



THEMATIC FACTSHEET

2018

EMPLOYMENT AND INCOME IN THE WESTERN BALKANS



Young women and men in practical training in Agriculture school in Prishtina.

Employment and income are priority themes for the Swiss Agency for Development and Cooperation (SDC). These two themes encompass a range of economic activities related to the development of the financial and private sectors and vocational education and training (VET). Strengthening the private sector and developing the VET systems is also the focus of SDC programmes and projects in the Western Balkans. The SDC supports specific projects and the implementation of reforms to improve people's living conditions and increase their incomes.

Background

The fall of communism and the break-up of the former Yugoslavia transformed the political and economic systems of the Western Balkans. Vocational training institutions were weakened and state-owned enterprises dismantled, leading to the collapse of VET systems and economic structures. This situation was exacerbated by the fact that the small and largely informal private sector had a limited capacity to

provide employment for all those looking for jobs. The exceptionally high level of youth unemployment remains one of the main obstacles to economic and social development in the Western Balkans.

Improving young people's skills is an important and necessary measure but as long as the private sector is unable to keep up with the demand for jobs it will not be enough. Without adequate employment opportunities or prospects for advancement, a whole generation is becoming discouraged, and more and more young people are deciding to try their luck abroad. The emigration of potential workers is a loss of human capital, skills and innovative talent. The high unemployment rate and the lack of economic prospects also increase the risk of political conflict and organised crime. In light of this situation, one of the key priorities of the SDC's country programmes in the Western Balkans is to improve young people's access to the labour market. In addition to VET, this also involves job placement services and helping companies create jobs. SDC projects aim to improve both the situation for young people and overall labour market conditions.

Vocational education and training

The SDC supports the reform of VET systems in the Western Balkans by promoting dialogue between employers and educational institutions. It therefore works to ensure greater involvement of the private sector in the development of training programmes, building on the success of the Swiss dual VET system. The SDC is also implementing targeted measures to promote an inclusive education system that provides opportunities for vulnerable and disadvantaged people. It also aims to formalise procedures for cooperation among employers, jobseekers, job placement services, educational institutions and government authorities.

In Serbia, the SDC supports the development and implementation of dual VET courses in the furniture manufacturing sector. This successful model is being

extended to various other sectors nationwide and is the basis for the reform of the VET system. Elements of the dual VET system are also being incrementally adapted to the local contexts in Albania, Bosnia and Herzegovina and Kosovo, and steps are being taken to ensure that the VET system is better geared to the labour market.

Placement services

Placement services are an important link between the VET system and employers. These services also offer valuable vocational guidance by helping job-seekers to match their expectations and skills with the realities of the job market and providing advice for those interested in self-employment. The SDC is also contributing to the reform of the job placement system by helping it to provide more professional services that are better geared to the needs of job-seekers and employers. In addition, it is helping to set up databases containing information on job vacancies and jobseekers, and it is also working with the local media to inform the public about the labour market and what employers are looking for in job candidates.

In Albania and Kosovo, for example, the SDC helps its partners to publish information in the media about the labour market. It has also provided training for NGO and government employment agency staff to enable them to support young people who are about to enter the labour market. For disadvantaged groups, the SDC has developed targeted measures to facilitate their entry into the labour market. In Kosovo, job placement agencies offer a wide range of services under one roof, including job ads, assessments, short-term training courses and even organising job interviews.

Strengthening the labour market

In order to create new jobs, companies must be able to operate in a transparent, stable and business-friendly environment. They must be integrated into efficient value-added chains that meet market demand, and they must be able to benefit from technical support and administrative and financial services. Small businesses and micro-enterprises, which are often the main employers, play a key role in this respect. The SDC helps them to strengthen their market position and management capacities, and supports start-ups. It also contributes to the improvement of regulatory and market conditions through its support for policies and projects that promote good governance and the private and financial sectors. The SDC is also working to improve value-added chains and support services by facilitating networking among local actors and promoting promising collaborations.

In Albania, Bosnia and Herzegovina, Kosovo, Macedonia and Serbia, the SDC supports the development of new markets in the information and communication technology sector (ICT), the food industry and tourism. Considerable progress has been made in the ICT sector in particular. In Kosovo, for example, ICT companies are gradually moving up the value chain, starting out as call centres or contractors for programming projects and subsequently focusing on market research services or developing software solutions which they market internationally. All SDC projects put an emphasis on social responsibility and the involvement of minorities and marginalised groups. In Bosnia and Herzegovina, for example, a social enterprise project is under way offering young people group activities, training modules and start-up financing to help them embark on sustainable careers.



Young women working in production unit for rolling pins in a wood company in Serbia.

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