This was reflected in the volume of resources provided by medical and health institutions in the Kingdom, as indicators indicated a significant improvement in the level of health service provision to the public.

Second: Recommendations

Based on the previous findings, the study recommends the following:

1. Continue increasing the education budget, focusing on qualitative development of the education sector by supporting and enhancing educational processes based on modern methods and technology to enhance students' capabilities and various life skills.
2. Develop educational curricula to keep pace with scientific transformations and developments, in parallel with developing the skills of teaching staff at all educational levels.
3. Expanding human development opportunities and developing the mechanisms used in this field, by focusing on qualitative standards and linking them to the requirements and requirements of the labor market, as a necessity to reduce the widening skills gap among graduates from universities and technical institutes.
4. Developing unified national mechanisms between the public and private sectors to develop human capabilities at all institutional and organizational levels, to ensure the continued development of the skills of human resources working in the national market.
5. Increasing spending on the health and social services sector, and addressing shortcomings in the quality of health services provided by institutions in this sector.
6. Conducting special studies on the impact of investment in quality education programs on economic growth in the Kingdom.
7. Investigating the possibility of the Kingdom benefiting from the experiences of leading countries in the field of investment in human capital, and leveraging them to diversify sources of national income and develop non-oil sectors, which are the most resilient to human resources.

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