

COUNTRY REPORT

DEVELOPING COMMON APPROACHES IN VOCATIONAL
EDUCATION AND TRAINING FOR DISADVANTAGED
YOUNG PEOPLE IN THE WESTERN BALKAN COUNTRIES

C R O A T I A

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BACKGROUND

Considering a high level of economic and social development, a substantial private sector and a significant strategic position, Croatia had a good starting point at the beginning of transition. What brought Croatia back in the process of development was the war for independence which caused severe infrastructure and economic damages, not to mention over a half of million people exiled from their homes (at times, more than 8% of the total population) and the loss of over 10 000 human lives. The major industry – tourism, was also damaged along with the loss of major export markets in ex-Yugoslav republics. The war and the economic recession contributed to a great economic crisis, which was eased in 1993. But the recovery was not strong enough. There are also political factors affecting this situation. The process of privatization did not go as smooth as could have been expected, and a lot of it is being revised today. The failure of many companies after the privatization left even more people jobless, so the government decided to apply a temporary solution to unemployment by sending people to early retirement. That caused a great problem for the pension system, burdening it with about two users of the retirement fund on three employed people. The SMEs are underdeveloped, and at the same time the gray economy, tax evasion and corruption are taking place on both the micro and the macro level.

Existing problems in our society, generated by the structural economic crisis, intensified by unsuccessful policies for its solution, affect the lives of the youth and prolong their social and economic dependence and social marginalization. Unemployment is always significantly more evident among youth, and if it lasts for a longer period of time, it seriously slows down their achievement of socio-economic independence. In the context of youth unemployment, problems specific for youth are rarely recognized. These are, for example, the lack of a mechanism that would provide gradual transition of youth from the passive to the active part of the population, the lack of processes through which they could acquire necessary experience for their first job, the inaccessibility of financial support for their entrepreneurial initiatives.

Main economic indicators

According to the latest data of the *Vienna Institute for Economic Research* (WIIW), Croatia reached 37% of the EU-15 average of GDP purchasing power parity per capita, with 8 730\$ per capita (a positive trend, because in 1995 it had only 25% of the EU average). The GDP growth of 4,8% in 2002 is based mostly on the growth of private consumption and a 9,4% increase of the capital investment rate.

On the negative side, the growth of GDP is also based on the increase of external debt. The total external debt has exceeded 14,07\$ billion (65% of the Croatian GDP). During 2002, the inflation rate was quite small: 2,2 percent according to Croatian statistics, and 2,4 percent according to the IMF. The exchange rate in 2002 has been very stable – the difference between the highest and the lowest level of the Croatian Kuna was only 3,6%. As for foreign trade, the deficit almost reached 4,75\$ billion in 2000 (exports exceed imports by 18,2 percent). Industrial production grew by 4,6 percent in 2002, but it still comprises only 70% of the 1990 production rate. The most important economic sector in Croatia, tourism, experienced a 5% increase in 2002 and a 20% growth in financial results compared to the previous year (app. 4,2\$ billion). A similar increase is expected in 2003, regardless of the unfavorable trends in the world economy.

There is co-existence of several unemployment reasons in Croatia, typical for developing countries. Structural unemployment, which is characterized by the low economic activity in the country and the lack of jobs to absorb the actual supply of labor, is also one of the main reasons for the high level of youth unemployment. There is a high and visible urban

unemployment because of the migratory processes from rural to urban areas and hidden (latent) unemployment in rural areas (an important factor influencing youth unemployment is the limited access to education for rural youth because of remoteness from educational facilities) and remote areas and former industrial areas devastated by war. We can also notice other problems connected with war consequences like techno-economic redundancies. The lower demand for labor force resulted from the restructuring of the ownership and discrepancy between the labor market demands and skills of the unemployed (the school system in Croatia is still unable to provide students with skills required by the labor market – there is a lack of appropriate vocational training). Underdevelopment of an early problem identification and lack of know-how (techniques of effective job-search, or in how to present oneself to an employer) are great problems as well.

Since 1998, the youth unemployment share was between 32.71% and 22.42% of total unemployment (table 1). The decline of youth unemployment share does not necessarily indicate a more favorable position in the labor market for this category. According to the Croatian Employment Service, the rate of youth unemployment in the year 2002 was almost the same as the total population rate unemployment (22.74% and 22.42% respectively).

Regarding the youth educational background, about 13% are unskilled workers, approximately 5% are semi-skilled workers, 46% are skilled*, about 31% are secondary school diploma-holders, and about 1% are non-university and university graduates each (table 2). This last figure seems exceptionally small, but it is due to the fact that it usually takes 7 years to graduate from a 4-year curriculum, or 5 years for a 2-year curriculum. This is why the next age cohorts (25-29 and 30-34) both have an average of 12% highly educated people.

The most concerning fact is a relatively high share in unemployment, of unskilled workers, since this category in Croatia has limited access to vocational training and legal job activities (a large number of unskilled workers are working on the black market) and there is no active labor market measure supporting their employment, except for demobilized soldiers, widows and children of killed war veterans, and disabled youth. Dominant among the educated unemployed are the holders of degrees and diplomas in social sciences and humanities, caused by the mass enrollment of students and incapability of society to employ the majority of students graduated at social sciences.

Croatian regional disparities can be seen if we compare five counties with highest rate of youth unemployment: City of Zagreb; Split – Dalmatia County; Osijek – Baranja County; Vukovar – Srijem County and City of Zagreb (table 3). The highest rate of the unemployed youth belongs to the major cities (Zagreb and Split) and areas devastated by war (Osijek – Baranja County and Vukovar – Srijem County).

The lack of suitable working experience is a very important youth unemployment factor because employers very often regard a young worker with no working experience as a less desirable worker. In 2002, in the age group from 15 to 19 years of age, there were 21.17% of persons without suitable work experience. In the age group from 19 to 24 years there were 49.36% of persons without suitable work experience (table 4).

The insecurity of first time job seekers' labor market position is also reflected in the growth of fixed term contracts. Fixed term contracts are more likely to be issued to young people rather than older workers, although the use of fixed contracts can be linked to training and probationary status.

* Unskilled workers are dropouts from primary education and those who have never attended school and have no working experience. Semi-skilled workers are people without secondary education and with at least a year of working experience in a certain activity or with a certificate in adult education (short programs of introduction to work).

Social and demographic background

According to the 2001 census in Croatia, the total population was by 2,6% smaller than in 1991 (from 4 784 265 to 4 437 460 people). The structure of the population also changed, e.g. 78% of the population in 1991 was Croats as opposed to 89,6% of them in 2001. Also, the rate of natural increase of the population dropped from an already alarming $-0,6$ to $-0,9$.

The illiteracy percentage has fallen from 9% in 1971, to 3% in 1991, to lower yet $-1,8\%$ of the total population in 2001 (only 0,3% in the 10-19 age cohort).

The young people comprised 15,15% of the population in 1961, this percentage fell to 13,5% in 1991, and in the 2001 census the young comprised 13,6% of the total population. The fertility rate has plummeted, which was accompanied by the aging of the population. The older group of the population has increased, and the younger, active groups have decreased. This aggravated the so-called dependency ratio, making the age structure rectangular instead of pyramidal. The most significant consequences of these negative demographic trends are the reductions of the ratio of the fertile population and actively employed population, who must care for and support an increasingly large elderly population.

Existing data on young persons indicate a trend toward prolonging youth and the socioeconomic lack of independence. The causes lie, among other factors, in the prolongation of the educational process, more difficulties in finding the first and permanent employment, more complex conditions for access to material goods (regular incomes, credit, ownership of real estate property, etc.) and the marginalization of youth in the decision-making processes.

As for the Croatian family structure, it has been experiencing a relatively slow change and is retaining a lot of its traditional characteristics. The relatively small number of divorces and extra-marital births is thought to be partly a consequence of the economic and social crisis. The average number of family members was 3,2 in 1991, and 3,0 in 2001. But the decreased fertility rate, the drop in the number of marriages, the average age of entering a marriage or having the first child, the growth in the number of single parents, are all indicators pointing to a transformation of the family structure.

Using the internationally comparable standard for transitional economies (4,3\$ per capita per day), the absolute poverty rate in Croatia is quite small (about 4%). But the Croatian Bureau of Statistics' *Household Budget Survey* found that 8,4% of the population falls below the national poverty threshold. The poor live in overcrowded, poorly kept housing objects, their diet is limited to basic foods (especially in the urban areas: bread, potatoes and milk), and they are of lower education. Most often they are not mobile and their social contacts are limited. Two groups dominate: (a) persons with lower levels of education (almost 3/4 of poor people live in families where the head of the family has a primary level of education or less); if they are unemployed as well, they have smaller chances of finding employment, and if they work, their income is smaller; (b) the elderly. Poverty in Croatia has many long-term characteristics, and it is highly unlikely that a poor person might easily and quickly escape poverty because: (a) the economic opportunities are limited and (b) the poor have less chances to use even such limited opportunities. Along with that, inequality and the probability that the poor will be socially excluded are both high. It is also highly probable that the children of the poor will leave the educational system early, and the differences in the enrollment rates at tertiary level of education are pronounced: in a 1998 research, none of the poor children attended an institution of higher learning or a college, and only 10% of them attended advanced VET schools.

Croatia shares some of the European trends: during the 1990s youth became the poorest population group in the countries of Central and Eastern Europe. Countries in transition are exposed to additional risks of social differentiation, of social welfare level

reductions, and to the appearance of new risks (organized crime, juvenile delinquency, drug addiction, human beings' trafficking and commercial sexual exploitation).

The educational system

In general, at the end of the eighties the educational level in Croatia was quite developed, therefore problems which appeared during the turbulent transitional period should be considered from this particular perspective: as a retrogression. The fact that a relatively efficient educational system was experienced defines a possible approach to today's problems as well.

In former Yugoslavia the eighties were marked by an educational reform of a specific type, which has left its trace until the present time. The so-called *Career Oriented Education* from the turn of seventies into eighties faced a double task: to answer political challenges of liberalism and civil society movements of the seventies and at the same time to adjust education to the needs of society (that is: modernization). The ideological dimension was also part of the reform: in a multi-ethnic society the centralist powers demanded stronger harmonization of mother tongue and literature, history etc. across the entire federation – a demand which provoked fierce revolt.

The reform in the early 1980s brought about a system of 8-year basic education followed by a career oriented education: a vertical composed of cascade of programs leading up to higher education. Higher education was not regulated as a special sub-system any more; universities were atomized into numerous highly independent faculties. The basic idea of the reform was 'to join a school and a factory' and was based on the belief that further development of economy and society could be forecasted in a firm way and that the enrolment into upper secondary and tertiary education could be rationally planned. As a result, this educational reform led to non-adequate human resource development and even a stagnation of educational structure of the population. It is characteristic today that the proportion of students in general education is low and that it is high in VET. This fact should be considered in a particular context of the career-oriented education of the 1980s. The upper secondary general education (*gymnasia*) was abolished at the beginning of the eighties (all upper secondary education then became vocationally oriented) and it was partly reconstructed only at the beginning of the 1990s, while VET mostly still consists of study programs rooted in the eighties.

The levels of education governance are (a) central - Ministry of Education and Sports (MoES) and the Ministry of Science and Technology (MoST); (b) regional – 21 counties (*županije*), and 5 regional units focused on quality control (inspection) and evaluation; (c) local – schools (the decline of birth rate, abandonment of some areas by the local population due to the war, were the main reasons why some schools closed down).

The educational system in the Republic of Croatia comprises of pre-school education, eight-year primary education (compulsory and free for all children from seven to fifteen years of age), secondary education and tertiary education (chart 4). The system of secondary education in Croatia consists of general education (i.e. general-program secondary schools), and technical or vocational education. There are two types of vocational schools: some ensure classic vocational education and training, which is organized in schools, and others offer dual programs based on the German model. The dual system of education has been in place since 1995. Since then the number of newly opened dual programs of vocational education and apprenticeship has been growing so that today it includes 55 occupations. Practice is represented in the ratio of 2:1 as compared to general-education and vocational theoretical curriculum. As a rule, practical training is organized in craft shops, and to a lesser degree in school workshops.

Tertiary education comprises of universities as the main source of scientific work (university studies), and colleges, independent higher schools and accredited private higher schools, which attach great importance to the practical application of acquired knowledge (professional studies). In Croatia there are four universities (in Zagreb, Split, Osijek and Rijeka), with around seventy faculties, art academies, higher schools, university departments, seven colleges (in Zagreb, Karlovac, Rijeka, Split, Dubrovnik and Požega), eight independent higher schools (in Čakovec, Križevci, Petrinja, Rijeka, Split, Šibenik and Zagreb) and three accredited private higher schools.

According to the latest census, the population between 15-24 consists of 3,76% youngsters with no education, or unfinished basic school, about 37,7% of people with primary education, approximately 56% secondary school diploma-holders (almost half of them finishing 1-3 year vocational schools, 32% a 4-year vocational school, and 22,8% finishing general secondary education) and 2% highly educated people (those aged 25 or older have an average of 12% highly educated people, as was mentioned earlier).

The participation rate in compulsory primary education is 98%. The data on secondary education participation is ambivalent. According to the data of the MoES in the *National Program of Action for Youth*, approximately 95-97% (???) of the elementary school graduates enroll in secondary school, and approximately 85-90% (???) of the secondary school students graduate within the regularly allotted time period. But, other data sources indicate that the participation rate in secondary education is closer to 63% (including a recent research of the Croatian youth, which shows that 61,5% has some type of secondary school diploma). The truth is probably closer to the latter number, but this, unfortunately, cannot be examined any further due to the fact that a systemic measurement of dropouts from basic and upper secondary education mostly does not exist. Therefore, the methodology of calculating dropout was simply based on the number of students who did not complete the school year in relation to the total number of students. There has also been no systemic resistance against dropout; in this respect the traditional culture like 'it's normal to drop out' or 's/he's not smart' is probably very much present.

There are similar trends in tertiary education. At the turn of millennium **31,3% of the age cohort (age 20-24) in Croatia is enrolled in tertiary education.** Between 1991 and 1999 (2000) Croatia registered a growth at the level of ISCED 5 (index of 143) as well as a proportion of graduates in relation to graduates at ISCED 3 level (26% of graduates at ISCED 3). Approximately 120 000 students were enrolled in institutions of higher education during 2000/01 academic year. The number of graduating college students in the year 2001 was 13 421. According to available information, **33% of enrolled students complete university studies** (8 percent of whom finish within the allotted time period!). Budget investments into science and higher education are 14\$ per capita – about 11 times less than in EU-15. There are only 12 highly educated people out of 1 000, and it is estimated that in the last 10 years about 130 000 young educated people have left the country.

The number of young men and women in Croatia who complete education is equal at all levels, and there is no significant difference in the accessibility to education according to sex. The traditional distribution of roles according to sex is still evident in the choice of schools and professions.

In Croatia, there are no tuition fees for secondary school students and regularly enrolled students at institutions of higher education, which is a great contribution to the equalization of the opportunities for secondary school and university students from impoverished families. The cost of textbooks and school supplies, however, often represents a limiting factor. Access to education is also limited for secondary school and university students who do not have suitable secondary or advanced schools in their place of residence.

Young people who have dropped out of the regular educational system can enroll in some of the organized programs within the education system of adults. Current adult education system does not exist as a separate system; it is legally regulated as a subsystem within the system of regular education. There are two main types of adult education: (a) formal (which includes accredited programs, i.e., those verified by the MoES) and (b) informal. The most important institutions which provide adult education include: adult secondary schools; institutions of higher education; institutions of adult education (open college extensions, open universities); private institutions which offer entire educational programs, but also short courses, seminars and the like (whether they have the Ministry's authorization for performing these programs or not); companies that offer courses for management training, on-the-job training associated with the introduction of new technologies.

There is no systemic data gathering on participants in adult elementary education, but some are available on secondary school education. For example, in the 2000/01 academic year, 25 576 people attended some type of verified secondary school programs. This is important to know, because, according to the free estimate of the experts, about 90% of the participants are under the age of 30*. Those older than 30 seem to have less interest in these programs. The curious detail here is that the most sought after programs of training are the ones that provide education in the professions that are sufficient on the labor market (e.g. different economic programs). Access to these programs is not limited by any criteria, even the illiterate can enroll into a primary education program, but none of them is free of charge, which hampers most unqualified or unemployed people to enroll and attend such training.

PATHWAYS OF YOUNG PEOPLE TO EMPLOYMENT

Young people as a whole are in an unfavorable socio-economic position in comparison to other age groups. This means that young persons do not own property (real estate, savings and stocks), they have difficulties in finding employment and obtaining housing, and are dependent on their parents' support. Transitional processes increase the degree of uncertainty for the young persons who, having completed their education, have no clear perspectives on the opportunities for employment, professional development and leading independent and productive lives.

Compulsory education ends with the 8th grade, when the pupils are approximately 15 years old. In the age cohort from 15 to 25, about 3,76% of young people did not finish primary school, or have no schooling at all (according to the 2001 census). Their prospects of finding work are bleak, to say the least, considering the state of the economy and the unemployment rate. If they do find work, chances are they will be poorly paid or forced to work in the gray economy. The second group consists of those young people who manage to finish primary school but for various reasons do not continue with their education (whether it's because they did not want to continue schooling, could not enroll in the school of their choice or dropped out of secondary school). Their choices are several: they can try to find employment on their own, register with the Employment Service**, stay inactive or continue their education through a different path (various types of adult education).

* Data were obtained from Mr. Vlado Luburić from the *State Institute for Promotion of Education* and Mr. Zvonimir Erceg, formerly employed at the *Administration for Schools*, and currently working at *Birotehnika - Correspondent Education Center*.

** No differentiation is made, when gathering data, among those who finished primary schools and did not continue their education, and those that dropped out sometime during their secondary education.

The more the education expands the more limited the chances are for the least qualified young people. Young people with little training are considered unlikely to gain qualifications in the future because the education system seems to open up more fully at the bottom than at higher educational levels. Higher educational levels do not expand fast enough to include the growing number of graduates from lower levels and dropouts. For young people who had to repeat a class and those with poor achievements, the choice to continue education at the secondary education is very limited. Young people with low skills are more affected by unemployment than their peers with higher achievements. Regarding the duration of unemployment, it is evident that dropouts (unskilled workers) are more affected since they wait for a job for 301 days on average, while secondary school graduates wait for jobs 241 days on average (table 4). Also, if they are able to find work, they are less likely to get a secure and well-paid job.

The path of those that finish secondary schools, depends on the type of schools they attended. In the case of grammar schools (*gymnasiums*) or vocational schools lasting 4 years or more, the obvious solution is some institution of higher learning. Some of them seek employment immediately after receiving their diplomas, but the job opportunities out there do not go to their advantage. As for the other VET schools' (lasting 1-3 years, including the dual system) graduates – comprising 25,3% of the young population – only a small portion chooses to enroll in tertiary education due to objective obstacles (they have to finish the fourth grade of secondary school in order to be able to enroll into higher education). For the most part, they seek employment through formal or informal means.

In Croatia, there is insufficient appreciation of the importance and role of expert studies, preparing students for particular professions that are more in demand on the labor market than scientific research. As a rule, expert studies are more flexible because they can, due to shorter programs, react more rapidly to changing demands of the labor market, facilitate employment and satisfy personnel requirements in all fields.

Despite the dispersion of higher education institutions, a large number of young persons, due to aggravation of social conditions, fail to enroll in the field of study that corresponds to their abilities. This leads to a reduction in the equality of educational opportunities and to negative selection during enrollment at university study. Restricting influence of the unfavorable socioeconomic standard is being partially compensated for by the scholarship system and by providing support for the room and board costs of regular students.

On the other hand, studying seems to be a good way of receiving social benefits and avoiding the catastrophic situation in the long lines of the unemployed. For example, about 20000 students enroll each academic year to the University of Zagreb, and only about 4 500 of them graduates (and it takes them 7-8 years on average). Most of them never do. Out of those that do graduate, a part will go straight to the Employment Service, a part will obtain work underneath their qualifications, most often even outside the profession they got educated for, and a part will emigrate as soon as they get a decent enough offer. The promising part is the fact that those with university diplomas find work quicker than other unemployed youth, and the job-waiting period is the shortest.

Considering the moment of the first registering at the CES we can differentiate the first group that register at the age 15 to 19. They are very often dropouts from school and they are hardly employable because of their age, insufficient work experience and insufficient education. Very often they end up working on the black market and that results in inadequate health insurance and problems with pensions because they cannot get enough years of working experience for pensions once they are old enough for it. There is a slight gender differentiation among young persons aged 15 to 19. In 2002, the female unemployment share in this age group was 29.79% and the male one was 25.52% (table 5).

The reason for low employability of the male unemployed youth in this age group is unfinished military service, most of the male below 19 years of age register at the CES knowing they are going to be included in military service very soon and they do not want to work on the temporary short-time contract, so they are not available for work (the percentage of the male unemployed youth with finished military service registered at the CES in 2002 was 64.57% - table 6). According to international standards the unemployed are those who fulfill three conditions at the same time: no job activity, able and available to undertake any job opportunity offered by state or private structures. The behavior of the unemployed who remain in the register without being really available for work seems irrational but in fact, there are many reasons why it makes sense to be registered as unemployed. Most of the reasons are financial and arise from the small benefits, which can be attained from the unemployment status. Very often youth registers at the CES because they do not have any financial sources for living and they can get it if they are registered at the CES and social care centers (chart 1).

People who fail to enroll into high school or university register either in order to earn some money doing temporary work while studying for their future enrollment, or they are not really available for work and register at the CES to attain benefits from social care centers while studying for enrollment. Students register at the CES as well because only regular students are barred from registering as unemployed. Others who are fee-paying students can and do register even though they usually advise their counselors that they prefer not to be offered jobs because they are, in fact, studying full time. Student Service is a state program of temporary and occasional student employment and there are currently around 25 000 of students and around 7 500 companies that are using Students Service mediation (mainly in administrative work, handy work, cleaning, babysitting, trade, catering, construction and seasonal jobs).

Young persons who have dropped out of the regular educational system can enroll in some of the organized educational programs within the education system of adults. The goals of this system are development of abilities, expansion and acquiring of new knowledge and improving professional qualifications. Education system of adults has two functions: compensation (basic training) and the function of continued further education and training (and is therefore an important segment in the concept of lifelong learning).

During the 2000/01 academic year, approximately 25 000 persons were educated within these institutions, approximately 11 000 of who acquired new professions (through the programs of retraining and additional training). However, there are no systematic data on the number of young persons who left regular education and on those who continued education in adult education programs, which ought to be monitored statistically in the future.

Many institutionalized programs are being performed as informal education and they are structured according to the interests of the users education. The number of young persons who participate in such programs is neither known nor monitored. The basic problem is that these educational programs are relatively poorly accessible, i.e. in general they are available to young persons in large centers and, more often, to those with higher financial means (generally, programs are charged), and a system of their presentation has not been developed either. Young persons are usually poorly or not at all informed about the opportunities for informal education because there are no information on available resources and programs.

Youth that graduated at high school or university either work on legally or, after a long period of job waiting, enter the gray market. Due to the fact that only a small number of the unemployed in Croatia can claim a cash benefit (the average level of unemployment benefits is 900 Kuna or 130 €) and that most unemployed do not receive any financial support, they can barely make ends meet from the proceeds. A large number of unemployed persons reported at the CES work in the underground economy as workers on the black market, are

assisting members of families or are self-employed. Perhaps a slightly unexpected fact is that there are fewer registered unemployed of the 19-24 age-group work, which may be explained by the legislation allowing students that pay for adult education programs to be registered as unemployed while studying, although most of them are not available for work (chart 2). Moonlighting as an activity is highly present in the group of youth with secondary education and the smallest moonlighting rate is present in the group of university or higher educated youth (table 7). Rural residential status is significantly related with moonlighting, 42% of moonlighters have rural residential status, while residents of big towns participate in moonlighting with only 14.70% (table 8). According to activity, the greatest share of moonlighting is in catering, trade and construction (table 9).

The underground economy is largely linked with:

- An inheritance of lack of respect for regulations left over from the pre-transition period - when the old regime disappeared, the inveterate negative habits remained.
- The absence of any serious economic growth and the fragmented formal institutions, which has certainly led to unlawful behavior in the form of bribery, corruption, financial fraud, tax evasion, smuggling and so on.
- Employers try to avoid the large demands of the labor legislation (wide worker rights, high social, health benefit and other contributions and so on).
- The workers sometimes prefer working in the gray or black market because they would otherwise lose some type of social right(s); e.g., social benefits, financial support during unemployment.

Working unemployed men constitute a greater share in all the working unemployed, while women have a greater share in all the registered unemployed. The self-employment potential of women is obviously underestimated, mainly due to methods which men are more likely to accept. The sex structures in the two groups also show some differences. While women are predominant in the registered unemployment count, men are much more economically active among the self-employed. Over 60% of the self-employed are men and only 38% are women, although the women are in the majority among the unemployed (chart 3).

Compared with overall unemployment, youth unemployment is characterized by short-term unemployment (62% of unemployed youth are not unemployed more than one year). Concerning the duration of youth unemployment, the longest period in job waiting belongs to unskilled workers and secondary school diploma-holders (12-18 months). Semi-skilled workers (9-12 months), non-university graduates (6-9 months), university graduates (3-6 months) follow (table 6). The duration of youth employment, besides the educational background, also depends on gender, age, and slightly on finished/finished military service. In 2002 young unemployed men waited for a job approximately 172 days (age group 15-19), those who have served military service waited for 248 days and those without regulated military service (age group 19-24) waited for 267 days. Unemployed women waited for a job approximately 172 days (age 15-19) or 353 days (age 19-24) (table 10).

We can suggest several pathways of young people to employment, so we can differentiate:

- those who find well paid and secure employment in foreign-owned companies;
- those who enter the public sector;
- those who succeed in establishing private businesses – a significant proportion of self-employed youth can be described as “forced entrepreneurs” – for them this is the only way of supporting themselves and their families;
- those who are moving between, very often poorly paid and insecure, jobs in the private sector.

The majority of employed young persons in 2002 were skilled and highly skilled workers and secondary school graduates. In the structure of employment by sectors, industry,

trade, catering and construction are dominant, employing more than 60% of the total employed. On the other hand, the share of employment in education, health-service and financial activities are especially low.

The transitional processes in Croatia and opening of the market have brought some innovations that can largely help unemployed youth in seeking and finding a job. This is predominantly linked to opening of private and international employment agencies in Croatia. This is a considerable aid to unemployed persons due to the fact that according to the new *Employment Act* introduced in March 2002, employers are not obligated to advertise their vacancies at the CES and medias. At the moment we can differentiate the following larger employment agencies in Croatia:

- *Adecco* – the biggest worldwide employment agency present in Croatia at the moment. The European Adecco Foundation's objective is to help people, at risk of being socially marginalized, fit into the labor market (this includes people over 45 years of age, the disabled and women who want to enter the labor market after raising children) but it is mainly offering temporary jobs.
- *Hill International* – a worldwide consultant company in staff recruiting mostly focused on *head hunting*.
- *Neuman* – a worldwide consultant company whose main target is staff recruiting in trade, catering and construction.
- www.moj-posao.hr and www.posao.hr are web-based services offering a very wide range of vacancies. This kind of job advertising is getting more and more popular and efficient in Croatia.

In the context of youth employment, problems specific for youth are nonetheless recognized. These are, for example, the lack of a mechanism that would provide gradual transition of youth from the passive to the active part of the population, the lack of processes through which they could acquire necessary experience for their first job, and the inaccessibility of financial support for their entrepreneurial initiatives. A particular problem is the fact that young persons feel almost entirely dependent upon the assistance of public institutions, and that their expectations from the government and its institutions are unrealistically high.

PROFILE OF DISADVANTAGED YOUTH

Basic determinants of the social position of the majority of youth and their integration degree are as follows:

- inclusion into educational or working process,
- family support,
- local community and
- peer groups.

Young persons who drop out of school prior to acquiring qualifications, those who wait a long time for jobs after they graduate, and those who are employed in insecure, poorly paid and risky jobs, are all in difficult situations. Besides that, subtenants and parents of small children have significantly higher living expenses. Owing to the high degree of family solidarity and long-term support from parents, the majority of young persons are not left on their own, which reduces social risks to a great extent. However, not all families are in a position to support their young members.

A research* conducted on a sample of 3 702 secondary school students in two counties in Croatia, showed that the young people with lower school achievements feel less competent for school, are more prone to wandering, staying out late, partying, are less conscientious than those receiving A's, like to cut classes, are more aggressive and prone to risky behavior. These **dropouts are in the most disadvantaged position** in Croatia. In spite of all that, almost 70% of them claim to have positive support from their parents, and 75% are satisfied with their lives. It is interesting that the mother's education has greater influence on their grade point average. Another study (conducted in 2002/03) shows that 40 to 60% of students failed some of the classes in the mid-term, and a lot of them dropped out – most of those children ended up in the streets. But, it is encouraging that the number of criminal offences at the age 14 to 18 dropped a considerable 17% in 2002, when compared to 2001. In the meantime, the violent offences are on the rise. The convicted adults (18-24) made up 30,9% of the total number of perpetrators of criminal offences in 2001.*

The other group of disadvantaged youth consists of the **socio-economically disadvantaged**. It is very probable that the children of the poor will leave the school system early, and the differences in the tertiary education enrollment are very pronounced. According to a study in 1998, none of the poor children attended tertiary education institutions, and only 10% of them attended advanced VET education. The only access of the poor to universities is through highly competitive scholarships, and Croatia uses the smallest share of its budget for scholarships from all the CEE countries. A sharp contrast in the access of certain levels of education, which are highly-valued in the labor market, stresses the existing inequalities between the poor and those that are not regarding the wages, and creates a trans-generational root of poverty. As for the regional differences, two regions are especially prone to poverty: the rural part of central Croatia and the rural part of Slavonia. But the main cause for their difference from the other areas is the average level of education – the less educated population lives in poorer rural regions. This indicates that there are regional differences in the accessibility of the educational system. Reaching quality life and social mainstream inclusion are aggravated for young people who live in regions distant from major centers (islands, villages and small towns), where there are very few possible choices for education and employment, and reduced accessibility of information or organized services adapted to the needs of youth.

A disintegration of the community has occurred in the regions directly affected by war, so **young people live surrounded by divisiveness and tensions**. The issues of the return of displaced persons and refugees to their homes, the reconstruction and return of property, finding employment, reintegration into society and recovery of co-existence are daily challenges for youth in these regions, where economic activity is still of low intensity. For example, the results of most recent studies show that 18% of the children returnees have noticeable depressive reactions.

The Romanies are undoubtedly in the most difficult social position of all the national minorities and ethnic groups in Croatia, as a result of the high degree of their social exclusion. Stereotypes and social marginalization have led to social mimicry (the tendency of not declaring their national identity and inclination toward the majority – only 9 463 people said they are Romani in the 2001 census), due to which it is not possible to state with certainty how many Romanies live in Croatia today, and the estimates vary widely. In recent times, the assessment by the UNICEF Office in Croatia that there are approximately 40 000 Romanies living in Croatia has been widely accepted. One part of the Romanian population does not

* A research conducted by professor Petar Bezinović (from the *Faculty of Philosophy* in Rijeka and an associate of the *Institute for Social Research – Zagreb*) and associates, in 2002, on a sample of 3702 secondary school students.

* Source: *Statistical Yearbook*, 2002.

have Croatian citizenship, which prevents such individuals from exercising their fundamental civil rights and makes access to all the forms of social protection impossible. Besides this group, the Romanies, who live in ghetto settlements without any kind of infrastructure, are in the worst position.

According to the same data, it is estimated that only approximately 10% of the Romanian children complete elementary school, and the number of young Romanies who attend (according to some data, only 5%) and graduate from secondary school is nearly insignificant. The causes for this generate from the tradition and their way of life, but also from the social lack of acceptance that Romanies experience. The children grow up in difficult socioeconomic circumstances, with inadequate healthcare, food and hygiene. Young persons without education, exposed to prejudices, find it exceptionally difficult to find jobs. Traditionally, young Romanies establish families very early in life, already in adolescence, and have no access to contemporary knowledge about family planning or childcare.

Young persons with disabilities form a heterogeneous group, with various types and degrees of abilities' limitations. Heterogeneous nature of this group of young persons is increased by the fact that some of them, due to their basic disabilities, require both medical and educational assistance, and often social, i.e. material assistance as well. Education represents both Constitutional and legal obligation, and should be monitored as such by other systems (healthcare and social welfare) as well. Although approximately 15,000 young persons exercise various rights to support (including cash allowances, institutional and adoptive care), there is surely a certain number of students with developmental disorders who are, because special education programs are not available at all schools, deprived of certain rights from the social welfare system, generally due to the lack of the system cohesion, but also due to the fact that parents are not sufficiently acquainted with their rights.

Risk factors burdening employment of disabled youth in Croatia are mainly linked to a poorly financed vocational guidance that is in disaccord with labor market requirements. Vocational training programs can be said to provide outdated professional qualifications and to benefit exclusively the employers who use trainees as labor force but do not offer them employment contracts at the end of their training period. There is a problem of disinterest by the employers and social intolerance both from the employers and from the employees working with disabled people. Also, there is no effective positive discrimination act regulating the employment of disabled people. Currently, employment of disabled people in Croatia is depending on the good will of the employers. These problems are reflected in a small number of disabled people employed within CES program "Chances for us to": from March 2002 to March 2003, only 68 disabled persons in Croatia were employed.

DESCRIPTION OF REFORM POLICIES AND ACTIVITIES

There is no suitably developed governmental institution in charge of youth in the present organization of the public administration. This concerns a public administration body with a suitable level of authorization and appropriate financial, organizational and personnel support for more active participation of youth in social and political life.

According to the Constitution attendance of the educational system is compulsory for 8 years, up to the completion of primary education. The *Education Act on Primary Education* (1990, amended in 1996), *Secondary Education Act* (1992), *Pre-school Education Act* (1997), *Law on Inspection in Education*, *Law on Equivalence of Foreign School Documents*, *Education in Languages and Scripts of National Minorities* (all in 2000) are just some of the legal acts pertaining to the Croatian educational system. Also, in 2001, Croatia joined the *Bologna Declaration* (of 1999), thereby joining mutual declaration of the European Ministers of Higher Education, and made a commitment to the goals expressed within this area. The

main goals of the *Declaration* are the coordination of the higher education systems, the international competitiveness of the educational programs, facilitating employment on the European labor market, and mobility. The drafts of changes in the *Institutions of Higher Education Act* are also following this direction, focusing on the universities and not on the colleges.

At the end of 2002, the State Institute for the Protection of Family, Maternity and Youth prepared *The National Program of Action for Youth*. The Program establishes the fundamental principles of the government policy toward youth and the working plan by which the Republic of Croatia assigns basic tasks to the bodies in the system of the government administration for its implementation. It refers primarily to activities for the benefit of young persons between 15 and 29 years of age and establishes priority strategic goals for the activities of all the policymakers toward youth during the period until the year 2008.

The Program states: «Due to the immeasurable significance of education regarding employment opportunities, fundamental life decisions and a productive, independent and quality life, the society bears particular responsibility of providing prerequisites for equal accessibility of education to all young persons. It is particularly important to develop a system that will provide a chance to young persons of lower socioeconomic status, to those who have special educational needs and to those who are in unfavorable situation in other ways. The accessibility of education to everyone represents the most powerful factor in equalization of the opportunities in life.» (*The National Program*, 2002: p. 8)

Social policy toward youth is used in the Program with the meaning of a system of guided social intervention (support and services) in the function of social risks overcoming, social inequalities compensation, equalization of the opportunities in life, and social solidarity and integration stimulation. This is necessary for better social integration of all youth and particularly of the groups needing additional attention and support. The groups identified in the Program as needing special attention and support are: young persons who fail to graduate from secondary school; young persons with disabilities, young persons with behavioral disorders, the young Romanies and the young without family support.

The Working Plan of the Program consists of 110 proposed activities aimed at achieving the goals of the Program. Among the most important for our purposes are (the institutions in the brackets are the implementers of a specific activity):

1. Promoting the importance of continued (lifelong) learning as one of the fundamental strategic guidelines of the educational system. Preparing a program and implementing many activities that would indicate the ongoing need for acquiring new knowledge and development of skills, and promoting knowledge as a factor of success. (MoES, MoST)

2. Providing material conditions and support for return of young persons, who have dropped out of school, to the system of formal education. (MoES)

3. Monitoring systematically the number of young persons leaving regular education, and those who have entered adult education system. (MoES, CES)

4. Preparing a catalogue of informal educational programs offered by institutions, NGOs and economy subjects on the level of every county. The catalogue should be accessible to youth at information centers and places where young persons gather. (MoES in cooperation with NGOs and local self-management units)

5. Establishing informal education evaluation system. Structuring the possibility of recognizing and grading all levels of knowledge and skills acquired through informal education within the framework of extension schools and nongovernmental organizations, with the goal of making an entry into the Employment Record Card. (SIPFMY, MoES)

6. Developing and promoting the importance of professional studies at two-year colleges and independent colleges, and postgraduate specialization as a flexible response to the requirements and interests of youth and the needs of the economy. (MoST)

7. Supporting the systematic implementation of programs for monitoring gifted young persons. These programs should stimulate the development of the creative potentials of youth in all areas, including insuring of the care of the society for suitable mechanisms of support for their employment and for the long-term optimal guidance of their potentials within the professional and technological-scientific environments. (MoES, MoST, MoLSW, CES)

8. Preparing criteria for the particular support of youth NGOs' projects, which prepare youth for the labor market by assuring that they have the necessary knowledge, working skills and experience, self-confidence and adaptability necessary for the labor market. (SIPFMY, ONGOs, CES)

9. Developing a program for the self-employment of youth with a guided approach that refers to the recognition of personal potentials, orientation, mastering the methods and techniques of active search for employment, management, additional training, retraining, continuing education, etc. (MoT&SMEs, MoLSW, CES)

10. Promoting the development of local partnerships through a system of tax deductions and rewards to partners among the regional and local self-management bodies, social partners and youth NGOs, for the implementation of the active Government measures for promotion of employment, including the promotion of workers' cooperative and education. (MoT&SMEs)

11. Elaborating guided dissemination of information at youth information centers and in business centers, on the opportunities for employment and entrepreneurship. Providing the accessibility of complete information about government and local incentive measures, the procedure necessary for founding of a company or starting a trade, available credit arrangements, services of entrepreneurial incubators and technological parks, the labor supply, interested investors and partners, etc. (MoT&SMEs, CES)

12. Elaborating programs for the social engagement of unemployed youth (volunteer work for the benefit of the community in NGOs, institutions and other public services, assistance on the principle of "youth for youth" etc.) and their supplementary education for the purpose of compensating for the negative socio-psychological consequences of long-term unemployment. (MoLSW, CES)

13. Promoting actively the initiatives of youth oriented toward improvement of the social integration of the youth in regions affected by war, and in the rural regions, islands and small places, through joint activities and education directed toward the appreciation of differences, multiculturalism, tolerance, the nonviolent resolution of conflicts, youth participation in decision making, and improvement of the quality of the lives of children and young persons with disabilities (priority in the distribution of funds to NGOs and recommendations to the local communities). (SIPFMY, MoES, MEI, ONGOs)

14. Providing suitable support to young persons who for various reasons did not enroll in secondary school or who dropped out of the secondary school, in order to facilitate their inclusion in some form of education and reduce social risks. (MoLSW, MoES, CES)

15. Developing capacities for implementation of alternative educational measures for juveniles and young adult persons who have committed criminal offences (education of mediators for implementation of out-of-court settlements, opening counseling centers, programs for implementing measures of socially useful work). (MoLSW, SIPFMY, the Committee of the Government of the Republic of Croatia for the Prevention of Disorders in the Behavior of Children and Young Persons)

16. Creating and provision for the implementation of a program of educational workshops for the support of young Romanies who are not included in the formal educational

system. The workshops should be adapted to the culture and lifestyle of the young Romanies, with emphasis on the *life skills education*. Such an educational program includes various areas, such as healthcare, nutrition, social and communications skills, getting familiar with the rights and civil responsibilities, relations between sexes, risk behavior, self-defense, family relations, the skills needed to find work, self-employment and small entrepreneurship, etc. (MoLSW, MoES, CES, IPH, ONM, OHR, ONGOs, in cooperation with local self-management and NGOs)

17. Developing programs for the active promotion and assistance to young Romanies in completing elementary school, and for inclusion into the secondary school and higher educational systems. Implementing constantly the programs of training of young Romanies for work, of additional training and retraining, in order increase their employment. Providing for the systematic education of mentors for work with Romanian communities and their inclusion into the work within the social welfare system, preschool and elementary educational systems. Trained mentors who are familiar with the Romanian language and customs as well as the Croatian language, are of great help in connecting public services with their beneficiaries. Therefore, it is necessary to regulate urgently their status within the educational and social welfare systems. (MoLSW, MoES, ONM)

18. Educating the young about the need for the active inclusion of persons with difficulties in development into the society through regular education and additional education/campaigns. (MoES, SIPFMY)

19. When planning activities intended for youth, taking systematic account of the possibilities for access and participation by persons with disabilities. (SIPFMY, ONGOs, MoLSW, MoES)

20. Creating a separate program for the support and monitoring of young Romanian families with children. The education, support and practical assistance to young mothers and fathers in mastering the skills for adequate childcare, through home visits, mutual support groups, etc. (SIPFMY, MoLSW, ONM)

21. Establishing youth information centers in four macro-regional centers as a pilot project, according to which a model, which can be adapted to the needs and possibilities of youth in other major cities, will be developed. Info-centers, according to previously established functions and contents, would be established within existing youth NGOs or youth institutions, and would mediate and create information available to everyone, with an initial state subsidy and the constant financial support of the local self-management. Info-centers should be networked on the national level. (SIPFMY in cooperation with the county and municipal authorities and NGOs)

22. Developing a system of secondary school counseling centers for students and initiate a pilot project in two counties. Such counseling centers would provide professional assistance to secondary school students in their professional orientation, difficulties in social integration and learning, crisis situations, etc. (MoES, in cooperation with county educational authorities)

23. Establishing university counseling centers for college students which would operate within the framework of student centers and would provide all the relevant information, services and professional assistance in various areas of student life. (MoST, in cooperation with universities)

24. Initiating the production of an informative manual which would, in the initial phase, be distributed free of charge in all the secondary schools. The manual would include all the relevant information on the rights and duties ensuing from the legal regulations, and on the opportunities for special and supplementary forms of education, informal education, engagement in nongovernmental organizations and initiatives and on their projects, on scholarships, employment and career development, on social, health and supplementary

insurance, on legal protection, financing, housing, volunteer work, sports and cultural activities, religion, the prevention of addiction and risky behavior, assistance in crisis situations, mobility, youth tourism, European integration and similar. The manual would have a general section and a section referring to the local county conditions. (MoES, MoST, MoH, SIPFMY in cooperation with universities and local self-management bodies)

The most promising project is the introduction of the dual system of secondary VET (in 1995). According to the *Law on Crafts*, the Ministry of Craft and SMEs, the MoES and the Chamber of Crafts are responsible for the various aspects of the dual training system. In the classical school system, the number of hours dedicated to technical and theoretical education is higher than the number of hours dedicated to practical training (500 hours per year). All aspects of the programs are provided by the vocational schools that have school workshops. In the dual system, practical training takes up 1089 hours per year. Technical and theoretical education is provided by craft schools while practical training is provided by craft workshops. The dual system provides education and training for 55 occupations listed and defined by the Ministry of Craft and SMEs (established in 2000).

Employment, particularly of young people, represents one of the priorities of the social and economic policy in Croatia. In identifying the strategies, which the Croatian educational and employment services adopt towards long-term unemployment, it is useful to attempt a simple categorization of the various policy measures and combinations of measures that have been adopted. At the macro level, and when looking at the orientation of the overall policy regime, the most common are the demand-side-oriented approaches, which attempt to increase the volume of labor demand or to bias that demand towards the recruitment of the long-term unemployed. In 1998 (this program lasted only for two years) and at the beginning of 2002 (it is still active), the Government introduced *The Program of Giving Impetus to Employment*. In the package of six measures intended for giving impetus to employment there are five overall measures directed at employment in Croatia that can be used for youth employment and two of the programs are directly focused in hiring of young persons (From College to Work and From Classroom to Workroom). Five measures that can be used for youth employment are:

- “From College to Work” – offers subsidies for employing people that graduated from college under the condition that they are younger than 27 and that they graduated in a regular period;
- “From Classroom to Workroom” – offers subsidies to craftsmen if they employ young scholars under the age of 30 with less than six months of working experience;
- “With learning to a job for everyone” – offers subsidies during employees introduction to work. Non-skilled workers are excluded from this subsidy;
- “Chances for us too” – a subsidy directed at employment of disabled people with special measures directed at employment of disabled people under the age of 30;
- “Job for war veterans” – includes subsidies for employment of demobilized soldiers, widows and children of killed war veterans under the age of 30.
- The most successful programs were «From College to Work», in the first phase (1998-2001), and «With Learning to a Job For Everyone», in the second phase that has started in March 2002 (table 11).

In addition to this program Croatia has in the recent years introduced counseling and similar support measures focused on areas other than vocational skills, which may improve the participants' employability. The new strategy is targeted at a new individual approach to each unemployed and it includes training in techniques of effective job-search, or in presenting oneself to an employer. They also incorporate elements aiming to improve the 'motivation' and 'work attitudes' of the long-term unemployed. There is a clear trend towards a greater emphasis on 'activation' of the unemployed. These measures are focused on preventive

actions: group informing (information dissemination); individual counseling; workshops – there are workshops concerning training in techniques of effective job-searching, or in presenting oneself to an employer as well as workshops aiming to help the unemployed in better self-estimation of their capacities. Professional orientation (career counseling) is a program that helps the school population (table 12) and the adults at the different stages of their professional career in making decisions about their professional future. It includes the evaluation of someone's abilities, interests and motivation, i.e. the individual distinctive characteristics, which might influence new pathways to employment.

The Croatian strategic orientation, expressed in the program entitled *Croatia in the Twenty First Century* is oriented toward development of SMEs as an impetus for overall economic development. The recently adopted *Impetus for Development of Small Business Act* and *Program for Development of Small Businesses* stimulate development of that part of the economy. This program has included, as one of the strategic determinants and goals of development, the education for entrepreneurship and training of youth for entrepreneurs through regular and supplemental education. Offering inclusion in the “incubator” systems is a valuable way of improving the Croatian economic situation and the social status of the youth because young people are more ready to take risks compared to the other age groups, so they should be given a chance to change their position.

Financial resources necessary to cover employment-related costs are drawn from the unemployment tax, calculated on the basis of the *Labor Law*, at the rate of 0.85% of income. International programs included in financial help to employment are PHARE, with TACIS program and CARDS program. The projects under the CARDS program that are currently active in Croatia are:

- For 2001: a 3.000.000 € worth project entitled *Vocational Education and Training Reform and Labor Market Restructuring*; the goals of the project are: conceiving a qualitative methodology for labor market researches; making models for professional orientation and systems for dissemination about educational programs; a program of *Mobility Centers* whose objective is helping in employment to persons who are going to become unemployed due to firms privatization and restructuring.
- For 2002: a 900.000 € worth project entitled *Local Partnerships for Employment*. Its objective is introducing systems for adult education and connecting all partners at the local level.
- For 2003: a 500.000 € worth project entitled *Restructuring and Decentralization of the Croatian Employment Service* –defining a decentralized employment system and organizing seminars for the employees of CES.

Youth NGOs receive financial support from the state budget, through competitions held by the Office for NGOs of the Government of the Republic of Croatia, and through the executive bodies of the local and regional self-management units.

EVALUATION OF REFORM POLICIES AND ACTIVITIES

In an attempt to achieve the goals of the youth policy, the Government obligated by the working plan within the National Program the bodies of the public administration to implement its measures within a five-year period (2003–2008). The body in charge of coordination of the implementation of the National Program (The State Institute for the Protection of Family, Maternity and Youth) must give a proposal, containing united operative plans, to the Government, within a period of 6 months after the adoption of the National Program. The State Institute is obliged to submit a comprehensive report about the implementation and the results of the National Program evaluation, on the basis of the reports

of all the bodies in charge of its implementation to the Croatian Government once a year. The report must be submitted latest till 15 March of the current year for the previous year. Since the National Program was only introduced at the end of 2002, the action plan is currently being developed, and is due to be finished by mid-June. The first report on the results of the action plan will be available in the beginning of 2004.

The funds necessary for the implementation of the National Program are provided from the funds of the State budget; in such a manner that the implementers of individual measures or activities include their implementation costs into their annual budgetary position plans, pursuant to the determined operative plans for the implementation of individual measures or activities. Pursuant to this, the dynamics for providing and spending the funds intended for the implementation of the National Program shall be determined every year during the planned five-year period within the procedure of the adoption of the State budget.

As for the dual system, it was introduced in the academic year 1995/96 in 12 counties, 19 schools and for 24 occupations. The number of educational programs, schools and pupils has been increasing since then. The total number of pupils in the dual system during the year 1999/2000 is approximately 11 000. After five years of the initial introduction, an analysis was conducted, indicating that the differences between the classical and dual VET systems should be reduced, the master craftsmen should undergo training in pedagogy and psychology, the number of places for apprenticeships should be increased, more funds are necessary to equip school workshops.

A comparison between the traditional school-based and dual systems shows that there are four classical secondary VET schools for every dual system school. Some occupations are available only in the classical programs. All indications are that the reason for this is that pupils and parents are not aware of the opportunities attached to the dual system, so efforts should be increased to attract more pupils into this program.

Analysis of employment initiative programs in Croatia (*Program of Giving Impetus to Employment*, groups informing, individual counseling and professional orientation) has shown that this is an essential part of the program of active employment policies. Some categories of unemployed in Croatia have evaluated this program very positively, although they have not always decided to take part in it. For a higher success rate it seems important to link CES, private and international employment agencies, employers, civil society organizations and entrepreneurs into existing production networks, encouraging them to cooperate and make a network for information exchange. The suggestion for policy development is that all these employment and self-employment initiatives need to be the focus of specialized development agencies, which will support entrepreneurial infrastructure and help in human resource management, and pick up any development initiatives arising in the area. It seems that a big problem is inefficiency of budgetary and extra budgetary funds to improve employability of disadvantaged youth in Croatia. The majority of the investments that came as donations or help from the international community have been invested in keeping basic school and economic infrastructure and very little has been left and invested in job creation projects.

CHALLENGES AND OPPORTUNITIES

The basic problem of all attempts to tackle the problem of disadvantaged youth is the lack of reliable data, or non-existence of the necessary information at all. The methodology of systemic data gathering is poor, does not pertain to relevant information, or does not exist at all. Also, the youth itself must have a suitable level of available information about their rights and opportunities, and about the programs and services offered to them (especially

supplemental forms of education, informal education, engagement in individual projects, scholarships, employment and career development, etc.).

The existing educational system provides very limited transfer possibilities at a later stage. It is particularly important to emphasize the problem of horizontal and vertical mobility within the educational system, especially considering the students who continue their education after completing three-year professional training programs in secondary school and who lose the status of secondary school students and all the rights that regular students would be entitled to when they enroll in a four-year program (the fourth year of secondary school).

The secondary schooling is burdened with most problems, which include many formal shortcomings: the rigidity of the programs that are difficult to adapt to the interests of the beneficiaries (students, parents, local communities etc.), inadequate and obsolete school premises and equipment, as well as obvious material poverty. The introduction of new technologies is inadequate and slow, primarily due to material poverty. There are problems in grading students (overemphasis on the knowledge of facts and very poor evaluation of the level of skills, the negative psychological consequences of nonobjective grading etc.) and the non-standardized evaluation of knowledge at the transition from secondary school to institutions of higher education (secondary school graduation examinations, college entrance examinations). The criteria and instruments for the evaluation of the educational system are poorly developed.

The formal school system assigns tasks to students and directs expectations accordingly; however, pursuant to facts mentioned above, a type of paradox occurs: the expectations and obligations are in conflict with the students' personality, needs, desires and abilities. This is related to the fact that there are no counseling services for secondary school and college students (which would recognize problems in time and provide information on possible professional assistance and problem solving) at any level. Within the school system, there is no well-organized counseling service, which could be educated for proactive and preventive activities for students. The student desks at universities do not have the function of counseling centers either. Young people are also forced to invest great effort in establishing suitable contacts and finding necessary information in order to exercise their rights and opportunities (for example, young persons who are interested in possible further or supplemental education and career planning).

Poor horizontal flow represents a particular problem in higher education system, thereby producing a related problem, which is the choice of programs and courses. Higher education institutions are autonomous in creating their programs; however, questions regarding the level and adequacy of the programs have been frequently raised, accompanied by the demands for changes having the goal of meeting technological and civilization achievements in modern society. Undergraduate university study is overburdened and insufficiently interdisciplinary, with just a few optional programs. Subject-bound orientation of the curriculum, focus on factual knowledge, passive learning, early and narrow specialization in VET are other problems that aggravate the will of young people to stay in the educational system and their opportunities on the labor market. The links between VET and practical, real-life work competences and skills are weak. The social partners have little influence on educational policy making, even though the VET schools must relate closely with their local environment if the young graduates are to find employment.

In addition to that, there are problems related to the students' standard of living, lodging capacities of secondary school and university student dormitories and food, and a specific problem of students-commuters. In some regions outside large centers, bus lines enabling secondary school students to attend school have been cancelled. The inaccessibility of transportation represents a limiting factor regarding student participation in informal education, sports, cultural and other activities, too. However, relatively large number of

scholarships and various forms of support, due to their relatively low amounts, still do not cover the expenses of students from low-income families who study outside their place of permanent residence. Lodging capacities in student dormitories are insufficient in all the university centers, however this problem is particularly critical in places where new studies are being opened, but no corresponding infrastructure is being provided. The overall financial resources are insufficient, and there is a great need to increase and diversify the available resources.

A particular problem is inappropriate inclusion of social services and local communities in creation of the mechanisms for social support and integration. Schools, for example, being institutions through which the majority of youth passes, are most often not acquainted with the activities of centers for the social welfare focused on families and children, and cannot offer appropriate treatment to a schoolchild who requires it, and, of course, vice versa, inappropriate informing of the centers for social welfare prevents timely treatment of the family as well.

As for the youth with behavioral problems, an inappropriate reliance upon measures of penal punishment reaction is evident, especially in the area of the prevention of behavioral disorders among youth, with unacceptable lack of work on timely identification and performance of healthcare, educational and family-legal measures, social protection and emergency measures insuring education and appropriate development of youth.

Public services frequently refuse responsibility for the position of Romanies, citing the principle of nondiscrimination and equal treatment for all, regardless of ethnic affiliation. However, it is the responsibility of the society and institutions to recognize those who are in an unequal position and to develop effective measures for reducing social exclusion and equalizing opportunities.

The links between education, training and employment are still highly rigid and formalized in Croatia: this is problematic since the labor market demands greater flexibility from the workers. Lifelong opportunities for workers to develop new skills and enhance their credentials are necessary and can provide a safety net for those who become trapped in vulnerable positions.

The main inadequacy of the Croatian employment system can be seen in the lack of overall strategy for youth employment. Usually we have *ad hoc* measures at work and some measures are not really conceived for youth, which derives from the lack of partnership among governmental and nongovernmental organizations.

A particular problem is the lack of a national umbrella association that would include the majority of the most popular national youth NGOs. Only the NGOs concerned with peace building have a kind of umbrella organization (*ZaMirNET*) whose objective is to create information relevant for the development of the civil society. Since in Croatia there are no satisfactory institutional mechanisms in charge of youth, inclusion of youth into the development of the society and participation of youth in decision-making is based on self-initiatives and independent organizational forms (NGOs, cultural initiatives and informal groups). All of this results in ineffective ways of resolving the problem of the youth's social, political and economic marginalization.

The system of volunteer work in Croatia is not developed and volunteer opportunities are possible almost exclusively through NGOs and small number of humanitarian institutions. The problem in Croatia is that there are neither developmental guidelines nor systematic support on the national level for the area of individual volunteer work or media activities, and there are not enough studies or research on the frequency or opportunities for this type of activities.

RECOMMENDATIONS

Enrolment patterns should provide for equal access to the various programs at secondary and tertiary level. The network of general secondary education programs (*gymnasia*) needs to be enlarged to reduce the present need for stringent selection. A better prospect for technical and VET education lies in abandoning outmoded programs, de-specializing content, and developing new programs in economically viable fields with support of social partners, integrating learning and work. Structured labor market information would contribute to assessing the effectiveness of the current system, and help VET planners to respond.

The present system also needs to be more 'porous' in order to allow transfer of students from one stream to another at any stage. This might be achieved through special 'bridging programs' during secondary schooling for the young, or for adults with or without work experience who wish to return to the system.

Assessment standards are urgently needed. The quality function should be transferred to the central level – for the evaluation of student, teacher, school and regional performances. Standard examinations at the end of compulsory and secondary education should be introduced. A student loan system should be introduced with intermediate assessment of results. The student stipends would remain essential for socially and economically disadvantaged families, and might be preserved for some categories of students (for example: the disabled, the Romanies, those coming from areas devastated by war and economically less developed areas, e.g., the Croatian islands).

Current adult education system does not exist as a separate system; it is legally regulated as a subsystem within the system of regular education. The perspectives of adult education (as well as other education) are comprehended in the concept of lifelong learning, and it would be wise to uniform all the levels of adult education within this concept (from elementary school to tertiary education). It is also exceptionally important to collect data on participants in this system, as well as to help those participants that cannot afford to pay for these programs: (a) financially: through loans, scholarships, stipends (from the state or local community budget or in cooperation with companies); (b) materially: e.g., by providing books and work materials, equipping computer and practice labs, etc.

In recent years, an increasingly large number of citizens' associations with educational programs have appeared, but they are not provided with significant support. However, such programs are particularly acceptable to youth because they do not experience them as imposed or compulsory. Young persons are usually poorly or not at all informed about the opportunities for informal education because there are no information on available resources and programs. So, a dissemination strategy should be developed as soon as possible.

A characteristic of developed democratic societies is the appreciation of the criteria of competitiveness in the assessment of skills and knowledge acquired through informal education. Therefore, informal education should start to be recognized as equally valuable by the educational system and the employers.

Secondary and tertiary counseling systems should be set up, in order to monitor the performance of students, help them in making decisions regarding professional choices and aid in overcoming disadvantages of poverty, school attainment levels, etc. Here, the untapped wealth of schools' background staff should be used (psychologists, pedagogues, etc.).

The data collecting should include the «safety-net» approach, whose aim is to track down young people who have left education and are neither employed nor registered with the public employment services or receiving social assistance. Systematic scientific research on youth issues should be performed, with the purpose of providing a professional basis for the

structuring and implementation of adequate policies toward youth, as well as for their constant monitoring and evaluation.

There are several reasons important for the employment issue in Croatia:

- Negative economic situation;
- Low labor demand;
- Grey market;
- Passive behavior of the unemployed toward the job seeking process. The unemployed in Croatia are not willing to use instruments provided for job seeking – they expect to be given a job, not seek for it. For instance, in April 2003 (table 13) 65.56% persons from the CES register were employed, and 26.67% of all deleted persons were people deleted because of inactivity (refusing participation in group dissemination or individual counseling, refusing a job, non-cooperative behavior toward the job seeking advisor). In the case of inactivity, a person is deleted from the CES register on a three-month period. Very often, these people register again after this period and they got deleted again. It is a kind of a vicious circle and a lot of people get trapped in it because they are not willing to change their attitudes. There is a problem of loss of work habit, low self-esteem and lack of information about the labor market that cannot be solved if the unemployed do not cooperate with services that provide help. Relying on this, we can mention the problem of unmotivated job seeking advisers burdened with administration – a process of capacity building should be imposed to improve the quality of help the unemployed can get, and a system for measuring the output efficiency of the institutions dealing with youth employment issues, should be developed;
- The monitoring system is not developed enough to help the unemployed youth to cope with unemployment. It is well known that the problem of disadvantaged youth can be better dealt with in very early stages and through the process of monitoring;
- The cooperation among the education system, the labor market and the employment system is weak and does not help students in efficient career guiding and finding a job. At the moment there is a career guiding system only at the Croatian Employment Service, and it should be accessible inside the educational framework as well;
- The lack of dialogue among social partners. Cooperation among social partners is still at the elementary level and the impact of each of social partner very often depends on the quantity of their political power. The efficient program should support national mobility, placement and exchange projects, pilot projects, national networks and transnational networks, development of linguistic and cultural skills, as well as disseminating good practice and compiling reference material. Funds for solving youth issues can be raised from foundations, banks and businessmen.
- The Croatian population is not aware of the youth issues. This requires a presentation of the problems of disadvantaged youth and youth at risk, both in the electronic and written media. Active citizenship is possible only in an institutional framework, which is attentive to the needs of young people, capable of responding to their needs and able to provide them with the means to express their ideas and to make a greater contribution to society. The issue of Croatian youth needs more transparency and a new model of public management, which should include both governmental and non-governmental organizations.
- Poverty is one of the biggest hurdles to educational and employment progress. On the one hand, the poor in rural areas lack assets and access to basic services; they have a low standard of living; and they feel powerless and insecure. Since the collapse of the former communist system, poverty has increased at a pace unparalleled elsewhere in recent times. Successive economic shocks, including the loss of jobs, prolonged non-payment of salaries, hyperinflation and the drastic erosion of accustomed supports, have made people

feel unusually vulnerable, powerless and incapable of planning for the future. Importantly, rural people often have a higher risk of poverty than urban residents do. Since the beginning of transition, the rural situation has deteriorated throughout the region, and inequality between rural and urban areas has greatly increased. But, there is some prognosis that in the future there are going to be more urban than rural poor people because of the migratory processes from rural to urban areas. Despite this problem, Croatia still does not have an explicit program against poverty and social exclusion. All actions are based on the summit on *Declaration and action program of the World Summit on Social Development* (1995, Copenhagen) as a document that stressed out three social key issues: poverty, unemployment and social exclusion. Regarding the importance of this problem, there should be some kind of a long-term poverty reduction strategy.

Aside from the recommendations mentioned, there are few steps that should be made for efficient VET and employment action:

- Raising public awareness about the importance of education and vocational training;
- Early identification of young persons' professional abilities;
- Efficient counseling, career-developing guidance system, improving the professional orientation system (measures for vocational and motivational training);
- Support of the employment of gifted persons through the *head hunting* process;
- Support in getting access to re-qualification courses in jobs required on the labor market – transition to a knowledge based economy;
- Help for start-up businesses through incubator centers;
- Maintaining a permanent contact between trainers, employers and employees;
- Youth volunteer work is a particularly important area for acquiring work experience and skills. The potential which lies in youth volunteer work is usable in the most varied areas: from the renewal of the infrastructure in regions affected by the war, providing assistance to geographically and socially isolated communities, planting forests and environmental protection, to the socialization of cured addicts, archeological researches etc.;
- Creation of job clubs and youth centers where young people can meet and exchange information and experiences.

Since unemployment is a structural problem, partial programs cannot resolve it. There is a need for establishing a separate and independent body responsible to the Government or reforming the existing one (the State Institute for the Protection of Family, Maternity and Youth), in charge of the implementation and coordination of the government policy toward youth.

ATTACHMENT 1

KEY INDICATORS FOR CROATIA	
SURFACE	56,538 km ² (CBS)
POPULATION/POPULATION PER KM²	4,437,460 (2001 census - CBS)
% URBAN POPULATION	58
% POPULATION GROWTH	- 0.9 (2001 census - CBS)
WORKING AGE POPULATION (15-64)	2,828,592 (2001 census - CBS)
GDP IN BILLIONS OF US\$	23.4 (2002)
GNP PER CAPITA (US\$)	5,364 (2002)
% GDP INCREASE/DECREASE	+4.8 (2002) (CBS)
% ANNUAL INFLATION	2.2 (2002) (CBS) / 2.4 (2002) (IMF)
% UNEMPLOYMENT (ILO METHODOLOGY)	22.74% (2002) (CBS) / 15.2% (2002) (ILO)
YOUNG UNEMPLOYMENT	
15 – 19 YEARS OF AGE	32,829 (2001 census - CBS)
20 – 24 YEARS OF AGE	54,590 (2001 census - CBS)
25 – 29 YEARS OF AGE	49,661 (2001 census - CBS)
% YOUNG UNEMPLOYED OF ALL UNEMPLOYED – TOTAL	30.43 (2002) / 43.22 (1991) (CES)
15 – 19 YEARS OF AGE	8.47 (2002)
20 – 24 YEARS OF AGE	14.10 (2002)
25 – 29 YEARS OF AGE	7.86 (2002)
PARTICIPANTS OF INITIAL VOCATIONAL EDUCATION AND TRAINING AS % OF ALL STUDENTS OF SECONDARY EDUCATION	74.7 (1999/2000) (ETF)
DROPOUT RATE AS % OF SECONDARY SCHOOL STUDENTS	17% (1999/2000) (ETF)
EDUCATION BUDGET AS % OF GDP	4.5 (1990) / 3.08 (2001) (MoES) plus contributions from employers to dual training
VOCATIONAL EDUCATION AND TRAINING BUDGET IN % OF GDP	NA
UNEMPLOYMENT RATE % BY EDUCATIONAL ATTAINMENT	
ISCED 0-2	18.87 (2002) (CES)
ISCED 3	77.73 (2002) (CES)
ISCED 5-7	3.2 (2002) (CES)

EXAMPLE OF GOOD PRACTICE 1

Name of the country: Croatia

Implementation Agency: The Croatian Employment Service under the auspices of the *European Training Foundation*.

Period for Implementation: December 2000 – December 2003

Objectives of the project:

Increasing youth employment and social inclusion in two counties: Bjelovar – Bilogora county and Požega – Slavonia county, through local partnerships of various local partners (Croatian Employment Service, Ministry of Labor and Social Work, Ministry of Justice, Public Administration and Local Self-Government, Ministry of Trades, Small and Medium-Sized Entrepreneurship, Ministry of Education and Sports, local entrepreneurs and labor unions) in building partnerships for vocational education and employment (adjustment of the secondary school system to new market requirements).

Summary of the project activities:

The project is aimed at training, retraining and further training of young people. This measure has a double objective, being used to reduce skill mismatches with the local labor market and as a second chance for unskilled and semi-skilled people to acquire a first or higher qualification. The target group consists of unemployed young people, from the two counties, who are going to be employed by local employers after finishing education.

Results: 60 young people were employed in small-sized enterprises and 200 in medium-sized enterprises by 2003.

Dissemination:

The lack of sound information about the labor market is seen as one of the major impediments to the reduction of youth unemployment, so the partners included in this program should provide transparent implementation. This is some sort of a pilot project, so there is a plan to disseminate its positive results to other counties.

Recommendations:

Partnerships among stakeholders for vocational education and training and employment should be developed at national level. These partnerships should include donor support like transfer of expertise and know-how; technical assistance; and funding for pilot activities.

Further steps recommended:

Development of organic agriculture was recognized as a priority for future actions and it can be the basis for increasing employment and economic and infrastructure growth for these two counties. It is reasonable to expect that this program is going to be expanded to other counties in Croatia, as well.

EXAMPLE OF GOOD PRACTICE 2

Name of the country: Croatia

Implementation Agency: The Ministry of Science and Technology

Period for Implementation: from 2000.

Objectives of the program:

Higher education institutions are facing serious problems regarding the shortage of expert scientific and teaching personnel and the advanced average age of university teachers. Since 2000, the Ministry of Science and Technology has committed additional efforts and funds in reaching increased number of *scientific recruits* at universities. The additional goal is to support 10% of the most successful graduates of certain scientific areas in all Croatian universities. Considering the brain-drain phenomenon, this is believed to be a good way of encouraging perspective young scientists and intellectuals to stay in Croatia.

Summary of the program activities:

Scientific and research institutes and faculties sign contracts with graduates from universities, limited to four years of time. During that time, the scientific recruits are supposed to complete postgraduate studies in their field of work, and obtain a master's degree. The following four years are reserved for a PhD. After that, the scientific recruit can be employed as a senior assistant, on a 3-year contract – that is an entrance into scientific and/or research system. The Ministry pays the postgraduate studies' expenses.

Results: By the end of 2002, the Ministry had under its support 2261 scientific recruits (501 in natural sciences, 551 in technical sciences, 372 in biomedical sciences, 177 in bio-technical sciences, 367 in social sciences and 293 in humanities).

Dissemination:

The program includes all the institutions of research and higher learning in Croatia. Since financing comes from the state budget, there are some limitations for further employment, at least until the present recruits start working in the regular science system.

Recommendations:

In order to achieve one of the goals – preventing the most successful students from leaving the country – the salaries should be increased, because they barely reach the average Croatian salary. Other recommendations include resolving the problem of housing for the recruits: perhaps by cheaper loans and lower interest rates or by housing projects for those employed in the science and research sectors.

Further steps taken:

Municipal authorities in several cities have awarded the use of a certain number of apartments to young scientists and university teachers, in order to ease their financial situation and stimulate them to pursue further study at the university level. Although well conceived, the educational system and the system of hiring scientific recruits have been inadequate in aggravated conditions of their employment (due to public services employment prohibition), after scientific recruits had reached their PhD status and experience in scientific and research work at the government budget expense.

