



Workforce Development in:

- Albania
- Bosnia and Herzegovina, and
- Montenegro

Prepared by: dr Dragana Radevic
CEED Montenegro



Methodology

- Through the lens of the private sector needs
- Based on available strategic papers, and
- Interviews with key stakeholders:
 - Relevant ministries and Government bodies
 - Universities, and
 - International development organizations (USAID, UNDP, the World Bank, EU funded projects etc.)



Albania





Albania (1)

Background

- Impressive growth since the transition
- Still, poverty rate rather high especially in rural areas (18.5% in 2005)
- Demographic trends: large internal and external migratory waves, decreasing mortality and declining fertility rates
- 46% of population below 25 years
- High informal economy
- Significant importance of remittances



Albania (2)

- “Low costs of labor force” – key element to attract foreign investments
- 40% of the working age population is working abroad
- 60% of the working age population are on the labor market
- 2/3 are working in the informal sector
- Public sector still continues to be one of the major employers



Albania (3)

- Several strategic papers in place:
 - Strategies on Employment and Vocational Training, 2007-2013
 - Focus on promotion of active policy on employment through establishment of a modern system of employment services
 - Development of active policy of employment
 - Strengthening of vocational education and training system
 - Reduction of informal employment
 - Improvement of work conditions and
 - Promotion of social dialogue.
 - Social Inclusion Strategy
 - Strategy on Gender Equality and Domestic Violence



Albania (4)

- There is a need to for the higher qualification of workers with elementary or secondary school education, as well as to train and raise the professional skills of the unemployed who have higher schooling.
- By age: number of unemployed people over 45 continues to be high because the professional training of this age group does not complies with the market requests.
- Structure of unemployed, by qualifications:
 - highly experienced people (only 2%of the unemployed) mainly teachers, economists, agronomists, military, geologists and mining engineers;
 - the target group of unemployed technically skilled (11% of the unemployed) mainly technicians in the construction sector, auto services, readymade garments industry, marketing etc;
 - the target group of unemployed workers (around 40%) mainly workers of the agriculture sector, manufacturing and construction;
 - amongst unemployed people without skills (approximately 38%) the majority are on social welfare benefits.



Albania (5)

Measures:

- Improving business environment
- Simplifying employment process as informal employment is associated with low incomes, poverty and vulnerability
- Further abolition of illiteracy
- Limited international mobility (?)
- Further improvement of education system: the education system as a whole but especially University system must be assessed in the light of employment opportunities



Bosnia & Herzegovina





Bosnia & Herzegovina (1)

Background

- Increasing growth rates in recent years as well as increased exports, still
- Poverty remains an issue (18%)
- Unemployment rate – 23.4% (compared to 29% in 2007)
- Low labor force participation – 44% (due to different revenues from subsidies programmes and donations)
- High informal employment
- Overall economy highly dependent from local conditions



Bosnia & Herzegovina (2)

Labor market characteristics

- Legislation aligned with the Conventions of the ILO
- Collective agreements not best adapted to the market conditions, kept some “non-market” privileges from the pre-war period
- Large informal sector (especially in agriculture)
- Low women participation in the employed workforce
- Mobility of the workforce very small
- High taxes limit SME sector development and therefore possibility for formal employment



Bosnia & Herzegovina (3)

Workforce demand (survey results from 2007)

- By sector: manufacturing (40.8%) and construction (14.7%)
- Candidates lack certain professional and work experience (27.7%) or simply do not meet professional requirements (26.9%)
- In charge of WfD: Labor and Employment Agency of B&H:
 - perform international representation and cooperation with international organizations;
 - coordinate activities with the Entities' authorities and Entities' Employment Services regarding employment in projects of interest for Bosnia-Herzegovina;
 - collect information on labour supply and demand at the international market and submit information to the Entities' Institutes;
 - initiate the entering and signing of international contracts in the area of labour, employment and social security, and monitor their implementation.
 - monitor the implementation of the International Labour Organization Conventions and international standards in the area of labour and employment.



Bosnia & Herzegovina (4)

Measures

- Before any kind of WfD measures, overall business environment conditions and informal economy should be tackled
- Active rather than passive labor market measures
- Fighting nepotism in employment process
- Support employers in educating labor force in accordancy with their needs



Montenegro





Montenegro (1)

Background information

- Small and dynamic economy, 8% GDP growth rate in 2008
- Main industries: tourism, construction, trade; potential in agriculture and forestry
- Unemployment rate: 11%
- Declining long term unemployment: 57% (compared to 62.4% in 2007)
- Declining share of youth among unemployed: 15.3% (compared to 16.6% in 2007)



Montenegro (2)

Background information

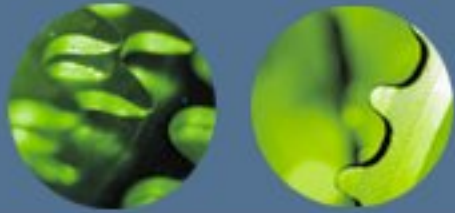
- More than 80% of economy is privatized
- State is still an important employer (almost 40% of employees in public administration, education and health sector)
- In charge of WfD:
 - Ministry of Science and Education, Ministry of Health, Labor and Social Welfare, Center for Vocation Education
 - Universities, limited other private initiatives
 - GTZ, UNDP, USAID, SNV, projects funded by EC



Montenegro (3)

Findings

- Quantitative and qualitative gaps between private sector needs and the type of training provided at all levels
- Significant donor support in recent years resulted in numerous strategic papers with poor implementation of proposed actions due to lack of the funds
- Lack of effective practical training programs
- Lack of coordination between training providers and employers



Montenegro (4)

Lacking skills:

- Knowledge of foreign languages (55%)
- Communication and computer skills
- Creativity
- Organizational skills
- Marketing and
- Financial skills.

By sector:

- Hotels and restaurants (27%)
- Construction (26%)
- Trade (11%)
- Manufacturing (10%)
- Education (5%)
- Transport (5%)
- Itc.



Montenegro (5)

- High inflow of non-resident labor force:
 - By sector: construction, catering and trade,
 - By municipality: Budva, Podgorica; Herceg Novi and Bar
 - By region: Northern Montenegro lacks highly qualified professionals, while central and southern part lacks qualified workers



Montenegro (6)

Measures

- Limited inflow of non-residents (?)
- Active labor market measures:
 - Trainings for known employer and for the market
 - Public works
 - Special programmes for disabled
 - Tax stimulus for employers
- Introduction of system of dual education (?)
- Universities: internships, study visits, guest lectures
- Private initiatives: private training center for hospitality in Milocer (highly practical focus with fields of training including hotel and restaurant services)



Conclusions

- Overall conditions: favorable business environment, tax regime, reduced informal economy, and incentives for employers to get involved
- All stakeholders included, especially vocational schools, Universities and employers
- Better coordination among key players
- General skills MUST: languages and computer skills
- Dual education: employers involved (are we ready?)
- University: internships and guest lectures



Contact:

Dragana Radevic, dradevic@t-com.me

CEED Montenegro: www.ceed-consulting.com



THANK YOU!