

Anticipation of the future labour market need: Case of Croatia

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Content of presentation

- General situation
- Situation in Croatia
- Realised activities
- Positive examples: CES, The Vocational Education Agency and Croatian Chamber of Economy
- Conclusions and recommendations

General situation (I)

- The labour market adjustment processes make it very difficult to plan the future by setting particular targets.
- Moreover, the longer the period of forecasting, the more important adjustment processes are.
- One of the main problems in manpower planning models is that these models do not take into account the numerous adjustment processes that can occur on the labour market.

General situation (II)

- *Anticipation* denotes all procedures that try to catch aspects of *future relationships* between supply and demand of education/training, with an emphasis on the upcoming of requirements concerning qualifications in a country, sector or region.
- *Monitoring* includes all the procedures in place that try to observe the actual and ongoing relationships between supply and demand of education/training in its various aspects, and is seen as a necessary component of anticipation.

Anticipating skill demands: Croatia (I)

- There are problems not only in insufficient attention to the future labour market and skill needs, but also there is a very weak relationship between current educational outcome and labour market needs.
- Little connection seems to exist between the number of people who are enrolled in programs and the labour market demand for graduates of such programmes.

Anticipating skill demands: Croatia (II)

- For example, political science and journalism graduates have average job accession rates of 25% in the year after graduation. However, the number of first-year students enrolled in these programs has grown at a greater-than-average-rate.
- Even if such individuals find a job, it is likely that it will be outside their field of study.

The Employment Service on employers' needs

- The questionnaire asks questions related to the requirements regarding occupation, knowledge and skills of the possible employees with the purpose to propose measures for better adjustments of demand and supply on the labour market.
- Most employers underlined that they had problems finding employee(s) with adequate qualifications and professions but very often they also complained about the lack of workers with required work experiences.

An analysis and forecasting labour market needs (I)

For analysis two main data sources were used:

the register of the unemployed and an employers' survey.

- The relative speed of outflow from unemployment to employment has been analyzed by narrow field of completed education; for example, how fast persons who completed tertiary education in law or pharmacy leave the unemployment register for employment.
- What is the ratio of those who left the register within 6 months after they registered to the total number of the registered with the same education field completed?

An analysis and forecasting labour market needs (II)

Data on younger and middle-aged persons have been used for analysis as the work career of older persons is more affected by their work experience and other factors.

The outflow indicator was calculated for every narrow field of education and a rank-list of educational fields is made: those that find employment fast are put at the top of the rank-list while those that are slow to find employment are put at the bottom.

An analysis and forecasting labour market needs (III)

- The ranking based on statistical data is also checked with officers who work in employment mediation to see whether their intuitive knowledge based on everyday experience confirm statistical results.
- The value of the indicator and the rank of particular field of education throughout years then have been used to forecast its future medium-term relative position on the rank-list using linear extrapolation.

A methodology of analysis and forecasting
labour market needs (IV)

- The final rank-lists have been used to make recommendations for the enrolment policy; for those educational fields at the top an increase in the number of students is recommended, and for those at the bottom a decrease is recommended.

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The Vocational Education Agency

- The assessment of needs for the sector electrotechnich (electrical engineering) and computer science (ECS) has been finished.
- Adequate attention to demand for occupations and competences has been given and a supply for occupation and competences in mentioned fields is analysed.
- Furthermore, conditions on the labour market for sectoral occupations are investigated with the goal to improve matching.

Croatian Chamber of Economy

Human Resource Development Centre

The Analysis of the Educational Needs with Emphasis on Entrepreneurial Skills:

- The goal is to identify skilling, training and education needs of the employees, but it is also used as a tool to adjust education output to entrepreneurship and labour market needs with the goal to improve competitiveness of SMEs and craft sector.
- The primary objectives are: (a) to identify and examine the different entrepreneurial skills for sustainable growth of SMEs and craft, and (b) to evaluate the quality of current companies' performances and potential for growth.

Final message (I)

- In Croatia there are insufficient links between the education arena, the economy and employers;
- Not enough attention is given to the estimation of the future trends and needs of the labour force
- That causes problems in providing education and skills programmes compatible with the skills and occupations sought on the labour market.

Final message (II)

It is necessary to move from declarative statements to implementation.

Examples of good practice:

- Survey on educational and employment careers of the Croatian youth and
- The Assessment of needs for the sector electrotechnich (electrical engineering) and computer science.
- The Analysis of the Educational Needs in SME and Craft with Particular Emphasis on Entrepreneurial Skills.

Final message (III)

- There is a serious need for a comprehensive system of information and data about the outcomes of the education system, particularly at the tertiary level, which could assist the formulation of policies.
- It is necessary to monitor the quality of outcomes in education and research through the design and implementation of appropriate policy instruments and measures.
- Till recently, proper analyses of current and projections of future labour market needs were missing, so that the educational system was not adequately informed.

- Thank you for your attention.
- All questions and opinions are welcomed.
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