

LSEE Research Network on Social Cohesion in SEE
Workshop organised in collaboration with FREN, Belgrade

Skills and the Labour Market in the Western Balkans

Friday, 11 May 2012

WORKSHOP REPORT

The workshop was collaboration between the LSEE Research Network on Social Cohesion and FREN – The Foundation for the Advancement of Economics, based at the Economics Faculty in Belgrade. Some of the papers were based on presentations that network members had made at a conference of the Regional Cooperation Council in Sarajevo in October 2011. The workshop took place in the professors' Hall at the Faculty of Economics in Belgrade and was attended by a wide audience of students and professors from the Faculty in addition to the speakers themselves.

In the first session, two papers were presented which dealt with the region as a whole. The first presentation by Will Bartlett compared skills mismatches in enlargement and neighbourhood countries based on data from labour force surveys, showing the clear effects of the economic crisis in worsening matching processes in most countries. The second presentation by Aleksander Kleibrink argued that while the Western Balkans are far behind in the provision of lifelong learning programmes, unthinking policy transfer from the EU has created programmes unsuited to the specific needs of the region.

In the second session, Mihail Arandarenko and Galja Ognjanov presented findings from an employer survey that revealed a significant gap in the 'soft skills' of employees, although the analysis also cast doubt on whether employers were actually able to assess skills needs effectively. Teo Matkovic presented some fascinating research findings from the perspective of Croatian employees, revealing significant mismatches between courses that employees had followed at universities and the requirements of the jobs that they eventually obtained. This 'horizontal' mismatch was shown to be persistent over time, suggesting serious inefficiencies in the skill matching process. Predrag Bejakovic provided a brief summary of policy measures carried out in Croatia in relation to skills and concluded that insufficient attention is given to anticipating future skill needs.

The third session covered the issue of skill mismatch in Bosnia and Herzegovina. Vjeko Domljan highlighted the problem of a 'middle income trap' in Bosnia due to which Bosnian products are uncompetitive in international markets as wages being exceed available skills and productivity. He proposed that the solution lies in providing improved conditions for the development of business clusters and for the

training of labour linked to them. Nermin Oruc highlighted the problem of the 'brain drain', which has seen a large-scale emigration of skilled workers from Bosnia both during and after the war. He proposed that programmes to encourage the return of these migrants would go a long way to meeting existing skills gaps and improve the competitiveness of the economy.

In the final session the presentation by Maja Nestarovska criticised current educational policies in Macedonia that overemphasise tertiary education and pay insufficient attention to ensuring provision of basic skills. She proposed that greater attention should be given to improvements at the pre-primary level of education. The presentations by Jovan Pejkovski on Macedonia and Nevenka Cuckovic on Croatia both emphasised the central importance of

providing skilled workers to SMEs which are the main source of job creation in these economies. A key problem is that the needs of SMEs are not identified through existing employer surveys, suggesting a major role for further research to improve methods for identifying skill needs, especially among the small group of fast growth firms that will be likely to form the nucleus of future economic revival of the region in the aftermath of the global economic crisis.

A selection of the papers is to be published following the Workshop as a joint publication of FREN and LSEE following revisions reflecting comments and discussion at the workshop. The revised papers will be made available at a forthcoming conference of the Regional Cooperation Council on skills and jobs in Sarajevo in July.