

Skills and the Labour Market in the Western Balkans

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Skills Matching in Croatian SME sector and competence based education and training: progress and prospects

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Summary

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- Selected Indicators on the Education, Training and Lifelong Learning in Croatia: what SMEs could expect to employ;
- Entrepreneurial Skills Matching and Emerging Educational and Training Needs of SMEs;
- Institutional and policy framework for better alignment of demand and supply of entrepreneurial skills in Croatia;
- What remains to be done?

Table 1. PISA mean scores 2006 and 2009

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Comparatively better then SEE, but worse from Slovenia, Hungary

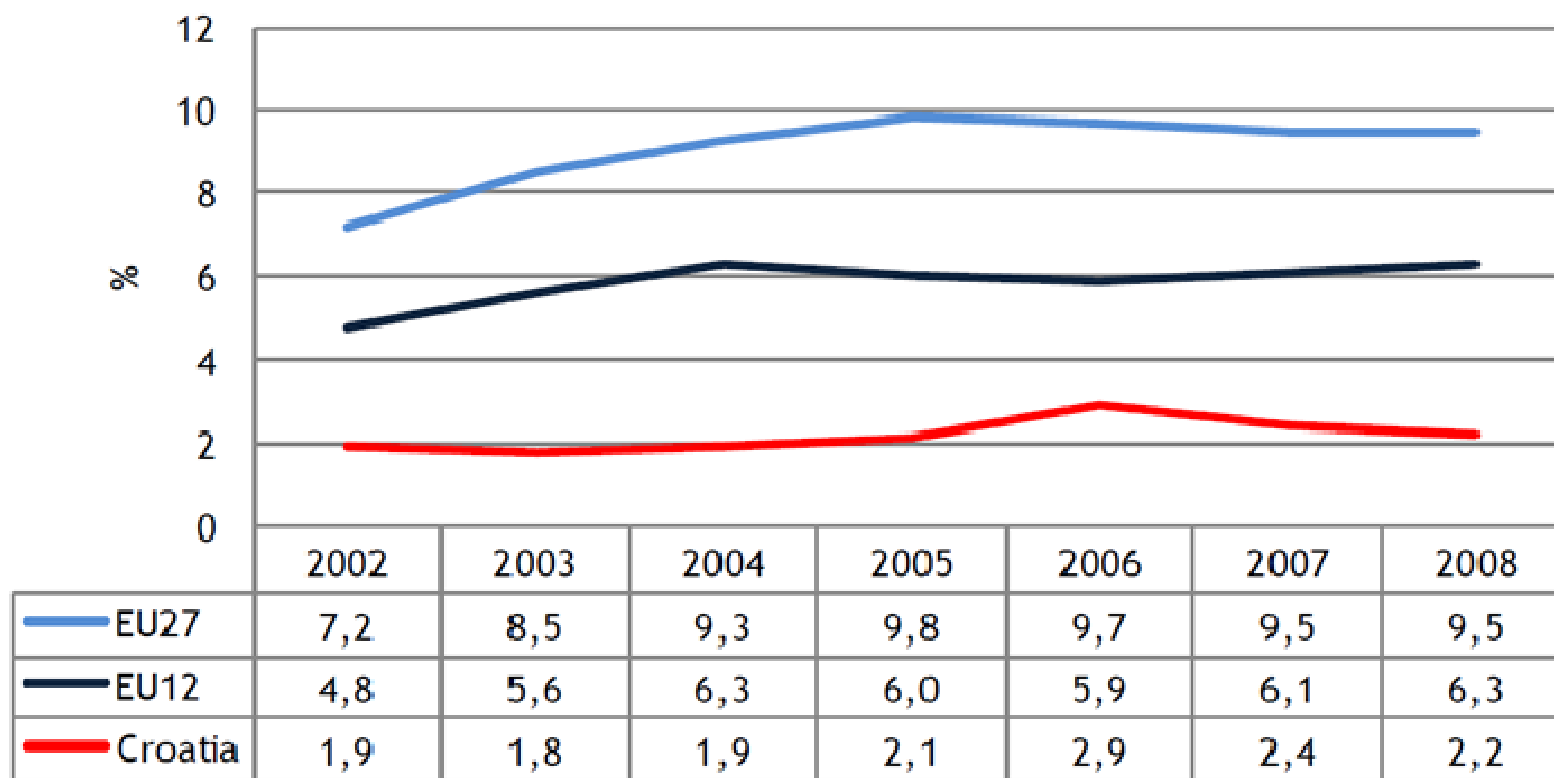
	Science		Math		Reading	
	2006	2009	2006	2009	2006	2009
OECD average	500	501	498	496	492	493
Croatia	493	486	467	460	477	476
Serbia	436	443	435	442	401	442
Montenegro	412	401	399	403	392	408
Bulgaria	434	439	413	428	402	429
Romania	418	428	415	427	396	424

Source: OECD PISA Reports 2006 and 2009.

Lifelong learning (percentage of population that participates in any form of life-long learning activities, in the age of 24-65)

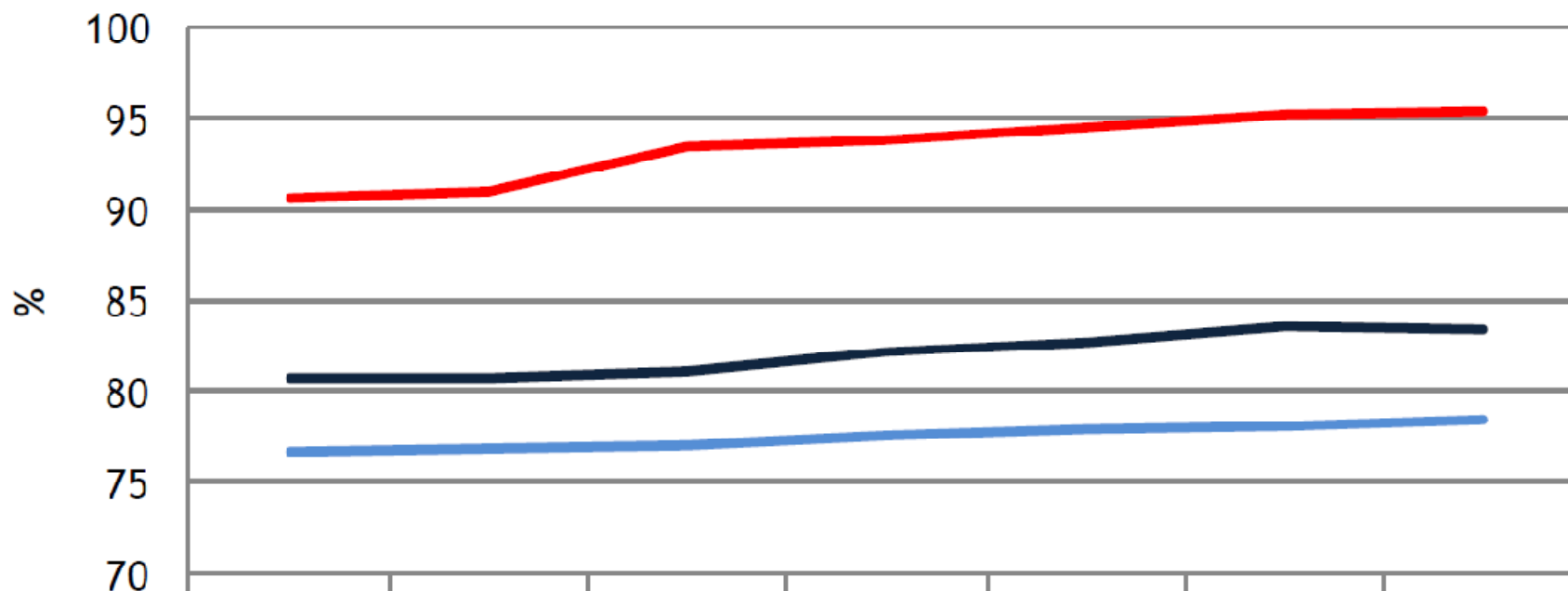
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Low participation of adults in lifelong learning compared to EU-27, should be increased by 2020 to 15% (ET,2020).



Level of education in the age of 20-24 years old (% of people with secondary level of education)

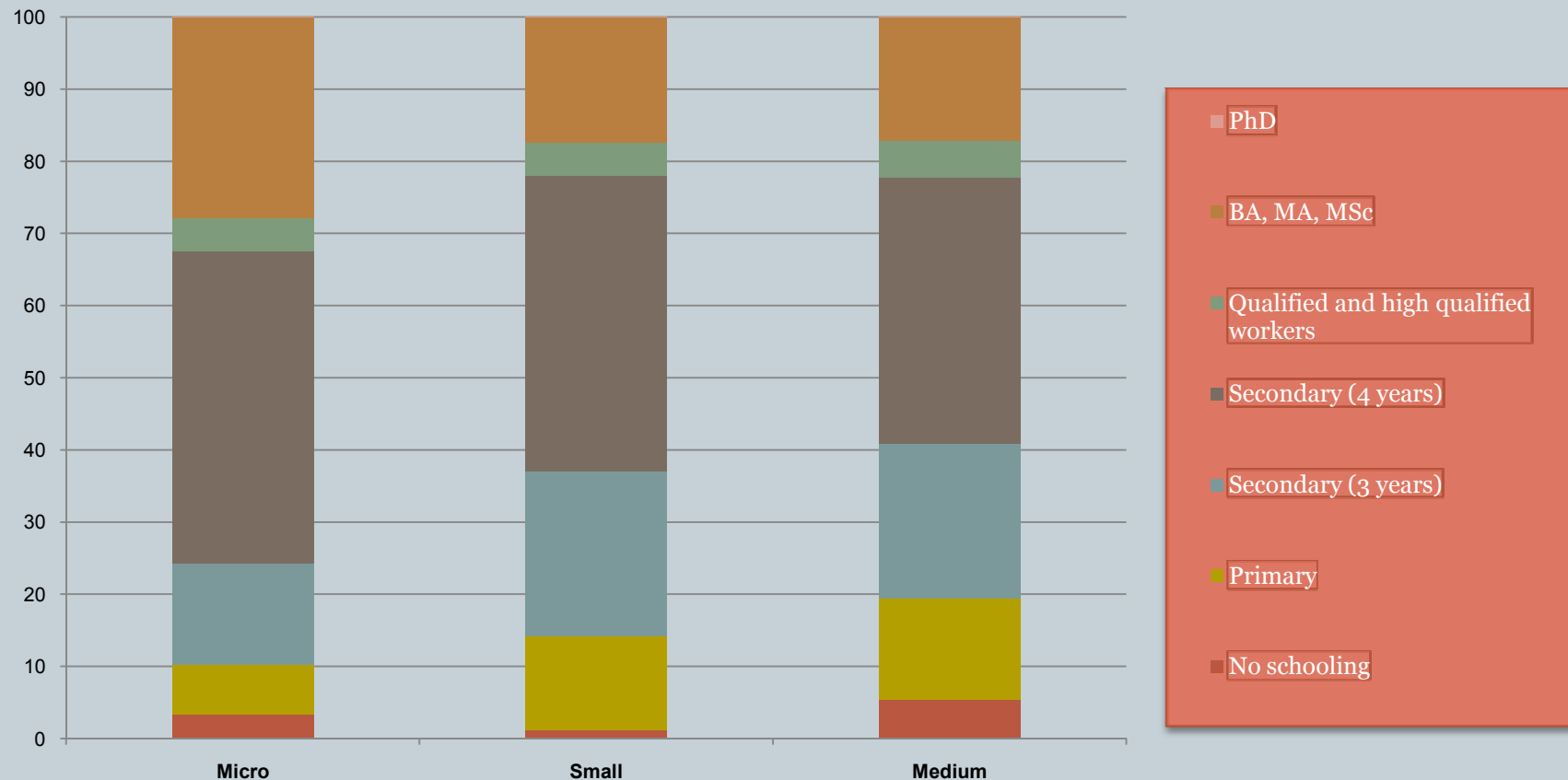
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	2002	2003	2004	2005	2006	2007	2008
EU27	76,7	76,9	77,1	77,5	77,9	78,1	78,5
EU12	80,7	80,8	81,1	82,1	82,6	83,5	83,4
Croatia	90,6	91,0	93,5	93,8	94,6	95,3	95,4

Educational structure of employees according to the size of SME (in %)

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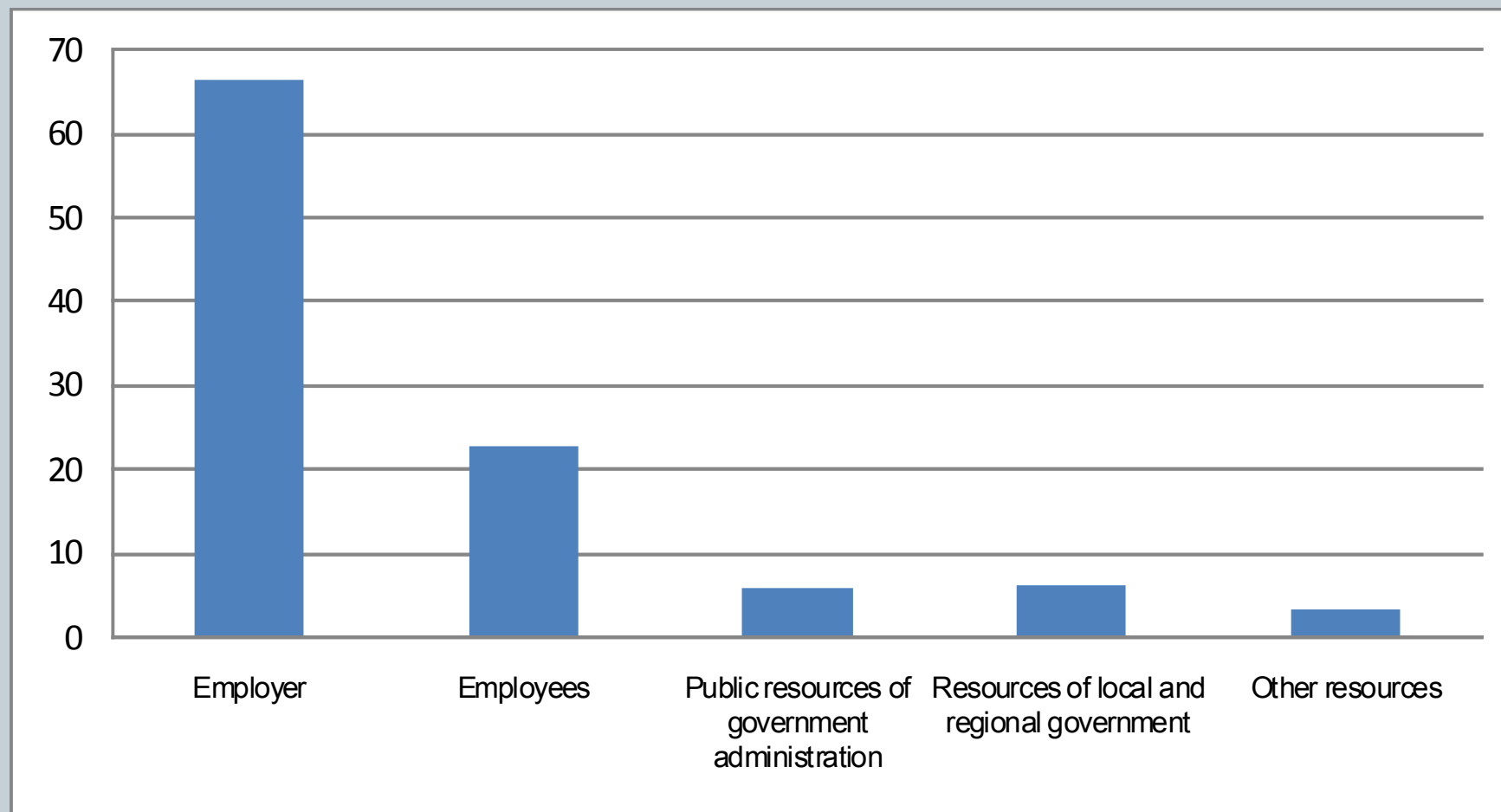
Matching Skills to Entrepreneurial Needs of Croatian SMEs

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- Croatian SMEs rely predominately on low-to medium skilled labour, micro enterprises employ largest proportion of those with tertiary education;
- Low interest in upgrading skills despite the fact that many incentive programmes are offered by the state;
- Many of enterprises unaware of them, mostly finance education by themselves either by employer or employees;
- Most of the enterprises micro or small with weak potential for financing education;
- Unable to predict the trends in their sector, so need the support and help from business associations, academic community, local and regional administration and other stakeholders.

Figure 4 The participation in financing of the educational and training needs of employed in the SME sector (in %)

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Source: CCE, 2011, p. 22.

Institutional and policy framework for better alignment of skills and jobs in Croatia

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- In the last three-four years the efforts intensified towards creation of an institutional and policy platform for screening, identification and better alignment of demand and supply side for skills matching in SME sector
- Skills needs assessment resonate through all the strategic documents adopted and plethora of infrastructure already exists ;
- Strategy for entrepreneurial learning 2010-2014 adopted with measures and motivations for EL, plan for implementation , actors in charge and expected results;
- SEECCEL established for national and regional peer learning frameworks: developed two piloting modules, formed advisory network and own knowledge sharing network Community of Practice;
- National Framework Curriculum for Preschool Education, General Compulsory and Secondary Education, 2011, implemented from autumn 2011;

Institutional and policy framework for better alignment of skills and jobs in Croatia

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- National Qualification framework aligned with EQF to ensure comparability, transferability and alignment with qualifications in the EU;
- Vocational Education and Training Act (2009) and national Strategy for Development of the VET system in Croatia 2008-2013, followed by the similar strategies at the level of counties;
- National Agency for External Evaluation of Education which certifies and monitors the quality of qualification process and attainment of certain standards such as State exam (Matura) at the secondary school level; Agency for Science and Higher Education ;
- The self-evaluation procedures of both schools and universities also in place;
- The Programme of Teachers Development and Training is also adopted to ensure the pedagogical standardization , professional development and quality of skills of teachers and training processes;
- National Employment Promotion Plan 2011-2012.

What remains to be done?

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- Although the needed institutional framework for developing stronger education-SME sector linkages is in place; results are only initial and more systemic approach still missing;
- Most pressing is creation of the more systematic and reliable statistical and composite qualitative indicators for training and education needs assessment (TNA) for SME sector- improving methodology for measuring the needs would facilitate platform for decreasing risks of mismatching skills and jobs;
- Continuous monitoring, identification and forecasting and quality assurance of skills and competences would enable adjusting to emerging needs of the enterprise sector;
- More active and compulsory dialogue with stakeholders is needed (via coordination on E4E at CoE ;VET sectoral councils, Employers Association etc.)- there is still underrepresentation of enterprise sector, especially SMEs;
- Stronger incentives should be created to promote lifelong learning and upgrading competences and skills through formal education and short term training;
- Increase the flexibility of SMEs to future labour market changes and adaptability of job seekers on the other side.

Concluding thoughts

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- Better institutional coordination and integrated policy frameworks needed to avoid fragmentation and duplication;
- Improve policy consistency and compulsory participation of SME sector in drafting plans for active skills matching- now it is more education then enterprise driven;
- SMEs in Croatia seem not to recognize the urge to further develop their human capital- stronger incentives and extensive campaign is needed- develop informative portals;
- Improve methodology for anticipation of future skills needed: market trends (international, national, regional) should be better perceived in order to ensure better competitive position of the SME sector in the EU.
- Perception and communication of companies training needs should also be strengthened; SMEs still underestimate the role of strategic orientation in HR and skills development.