

LOCAL LABOUR MARKET IN KRAGUJEVAC: CURRENT SITUATION AND POTENTIALS

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Acronyms

NES	National Employment Service
CSW	Centre for Social Work
NGO	Non governmental organization
SORS	Statistical Office of the Republic of Serbia
LFS	Labour force survey
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification
EPLIC	Employment Promotion and Learning Innovation Credit
BSC	Business Start-up Centre
SP LED	Strategic Plan for Local Economic Development
CARDS programme	The Community Assistance for Reconstruction, Development and Stabilization Programme
USAID	United States Agency for International Development
LS	Local selfgovernment
SIEPA	Serbia Investment and Export Promotion Agency



EXECUTIVE SUMMARY

How was this study made?

The study „Local Labour Market in City of Kragujevac: overview and possibilities“ was carried out by non-governmental organization „SeConS – group for development initiative“ for the purpose of the project implemented by „Business Start-Up Centre - Kragujevac“ with support of an international organization Spark and Dutch Government.

Study objectives:

This study represents an overview analysis of local labour market in Kragujevac in the context of actual conditions and characteristics of socio- economic development of city of Kragujevac. Also, this study outlines problems resulting from economic reconstruction and reform of key local institutions that should support such development.

First of all, this study has one practical importance that is providing records and analyses necessary for achieving more adequate and efficient policies; as well as concrete measures in increasing development and improving living conditions of local population, primarily young people.

Research that gives basis for this study is focused on following main areas:

- 1.) Potential and characteristics of the demand for labour force in local economy;
- 2.) Characteristics of current labour supply on local labour market;
- 3.) Characteristics of local education system, including education offers, training and raising of working skills beyond basic state education institutions in the local community.

Main remarks on methodology:

Survey conducted for the purpose of this study employed complex methodology that combined analysis of available, relevant documents from secondary sources with original quantitative and qualitative research methods. Research methodology was adjusted to the needs and features of three main survey aspects:

- 1.) **Research on labour force demand** was conducted upon data obtained in survey on employers' characteristics and labour supply¹. This data base has sample of 51 enterprises from city of Kragujevac. This is a stratified random sample that is taken from three different strata: large, medium-sized and small enterprises. Additionally, in depth interviews with 9 employers of different scale enterprises were conducted aiming to provide better understanding of employment policies, selection criteria, quality control of labour force etc.
- 2.) **Research on characteristics of labour force supply** was conducted on random sample of 300 households with at least one member from the category of labour active population (as employee in formal or informal sector, or an active job-seeker). Basic data on labour market position and education, as well as received training and job-seeking were collected for all household members within labour active population, giving the total number of 1094 persons. In addition, more detailed and comprehensive data were assembled for one household member selected at random from active population.
- 3.) **Research on capacities of education and training services providers** was completed using the secondary available data, i.e. data that were gathered for organization/institutions' internal purpose. Afterwards, in depth interviews were organized with respective stakeholders.

¹ Research „Mapping of Employment Opportunities for IDPs in Kragujevac, Kraljevo and Vranje“ was done by the same organization (SeConS) only two months prior to the realisation of this project. Therefore, it was decided to use the existing data base and conduct analysis on representative sample of enterprises from city of Kragujevac. SeConS and BSC would like to thank United Nations Development Programme in Serbia for their permission to use the data base for labour market analysis within this project.

The most important findings of the survey:

- 1.) **Economy restructuring and privatization trends** in city of Kragujevac resulted with substantial changes on the local labour market. Primarily, these changes were obvious in increased unemployment rate, and restruction of labour force according to ownership, sector and qualification. Company sector had a decline in employment for 7000 work positions in the period from 2007 until 2009. Manufacturing industry had biggest down turn (43%), followed by traffic and storage industry, while a far less employment decline is recorded in education and agriculture. Although other sectors had slightly increased employment rates, still it remained insufficient to compensate the decline recorded in industry, traffic and storage.
- 2.) **Enterprises from the sample** employ in total 9069 persons and according to their representatives more than one half of them operate with success. Companies that are „losers“ are mostly those founded back in the socialism period, or in early 1990s and now they are facing restructuring challenges and need to adapt to new economy and market conditions. Small sized companies prevail on the scale of successfully operating enterprises.
- 3.) **The most important problem in business** is collection of claims, and it represents one of the most frequently mentioned problems by respondents. This problem leads to lack of resources, cash and equipment, but still these problems remain less time quoted, same as world economic crisis.
- 4.) **Significant number of enterprises** invests in modernization of technologies and organization improvement, as well as in human resource development. More than one third of the enterprises from the sample made considerable investments in modernization, while more than half of them during the last year introduced changes in the work organization aiming to increase productivity and efficiency. Three-fourths of enterprises are providing additional training for their employees in order to further develop human resources.
- 5.) Over the past two years number of layoffs in the enterprises from the sample was doubled in comparison to the number of new recruitments in the same period. However, it is important to underline that increased number of redundant employees is due to few large enterprises that are struggling to survive and experiencing restructuring challenges. When it comes to **reasons for redundancies** the primary reason is surplus of employees, followed by breach of work discipline and reduction of work. In other cases, reasons were redundancy volunteers and incompetent performance etc.
- 6.) One quarter of enterprises reported surplus of employees and announced new redundancies, while one third declared that number of employees will be increased in the next two years. The vast majority of **employers are willing to recruit new employees, if they receive some kind of support**.
- 7.) **Employment dynamics** – during the period in question 80% of enterprises hired new workers, while 51% were making redundancies. Half of the enterprises that had change in total number of employees actually recruited more employees than they have dismissed, therefore they can be classified as growing enterprises. Expansion of work is the most important reason for recruitment of employees.
- 8.) **Growing enterprises** are mostly from process manufacturing industry, trade industry, social and classic services, and enterprises from energy and construction sector.
- 9.) Among **newly recruited employees** dominant position is clerk (mostly due to an extensive employment in the company „Forma Ideale“), while among employees made redundant process workers are foremost.

- 10.) This survey registered **deficit resource profiles** on labour market: engineers and experts from natural and technical sciences are frequently lacking, followed by corresponding industrial and mechanical operators, mechanical workers and similar positions.
- 11.) In the process of seeking for new candidates employers combine **different recruitment channels**. The most common approach is to address the National Employment Service (NES), as well as to approach the social network of currently employed workers. Formal and informal contacts with other employers are used as recruitment method too, while advertising in the media is not that frequently represented. Employers from the sample almost never use services of professional private agencies, specialized in recruitment.
- 12.) **Level of information on NES's programs supporting employment opportunities** for employers is classified as good. High percentage of employers is informed about the program „trainees and volunteers“, as well as employment fairs. Employment support programs have been used by only one half of the employers.
- 13.) Interview is considered to be **the most appreciated method in recruitment process**, followed by a trustworthy reference and candidates' resume. Trial period and written recommendation from previous employer or education facility is requested by more than one half of enterprises. Only in few cases were additional tests and verifications necessary. When selection decision on the candidate has to be made, employers are first assessing their competence and qualification, then their working experience and at last reconsidering a good recommendation.
- 14.) **Discrimination attitude of employers** was noticed when it came to recruitment of elderly workers, women, candidates without prior working experience and Roma.
- 15.) **Unemployed population does not represent overall supply** on local labour market, since other categories of active working population are also included. Those would be temporarily and informally employed, as well as formally employed. One week prior to this research, majority of respondents participating in this survey was unemployed and seeking a job, currently employed were the next after them.
- 16.) **Among job-seekers** more than one half are young people (15–34 years), then follows middle age population (35 - 54) and finally 6% of job seekers are older population (55 - 64). There is almost an equal representation of both men and woman among them, and as far as their qualification level is concerned workers, clerical and technical occupations are dominant.
- 17.) Results from this survey show that **job-seekers recognize the importance of training and necessity of acquiring new skills**. Skills and knowledge differ when it comes to men and women. So, percentage of woman with „up to date“ skills (computer literacy and knowledge of foreign languages), necessary for modern service sector is higher. Women go ahead with skills in old handicrafts, too. On the other hand, men are more skilled in process industry, transportation, repair services etc.
- 18.) Survey results for the sample in question show that **job seekers are using proactive methods in their quest for work**.
- 19.) In the past two years, **one third of respondents presently seeking for job were actually offered employment**, and out of them one quarter declined that offer. Reasons for declining job offer were: the job was not in accordance with their qualifications, either salary or working hours did not comply with candidates' preferences, job location was distant, or candidates believed that job in question wasn't sustainable.
- 20.) Among unemployed and informally employed respondents seeking for job, **vast majority is registered with National Employment Service (NES)**, while 20% out of them are no longer in NES data base.
- 21.) Unemployed and informally employed respondents do not have satisfying **level of information on NES active employment measures**. More than one half of job seekers from working age population were not aware of one single active employment measure. On the one hand, those who were informed on the support programs were rather well-versed on particular programs, such as employment fairs, traineeship, subvention employment etc. On the other hand, they had poor knowledge on other available programs, such as „virtual company“, talent support, basic adult education etc. Respondents stated receiving information on these programs through media.

22.) Before accepting a job offer respondents stated that the most important thing to consider was the regular salary. A part from this request they needed their job to be formal, meaning their employer will, on regular basis, pay contributions for pension and health insurance, and basic employees' right will be guaranteed, for instance right to paid vacation or sick leave etc. When circumstances on labour market are not favourable and job seeking is long and with uncertain outcome, it is obvious that some criteria will be left behind such as: career opportunities, training, good working conditions and fair salary.

23.) As far as subjective aspects of harmonization of labour demand and supply are concerned, a remarkable willingness is present to engage in various working arrangements and adjust to local labour market. Conditions at local labour market are changing and high competition is present in employment seeking. Labour supply is providing wide range of people motivated to take second jobs and side engagements, as well as to train and gain new skills and knowledge that would raise their chances for employment. Private business is also an option that is widely considered, particularly self-employment with hands-on approach, while business ownership is represented far less.

24.) Findings of this research demonstrate a substantial disproportion between labour supply according to qualifications on one side, and labour demand on the other side. In fact, sample profile of qualified person actively seeking job is considerably different from labour demand and planned recruitments. When it comes to employers and their actual needs, labour supply is not able to provide them with sufficient variety of manufacturing workers, mechanical operators etc. On the contrary, they can deliver great number of different kind of technicians and clerks. Poll of experts is not appropriate, due to lack of adequate number of engineers and experts in natural sciences.

25.) Education system is highly centralized, and that is affecting the flexibility, and ability to adjust to constantly changing needs in labour area. It should be emphasized that both Government and non-governmental sector are aware of the need for the reform of secondary education.

26.) Reform trend is not distributed linear and some schools and faculties are far more engaged than the other ones. Schools with an active approach and professional management succeed to provide better training opportunities for their teaching staff, improve working conditions and offer enhanced education programs for their students.

27.) Alternative education centres correspond to current needs for education, since they are oriented to acquiring of new skills that differ from ones obtained and offered during formal education.

28.) City administration is oriented towards the development of economy based on knowledge. Therefore, they use their resources and programs to support certain high school and university activities in line with their vision.

29.) In city of Kragujevac unemployment awareness is raised and multiple actors are involved in finding solutions: schools, regional school administration, University, National Employment Service, Regional Chamber of Commerce, employers. What is even more fortunate circumstance is the fact that these efforts are giving one clear and focused policy and vast majority of initiatives coming from city administration are pointed at goals that are set according to strategy of economy development.

30.) Scope of activities relative to employment encouragement is not sufficient and functional to the extent that current situation could be altered.



INTRODUCTION

The study „Local Labour Market in Kragujevac – current situation and potentials“ was prepared by an NGO „SeConS – development initiative group“ for the needs of a project carried out by „Business Start-up Kragujevac“, with the support of an international organisation „Spark“ and the Dutch Government. The study is an analysis of the state of the local labour market in Kragujevac in the context of current circumstances and specificities of socio-economic development of the city of Kragujevac, as well as in the context of problems resulting from the restructuring of economy and reforms of key local institutions – changes that are to support such a development.

The main task of the study is to show the ways in which the processes of economic and social changes were reflected in the area of the labour market, what main trends and problems of the present labour market are, as well as what can be done in order to improve its conditions and thus support local development. The importance of such a study is primarily of practical nature, since its aim is to provide a record and an analysis on the basis of which it would be possible to create more adequate and more efficient policies, as well as concrete measures aimed at supporting development and improving living conditions of the local population.

The study is organised in seven thematic sections. The first chapter presents the research aims and methodology the study is based upon. The second chapter presents the relevant socio-economic context, as well as the key trends of importance to understanding the situation and processes on the labour market. The third, fourth and fifth chapter show the analyses carried out on the basis of the original researches of three key aspects that the project is aimed at: labour demand characteristics, labour supply characteristics, characteristics of the local educational system, and provision of educational services and trainings for the labour market needs. The sixth chapter describes the functioning of the local network of support to improving employment. The seventh, concluding chapter presents the results of the analyses aimed at the harmonisation of labour supply and labour demand on one side, and the educational system and the needs of the labour market on the other. The eighth chapter proposes the sets of recommendations related to the measures of improving current situation on the labour market in Kragujevac.





1.

RESEARCH AIMS AND METHODOLOGY

The main task of looking into current situation and potentials of the local labour market in Kragujevac poses only the most general framework that comprises sets of distinctive and precisely defined objectives. Achieving the established objectives also required establishing a complex methodology as a part of the process of realising the project – the methodology enabled achieving the set objectives by combining various methods, sources of data and analyses. Therefore, this chapter presents the objectives and methods the study is based upon.

1.1 Research aims

Beside the general aim of perceiving the characteristics and problems of the contemporary labour market in Kragujevac in the context of economic and social changes, the research the study is based upon targets three key areas:

- 1.) Potentials and characteristics of labour demand in the local economy;
- 2.) Characteristics of the existing labour supply on the local labour market;
- 3.) Characteristics of the local educational system, including the provision of services in education, training and boosting labour force skills outside the key public educational institutions in the local community.

All of the above listed aspects included a range of specific objectives. In the area of investigating potentials and characteristics of labour demand, the following objectives were established:

- Identifying economic employment potentials of enterprises in the territory of the city of Kragujevac, by recognising segments of business sector and economy that are successful, growing and that generate new jobs.
- Identifying structures of new jobs and vacancies (in accordance with required qualifications, contract duration, etc.).
- Identifying segments of economy and enterprises that face problems in restructuring, doing business and survival on the market, along with looking into the consequences these problems have in the form of redundancies, labour demand reduction and increasing competition in the labour market.
- Recognising characteristics of employment practices: channels, patterns and criteria of selecting new employees, as well as development of human resources in local enterprises.
- Assessment of the local policy initiatives and the initiatives of various stakeholders aimed at reducing unemployment and development and support to business sector.

Within the second listed aspect of investigating current situation on the labour market the following objectives were selected:

- Recognising features of local labour force according to its basic position on the labour market in terms of its activity, employment and unemployment.
- Recognising features of employment in Kragujevac, by perceiving formal and informal work, working for employers and in various forms of self-employment and entrepreneurship, as well as qualification structures and sectoral structures of employment, along with distinguishing specificities of certain contingents of working population according to their gender, age and education.
 - Recognising characteristics of the unemployed population.
 - Identifying groups that appear in current direct labour supply in the local labour market.
 - Attaining systematic insight into characteristics of human capital of active population, especially labour force seeking unemployment and having, beside basic qualifications, additional skills that can contribute to faster employment.
 - Identifying patterns of finding a job, including the channels, methods and the intensity of job seeking.
 - Noticing the role of active employment measures, as well as the experiences of labour force with the employment support programmes.
 - Identifying readiness to work, expectations from employment and estimation of required labour qualities that influence the behaviour of labour force in the processes of employment and job seeking.

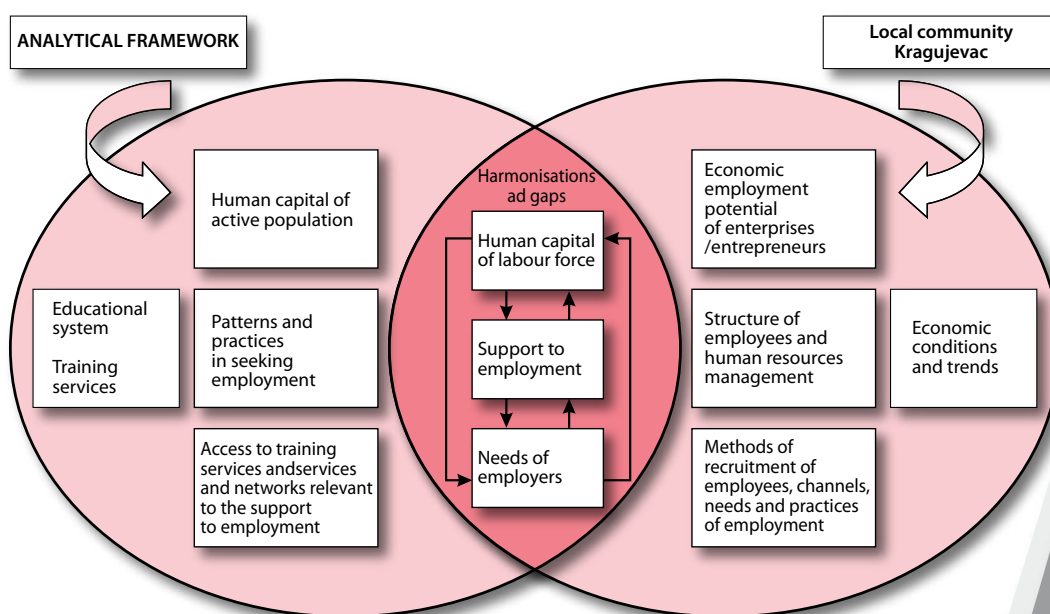
The third key aspect – analysing adequacy of the educational system in relation to the labour market needs, comprises the following set of objectives:

- Identifying educational profiles that are on supply within the framework of both formal, public educational system, and the provision of education/training by private, non-governmental or governmental institutions outside the formal educational system.
- Description of the state of resources in terms of premises, funds, staff, and in terms of practices in improving curriculums and their adjustment to the labour market needs.
- Estimation of the quality of available contents and curriculums: the ways of performing quality assessment, who performs it, the ways of improving curriculums on the basis of the assessments.

Beside the above-mentioned sets of distinctive objectives, the research into the current situation on labour market includes a range of objectives related to the ratio between the labour supply and labour demand, as well as the adequacy of educational provision for the labour market needs:

- Assessment of (dis)harmony between labour supply and labour demand in Kragujevac from the point of view of qualification structures, but also from the point of view of subjective perceptions, orientations, values and expectations of both parties that meet on the labour market.
- Identifying the role of the National Employment Service (NSZ) and the programme of active employment in the processes of making labour force better adapted to the needs of employers, as well as in the processes of more direct linking up of the former and the latter.
- Identifying the role and effectiveness of educational system in the process of preparing labour force better suited to the labour market needs.
- Assessment of functionality of networks of the local interested parties and services of support in providing favourable context of finding employment.
- Assessment of socio-economic trends relevant to improving employment in the city of Kragujevac.

All the above introduced objectives pose a basis of the analysis presented in this study and are shown in the form of analytical framework in the graph below.



1.2. Research methodology

Research into the current situation on the labour market in the city of Kragujevac was carried out by applying a complex methodology that combined the analysis of relevant available data from secondary sources with qualitative and quantitative researches carried out for the purposes of this study. Research methodology was adjusted to the needs and specificities of three key aspects of the research.

Research into labour force demand

Analysis of the labour force demand was conducted on the basis of the data provided by a survey on the characteristics of employers and the labour force demand carried out for the needs of the UNDP within the project entitled „Mapping out Chances of Employment of Internally Displaced Persons in Kragujevac, Kraljevo and Vranje“. Having in mind that the research had been carried out by the same organisation (SeConS) only two months prior to the realisation of this project, it was decided to perform the analysis on the basis of the UNDP study data by using those related to the representative sample of Kragujevac enterprises. SeConS and BSC Kragujevac would hereby express their acknowledgements to the United Nations Development Programme in Serbia for the permission to use that database for the analysis of the labour market within this project.

It should be noted that the database was compiled on the bases of survey comprising the sample of 51 enterprises in Kragujevac. The sample is a stratified one, with a random choice of enterprises within three strata: large, medium and small enterprises. The probability of choice was provided for the large enterprises, in order to avoid omitting main sources of employment on the labour market. The enterprises were selected from the list of the Business Registers Agency. In each of the selected enterprises, the general manager or the head of HR department was included in the survey. A structured questionnaire was used for compiling data. Besides, a qualitative research by applying the in-depth interview method with 9 employers – enterprises of various sizes and sectors of activity was applied, in the aim of getting a deeper insight into aspects such as: employment practices and policies in enterprises, processes of selection, labour force quality assessments, and the like.

Research into the characteristics of labour force supply

In the aim of investigating characteristics of labour force supply, a survey was conducted on a sample of 300 randomly chosen households from Kragujevac, in which at least one member belongs to the category of active population (as an employee in any form, or as an unemployed person, active job seeker). Basic data on the position on the labour market and education, trainings, job seeking and the like were gathered for all members of households belonging to the category of active population, which included 1094 individuals. Besides, thorough and detailed data were gathered for one, randomly chosen household member from the contingent of active population.

The data were gathered by using structured questionnaire. The basis of the questionnaire was the Labour Force Survey questionnaire conducted by the Statistical Office of the Republic of Serbia, and this questionnaire was used in order to provide the identical definitions, classifications and comparability of data. The procedures of coding and interviewing our sample followed the methodology of the Labour Force Survey (details to be found in the Statistical Office of the Republic of Serbia, 2004 – Labour Force Survey – Methodological guidebook).

Research into the capacities of education and training services providers

Qualitative methodology was primarily applied in the analysis of relations among the educational system, labour market and the institutions of support to employment in Kragujevac. We conducted several in-depth interviews with the representatives of educational institutions and organisations that can appear as mediators between the unemployed and employers. As for the educational institutions, interviews were conducted in 6 secondary schools (The First Kragujevac Grammar School, Vocational School for Business and Administration, Vocational School for Commerce and Catering, Polytechnic School, the First Technical School, Nursing School), 4 Faculties (Faculty of Mechanical Engineering, Faculty of Sci-

ences, Faculty of Economics and Faculty of Law), Adult Education Centres, Private Educational Centre ABC. We also carried out interviews with the Head of Regional School Administration of Kragujevac, the Head of the Centre for career development and guidance of students at the University of Kragujevac. Besides, an interview was also conducted with a BSC Kragujevac representative, as an important provider of various trainings.

The conducted interviews gathered data on the following aspects of educational provision:

- Availability of equipment and logistic capacities of the institution/organisation (teaching staff, teaching aids, premises, equipment, facilities)
- Curriculums and teaching/training plans (the process of developing curriculums, harmonisation of curriculums with the local demand needs, interest of students in them, quality)
- Viability of curriculums and trainings (quality assessment, mode of funding, cooperation with the local economy and other stakeholders).

The available secondary data, namely the data collected for the internal needs of the organisation or institution in question, were also used in the analysis of the capacities of formal and informal education services supply.

Research into local networks of support to employment

Beside the above stated aspects, the research also comprised the local networks of relevant institutions and organisations, included in various ways into the support to employment. Semi-structured in-depth interviews within this component of the research were carried out with various stakeholders that in an indirect way influence the functioning of the labour market. These include the representatives of the local branch of the National Employment Service, City Council – Department for Economic Resources, Regional Chamber of the Economy, Association of Private Entrepreneurs „Šumadija“, and private employment agency Trenkwalder.

Research into the local network of support to employment

It should be once again noted that beside original researches and primary sources of data, available secondary sources were also used, especially in the endeavour to provide a more thorough insight into the wider socio-economic context of the city of Kragujevac which significantly influences the state of the local labour market, but also indicates its potentials.



2.

ECONOMIC AND SOCIAL PROFILE OF THE CITY OF KRAGUJEVAC

The trends on the labour market could not be adequately perceived without basic insight into the characteristics of a wider local economic and social context. Therefore, this chapter will present the most important data that describe the most important social and economic characteristic of the city of Kragujevac.

2.1 General characteristics and socio-demographic trends

The city of Kragujevac is an economic, cultural and educational, health care and political centre of Šumadija and Pomoravlje, but also of the neighbouring regions. The city of Kragujevac is the territorial unit of the local self-governance stipulated by law, comprising 5 municipalities: Aerodrom, Pivara, Stanovo, Stari Grad and Stragari. The Administrative system of the city of Kragujevac is defined by the Statute of the City of Kragujevac and consists of the following administrative bodies: the City Assembly, the Mayor and the City Council. The City Assembly is a representative body that passes the Statute and the Rules of Order of the Assembly, the budget and the city annual balance sheet, the programme of city development and the development of certain industries, and urban development plan. Besides, the Assembly regulates the use of the building land, establishes services, public utilities, institutions and organisations stipulated by the City Statute and monitors their work. The Mayor performs the executive function: he represents and acts on behalf of the city, ensures the implementation of the entrusted tasks, directs and harmonises the work of city departments, officially orders the budget execution, etc. The City Council is a body of the city government that harmonises the realisation of the functions of the Mayor and the Assembly and performs a controlling and supervising function over the work of city departments.

The following city departments have been established:

- 1.) for economy and finances
- 2.) for the development of city resources and supervision
- 3.) for urban planning and construction
- 4.) for property
- 5.) for non-economic activities
- 6.) for economic resources, and
- 7.) for the affairs of the City Council, the Mayor and general affairs of the city governance bodies

With 180,252 inhabitants (according to 2002 census), the City of Kragujevac is the first in size in Šumadija, and the fourth in the Republic of Serbia. The territory of the city consists of 57 settlements with 78 local communities. There are 147,473 inhabitants in the urban area, and 32,770 in the rural area (annex 1 of the Strategic Plan of the Local Economic Development). The population density amounts to 206 inhabitants per square kilometre, which, obviously, makes Kragujevac an urban area.

Kragujevac experiences a negative population growth between two censuses, with the value of -0.5 (Statistical Office of the Republic of Serbia, 2000). Female population comprises 51%, and male population 49% of the overall population. The age structure of the population is more favourable than the age structure of the Republic of Serbia. The young (15 to 34 years of age) comprise 28% of the population, and the working age population in the overall population participates with 65.2%, which is also more favourable than the participation of the working age population in the total population of the Republic of Serbia (60.6%). The ageing index, which poses a ratio of the population older than 64 and the population of children (0–14) on the basis of the 2002 census data shows that there are 100 children per every 92 elders. The total index of dependence which represents the ratio of 'non-productive population' (children 0–14 and the elders 65+) and the working age population (15–64) shows that there are 42 persons belonging to the dependent contingents of population per 100 working age inhabitants. Permanent decrease of the fertility rate also brings at stake the normal process of population renewal and generation replacements. The life expectancy at birth (for liveborn babies) is 70.6 years for men and 75.4 for women, which corresponds to the figures for the Republic of Serbia (Statistical Office of the Republic of Serbia, 2009).

The educational structure of the population older than 15 years of age shows that there is still a significant share of persons without elementary education and persons with elementary education only, but persons with secondary education constitute the biggest share.

Table 2.1: *Population age 15+ according to education (census data 2002)*

Completed school	%
Without school	4.1
Uncompleted elementary school	11.8
Completed elementary school	22.7
Secondary school	49.1
High school (tertiary education level)	5.1
University	7.2
Total	100

Table 2.2: *Capacity of educational institutions in Kragujevac (62 elementary schools, 9 secondary schools and 6 colleges)*

Educational institutions	Number of students/pupils			
	1995	2000	2005	2008
Pre-school institutions	26 415	26 418		
Elementary schools	20 405	18 581		
Secondary schools	9 233	10 276	10 261	8824
Colleges	7 711	9 151	12 000	

In elementary schools several special programmes of education are carried out, one of them being the programme of professional orientation the aim of which is to provide pupils with a full-scale and realistic picture of themselves and to help them perceive their role in the world of labour, to monitor and support their individual abilities, to help them develop a proper attitude towards work, etc.

2.2 Characteristics of the economy and strategies of local development

The economy of the city of Kragujevac is traditionally marked by a high share of industrial sector. It is this very sector that suffered the main impact of transition processes after the collapse of socialism and the disintegration of Yugoslavia, which led to a plummet in industrial production. The following reasons were recognised as the main ones for the reduction of industrial production:

- Overemphasised share of motor vehicle industry in the total industrial production of the city (over 65%), which lost its market with the disintegration of former Yugoslavia and imposing of the international community sanctions;
- The programme of weapons and military equipment industry was reduced by 2/3 in accordance with the needs of a shrunken market.
- High export orientation (80%) of the Gall chain production and import dependence of this product, whose market was then taken by other worldwide manufacturers;
- Massive programme connectedness of textile industry and the production of army equipment;
- Massive connectedness of other industries and the motor vehicle industry;
- Low range of production in food industry and its weak connection with the raw-material base production (agriculture);

- Lack of property motivation in socially-owned enterprises in fighting for the market, production orientation and the development of entrepreneurship (Strategic Plan for Local Economic Development – SP LED).

However, the above-listed causes of the fall of industrial production are the consequences of the delayed restructuring of economy and privatisation of enterprises, which were, as same as in the majority of other towns and regions in Serbia, blocked during the 1990's. The most dramatic fall of production was marked in the production of automobiles, trucks, spare parts and plastic equipment, in the metal complex among the manufacturers of motor vehicles, while a somewhat lesser fall was marked in the manufacturing of ready-made clothes and food production (Strategic Plan for the Local Economic Development).

With the intensification of reforms and the new economic policy of Serbia following 2000, restructuring of the local economy, restructuring and privatisation of enterprises, opening and creating more favourable conditions for FDI have taken place.

There are 1,214 economic agents registered in the territory of the city of Kragujevac. Out of the total number of enterprises, 88.9% are private ones, 4.2% are of co-operative nature, 3.5% are public ones, 1.9% are of mixed property form, while 1.5% are public. In terms of their size, the prevailing ones are small enterprises (95.1%), while medium ones comprise only 3.2%, and large ones only 1.6% of the total number of enterprises. As for the industry branch, the prevailing ones are in trade, followed by industrial enterprises.

Table 2.3: Enterprises in Kragujevac according to industry

Industry	% enterprises
Agriculture, fishing, forestry	4.2
Mining and quarrying	0.4
Manufacturing	23.7
Electricity, gas and water supply	0.4
Construction	5.4
Wholesale and retail trade and repair	44.9
Hotels and restaurants	1.4
Transport, storage and communications	6.9
Financial intermediation	0.2
Real estate, renting and business activities	7.8
Education	1.9
Health and social work	0.7
Other community, social and personal service activities	1.9
Other	0.6
Total	100

Since the beginning of the privatisation process in 2002, 35 out of the overall 54 socially-owned enterprises have been privatised so far – with the total number of 6,567 employees. The selling price of the privatised enterprises was 2.679.294.381 RSD and the total value of the investments made into the privatised enterprises was another 1.223.680.000 RSD (data taken from the Department of the Local Economic Development on 20.03.2009).

There are 5,500 private entrepreneurs registered in Kragujevac, out of which the majority are active in trade (37.64%) and processing industry (17.11%) fields. The major export destination of the city of Kragujevac economy is the EU with the share of 54.4%, followed by the market of former Yugoslavia republics (33.8%).

In 2006 the city of Kragujevac adopted the Strategic Plan for the Local Economic Development for the period of 2007–2011. The Plan recognises the development of industrial sector as one of the traditional pillars of the economy of Kragujevac, which is to be in the very basis of the economic development

of the city in the future as well. The following priorities were defined in this area:

- Thorough change of the existing metal processing sector, namely its technical and technological, production, organisation and marketing restructuring on the basis of private entrepreneurship;
- Improving existing production structure of the metal processing sector by increasing production and improving the range of specialised tools processing equipment, etc;
- Manufacturing a wide-range plastic products;
- Re-orientation of free capacities in weapons and military-equipment industry for the civilian needs;
- Modernisation of the existing capacities of food industry, expanding the range of products and establishing new food production branches;
- Technical and technological improvement and faster development of the existing industrial branches in private sector;
- Boosting joint investments with companies from developed countries as the fastest way to make modern technology and know-how enter our enterprises and the fastest way for our enterprises to enter foreign developed markets;
- Attracting foreign direct investments in creating new production capacities;
- Creating a favourable, supportive local climate for all sorts of foreign investments in the industry of Kragujevac.

Beside planning the development of industrial production, the sectors of trade, catering and tourism were also recognised as important areas of local economic development. The following priorities were defined in these areas:

- Developing modern structure of trade and trade network that would be in the function of a modern market economy, and therefore in the interest of manufacturers and consumers;
- Internationalisation of trade space through the appearance of foreign firms on the local market;
- Modernisation of trade through electronic commerce in accordance with the international standards;
- Development of modern trade management and marketing in accordance with the satisfaction of manufacturers and consumers through establishing a wider range of products and a higher supply rate;
- Structural and qualitative transformation and modification of tourist and catering offer to changeable demand, in the aim creating conditions for a faster development of local tourism;
- Joining modern flows of international catering and tourist market;
- Attaining high level of overall organisation and efficiency of managing development in catering and tourism;
- Development of new trends in tourism: rural tourism, eco-tourism, congress tourism, and integrating agriculture, catering and tourism.

Beside the above-listed, strategy of the local economic development emphasises the importance of recognising information and communication technologies, science and education development, as well as the development of scientific and technological park. It is estimated that as for the educational sphere, scientific and research work needs to be boosted and connected to economic development, and links between the needs on the labour market and human resources development created.

In the aim of successful attaining of the set objectives, Business Innovation Centre was established for the purposes of contributing to the infrastructure development which is essential to supporting business, improving the cooperation between local authorities and major stakeholders such as the Association of Entrepreneurs, Regional Chamber of the Economy, Regional Agency for Economic Development of Šumadija and Pomoravlje Region, Kragujevac University, etc. Besides, the Centre is to contribute to the improvement of service industry in the city of Kragujevac, providing quality and timely information for the business sector and financial strengthening of small enterprises in their start-up phase (Strategic Plan for the Local Economic Development).

Kragujevac, as one of successful investment destinations in Central Serbia managed to attract investments in the amount of over 400 million EUR into production lines, chains of stores and housing, with some of the major investors being: „Plazza“, „Merkator“, „Tuš“, „Supernova“, „Metro“, „Forma Ideale“. Obviously, the major investor is „Fiat“ whose investments have initiated the revitalisation of motor vehicle industry. The city of Kragujevac has provided over 70 locations for the production and service industries, for small and medium enterprises, in the working zones of Petrovac, Skladište and Denino brdo. Kragujevac boasts quality land with good infrastructure and transportation corridor, which are all of key importance for investments.

2.3 Characteristics of the labour market

The above described trends of economic restructuring and privatisation in Kragujevac brought about important changes on the local labour market. They were primarily marked by the increase of unemployment, restructuring of labour force according to property, sector and qualification structure. Data on the state of the local labour market available from the official statistics are related to 2007, and are to be taken with certain degree of caution due to their chronological distance, but also due to the fact that the size of working age population is based on the estimations related to the same year, while data on the employment are based on the employment and salaries follow-ups, not on the Labour Force Survey which is more precise regarding the state of the labour market² (Statistical Office of the Republic of Serbia, 2008). According to these estimations, working age population (15–64 years of age) in the city of Kragujevac amounted to 122,612 persons, with 49,044 (40%) of them employed, and 25,020 (20.4%) of them unemployed³. Almost half of the unemployed persons seek employment for the first time and have no working experience whatsoever. Qualification structure of the unemployed is unfavourable, since a third of unemployed persons in Kragujevac are without qualifications (unskilled workers and semi-trained retrained workers). It is also noticeable that the share of women in unemployed population is high (59%) (Statistical Office of the Republic of Serbia, 2009b).

It should be noted that the period of 2007–2009 saw a fall in the total employment volume in the sector of enterprises, institutions, organisations and co-operatives, and the fall amounted to almost 7,000 jobs lost. The fall in employment is closely related to the structural changes of the local economy. In Kragujevac it is mostly due to a significant fall of employment in the processing industry sector, in which in 2007 15,666 persons were employed, in comparison to July

² Data at the level of municipalities and cities are available on the basis of the Statistical Office of the Republic of Serbia publications entitled “Municipalities in Serbia”. Employment and salaries follow-ups published there are based on the methodology that is less reliable for the estimations of actual employment in comparison to data gathered by the Labour Force Survey. Namely, the statistics on the employed persons is limited to employment in enterprises, institutions, co-operatives, organisations and the like, and is based on reports that these economic agents submit to the Statistical Office of the Republic of Serbia. Therefore, such statistics has not included the persons engaged as family helpers in household work, informally employed and self-employed. The data on unemployed persons are taken from the local branches of the National Employment Service and they are significantly less reliable and up-to-date in comparison to the data collected through the Labour Force Survey. Therefore, significant differences appear in estimations of the labour force activity, employment and unemployment rates in comparison to Labour Force Survey.

³ Due to the above-listed methodological limitations, employment rate calculated on the basis of these data is lower (40%), while the unemployment rate is significantly higher (33%) in comparison to the rates calculated for Central Serbia according to the methodology of the Labour Force Survey for the same year (55.7% and 16.5% respectively)

2009 when only 8,484 were employed in this sector (Statistical Office of the Republic of Serbia, 2009c). There was also a drop of employment in the sector of transportation, warehousing and communication in the stated period (from 2,818 to 1,922), while a significantly less serious fall of employment in education and agriculture is also recorded. Other sectors record a mild employment increase, but insufficient to compensate for the employment decrease in industry, transportation and warehousing.

Table 2.4 *Employed in enterprises, institutions, organisations and cooperatives*

Industry	% of employed
Agriculture, fishing, forestry	0.9
Manufacturing, mining, quarrying	27.3
Electricity, gas and water supply	4.6
Construction	5.1
Wholesale and retail trade and repair	11.9
Hotels and restaurants	0.9
Transport, storage and communications	5.9
Financial intermediation	2.5
Real estate, renting and business activities	3.7
Public administration and defence; compulsory social security	5.8
Education	11.6
Health and social work	16.1
Other community, social and personal service activities	3.7
Total	100

It is important to note that the share of entrepreneurs and persons employed by entrepreneurs in the total volume of employment in Kragujevac in the same period increased. Namely, while in 2007 the sector of entrepreneurs participated with 20% in the total employment, its share now rose to 25%.

The described trends imposed a need for various forms of support that should boost the adjustment of the labour force supply to the new economic conditions and needs of the changed business sector. The local economic development plan identified human resources development as one of key preconditions for the reduction of unemployment and better harmonisation of labour force demand and supply. Strengthening entrepreneurial capacities and supporting youth entrepreneurship are recognised as very important components of improving employment. The following were listed as the priorities in the area of improving labour market conditions:

- Better functioning of the labour market that should facilitate labour force restructuring towards the sectors and activities that contribute to improving the level of efficiency as an important precondition for generating new jobs;
- Legalisation of employment of a relatively large number of people who are engaged through „black“ labour market;
 - Providing support to the unemployed in starting up their own business;
 - Developing partnership relations between private and public sector, which is to increase employment (Strategic Plan for the Local Economic Development).

The above-described situations and trends on the local labour market pose only the starting framework for the research into the aspects defined through specific objectives. Significantly more detailed descriptions rely on the primary sources of data obtained through surveys among employers and persons seeking employment on the labour market. Findings of these researches are presented in the next two chapters.

3.

CHARACTERISTICS OF THE LABOUR FORCE DEMAND ON THE LOCAL LABOUR MARKET

The research into the characteristics of labour force demand included the total number of 51 enterprises. The participation of enterprises of various sizes was defined by the sample plan, devised according to their participation in the total number of enterprises, while the method of random sample was to provide their representativity in terms of property and activity sectors. Questionnaires were answered by the owners or general managers of enterprises, and competent HR staff.

Table 3.1: Enterprises according to size

Size of enterprise ⁴	%
Big	15.7
Medium	31.4
Small	27.5
Micro	25.5
Total	100

Private enterprises predominate (68.6%) in the sample, while there are 15.7% of public ones and 15.7% of mixed-property ones. In the sample there are most of the enterprises doing business in the area of processing sector, followed by those from the sectors of wholesale, retail and repairs.

Table 3.2: Enterprises according to industry

Industry	%
Manufacturing	43.1
Electricity, gas and water supply	3.9
Construction	5.9
Wholesale and retail trade and repair	21.6
Services (hotels and restaurants, transport, storage, communications, financial intermediation, real estates and personal services)	11.8
Social services (compulsory social security, education, health, social work, community and other social services)	13.7
Total	100

The great majority (84%) of enterprises from the sample were established before 2000, and some of them can be qualified as quite „old“, such as the Public Utility Company „Green Markets“ established as long ago as 1928, or the „Šumarice“ Hotel and construction enterprise „Kazimir Veljković“ founded immediately following the Second World War, in 1946 and 1948 respectively. As much as 38% of enterprises were originally established during the socialist era in Serbia. Such a large number of „old“ enterprises points to a great need for restructuring and privatisation the enterprises in Kragujevac had to go through following the period of socialism and the period of impeded transition during the 1990's. The processes of restructuring resulted in serious turbulences on the labour market and imposed great needs for adapting labour supply that had to adapt itself to new needs, both in terms of its changed qualification structure and in terms of accepting new working conditions on the labour market characterised by instabilities, increased competition, etc.

Table 3.3: Enterprises according to the period of foundation

Period of foundation	% of enterprises
Before 1989	38
Between 1990 and 1999	46
From 2000 onwards	16
Total	100

Among the enterprises established during the period of socialism, the smallest share is the share of private ones – just over one third. These enterprises founded during the socialist era are mainly public or of mixed-ownership ones. Among

⁴ Enterprises are classified according to the number of employees: micro enterprises employ up to 10 persons, small 11-50, medium 51-250 and big enterprises over 250 employees.

the enterprises established since 1990 onwards, the dominant are private ones (almost 90%).

Enterprises from the sample employ the total number of 9,069 employees. However, it should be noted that more than half of the employees work in just a few major enterprises: „Zastava automobili“, „Forma ideale“, „Zastava kamioni“, „Takovo osiguranje“ and „Energetika“. These five major enterprises from the sample employ the total number of 5,781 employees.

3.1. Business performance of enterprises and investing into innovations and human resources

According to the representatives of enterprises from the sample, more than half of the enterprises do their business successfully.

Table 3.4: Enterprises according to estimated business success

Estimation of success	% of enterprises
Unsuccessful - operating with losses	20.4
Barely survive but with positive balance	20.4
Successful	46.9
Very successful	12.2
Total	100

„Regular money losers“ are mainly the enterprises established as long ago as during the socialism, or during the early 1990's, and they face the problems of restructuring and adjusting to the new economic and market conditions. Among the successful enterprises, the predominant ones are small enterprises. Representatives of enterprises were asked to list three key problems that their enterprises face in doing business. More than 2/3 of the respondents listed the problem with collecting claims as the major one. No other problem was listed in a remotely large number of cases as this one. The next on the list was the lack of resources, money and equipment, stated by a significantly lower number of respondents (20%), followed by the global economic crises (listed in 18% of cases).

More than half of the enterprises from the sample (57%) did not achieve increase of the real turnover in relation to the previous year, while 39% of enterprises achieved a minimal increase, and only 4% of enterprises a significant increase of the real turnover in this period.

According to the respondents, more than a third of the enterprises from the sample (38%), managed to provide significant investments in modernising their technology, while in 16% such investments were minimal. The remaining 46% of enterprises did not manage to provide any investments whatsoever in improving their technology. More than half of the enterprises from the sample introduced the changes in the organisation of work with the aim of improving productivity and efficiency in the past period of one year.

A significant number of enterprises invest into the human resources development as well – 76% organise some form of employee training. And 47% of them who provide employee trainings, do that every year, 13% do that on regular monthly basis, 29% organise training occasionally – less often once a year, while 11% do it only once – when new employees start work in the enterprise. Representatives of half of the enterprises that provide no employee training whatsoever are of the opinion that such trainings are needed, while the other half is not aware of such needs.

3.2. Employment potential

In the previous two years, the number of workers fired from the enterprises from our sample was twofold (2,445) in comparison to the number of newly employed ones (1,112). However, it is important to note that such a large number of fired people is due to a rather small number of large enterprises facing the problems of survival and restructuring. Only one of them - „Zastava automobili“ fired in the observed time period 1,000 workers. Besides, enterprise „Diork“, „21. oktobar“, trading company „Srbija“ and construction company „Kazimir Veljković“ and „Zastava kamioni“ fired another 1,158 employees. Taking it into consideration, only 12% of enterprises from the sample are responsible for 88% of the total number of people fired from enterprises in our sample in the last two years.

However, in order to assess the employment potential of the enterprises from the sample, it is not enough to rely on the above total numbers – it is also necessary to analyse the capacities and dynamics of employing workers from a different point of view.

It is noticeable that in the whole sample in the observed period of time, 80% of enterprises did employ new workers. In the same period, the percent of enterprises that fired employees was 51%. In this cycle of firing and employing people, it is important to note that in a smaller percent of total number of enterprises that both fired and employed people, the percent of fired workers exceeded the percent of newly employed ones. In other words – in 42.1% of enterprises from the sample, the number of fired employees was greater than the number of newly employed ones (if any), which means that the change in the total number of employees in these enterprises is negative (today they employ less people than two years ago). In 10% of enterprises from the sample, no change in the number of employees occurred – that is, when certain employees were fired, other were employed, making the total number of employees remain the same. In 47% of employees from this group, in the processes of firing and employing new people in general, more new workers were employed in comparison to the number of them that were fired – therefore, it can be stated that these enterprises are growing. According to this indicator, „Forma ideale“ has stood out as a company in outstanding expansion, with 450 newly employed workers.

In 60% of cases, increased volume of work was stated as the main reason for employing new people, while in 20% of cases the stated reason was the loss of employees. The above data therefore show that in firms that did employ new people, the development of business - and not high fluctuation - was the primary reason for employing new workers. The enterprises that stated employing new workers due to the increased volume of work are most often from the sector of processing industry (42%), than from trade, the sector of personal services and catering and the sector of social services (17% each), and finally from the sectors of energy supply and construction (4% each).

As for the reasons for firing employees, the most important reason that 39% of enterprises from the sample listed was redundancy, while in 27% of cases the reason stated was the violation of labour discipline, and in 15% of cases the reduction in the volume of work. In the remaining cases the reason was voluntary decision of employees to leave their jobs, incompetent work, etc.

Qualification profiles of newly-employed and fired employees

It is of utmost importance to identify the qualification profiles of newly-employed and fired persons. Exceedingly big share of office workers among employees recruited in the last two years is owed to one company only – the afore-mentioned company in outstanding expansion „Forma ideale“. Out of the total number of 458 newly-employed white-collar workers, this company hired 456 office workers of various profiles, mainly for the work with clients and the like. Besides, this enterprise also employed 80 technicians out of the total number of 109 technicians employed in the last two years.

It should also be mentioned that 26.3% of the newly-employed workers were employed on permanent basis. Only among the employees with university degrees is more than a half employed on permanent basis, while in other professions the predominant form of employment is on temporary basis.

Table 3.5: Occupational profile of persons employed during the last two years

Occupational profile	% of newly employed
Professionals	8.1
Technicians	11.7
Clerks	49.1
Skilled workers in services	0.7
Skilled workers in manufacturing	10.6
Plant and machine operators, and assemblers	10.3
Non skilled workers, elementary occupations	9.5
Total	100

Most of the profiles among the newly-employed persons with university degrees include engineers and experts in natural and technical sciences, then experts in the field of business and administration. As for the technicians employed in the last two years, the majority are assistants, technicians in the field of natural sciences and engineering. As for the office workers, it has been mentioned above that they comprise various profiles of general office workers, those working with clients, etc. In the category of skilled production workers and craftsmen, most present among those who found employment in the last two years were in metal and machine-building industries. In the category of factory machine-building workers, majority of them are machine operators and installers, while among unskilled workers majority of them are manual workers in the construction industry and manufacturing.

As for the profiles of fired employees, it is noticeable that more than a half are production workers. Among them the predominant are metal, machine and workers in affiliated branches. Among the fired persons, 72% were employed on permanent basis.

Table 3.6: Occupational profile of employees fired during the last two years

Occupational profile	% of fired
Professionals	0.5
Technicians	3.9
Clerks	14.2
Skilled workers in services	0.3
Skilled workers in manufacturing	53.1
Plant and machine operators, and assemblers	18.8
Non skilled workers, elementary occupations	9.2
Total	100

The data on qualification profile of newly-employed and fired persons indicate that intensive restructuring of the local economy (including large manufacturing companies) was taking place in the observed time period. It is especially noticeable in a high share of manufacturing skilled workers who were fired from the enterprises within the observed sample framework, while the same profiles of employees were hired by more prosperous manufacturing companies, but in a significantly smaller volume.

Among the enterprises from the sample, 24.5% have redundancies. Representatives of 57% of enterprises with the problem of redundancies stated that they planned to fire workers who were redundant and to provide redundancy payments, while 14% stated that they planned to re-train redundant workers. The remaining enterprises had not had decided yet on how to deal with the problem of redundancies.

3.3. Plans and projections of employment

Employers from the sample were also asked about their plans and projections in relation to the labour force they intend to employ in the forthcoming period. Asked to estimate if the number of employees would increase, decrease or remain at the same level, in 33% of cases employers estimated that the number of employees would increase, in 16% of cases it would reduce, and in 41% of cases it would remain the same, while in 10% of cases there were unable to make an estimation. According to the presented estimations of employees, round 124 new persons are to be employed in the enterprises from the sample. The data on the qualification profiles of employees whose employment is planned are shown in the table below.

Table 3.7: Occupational profile of employees planed for future employment

Occupational profile	% in planned future employment
Professionals	16.9
Technicians	19.4
Clerks	3.2
Skilled workers in services	0.8
Skilled workers in manufacturing	33.1
Plant and machine operators, and assemblers	14.5
Non skilled workers, elementary occupations	12.1
Total	100

Employers were also asked if they would hire new employees if supported in a form of loans or equipment, if they would get a subsidised employee salary or a donation for the expansion of their work. The majority of employers (79%) stated that they would employ new people if they would get a donation

(in 59% of cases) or on formal or informal contacts with other employers (in 51% of cases), while in a smaller number of cases they recruit human resources by placing ads in media (in 37% of cases). Employers from the sample almost do not use the services of private employment agencies. Besides, employers were asked to identify the channel they use most often in finding new employees. The table below shows that the greatest number of employers most often uses the National Employment Service as a mediator in finding new employees. It is important to note that 24% of employers stated not having any cooperation whatsoever with the National Employment Service. Employers were also asked to estimate what channels provided them with the best quality employees, and as presented in the below table, for the greatest number of employers these included formal and informal contacts with other employers.

Table 3.8: *Estimation of recruitment channels according to the importance and quality of employees*

Recruitment channel	%	
	The most frequently used	Provides best candidates
National Employment Service	42.6	28.3
Media advertisements	17.0	15.2
Formal and informal contacts with other employers	25.5	37.0
Social networks of current employees	8.5	8.7
Youth employment agencies	6.4	6.5
Private employment agencies	-	4.3
Total	100	100

During the in-depth interviews, employers stated their views on the ways of seeking adequate employees for their firms.

„We do not invite applications, lately we haven't been in a position to invite applications. We find employees through recommendations“. (an employer, a large enterprise)

„Every single day there appear two or three persons looking for a job. Why should I place ads then? An ex-colleague asks if there is any job for him in the firm“. (an employer, a small enterprise)

Certain observations and estimations of employers obtained through in-depth interviews illustrate their perception of the role of the National Employment Service. Some of these perceptions are empirically based and they describe their cooperation with this institution.

„I think that we get quality employees in cooperation with the National Employment Service. We have a correct relationship with them. We have a good cooperation and communication with them in all fields.

We employed round twenty trainees through the programme „First Chance“. This programme employs young people under 30 who have had no previous work experience“. (an employer, a large enterprise)

The survey also investigated how informed employers are on the measures of the National Employment Service aimed at supporting employment and targeting employers (the description of the measures is provided in Annex 2).

The largest percent of employers is informed about the programme „Trainees and Volunteers“, and then, as same as the persons seeking employment, about employment fairs. Generally, informedness of employers about the programmes is good, with one surprising exception – the least number of employers have heard about the very

programme that should be of special, regular meaning to them in employing new people – the programme of selection and classification.

Table 3.9: Informedness on the National Employment Service measures for supporting employment targeting employers

Programme	% of cases that are informed ⁶
Subsidies for opening up to 50 jobs	74
„Severance to job“ – financial support	64
Mentoring and specialist trainings	54
Exempting employers from paying contributions for employment of marginalized	86
Public works	68
Trainees and volunteers	92
Trainings of unemployed for a known employer	64
Selection and classification	42
Employment fairs	90

Just over a half of employers (52%) used some form of the above stated programmes of support. Among those that used the National Employment Service programmes, the majority (69%) used the programme „Trainees and Volunteers“, while 46% took part in employment fairs, 27% used the programme of exemption from paying contributions for employing socially endangered groups. Other programmes were used by a very small number of employers.

Asked to estimate their cooperation with the National Employment Service on a scale from 1 to 10, the employers' estimation was relatively favourable (average mark of 7.6). Employers were also asked to state three most important problems they face in the cooperation with the Service. Half of them stated no problems whatsoever, a fifth of them complained about the lack of competence and updatedness. While a smaller number of them said that the National Employment Service had no adequate staff they needed, or that the procedures of the Service were too complicated and inefficient.

Employers were then asked to rank three most important criteria on the basis of which they evaluate applicants in employing new persons. According to the provided answers, the most important was competence and qualifications, followed by experience, and finally, they stated – good references. It is important to note that although not ranked as the most important, criteria such as gender and age of applicants still appear in answers of employers from the sample: 4% for the former, and 14 % for the latter feature, which indicates certain patterns of discriminatory practices.

„What comes first is education. We primarily require vocational education. Besides, it is important for us that applicants have working experience. When unskilled workers are concerned, for us it is important that they have physical strength. Since these involve very hard manual work, it is important that these workers are men. Gender is important in that context“ (an employer, a medium enterprise).

„When employing trainees, we did not make a selection, since they had no experience. We definitely asked for proper qualifications. They need to have theoretical knowledge. We did not expect practical knowledge since we knew they didn't have much work experience. Working in an enterprise, undoubtedly, gives you a chance to learn skills they could not learn during their education“ (an employer, a large enterprise).

Discriminatory orientations were investigated by a particular set of questions. Employers from the sample were asked to imagine a situation in which two candidates applied for a position – both of them with the same qualifications and the same level of motivation. The employers were then asked to say who would they opt for – a person under or a person over 45 years of age, a man or a woman, a person without or a person with working experience, an internally displaced person or an 'indigenous' person, a member of Roma nationality or a member of non-Roma

nationality. Of course, the respondents were also given an option of not making a difference between the offered options.

Table 3.10: Giving advantage to applicants of certain social categories

To whom they would give advantage		
To person younger than 45	To person older than 45	No matter
68%	2%	30%
To men	To women	No matter
23%	10%	67%
To person with working experience	To person without working experience	No matter
70%	3%	27%
To person from domicile population	To internally displaced person	No matter
27%	1%	72%
To non-Roma ethnicity person	To Roma person	No matter
37%	2%	61%

Demonstrated tendencies towards discrimination should be taken into consideration when shaping out measures of employment support.

Perceptions and expectations employers have in relation to their employees, as well as their satisfaction with their employees, were also investigated. Employers were asked to list up to three qualities that they value most in their employees. According to the frequency of appearing in the provided answers, the following five stood out as the most important ones: competence, honesty, responsibility, diligence and team work and good inter-personal relations.

Table 3.11: Required qualities of employees

Quality of employees	% of employers that quoted quality ⁷
Competence, knowledge, skills	45.8
Honesty, credibility	43.8
Responsibility	39.6
Diligence	18.8
Team work, good inter-personal skills	18.8
Work discipline	12.5
Accuracy, tidiness	10.4
Efficiency, resilience	6.3

Finally, employers were asked to evaluate the competence and knowledge, as well as the responsibility and dedication of their employees (on scales of 1 to 10). Employees received a relatively good estimation – for both aspects average marks were 7.3.

⁷ Respondents were able to provide 3 qualities.

4.

CURRENT SITUATION ON THE LABOUR MARKET IN KRAGUJEVAC AND CHARACTERISTICS OF THE LABOUR FORCE SUPPLY

Research of employment and characteristics of labour force supply on the local labour market in Kragujevac was carried out on the sample of 300 households in which at least one family member belonged to the active population contingent, that is to say, belonged to employed or unemployed persons. Basic data on the position on the labour market, qualifications, doing additional work, job seeking practices and further training practices were obtained for all family members of working age population (15–64 years of age). Therefore, the sample for the listed aspects comprises 1,094 persons. Answers on more detailed questions regarding work experiences, job seeking, experiences with the measures of active employment and readiness to work were given by one member of the household randomly chosen from among the members belonging to the active population category.

Households from the sample have 3.6 members on average. Out of the total number of household members, 14% are children younger than 15 years of age, 7% are persons older than 64, and the remaining 79% are persons of working age. The young of 15–34 years of age constitute 35.2% of the sample, and special attention will be paid to them in this report. The share of men in the sample is almost as same as the share of women (48.5% and 51.5% respectively).

In order to get a deeper insight into the characteristics of the labour force supply on the local labour market, some of the most important features of the local population related to its position on the labour market must be perceived. Therefore, features of the local population related to its activity will be presented first. They will be followed by characteristics of employment and unemployment and by a more detailed characteristics of current labour force supply, both in terms of its objective characteristics and in terms of its attitudes, readiness to work and subjective expectations.

4.1. Population of Kragujevac according to its activity

Bearing in mind that the research sample excluded households without active members, it is not possible to calculate reliable activity, employment and unemployment rates, since our sample will show a somewhat better picture than the one we would get by including households without active members.

The structure of working age population of Kragujevac involved in the research indicates the highest share of employed persons, followed by inactive persons, and finally unemployed ones. The category of employed persons comprises, in accordance with definitions and standards of the Labour Force Survey, all persons that in the previous week performed some kind of work they were or will be paid for in money or in kind, as well as the persons who have jobs but were temporarily absent from work during the week that preceded the Survey. Unemployed persons include all persons that did not perform any work activity in the previous week, persons who actively seek employment and who could start work within two weeks of being offered a job. Inactive persons are those who are neither employed nor unemployed according to the above criteria.

Table 4.1: Working age respondents according to the activity and gender, in %

Activity status	All	Men	Women
Employed	55.7	62.1	49.7
Unemployed	18.3	16.7	19.9
Inactive	26.0	21.2	30.4
Total	100	100	100

On the basis of the presented data, significant gender differences in relation to the activity are noticed. Among the working age women, there are significantly less employed ones, and significantly more unemployed and inactive ones than among the working age men. The differences according to the activity are also significantly manifested when age categories are concerned – the most active category proved to be middle-aged persons (35–54 years of age). This age category shows an outstandingly high share of employed persons, but also a higher share of unemployed ones in relation to other age categories, with an exceedingly low share of inactive persons. In comparison to this age category, young persons and elderly persons show a higher share of inactivity.

Table 4.2: Working age respondents according to the activity and age, in %

Activity status	Age cohorts		
	15–34	35–54	55–64
Employed	45.5	73.0	46.7
Unemployed	15.8	21.6	18.0
Inactive	38.7	5.4	35.3
Total	100	100	100

Among the young who are not active, 99% are university or secondary school students, making the total lower engagement of this age group on the labour market understandable. In the category of the oldest working age respondents, predominant ones are retired persons (92%), while others include homemakers of both sexes and other inactive persons.

4.2. Characteristics of employment on the local labour market in Kragujevac

Educational profile of employed persons from our sample indicated the prevailing share of persons with secondary school qualifications, primarily in technical or office occupations, followed by blue-collar workers, while the share of persons with general, grammar-school education is the lowest. A high share of persons with college or university degrees and exceedingly low share of persons of low education is also noticeable.

Table 4.3: Employed persons according to the education, in %

Completed school	% of employed
Not completed, completed elementary school	5.6
Secondary vocational school for workers	20.7
Secondary vocational school for clerks and technicians	31.7
General secondary school	6.8
Tertiary education	35.2
Total	100

Gender differences in education among the employed persons are not significant. They are present most in the difference between men and women in blue-collar occupations – with the share of men being significantly higher than the share of women. On the other hand, there are more persons with university degrees among employed women than among employed men. Besides, in younger age categories, the share of persons with university degrees is lower than in older categories, which is expectable since the great majority of the young who study have not joined the employed population yet.

The great majority of employed persons are in the status of persons working for employers. The differences that appear are related to gender and age, but in none of the above two cases are statistically significant.

Table 4.4: Employed persons according to employment status, gender and age, in %

Employment status	Total	Gender		Age		
		Men	Women	15–34	35–54	55–64
Entrepreneurs and self employed	15.2	18.8	10.9	10.4	17.6	18.6
Salaried workers	83.5	80.4	87.3	89.0	80.2	81.4
Helpers in family business	1.3	0.8	1.8	0.6	2.2	-
Total	100	100	100	100	100	100

As already noticed in other researches (Babović, 2007, Popović-Pantić, Petrović, 2007), women find it more difficult to opt for self-employment and entrepreneur-

ship in comparison to men. Patriarchal cultural patterns diminish 'audacity' of women to take risks that entrepreneurship always brings, and impede bringing into accord private, family and professional obligations. When considering differences that are noticed among age categories, it is once again evident that the chances of starting one's own business are higher in categories that have had enough time to gain working and professional experiences, as well as necessary knowledges and important contacts that all constitute a significant element of venturing into self-employment and entrepreneurship.

Unfortunately, the subsample of our research that was to provide a detailed view of the characteristic of the respondents' work status, work orientations and behaviour comprised a small number of small-scale entrepreneurs and self-employed persons (18 in total). Therefore, it is not possible either to provide a quantitative analysis or to make statistically significant conclusions in relation to the characteristics of these categories of employed persons. Nevertheless, major characteristics of this group will be presented in a descriptive manner. The majority of entrepreneurs and self-employed persons had worked for other employers prior to starting their own business. In starting up their own business they relied on the support of their informal social networks. More than half of them estimate that their business is doing well, although the majority of respondents from this group state that the major problem they are facing in doing business is economic insecurity of their environment.

Among the unemployed persons, 16% work in the zone of informal economy. The share of employed persons that perform some kind of informal work differs in categories according to the status at work. In other words, among the employed persons working for informal employers, 12% have no contract of employment whatsoever, while in the category of self-employed persons, more than half (53%) do their business without being registered. Once again, the differences in gender and age are not statistically significant, but somewhat higher share of informally employed persons is noticed among men than among women, and among young than among older age groups of employed persons.

The majority of employed persons work in the private sector (54.5%), while 41% work in public, and the remaining in the sector of mixed-ownership enterprises. Women are somewhat more often employed in the public sector than men (46% and 37% respectively). The young are, on the other hand, more often employed by the private sector (in 62% cases) than the middle aged (40%) and older employees (33%). The category of older employees (55–64) is in European follow-ups on employment, risk of poverty and risk of social exclusion considered as one of the most endangered categories, due to higher poverty risks in case of job loss conditioned by significantly smaller chances for the restoration of employment status. In the sample from our research, more than half of these older employees (53%) are employed by public enterprises. Having in mind that a quarter of them are employed in industrial, untransformed enterprises, it can be concluded that this category is in high risks of job loss and facing the problem of poverty due to the reduced possibility of finding another employment.

The greatest majority of employed persons (76%) work on the basis of a formal, permanent employment contract, while 15% work on the basis of temporary employment contract, 8% are engaged on occasional jobs, and 1% are engaged as seasonal workers.

The structure of employed persons according to their occupation shows the highest share of skilled workers in manufacturing and services, but a high share of office-workers and technicians, as well as professionals of various, profiles is also noticeable. In this aspect there are distinct, statistically significant differences between men and women.

Table 4.5: Employed persons according to the occupation and gender, in %

Occupation	All	Gender	
		Meni	Women
Managers	9.2	11.7	6.4
Professionals	20.8	16.7	25.5
Clerks and technicians	25.6	21.0	30.9
Skilled workers in services	16.1	13.6	19.1
Skilled workers in manufacturing	20.1	29.2	9.5
Unskilled workers	8.2	7.8	8.6
Total	100	100	100

The above-presented data show that there are more professionals, technicians and office workers among women, while among men there are more executives and manufacturing workers.

The differences in occupations of employees according to age categories show interesting inter-generation differences. Among the young employees, there are significantly more skilled workers in service sector than skilled workers in production sector, contrary to employed persons from older age cohorts. A higher share of executives and professionals is noticeable among older (55–64 years of age) employees, as well a higher share of manufacturing workers in comparison to other two age categories, in particular the young.

Table 4.6: Employed persons according to the occupation and age, in %

Occupation	Age cohorts		
	15–34	35–54	55–64
Managers	5.8	10.6	13.2
Professionals	19.3	19.4	28.9
Clerks and technicians	26.9	24.6	25.0
Skilled workers in services	25.1	12.3	3.9
Skilled workers in manufacturing	14.0	23.3	25.0
Unskilled workers	8.8	9.3	3.9
Total	100	100	100

Another important aspect of employment is the structure according to the industry. Three dominant sectors that employ the respondents from our sample are processing industry, wholesale, retail trade and repair and the sector of social services, including education, health care and social welfare. Gender differences once again appear to be important, and are manifested primarily in a significantly higher share of employed persons in industry among men and a significantly higher share of employed persons in social services among women.

Table 4.7: Employed persons according to the industry and gender, in %

Industry	All	Gender	
		Men	Women
Agriculture, fishing, forestry	2.4	3.6	0.9
Manufacturing, mining and quarrying	20.0	23.5	15.9
Construction	6.2	9.2	2.8
Wholesale, retail trade and repair	21.1	21.9	20.1
Hotels and restaurants	3.7	2.4	5.1
Transport, storage and communications	5.2	7.6	2.3
Financial intermediation Real estate, renting and business activities	4.7	3.6	6.1
Public administration and defence; compulsory social security	9.2	8.4	10.3
Social services (education, health, social work)	19.4	10.4	29.9
Other community, social and personal service activities	6.5	6.8	6.1
Other	1.7	2.8	0.5
Total	100	100	100

The differences between age categories are not statistically significant, but once again a higher share of the employed in wholesale, retail trade and repair is among the young, while a higher share of employment in manufacturing industry is among the older age groups.

The work of the greatest majority (77.4%) of employees is enterprise-based or institution-based, 4.2% work on the streets and at green markets, while for 7.3% of them their work is vehicle-based, and the remaining employees mainly work at their

own homes, at other people's homes, on farms, etc. Women significantly more often than men work in enterprises and institutions (90% in comparison to 67%), while men significantly more often than women perform their work elsewhere (especially vehicles).

Beside their main job, 9% of respondents also have additional jobs, mainly on occasional basis, 5–6 times a year. Men have additional jobs more often than women (13% and 5% respectively), middle-aged persons (35–54 years of age) have additional jobs more often than younger or older ones, and persons with higher qualifications to a degree more often than persons with lower qualifications. More than half of the persons that reported having an additional job does it in the form of self-employment, while over a third works additionally for employers, and others are engaged in the form of household members that help in the family business. This additional work is most often informal, since 82% of respondents that have an additional job do it without formal, part-time or a similar contract. In almost half of the cases, additional jobs are performed in the sphere of retail, catering and personal services, while additional work in other areas is present in a small number of cases.

4.3. Characteristics of unemployment in Kragujevac

It is very important to note at the very beginning that unemployment differs in situations when the respondents declare themselves in relation to their work status, and in situations when their status is reconstructed in a more objective manner through a range of questions, namely, variables. In the sample from our research, according to respondent's own words, 159 persons are unemployed. However, when you regard as unemployed only those that meet the standards of the ILO definition of unemployment which is applied in the Labour Force Survey in Serbia (in accordance with the Eurostat methodology), unemployed persons are only those who did not perform any work in the week prior to answering questions in the Survey and those who actively seek employment and would be able to start work within two weeks of being offered a job. Applying the ILO criteria of unemployment, we arrived at the number of 71 unemployed persons in our sample. Such a finding is not surprising, since often respondents subjectively declare themselves as being unemployed even if they work, but have nonstandard, informal or occasional jobs. The same is valid for a part of inactive persons who at some point gave up active job seeking. Therefore, in this part of the report only those who meet the above-mentioned ILO criteria will be analysed as unemployed.

In the category of unemployed persons, young people 15 to 34 years of age have the highest share (56.3%). They are followed by respondents aged 35–54 (38.0%), while the cohort of the oldest (55 to 64 years of age) in the contingent of working age population is significantly less represented. The majority of unemployed persons (60%) are women, and in relation to their education, the majority of unemployed persons are with secondary education. Educational structure of unemployed persons is less favourable in relation to the educational structure of employed persons from our sample. The differences point at more favourable conditions of employment of persons with college and university degrees. Significant differences are noticeable in a higher participation of blue-collar workers among unemployed persons, and a significantly higher participation of persons with college and university degrees among employed ones.

Table 4.8: Employed persons according to education, in %

Completed school	Employed	Unemployed
Uncompleted and completed elementary school	5.6	4.2
Secondary vocational school for workers	20.7	32.4
Secondary vocational school for clerks and technicians	31.7	33.8
General secondary school	6.8	12.7
Tertiary education	35.2	16.9
Total	100	100

Half of the persons with working experience have been employed for over 12 years. The reason for unemployment in 48% of respondents was

the loss of job due to restructuring or bankruptcy of their enterprises, or being fired for other reasons. Beside that, 8% stated losing job because the job was of temporary or seasonal character, while 11% stated leaving their jobs due to family reasons. It is interesting that as much as 32% stated war, namely NATO strikes, as the reason for their job loss, which means that in the past 10-year period these people did not manage to restore their employment status.

The greatest number of unemployed persons with previous work experience was employed in the sector of industry (35%), trade and catering (36%) sectors. When analysing the structure of the unemployed according to their occupations during their last employment, it is noticeable that those who bore the brunt of layoffs in the previous period were employees in services and skilled workers in manufacturing.

Table 4.9: *Unemployed persons according to the occupation during their last employment*

Occupation on the last employment	% of unemployed
Managers	7.0
Professionals	8.1
Clerks and technicians	18.6
Skilled workers in services	30.3
Skilled workers in manufacturing	27.9
Unskilled workers	5.8
Total	100

The participation of persons whose unemployment is a long-term one⁸ is exceedingly high, since the persons being in this status for more than 12 months constitute 64% of unemployed persons. Almost all unemployed persons from the sample (95%) have some prior work experience. Long-term status of unemployment is a very unfavourable situation for the persons seeking employment, since it hampers the development of their skills and knowledge necessary for getting a job, diminishes their business contacts and creates a wider gap between them and channels of information important for better positioning on the labour market.

4.4. Characteristics of the labour supply in Kragujevac

Unemployed persons do not constitute the overall supply of labour force on the local labour market, since other categories of active population appear on the market as well – persons with temporary employment, informally employed, even formally employed ones. Due to this fact, the analysis of the characteristic of the labour supply will take into consideration the overall labour supply, with differentiated approaches to various categories according to their current status on the labour market, since measures of intervention should be shaped according to the priorities defined on the basis of such an analysis.

Among the working age respondents from our sample, 17% stated seeking a job in the week preceding the Survey. Therefore, this report will regard this very category of respondents as the present direct labour force supply in Kragujevac. Within this category, 48% are unemployed persons, 44% are currently employed, while 8% are inactive persons (mainly university and secondary school students seeking occasional employment). More than half of the employed who stated seeking a job at the time of participating in the Survey were informally employed, which explains their reasons for seeking another employment.

⁸ According to ILO i Eurostat, long-term unemployment is the unemployment longer than 12 months

4.4.1. Educational characteristics of the labour force supply

Among the job seekers, more than half (53%) are young persons (15–34 years of age), 41% are middle-aged persons (35–54 years of age) and 6% are older persons (55–65 years of age). Among them, there is an almost equal share of men (51%) and women (49%), and according to their education the prevailing are persons with secondary school qualifications for blue-collar, office and technical occupations.

Table 4.10: Job-seekers according to their education, in %

Completed school	%
Uncompleted and completed elementary school	4.8
Secondary vocational school for workers	32.4
Secondary vocational school for clerks and technicians	35.9
General secondary school	9.0
Tertiary education	17.9
Total	100

Data from this research show that the persons seeking employment recognise the importance of further training and acquiring additional skills. Therefore, 61.4% of respondents seeking employment had certain forms of additional education or training. Among them, as much as 95% attended certain continuous courses and were issued adequate certificates, while 5% of them attended similar courses but received no certificate, and 15% participated in professional seminars, conferences and the like.⁹ In respondents that attended no further education, different things were stated as reasons. The majority of them (43.4%) claimed having no money to pay for attending the desired courses and trainings and participating in seminars and conferences, 30% stated having no interest in further training, while the others stated obstacles to further training in the form of impaired health, family obligations and the like.

What was also investigated were additional skills and aspects of knowledge that employment seekers possess beside their main qualifications and which can be of importance in finding employment on the present local labour market. It is evident that a significant number of people seeking employment possess a foreign language knowledge, computer literacy and driving licence, which all improves their chances on the labour market. The differences in the kinds of knowledge and skills possessed by men and women are shown in the fact that women in a higher percent have more „contemporary” kinds of knowledge (languages and computers), namely the kinds of knowledge needed for the sector of modern services, but they also possess traditional skills and crafts, while men more often have the skills typical of the manufacturing, transportation, repair sectors and the like.

Table 4.11: Job seekers according to the additional skills and gender, in %

Skills, knowledge	% of persons who possess skill ¹⁰		
	All	Men	Women
Foreign languages	48.1	40.3	57.4
IT, computers	63.9	58.3	70.5
Driving licence	74.4	84.7	62.3
Technical, artisan skills	27.8	37.5	16.4
Musical, artistic skills	14.3	12.5	16.4
Traditional artisan skills	6.8	1.4	13.1

Besides, certain differences in kinds of skills possessed by respondents of different age groups are also noticeable. The young significantly more often than older respondents have the knowledge of foreign languages (58% and 30% respectively), somewhat more often can use the computer (68% and 60% respectively), but less often have a driving

⁹ Some respondents attended several forms of further training, which makes the grand total exceed 100%.

¹⁰ Question was with multiple responses. Therefore total exceeds 100%.

licence (70% and 83% respectively) and less often possess technical and artisan skills (20% and 34% respectively).

Possessing additional skills and knowledges is in a positive correlation with the level of a person's principal, formal knowledge. Persons with college and university degrees seeking employment possess additional skills and knowledges more frequently than the persons with secondary school education.

Table 4.12: Job seekers according to the education and additional skills, in %

Skills, knowledge	% of persons who possess skill ¹¹	
	Persons with secondary education	Persons with tertiary education
Foreign languages	45.1	65.4
IT, computers	62.7	76.9
Driving licence	73.5	84.6
Technical, artisan skills	26.5	34.6
Musical, artistic skills	14.7	15.4
Traditional artisan skills	8.8	-

The presented data show present principal educational characteristics of subjects seeking employment. Later in the text their readiness to accept further training in the aim of getting employment will be analysed, along with the analysis of various kinds of respondents' readiness to adjust to the conditions on the labour market.

4.4.2. Patterns of seeking employment

Channels and methods of seeking employment pose very important factors of success in finding a job. Pro-active patterns of employment seeking imply a range of activities that the respondents do in seeking employment, from contacting local branches of the National Employment Service, informing and establishing connections with employers, through informal social networks (friends, acquaintances, relatives), following ads in the media and replying to them, to directly contacting employers. Passive forms of job seeking significantly reduce chances for a positive result, and these methods involve various forms of „waiting“ – waiting to be contacted by the National Employment Service, waiting to get information on the outcome of previous applications, while in the meantime missing chances for other applications, etc. On the basis of the data obtained in this research, it can be concluded that the job seekers included in our sample dominantly use pro-active methods in job seeking.

Table 4.13: Channels for job seeking

Channel	% of cases ¹²
National Employment Service	57.9
Private employment agencies	6.9
Direct contact with employers	36.6
Through social networks of friends, relatives	63.4
Advertisements, media	47.6
Waiting for results of previous application	1.4
Waiting for call from NES officials	0.7
Waiting for results of previous application in public enterprise	1.4

From the point of view of a pro-active approach in seeking employment, differences between men and women are not so considerable. However, differences between genders

11 Persons without education and with primary education are excluded due to the small number of respondents.

12 Multiple responses.

are more noticeable in the frequency of using certain channels of job seeking, especially in the fact that women more often than men combine several different methods of seeking employment. This comes as no surprise, since women face more serious difficulties in getting a job (compare: Babović, 2007), and hence have to make more efforts in seeking employment.

Table 4.14: Job seekers according to the job seeking channels

Channel	% of cases	
	Men	Women
National Employment Service	47.3	69.0
Private employment agencies	6.8	7.0
Direct contact with employers	32.4	40.8
Through social networks of friends, relatives	66.2	60.6
Advertisements, media	43.2	52.1
Waiting for results of previous application	1.4	1.4
Waiting for results of previous application in public enterprise	-	1.4
Waiting for results of previous application in public enterprise	1.4	1.4

Women somewhat less often than men use social networks as the channel of job seeking, at the same time more often turning to the National Employment Service, addressing employers directly, and using various media as the channels for job seeking. Nevertheless, it is important to note that men are more often prone to relying on social networks, while women are predominantly more often prone to relying on the National Employment Service.

Differences between the younger (15–34 years of age) and older (35–64 years of age) respondents in job seeking methods are not significant. The older ones are more often prone to turning to the National Employment Service than younger ones (61.8% and 54.5% respectively), and more often address employers directly (39.7% and 33.8% respectively), while the young ones are more often than older ones prone to seeking employment by placing ads and replying to them (50.6% and 44.1% respectively).

In seeking employment there seems to be a difference between those who are currently employed and those who are currently unemployed. The former significantly less often than the latter turn to the National Employment Service (47% and 66% respectively), which is understandable having in mind that a part of the employed respondents are in the status of formal employment. The frequency of using other channels does not differ significantly between these two categories.

Another fact related to the ways of job seeking should be considered - namely, the issue of efficiency of certain employment-seeking channels. In order to get a basic idea of this aspect of employment, all those who at the time of participating in the Survey were in the status of employed persons (both formal and informal), regardless of looking for another job or not, were asked about the way they found their present employment. Almost half of the employed ones (46%) claim finding present employment through informal social networks. Only 9% of them claim getting their present jobs through the National Employment Service, while 18% claim finding a job by replying to ads in media. The others stated some other ways. Once again the importance of informal social networks in seeking employment was confirmed, and the issue of the National Employment Service efficiency is raised as a problem to be solved in future interventions aimed at improving the role of the National Employment Service in mediating in employment.

Half of the respondents seeking employment have been uninterruptedly doing it for longer than 12 months¹³, while on average they have been seeking employment for 34 months. More than half of the respondents (60%) seek full time employment, only 5% seek a part-time employment, while to others working hours is a factor of no importance.

In the last two years 30% of the respondents presently seeking employment were offered a job, one quarter of them refused the offer for one of the following reasons: the job offered was not in accordance with the qualifications of

¹³ Uninterruptedly means that they have not made a break in job seeking longer than a month

respondents, the salary or working hours were inadequate, the job was too far away or the respondents estimated the chances of keeping the job as poor.

4.4.3. Experiences with active measures of employment

In the categories of unemployed and informally employed respondents seeking employment, 71% of them are registered on the National Employment Service files, 22% used to be on the files, but are not any longer, while 7% have never been registered. Besides, 13% receive unemployment benefit. However, informedness about the National Employment Service active measures is not satisfactory. More than half of the working age respondents seeking employment (57%) have never heard of any of the active employment measures. Among those who have heard about the programmes of active employment, better informedness of certain programmes is noticeable – programmes such as employment fairs, trainee employment, subsidized employment and the like, while informedness about other programmes – such as „Virtual Enterprise“, Support to Talents, Adult Elementary Education, etc. (a detailed overview of measures is provided in Annex 2) – is significantly poorer.

Table 4.15: *Informedness of persons seeking employment about the National Employment Service active employment measures*

Programme	% of cases that are informed ¹⁴
Subsidised employment of trainees	76.2
Training for the work related to specific jobs	47.6
Courses of IT skills	63.5
Foreign language courses	71.4
Retraining, additional training	54.0
Elementary education of adults	34.9
Support for talented	27.0
Virtual enterprise	17.5
Training for active job search	61.9
Training for self employment	54.0
Financial support for self employment	76.2
„Severance to job“ financial support	47.6
Club for active job search	49.2
Employment fairs	81.0

Respondents were informed about these programmes predominantly through media coverage: 52.4% found out about the programmes from newspapers, electronic media or through the internet, 17.5% were informed by informal social networks (friends, acquaintances, relatives), 16% were formally informed by the National Employment Service staff, and 14.3% stated making inquiries themselves at the local branch of National Employment Service.

Only 12% of the working age respondents seeking employment, or 28.6% of those who have heard of some of the active employment measures have at the same time participated in some of the listed programmes. Since these comprise a small number of respondents (18 of them) the obtained data cannot be shown in quantitative manner. Suffice it to say that the respondents participated in all programmes except in: Virtual Enterprise, Support to Talents programme, and the programme Club for Active Job Seeking. Respondents that took part in some of the employment programmes were asked to evaluate to what an extent the programme helped them in getting better skills in seeking employment, to

¹⁴ Multiple responses.

make a decision what jobs to choose, to harmonise knowledge and skills with the job they choose, and to get in touch with employers and be more successful in job interviews. Given the above dimensions, respondents evaluated the effects of the programmes in a relatively unfavourable manner: on a scale from 1 (the programme did not help me at all), do 5 (the programme helped me exceptionally a lot), average marks range from 1.44 (for the contribution of the programme to making a decision what job to chose) to 1.89 (for the contribution of the programme to improving interviewing skills).

Finally, the respondents were asked to state themselves an employment support programme that would, in their opinion, best contribute to their efforts in job seeking. It is interesting that approximately the same number of respondents opted for the programmes of training and subsidising self-employment and the programme of subsidised employee salary.

Table 4.16: *Estimation of appropriate employment programme – job seekers, in%*

Programme	% of respondents
Training and financial support for self employment	35.2
Subsidized employment	32.4
Retraining	12.7
Training for more efficient job search	9.9
Assistance in finding concrete job	9.9
Total	100

Such a good choice of programmes of training and subsidies for self-employment is in disproportion with the fact that the majority of job seekers want to work for an employer. On the other hand, it can be expected that in the conditions of long-term unemployment, active but futile job seeking, there is a certain degree of awareness in respondents that only self-employment is a form of employment more under their own control, which makes it a more likely alternative in conditions prevailing on the local labour markets.

Over a quarter of respondents seeking employment (28%) expressed a moderate or a strong readiness to join re-training programmes in the aim of successful job seeking outcome. The Respondents were asked to state the vocations they would be ready to re-train themselves for. Unfortunately, the stated wishes are not in accordance with the labour market needs enough (more on this in the text below). Putting it in percentages, 20% o those who are ready to accept re-training would like to be re-trained for vocations in the area of personal services, 12% for jobs in retail, 13% would be ready to accept manufacturing jobs (wood processing, ready-made clothes, food production, etc.), 11% are ready to be trained for any job that could provide employment, while the remaining respondents mainly stated jobs in transportation, construction, administration, informatics and the like.

Qualifications, educational profiles, additional knowledge and skills pose important characteristics of labour force that need to be taken into consideration when analysing employment potentials. However, beside these objective characteristics that indicate competence potential of the labour supply it is also important to analyse a range of subjective aspects that affect real behaviours of labour force in the labour market. These subjective aspects involve various work orientations, readiness of unemployed and other persons seeking employment to engage in various work arrangements, expectations from future employment, perception of employers' demands in relation to the required qualities, etc.

4.4.4. Readiness to work and expectations from employment

This research investigated various forms of readiness of job seekers to engage into flexible forms of labour, or to adjust their work orientations to the conditions prevailing on the local labour market. Such a readiness and orientations point to flexibility and adaptability of labour force in the conditions of intensive restructuring of local economy, transformation of the labour market and changes triggered by economy crisis trends in particular. Work orientations were analysed through a range of dimensions measuring readiness to spatial mobility due to work, flexibility in accepting various jobs available on the labour market – even those below the qualifications of respondents, formal employment, work in informal

economy, readiness to work more intensively (longer working hours, additional jobs), as well as readiness to start their own private business (in the forms of self-employment or entrepreneurship). The readiness to acquire new knowledges and skills was also analysed in the aim of adjusting one's qualifications to the needs of the market.

It is noticeable from the obtained data that in the majority of cases respondents are willing to accept any paid work, to work longer hours, to accept additional work beside their main job, to acquire new knowledges and skills, and to self-employ themselves and venture into entrepreneurship. Other options are not acceptable for the majority of re-

Obviously enough, in unfavourable labour market conditions, when seeking employment is often a long process marked by failures, factors such as potential for promotion, further training, physically good working conditions and the salary itself are of less importance to the majority of respondents.

The Survey also collected data on the lowest possible salary respondents are ready to work for. The average of the lowest salary respondents are ready to accept is 25,014 RSD. Having in mind that the average net earnings for the city of Kragujevac in August 2009 were 28,822 RSD (Statistical Office of the Republic of Serbia, 2009), our respondents were on average ready to work for a salary lower than the current average. Unemployed persons are ready to work for a lower salary than the employed persons – the average being 21,029 RSD and 25,226 RSD respectively.

Finally, respondents were asked to list three qualities that they think employers value most in their employees. The question was an open-ended one, meaning that the respondents provided their own answers. The majority of respondents estimated that what employers valued most were hard work, diligence, followed by responsibility, punctuality, precision and tidiness.

Table 4.19: Estimation of qualities required by employers – job seekers, in %

Qualities of employees	% of job seekers that quoted quality ¹⁵
Diligence	69.0
Honesty, credibility	21.1
Efficiency, resilience	4.2
Competence, knowledge	14.1
Responsibility	29.6
Accuracy, tidiness	23.9
Obedience	12.7
Working discipline	9.9
Team work, good interpersonal skills	5.6
Youth	4.2
Experience	2.8
Persistence	5.6

In the closing chapter, these perceptions will be compared to the attitudes of employers on valuing qualities of employees, which will enable comparison and assessment of how similar they are.

¹⁵ Respondents were able to provide 3 qualities.



5.

EDUCATIONAL SYSTEM AND LABOUR MARKET IN THE CITY OF KRAGUJEVAC

The analysis of the role of educational system in Kragujevac, from the point of view of providing profiles of manpower adequate for the local labour market needs puts an emphasis on secondary schools, University of Kragujevac and alternative educational services outside the principal pillars of formal education.

5.1. Secondary educational system

Secondary schools in Kragujevac belong to the public educational system. Curriculums that are applied fall within the competence of the Ministry of Education and must be approved by the Education Council, the central educational governmental institution. Schools are obliged to realise these curriculums and to admit students in accordance with prescribed quota for various educational profiles (occupations). Each teacher has the possibility of adapting a part of the approved plan and curriculum to the needs of students, real social circumstances and conditions of teaching.

All initiatives for the changes and modernisation of the programme, as well as introduction of new educational profiles must undergo the same procedure and be approved by the Education Council. A somewhat easier way and a more favourable condition is establishing experimental classes (introduced in 2004). Each teacher and each school can submit an expounded request for the change to the teaching contents or to the curriculums, but it implies a long procedure and harmonisation at the level of central authority. When requesting introduction of a new educational profile, adequate documentation expounding the need for the profile must be submitted. The Documentation must comprise the needs of the local economy, proof of school's having a social partner for the realisation of this programme, opinions of the Chamber of the Economy and the National Employment Service on the issue. Besides, the Ministry takes into consideration the suggestions of various local stakeholders: principals of local elementary and secondary schools, representatives of the Institute for Improving Teaching, Regional School Administration, and National Employment Service. Most often new curriculums are introduced in the form of experimental classes for new profiles. It should be noted that beside such experimental classes in vocational schools, there are often special classes for talented children in grammar schools.

Funding secondary schools is shared by the local and central authorities. Salaries of school employees are responsibility of the Ministry of Education, while the upkeep is paid from the budget of local authorities. Each school has its annual budget that must be passed by the City Assembly at an annual level and it stipulates expenditures necessary for the school functioning: electricity, water, heating, telephone, sanitation, funds for changing furniture, certain capital investments necessary for the school upkeep; but also awards for the best students, schools, travels, competitions and additional professional training of teachers.

It should be noted that the poverty of the whole country and the economic crisis is first reflected in the lack of funds supplied by both central and local authorities, often leaving schools to their own devices – they provide services on the open market, or, more often, they receive lump-sum donations from the international organisations or enterprises.

Therefore, it can be concluded that although the basis of funding and curriculum planning is the same for all public schools, in the city of Kragujevac there are certain differences among schools in improving curriculums, adjusting to the needs of the market, attracting future students, as well as the differences in infrastructure and investing into teaching resources (teaching aids, additional professional training of teachers, etc.)

The seat of the Regional School Administration¹⁶ for Šumadija and Pomoravlje is in the city of Kragujevac. School Administration is a branch of the Ministry of Education in charge of coordination and execution of the education policy at the level of elementary and secondary school education, which poses a good circumstance for harmonising the educational system and the needs of the economy, since other

16 Principal tasks of the School Administration is to take care of the salaries at schools, to prepare the annual educational plan for the region, to provide support in the realisation of teaching, to monitor the quality of teaching, to organise self-evaluation of schools and to perform the external evaluation.

relevant stakeholders in the process of transition from the educational system to employment (local self-governance, employers, National Employment Service) can communicate in a more indirect manner with the central institution competent for education.

The plan and programme of the Regional School Administration focuses on the following elements of work:

- Managing
- Teaching
- Ethical issues
- Resources and
- Curriculum

Regional School Administration is aware of the fact that the educational system is rather inflexible and that the procedure of innovating curriculums is slow and poorly supported by resources (both financial and human). Therefore, beside its principal activities, they endeavour to enable as much as possible additional professional training to teachers and establish connections between major stakeholders at the level of the city in order to bring curriculum planning closer to the real needs of the enterprises in the region. However, a big problem is the fact that the central authorities respond slowly, and the majority of school staff have no initiative and prefer to just wait for the instructions.

Regional School Administration also strives to strengthen the network of support to education and develop a pro-active approach by establishing a continuous cooperation and supporting local stakeholders. In order to maximise the harmonisation of education at the local level with the local needs, it is necessary for the local self-government to determine its developmental priorities and the educational profiles and curriculums it needs. Only then can adequate programme orientation be recommended to schools.

The most important educational profiles are covered through the selection of the following 6 schools:

- 1.) Vocational School for Business and Administration
- 2.) The First Grammar School
- 3.) Vocational School for Commerce and Catering
- 4.) Polytechnic School
- 5.) The First Technical School
- 6.) Nursing School

These schools differ by profiles they educate, by modalities of cooperation with the local economy and the ways of additional funding, but they also differ by interest of students in them.

Commercial School

There are 1036 students in this school, mainly of female sex, and the profiles the school educates are: economy technician, financial technician, law technician. Besides, the school has an experimental class of bank clerks, which is the curriculum developed in cooperation with the German Government and coordinated by the Goethe Centre from Belgrade. The number of classes for certain profiles varies from year to year, depending on the assessments made by the Ministry of Education. According to its representatives, the school is well equipped, both in terms of its infrastructure and equipment, and teaching aids.

However, it was also estimated that the „curriculums should be more flexible“, and that certain additional profiles should be developed (such as insurance clerk, customs technician) which are already being educated through experimental classes in certain schools¹⁷. The interest of students in this school is huge, and all interested students

¹⁷ During the interview school representative was not acquainted with the issue of who and in what way approves of starting such experimental classes for new occupational profiles.

cannot be admitted, while the most attractive profiles are economy technician and bank clerk.

The school practically has no cooperation with the National Employment Service and the labour market, but they cooperate with employers by sending their students every two years to spend 2 weeks practicing in various enterprises and institutions, such as private enterprises and banks, but also courts and bodies of the local self-government. However, neither employees nor the National Employment Service branch have influence on defining curriculums and educational profiles.

The First Grammar School

This school is currently attended by 1071 students. Beside having an equal number of classes in two course routes – exact sciences, and humanities with linguistics (4 in each grade), there is also an experimental mathematical class. This school, quite like the previous one, is marked by a larger number of girls in its gender structure. The Ministry of Education prescribes the contents of curriculums for both course routes, and on the basis of its estimations stipulates the number of students for each of the route. Each year there are more students who would like to attend it than it can admit.

This school faces problems in its daily upkeep, since majority of its teaching aids and equipment dates from 1970's, and the building itself is very old and under the protection of the state as a cultural monument, which makes it difficult to upkeep.

The Ministry of Education and local self-government have no funds to reconstruct and equip the school, making the school rely on sponsors, projects and the like. The only regular upkeep are new books for the library, and to a degree somewhat more restricted literature for teachers' additional professional training. The school uses its own income for daily upkeep. The cooperation with the local economy is poor, and employers have no interest in investing into these educational profiles. However, the school counts on socially responsible business and solidarity of its ex-students who nowadays occupy various distinguished positions. The students of the First Kragujevac Grammar School achieve excellent results in many competitions, including international, and enrol at prestigious faculties. Since 2009 the school has been classified as the school of special importance for the Republic, and expects certain additional funds on that behalf.

Vocational school for commerce and catering

The school is attended by 1039 students, and educates the following profiles: retail technician, cooking technician, tourist technician, garment technician, technician in footwear modelling, shop-window dresser, waiter, cook, confectioner, salesman, female hair-dresser and male hair-dresser. School authorities have no precise information on the position of its students on the labour market when they finish this school, but know that certain profiles are in demand, while some of them are not so, but could not say which ones. The profile most interested in is tourist technician, and the least popular one is garment technician.

Even in the case of this school employers have no influence whatsoever on the curriculum, but students have a lot of classes of practice. The school is well equipped with teaching resources, but the infrastructure is in a bad condition. The funding system does not differ from other schools – salaries are provided by the Ministry, while the upkeep and equipment come from the local self-government. Additional income is minimal, in the form of occasional donations from the firms they otherwise cooperate with to provide classes of practical training for their students. The seminars organised by the local self-government are regular, and they pose the basic model of additional professional training for teachers. School quality is followed by school teams for development plan, self-evaluation, etc, but also school advisers on behalf of the Ministry of Education.

Polytechnic School

This is the biggest secondary school in Kragujevac with 1583 students. Among them are also 74 extramural students and a class of 24 self-financed students. Students are educated in three areas: machine engineering

and metal processing; transport; and electrical engineering. This school boasts several experimental classes. Among students, there are more boys than girls. The school educates the following educational profiles of technicians: machine engineering technicians for computer construction, technicians of computer management, technicians of robotics, motor vehicles technicians, repairing technicians (experimental class), technicians of heating and cooling techniques, medical and laboratory equipment mechanics, machine processing operators (experimental class), auto-mechanics, technicians of mechatronics (experimental), technicians of road transportation, technicians of internal transport, technicians of transportation safety (experimental) and motor vehicle drivers.

During the interview, the school representative could not precisely define the demand for these profiles on the labour market, but estimated it as poor, due to economic stagnation (especially „Zastava“ motor vehicle factory). It was emphasised that the percent of students finishing one of the profiles this school educated and finding a job did not surpass 20%. What is interesting is that the new profiles (experimental classes) were opened in accordance with the cooperation they had with the National Employment Service branch and with the Regional Chamber of the Economy. As for these experimental profiles, there is a feedback from the employers, but the number of students finding jobs with these profiles is small – all in all, 3–4 firms employed operators of machine processing.

Beside the regular funding by the Ministry of Education and local self-governance (as is the case with other schools), this school has its own business registered (machine processing, driving school, vehicle check-up), due to which they have their own income that they invest into improving teaching, equipment, etc. The school also receives donations from trade-union organisations in Italy, from the town of Ro they have been cooperating with for several years, while certain laboratories have been equipped with the support of the CARDS programme.

The teachers are in constant additional professional training. When the local self-government cannot finance it, the school pays for registration fees for teachers' participation in seminars. The teachers also participate in various projects very often (the mentioned during the interview were those organised by the Centre for Interactive Pedagogy, Roma Information Centre, CARDS 1 programme and cooperation with the European Agency for Reconstruction). The quality is monitored through polls, self-evaluation and the visits of pedagogic advisers from the Regional School Administration. These advisers monitor the level of students' achievement and order certain corrective measures, later on checking if the measures produced desirable results.

Cooperation with the local economy consists of sending students to classes of practical training to various enterprises.

The First Technical School

This school is just of somewhat smaller capacity than the previous one, and currently has 1478 students. About 75% of them are boys. The majority of classes are educated in electrical engineering, but there are also classes educated in construction, chemical engineering and food processing. The school offers the following profiles:

- Field of work – electrical engineering (more than 50% of all classes) as profiles with four years of study: electro-technicians in energetic, technicians of heating and cooling systems, multimedia technology technicians, computer technicians, technicians of electronics in motor vehicles (experimental class); and as a profile with three years of study: electrical fitter.
- Field of work – construction and geodesy: high construction technician, civil engineering technician, and an experimental class as a profile with three years of study: dry construction fitter.

- Field of work – chemistry and non-metals: this year, after several years, education of chemical laboratory technicians was resumed; in the second and the third grade – environment protection technician, as well as printing technician.
- Field of work – agriculture, food production and processing: biotechnology technician (the class combines technicians of biotechnology and food technicians, but only technicians of biotechnology are educated at the moment); a profile with three years of study – a combination of 15 bakers and 15 butchers – every second year the combination alters to baker – dairy technicians.

The Ministry of Education accredits profiles, while the Association of Vocational Schools proposes changes and introduction of new profiles. Equippedness with teaching aids and machines is quite good, there is a laboratory for multi-media technology, and the school has its own printing facility, mini-bakery line resulting from business and technical cooperation with bakery „Klas“. However, there are still things that need to be improved. School building is very old, but was renovated in previous years.

Beside its regular funding, exactly the same as in other schools, the First Technical School has many social partners it cooperates with thus enabling maintaining of the quality of teaching and infrastructure. The school has a very good cooperation with the National Employment Service, Regional Chamber of the Economy, with social partners that provide practical training for students. In such a way „...we keep our ear to the ground of the market around us“. This school can offer a wide range of interesting occupations that can provide students with a chance to find a job.

All the above is to a great degree based upon an intensive cooperation and well organised practical training at the very school and firms outside school.

Teaching staff are constantly involved in additional professional training that is organised by the city authorities and Regional School Administration, although the lack of money poses an obstacle to better additional professional training.

Case study of a school:

In this very school, an experimental class of a profile involving three years of study, field of work – construction, was monitored by the company Knauf – which also paid for equipping the laboratory. The company employed about 70% of graduate students of this profile. Some of them left for Belgrade to work, some to neighbouring towns, which was the aim of these experimental classes. Similar situation is with the profile of technician of electronics in motor vehicles. It is expected that the first generation of technicians for environmental protection will find jobs easily since there is a plan for enterprises to have a mandatory position of technician for environmental protection. For the next year there is a plan to educate recycling technicians, since this school, in cooperation with a couple of other schools and a school from Užice (which was the proponent of this project) participated in creating the curriculum and educational plan. The school decided to wait for another year in order to analyse the market well and to get information from the National Employment Service, Regional Chamber of the Economy, Public Utility Company and others related to this area and see if this occupation would be in deficiency in the near future. Furthermore, construction technicians relatively easily find jobs, although high construction technicians mainly continue their education at the faculties of architecture and civil engineering. As for the computer technicians, there is still a good potential for employment, although these students usually continue their education at the faculties of electrical engineering or informatics. For printing technicians it is also easy to find a job. There are a couple of printing houses which endeavour to attract students by allowing them to work certain amount of extra hours other than those they spend there in practical training – in order to let them „learn the ropes“ and let them earn some money. Bakers, butchers, dairy technicians, can all find jobs after graduating from this school. Beside the above mentioned, the school has an exceptionally good international cooperation. The cooperation with the Integrated Secondary School from Sokolnice near Brno from the Czech Republic has been going on for 7 years, and has so far made a significant

contribution, financially, but also culturally through expanding students' horizons. Since two years ago they have established a joint education of students in Serbia and the Czech Republic. Students finish first two years of an electro-technician profile, and continue their education – 3rd and 4th grade in Sokolnice. There is a department of the Czech language at this school, and the first generation of these students, 8 of them, has just finished the third grade in Sokolnice. After graduating from the secondary school in Sokolnice, these students will be able to continue their education in the Czech Republic. Similar cooperation has been established with „Edil Master' School from Trieste in Italy.

Nursing School

There are 994 students in this school, among whom girls are predominant. The school admits 8 classes each year, and according to estimations, each year the number of interested students is enough for opening additional 2 classes. However, the Ministry of Education does not allow the increase of the number of students since nursing schools exist in bigger surrounding towns (Čačak, Kraljevo, Kruševac). The school has an experimental class of general course route involving more practical training. It is estimated that the students attending this experimental course route are better prepared for unaided work in health care institutions immediately after graduating. The school educates the following educational profiles: nurse/technician (standard and experimental), laboratory technician, pharmaceutical technician, dental technician, obstetrician nurse, paediatric nurse.

The school is financed in the standard way – through the Ministry of Education and local self-government, and has no significant income from other sources. There are serious problems in the building upkeep, which has been partly repaired, but the school lacks school gym and informatics laboratory, which is necessary for the education of pharmaceutical technicians.

The main social partners of the school are the University Hospital, Central Pharmacy and the Institute of Stomatology. In cooperation with them, needs for certain educational profiles are expressed, and students have their practical training organised at these institutions. In 2008 meetings with the local National Employment Service branch were held for the first time, which resulted in a suggestion of having 3 classes of general course route, along with 2 classes of pharmaceutical course route. School authorities knew there were interests in this profile, but the problem was the lack of adequate teaching staff, and the fact that no unemployed pharmacists that would be able to teach in this school were registered on the National Employment Service files. At the moment teaching staff for this profile consist of pharmacists who work in pharmacies and have 30% of their working time done in this school.

As for the additional professional training of teaching staff, the interest in it is exceptional, among other things because teachers are obliged to get a licence. School authorities have a problem of making a selection of the interested teachers, since the local self-government does not provide enough resources for all. In order to optimise the resources, experimental classes and seminars are held by local teachers with accredited seminars.

It should be emphasised that the response of schools to the needs of local economy is based on individual initiatives and responsibility of authorities of schools to do something for their students. It is to a great degree contributed by the popularity of a school among students and availability of teaching staff that can be employed to start new profiles. If there is potential among teachers to engage in creating the plan and curriculum for a new profile, there is a basis for starting the process of introducing a new experimental class or a profile. Besides, there is interest of enterprises to establish new occupations. Social networks that form around schools consist of networks of stakeholders whose business activities match certain activities of schools.

What is defeating is that the representatives of secondary schools have no insight into how valued they are and into the real needs of the profiles they educate.

5.2. The University of Kragujevac

Having in mind the development plans of the city and transformation of the economy, university education is of special importance. Although there are branches (faculties or local offices) of several private universities in Kragujevac, the central place is occupied by the public university. Although the city authorities have neither competencies over it nor obligations towards it, local executive authorities and the University have a well-developed cooperation. Local budget provides support to innovating curriculum, and one member of the City Council is in charge of cooperation with the University. As it is widely-known, every faculty in Serbia is a legal entity on its own, and according to the new law each must undergo the procedure of accreditation of curriculums and institution, thus determining the bases of quality in university education. Each faculty undertakes responsibility to define teaching plans and curriculums that can meet the needs of contemporary economy and administration and enable competitiveness of future professionals on the labour market. Faculties have a significantly more freedom than secondary schools in defining educational profiles and contents of their knowledge and skills, as well as in establishing and maintaining cooperation with employers and administration.

Centre for Career Development

At the University of Kragujevac there is a Centre for Career Development and Advising Students. The centre has developed an image of a good mediator through various activities: media campaign, conference organised in cooperation with BSC, research into harmonisation of economy and education. At the beginning, they had direct contacts with employers, but now it is done mainly through the Regional Agency for Economic Development. They also have a good cooperation with the Entrepreneurship Centre at the Faculty of Mechanical Engineering. However, they do not have much direct cooperation with the National Employment Service branch, since their target groups differ (students and the unemployed), but they meet occasionally at round tables, employment fairs etc. The Centre also has occasional cooperation with the Regional Chamber of the Economy, but also with NGOs, student organisations, USAID. One of the functions of such networking is to avoid duplicating resources, but the Centre has no say in managing the issue since faculties are independent legal entities.

The Centre has 3 principal functions: providing information, education and creating opportunities.

- Providing information is focused on employment opportunities and possibilities for realising practical training. Such a practice is devised to help students improve their theoretical knowledge by acquiring more practical knowledge. The source of information on the opportunities for realising practical training are regular contacts with the providers of such opportunities, and the media (including the Internet).
- As for the support to student career and the preparations for entering the labour market, students are directed primarily by their individual career advising (approximately 1 student per day) and through educations (primarily computers, foreign languages, but also education on how to seek jobs, write a CV and the like). Students are informed of these opportunities by the web-site, posters, student parliament, Freshman Guide. The users of support to scholarships and additional trainings are most often the students of the Faculty of Philology and Arts, and for practical training the students of the Faculty of Economics.
- In creating opportunities for professional practical training for students, the Centre mostly works with the Regional Agency for Economic Development. They also organised a meeting with deputy deans of several faculties in order to get acquainted with the needs for practical training and present opportunities offered by enterprises, but also to prompt adjusting curriculums to the needs of the local economy. However, the centre will also work on facilitating direct contacts between faculties and enterprises.¹⁸

¹⁸ There is interest of faculties located outside Kragujevac, but the regional Agency for Economic Development can at the moment cover only the cooperation in the territory of Kragujevac.

The information on 4 faculties is provided below. Representatives of administration of each faculty were interviewed, and were also asked questions about the Centre for Career Development and Advising Students at the University of Kragujevac.

Faculty of Mechanical Engineering

The number of students enrolled this year is 226. Last year there were 135 students on the second year of studies, 74 on the third, and 48 on the fourth, while 42 were post-graduate master students. Girls comprise around 1/3 of all enrolled students, which is the proportion of women among the employed personnel. Educational profile that the Faculty educates is: mechanical engineer at all three levels – bachelor's degree, master's degree and doctor's degree. Belgrade and Kragujevac Faculties of Mechanical Engineering have submitted a project and are in the process of initiating procedure for accreditation before the Independent German Accreditation Commission named ASI. The Faculty has provided funds and stipulated in its plan the improvements of the quality so as to achieve accreditation before the international accreditation body in order to prove that the quality of our outputs and processes equals the German ones.

As for the position of mechanical engineers on the labour market, it is excellent – there are no unemployed mechanical engineers in Kragujevac. Reports of the National Employment Service show that the profession of the mechanical engineer is one of three leading ones on the local market.

Infrastructurally, the building is in a satisfactory condition from the point of all views of occupational safety and health. Laboratories are equipped with protocols for lab technicians, secondary school students, university students, and all procedures related to protection and safety at work are obeyed to a maximum. Funding sources of the Faculty are multiple: 40% from the Ministry of Education (covering staff salaries), 20% from the Ministry of Science (covering scientific and research projects), 20% from the international projects funded by the EU, EC and other European institutions, while around 14% comes from the cooperation with the economy (local economy, Montenegro and Bosnia and Herzegovina). Other small-scale activities provide around 5%-6% of the faculty income. Social partnership with the economy does not provide much, since all enterprises have reduced funds due to the economic crisis.

The output quality is checked and improved in many ways. Firstly, educational plan is harmonised with the leading European faculties in the field. Secondly, every year a poll is organised among employers that hired their ex students (the data is obtained by the local National Employment Service branch), checking the level of satisfaction of employers with the competences of new mechanical engineers. Finally, there is also an internal evaluation and self-evaluation. All these data are gathered by the Commission for Ensuring Quality, which analyses them and sends its conclusions to the Academic Council of the Faculty and competent deputy deans who then work on correcting possible inadequacies and further strengthening of what was estimated as good.

Faculty of Economics

There are overall 4024 students at the Faculty. According to an arbitrary estimation, 2/3 are women among both staff and students. The infrastructure is in a satisfactory condition, and every year the Faculty allocates certain funds to renovation of the building.

As for the educational profiles, the first two academic years cover the following course routes:

- General Economics
- Stock Exchange and Stock Exchange Operations
- Accounting and Business Finances
- Marketing
- International Management
- Tourism and Hotel Industry (in Vrnjačka Banja).

The third and fourth academic year, beside the above six course routes, offer Economic Development and Entrepreneurship. The representative of the Faculty interviewed estimates that the profiles are well adjusted to the needs of the local economy and administration, but the Faculty is not satisfied with the fact that they have no feedback from the labour market. Therefore they are planning to establish a database and follow up what problems their ex-students face in finding employment. There is no concrete cooperation with either the local National Employment Service branch, or employers. The majority of contacts rely on personal acquaintances of professors.

The funding structure is pretty much like the stricter of many faculties in Serbia – major part is covered from the budget, a minor part from the faculty's own revenue (self-financing students) and through projects. Direct cooperation with the city authorities in this respect does not exist, since the City Assembly cooperates with the University, not individual faculties.

Faculty of Science

The total number of students enrolled is 1125, and 70% of them are of female gender. The lectures are organised within 4 institutes: for mathematics and informatics, for biology and ecology, for physics, and for chemistry. In the period of accreditation there were ideas of starting some new profiles better positioned on the labour market (such as tourismologist), but later they realised they had no necessary human resources.

Due to mandatory accreditation, the quality of lecturing has been more taken care of lately. There have been some investments into the equipment, and computers and video equipment for lecture rooms have been provided through the TEMPUS project. The Library is relatively well-equipped, although the number of copies of books for certain fields is not adequate for the stated needs of students. At the moment the Faculty is involved in „FP7” project.

Building of the Faculty is an old one, under the protection of the state. The Faculty's own revenue is exceptionally low, since they have very low tuition fee, and the major part of these funds is spent on salaries, repairs and acquiring materials for laboratories. Due to accreditation standards and the fact that they have 16 study programmes, they had to employ additional 10 people, and the government did not increase the budget for the increased number of employees, leaving the Faculty to its own devices. The lack of funds affects the scientific work and procurement of materials for practical sessions most.

The administration of Faculty does not check data from the labour market in order to monitor the adaptedness of educational profiles, but notices, for example, that the students of chemistry of general course route take classes in teaching methods and didactics in order to adjust to the teaching course route, since their chances of finding a job thus enhance.

Faculty of Law

Last year the total number of enrolled students was 2352, and this year the first academic year is attended by 432 students. Out of the total number of students, 2/3 are girls. Bachelor degree studies educate students for one profile: qualified lawyer. Postgraduate master studies include a larger number of optional courses, and students themselves profile their specialisation. The infrastructure of the faculty is satisfactory, since the building is relatively new. All laboratories, lecture rooms and reading rooms are equipped with computers and are networked. Library fund is excellent, especially because the University Library is situated in the same building.

The Faculty is financed from the Republic budget and from its own funds, through self-financing students and through researches and organising projects (there is the Institute of Social Sciences within the framework of the Faculty). The ratio of budget resources and Faculty's own resources is approximately fifty-fifty. At the moment, funding material expenditures has the same structure, but until recently the Government provided on 10% of funds needed for material expenditures. Financial support from the local self-government is minimal (procuring one professional magazine). However, the Faculty has a noteworthy cooperation with the District Court in Kragujevac and other judicial institutions, as well as with the penitentiary institutions, where students gain practical knowledge in certain fields. Several experienced judges hold supervised practical sessions at the Faculty.

The quality of lectures and output is followed in several different ways. Twice a year there is a poll of lecturing staff and students, and once a year employers are also asked to take part in a poll in order to determine how satisfied they are with the competence of the faculty's ex-students and what can be improved. All these reports are regularly deliberated by the Commission for Quality and Self-Evaluation. The poll of employers shows high level of satisfaction with the competencies of ex-students, but also indicates additional needs of the market for the services of qualified lawyers. A number of students receive scholarships from certain institutions that will employ them after graduation.

5.3. Alternative training institutions

Alternative forms of education are a more flexible form of education that outlines its offer in accordance with the principal market demands. Through those kinds of trainings and education, new knowledges and skills are acquired that facilitate finding employment and make job seekers more competitive, or prepare them for further education. Besides, there is an option of qualifying for certain occupations that can be attained through regular education. Evaluation of these certificates depend on the respect the institution organising the training enjoys, and on the programme of training itself.

Adult Education Centre 'Crveni barjak'

Adult education centre „Crveni barjak“ was established in 1957 in Kragujevac by the then Municipality of Kragujevac – its District Trade Union Council. Presently, the Centre is a public enterprise that was, according to the Law on Privatisation, to become a private enterprise. However, in cooperation with the City Assembly, it was exempted from the privatisation process, and by the end of the year it is planned to remain a public institution at the city level.

The Adult Education Centre organises preparations for the entrance exams for faculties. Besides, the Centre provides premises and administrative services for lectures given in Kragujevac by the College of Vocational Studies for Management and Business (a part of Megatrend University). The centre is funded solely from its own resources, from providing services, but they hope to become an institution of importance for the city and get certain funds from the city budget.

At the moment 10 persons are full-time employees. All lecturers engaged for the College of Vocational Studies are provided by their home faculty, that is, the College from Zaječar. As for training for various occupations in non-metal field, teachers from secondary schools with appropriate qualifications are engaged.

There are several vocational courses within which persons on the course gain knowledge on the profession, but also on the regulations, successful business, etc. For example, on courses for hairdressers, lawyers teach on the general aspect of labour relations and establishing one's own business; doctors teach on occupational safety and hygiene, while practical sessions are held by a teacher engaged from a secondary school to lecture on the technology of the vocation in question. Curriculums are created by the Centre for Adult Education itself, but practices of others are taken into consideration, as there are not many adult education centres in Serbia. Courses are not accredited, but the majority of programmes are taken from regular vocational secondary schools. There is a great interest in vocations in the field of construction, for fork-lift operators, and stokers of steam boilers. The Centre has a good cooperation with former „Zastava“ societies.

The Centre advertises its training profiles in media several times per year, but also through the local National Employment Service branch, through various NGOs that are acquainted with their courses. Occasionally, the Centre receives a demand for training a group of workers. Conditions for the survival of the Adult Educa-

tion Centre are favourable, since a need for permanent education, education alongside work, further professional education has always existed, and will exist in the future. The City Authorities has the intention of locating a Centre for Permanent Education in this institution.

ABC school of foreign languages and computers

This is a private school founded 5 years ago, and has constantly filled capacities of 6 classrooms. The school does not cooperate with employers, and is financed mainly from its own sources. Last year the school signed a contract with a German NGO which pays for the coordinator of German language, and covers the procurement of certain technical resources, office furniture, travel expenses, textbooks, advertising.

Beside the owner of the school, an administrative worker is also employed, while teachers are engaged as required. The emphasis is on foreign languages – courses are given on 8 languages (English, French, German, Italian, Spanish, Greek, Russian and Slovenian), and Serbian for foreigners. The greatest interest is in English, German and Italian. Around 30–35 groups of students are formed annually, mainly for foreign languages (only 2 for computers). The majority of groups have only 6–8 students, which enables excellent working conditions. As for computer courses, they last 3–5 weeks, depending on the level of the course.

The School has signed a contract with the National Employment Service stipulating that the students following the completion of a language or computer course and passing the test get a certificate acknowledged by the National Employment Service. The programmes are not accredited, and teachers choose the contents and the method of work themselves. Availability of teaching resources is good and was evaluated positively by students through evaluation of the School.

BSC

Business Start-up Centre – Kragujevac was established with the support of the international organisation SPARK and the Dutch Government. The principal aim of the BSC work is to support young people in starting their own business in various ways. There are 40 modules available, taught by 40 trainers. Beside these, entrepreneurs participate in trainings in order to transfer first-hand experiences. All trainings are realised within one cycle. There are always three to four times more candidates than the number they can admit, and young people with a developed entrepreneurial idea have the advantage. All trainings are free of charge for all.

Modules are developed within the terms of reference. At the very beginning, only 8 topics were developed with the support of foreign consultants and domestic local experts. As the programme developed, new topics of interest showed up. A local businessman always participates in designing a new training, as he can contribute to it by providing his experience in the endeavour to make the topics correspond the real needs of the local economy. The trainings were recognised by the local community as very successful and quality education. Although there is no formal accredited certificate, the trainings are acknowledged in applying for a job or for funds. These trainings are an excellent channel of employment as well, since it has happened more than once that businessmen, while participating in trainings to share their experiences with the young, at the same time recruit some of them as their future employees.

The National Employment Service sends its users to attend these trainings and values them highly. Local self-governance has established a fund from which resources can be allocated for entrepreneurial ideas. However, criteria for allocation of funds are not clearly defined, and are not related to the trainings provided by BSC.

Quality control is carried out in two ways. Every training is attended by assistants who report on the course and quality of the training. Beside this, every participant has an opportunity to evaluate both the training and the trainer. Evaluation questionnaire is highly developed and consists of questions developed by the headquarters of the project and is applied in all training centres. There is also an opportunity for participants to evaluate the satisfaction with the training in a descriptive manner. In cases of negative evaluation of a training, the trainer is changed or the training is improved in other aspects.





6.

CHARACTERISTICS AND FUNCTIONALITY OF THE LOCAL NETWORKS OF SUPPORT IN EMPLOYMENT

Basically, main stakeholders on the labour market are recognised through the labour market supply (unemployed and employed persons who appear as current or potential employment seekers), labour market demand (employers) and services for employment (mediators). It is, however, clear that the position of all three stakeholders depends on wider social circumstances and the general state of economy, making the labour market unable to automatically achieve an ideal flow of labour force and a balance between the supply and the demand. Due to the changes that have happened in the economy, caused by technological innovations and new forms of organisation, but also by a wider historical context (within the range from isolation and stagnation to globalisation and getting closer to the EU), it is perfectly natural that in the flow of labour force we experience not only diminished demand and increased supply and increase of unemployment, but also structural disharmony, namely „bottlenecks“ that produce piling up of certain educational profiles on the files of the National Employment Service, as well as „holes“ that disable employers' endeavours to find the desired vocational profile on the labour market. Both effects create additional expenses since the state has to, in a way, take care of the unemployed (to provide their economic survival and to maintain their skills and knowledges), while employers have to invest in the training of the desired profiles themselves. Therefore, it is natural that a range of stakeholders are interested in intervening on the labour market in order to avoid disagreement between the knowledge and skills of labour force and the needs of economy and administration, and thus reduce the necessary expenses.

The City of Kragujevac

Local self-government, precisely speaking the City Council, is in the centre of the network of stakeholders related to the economic development and labour market. The Assembly of the City of Kragujevac has adopted a range of strategic documents and a range of action plans based upon these documents which it uses to project its development aims and needed resources for the forthcoming period. In several ways, through formal bodies (boards, councils) and informal contacts, through projects and meetings, local self-government often initiates gathering of the above-mentioned stakeholders, or accepts their initiatives for planning and initiating certain activities. These activities are directed towards motivating employers to invest, opening new jobs and social partnership, towards adjusting educational curriculums to the needs of the economy and establishing processes of permanent education, towards updating data needed for successful planning and management, but also towards concrete linking of employers and the unemployed. Below is a short overview of the profile and activities of the stakeholders which were interviewed.

The City Council¹⁹ role in the educational system of Kragujevac

The local self-governance, beside its regular, activities stipulated by law, undertakes other additional ones in the aim of improving the educational system and its connecting with the labour market and employers. In this respect, local self-government successfully cooperates with the Regional School Administration, schools themselves, the University, local National Employment Service branch, Regional Chamber of the Economy, NGOs.

As for further professional training of teachers in elementary and secondary education, a local plan of further professional training has been prepared. The gatherings are held in Kragujevac in the form of accredited seminars of the Ministry of Education (there are around 15 of them in the very city of Kragujevac), thus utilising the existing resources to a maximum, and lowering the expenses of travelling, accommodation and organisation (registration fee).

There have been certain plans and activities in the aim of establishing the Centre for Permanent Further Professional Training. Such a kind of centre was supported by the Republic – through the Ministry of Education – in other towns of Serbia. The Kragujevac initiative for establishing such a centre has not been met with adequate support. Therefore, the city will start the initiative in cooperation with the Faculty of Mechanical Engineering. The Faculty will provide the premises, and the city

¹⁹ The City Council is a body that harmonises the function of the Mayor and the Assembly and controls and supervises the work of the City administration.

will pay for the adaptation of the premises and provide funds for the salaries of the coordinator and secretary of the Centre.

In relation to further harmonisation of the education system and the labour market, the city administration compares the data on the enrolment quota for the profiles of various schools and the current situation related to the list of unemployed persons in Kragujevac. The comparison has led to conclusion that the schools in Kragujevac to a great degree produce educational profiles which already exist in a great number among the unemployed. The administration then endeavours to intervene by providing opinion on enrolment quota for various profiles and sending it to the administration of the school in question, which then forwards it to the Ministry of Education, but also to certain concrete projects which are to improve the position of certain occupations on the labour market.

A good example is the project entitled „Assistant in Teaching“. This year 45 lower-grade teachers were employed for a year in the existing schools at charge of the city budget. This way, a continuous further professional training of teachers has been enabled, but at the same time, individualisation of teaching at schools has been attained, as well as inclusion in classes in which these assistants help the existing teachers. A necessary precondition for the realisation of this project was signing an agreement with the Ministry of Education.

Education fairs and employment fairs have been held at the City Fair for several years, and this year's fair for the first time joined education and employment in one place. The fair gathered representatives of educational institutions, employment agencies, employers and the unemployed.

Kragujevac is one of 5 towns in Serbia with the Centre for Permanent Education of Adults (located in the Second Technical School).

Department for economic resources

The department for economic resources gives grants for self-employment. These are non-refundable resources in the amount of up to 2,000 EUR. Monitoring showed that the viability of supported businesses is around 89%. The grants are allocated from its own budget, but it cooperates with the international NGO „Help“ with whom the project was initiated. The programme is managed on the basis of its by-laws and decisions of a commission, and each year a different target group is chosen for support (women, young people of up to 35 years of age without employment and internally displaced persons or refugees). The programme does not support primary agriculture (as it is funded from other sources), retail, taxiing. At the beginning the criteria in selection of beneficiaries involved the degree of social endangeredment, but over time the criteria were re-defined to supporting projects estimated as viable. The criteria of selection are clearly defined and transparent. Presently, the ratio of economic (business) and social criteria is 60% to 40% respectively.

A new programme of support to businesses is underway, with 2 distinctive components: one will continue the support starting one's own business, and the other one will target expanding business of enterprises that have been on the market for three years or longer (licences, construction works, new technologies). The enterprises themselves are to provide adequate investment funds in the amount of 50%. For various sums of financial support there is a condition of employing certain number of persons, with awarding additional points for employing endangered categories. There have been several examples of supported firms employing significantly more persons than they were obliged to according to the project.

The Department for Economic Resources also carries out a poll of employers on the needs for business development and problems in doing business. In planning and

realising the activities of support to business development, the Department relies on its own competence and experiences it takes over from the ministry, other city departments and European institutions. Besides, the Department is open to all good ideas and incentives brought by other partners (National Employment Service, Chamber of the Economy, University) and almost all its activities are realised through partnerships. Project planning is harmonised with the local strategy of economic development. Every month the Department gets its reports from the National Employment Service on employment and unemployment.

A representative of the Department is a member of the Council for Employment which is constituted of the representatives of the National Employment Service, private employment agencies, Chamber of the Economy and the Association of Private Enterprises. The Council for Employment is not as active as stipulated by its by-laws.

Local National Employment Service branch

Local National Employment Service branches, as parts of a centralised system, function in all cities and towns by the same rules and in the same regime. The local branch constitutes a part of the Ministry of Employment and Regional Development structure, that is to say, posing only a local office of the centralised National Employment Service. The principal aim of this institution is to mediate in employment and facilitate the process of finding jobs and finding employees. It is estimated that the largest number of people are listed on its files and that it deals with the issue of employment in the most comprehensive manner. There remains an open question of the successfulness and coverage by measures that have been developed during its work. The Service staff are involved in various local initiatives, such as: various projects, working bodies, local councils (e. g. the local Council for Employment). The National Employment Service provides the information on certain educational profiles, labour force structure and the structure of the unemployed, as well as the information on the availability of the existing profiles in the vicinity of Kragujevac for the needs of foreign investors. In this area, an enviable cooperation is established with the Chamber of the Economy.

Regional Chamber of the Economy (RPK)

Founder of the Regional Chamber of the Economy is the Republic of Serbia. Every economic entity is, according to law, a member of the Chamber. The number of economic entities in Kragujevac includes 1,700 shops and around 4,200 enterprises. The work of the Chamber is funded through the membership fee and charging services, and the quality of its work is maintained through constant education of its staff. There is no record on the number of its users, since the forms of support are versatile, and the access to it is open, making it difficult to follow it all.

The principal aim of the Chamber is to create business environment that would support employment in the following ways: through providing business information, providing information on the conditions of doing business, information on disposing of funds, information on representing the interests of its members in communication with the Government, information on ministries, than through presenting manufacturing services of its firms, organisations, but also through appearance of its members on the domestic and foreign markets, through organising fairs, providing services in establishing a business, in supplying information on foreign markets, customs, business to business, and solvency of enterprises.

In 2003 the Agency for Investment Promotion and Support to Business was established within the framework of the Chamber, in cooperation with the IHK Gessellschaft – Association of the Chambers of the Economy from Germany. A territory that is to attract investments and generate jobs is currently being promoted. Basic activities of the Agency is to provide services of informing clients, consulting and support to implementation. Firms are offered supported in selecting employees, education of employees according to investor's needs, and after-care service.

The support to employment is carried out through the cooperation with the Agency for Foreign Investments and Export Promotion (SIEPA) which poses a form of financial support to investors through which a large number of jobs is offered. The Chamber also organises round tables gathering various firms and informing them on current activities and on Government

programmes such as the programme of allocating funds per new employee.

The most interested in the services of the Chamber of the Economy are the investors interested in investing into the city of Kragujevac, mainly joint contractors of Fiat or the firms striving to become Fiat joint contractors. They are interested in the structure of available labour force and the form and capacities of educational system. They can be provided with the information on potential locations for businesses, on business trends for Serbia and Kragujevac, and incentives.

Although the Chamber has a good cooperation with the University and formal system of cooperation, it is thought that the centres for informal education can better respond to the sudden needs of the market. It is also estimated that the University feels a need to change, but the changes are progressing too slowly. The Chamber is also informed about all centres for informal education in the region.

The Chamber also has a good cooperation with various stakeholders in the area of education and employment, for example with: the city authorities, the University, Regional Development Agency, SPARK, BSC, National Employment Service, Organisation of Entrepreneurs in Šumadija. The Chamber had opportunities to make contributions to the partnership initiatives such as: developing strategy of economic development for Kragujevac, developing projects of establishing technology park, establishing Business Innovation Centre, Business Start-up Centre.

Associations of Private Entrepreneurs Šumadija

The Association was established back in the 1990's by a group of enthusiasts who believed in the idea of association, but soon it grew to the number of 150,000 members – small and medium enterprises – which automatically turned it into an indispensable partner in all issues related to business, to laws that need to be adopted, to determining minimum wages. Membership is voluntary, and there are 10,000 enterprises in Kragujevac. The association is financed primarily through the membership (over 90%), and the remaining part of the revenue comes from providing services, such as developing business plans.

The organisation has a much diversified network of service providers, firms and organisations employing experts for various fields who can be engaged to support concrete projects. The Association provides the following services to its members: public representation, providing information (all the information published by the Official Gazette is once a month sublimated, printed and circulated to all members; the information on services related to occupational safety and health is also sent to all members), negotiating in cases of strikes, business negotiating, support in administrative issues (application for a loan and the like), disposing of databases that are not publicly available.

The activities that supported employment were in the previous period related to employing young people. Due to the perceived problem of structural disharmony between the supply and the demand on the labour market, they participated as partners in several projects related to improving the education of the young. The Association also cooperates with the organisations of persons with disability in order to improve their qualifications and prepare them for opportunities that will be brought about by the new law on employing persons with disability.

The association has branches in more than 20 towns in Serbia that have capacities to support business centres in that territory. The interest in services provided by the Association is not constant. At the moment of starting business, the companies supported by donors have no need to address the Association, but when the support ends, they ask for the help of the Association.

The Association works on its own media promotion, and the latest research that they carried out show that in terms of media coverage, it takes the 4th place, 'overtaken' only by the Ministry of Economy and Regional Development, the National Bank of

Serbia and the Government (the Chamber of the Economy took the 18th place). The main partner at the local level is the Regional Agency for the development of Kragujevac, followed by the Chamber of the Economy, the University, the City Government, BSC.

Regional Economic Development Agency for Šumadija and Pomoravlje

The Regional Economic Development Agency for Šumadija and Pomoravlje results from a partnership of private, public and NGO sectors in the territory of two districts: Šumadija and Pomoravlje. Eleven municipalities from the region of Šumadija and Pomoravlje, the Regional Chamber of the Economy, the government of Serbia, a bank, two associations of entrepreneurs and two NGOs founded in 2002 the „Regional Agency for the Development of Small and Medium Enterprises“. The Agency was in 2004 transformed into the „Regional Economic Development Agency for Šumadija and Pomoravlje“ (REDASP). The very transformation had the aim of achieving competitive market position that would enable making profit, achieving satisfactory level of self-viability and the reduction of the degree of dependence on donors' financial support.

REDASP has many activities qualifying it as one of the important stakeholders on the labour market: providing support to economic transformation of the region, realisation of the established strategy of development taking into consideration the needs of all part of the region, meeting the needs of the endangered groups of population in the territory of the region, providing support in the process of job creating, particularly by providing adequate training programmes, as well as the support to the development of the new and existing small and medium enterprises and entrepreneurship in the region.

The HR department services target specific groups of clients (the unemployed, surplus manpower, potential entrepreneurs, existing entrepreneurs, local administration staff, etc.) with the intention to fully meet their needs for new knowledges and skills. The Agency endeavours to win the trust of clients by providing quality training so as to raise the awareness of the people and show to them the importance of nonfinancial support (additional education) that can be of great help to them in work and doing business.

So far the Regional Agency has organised over 300 trainings for around 4,000 clients. The largest number of clients was from the group of potential entrepreneurs, unemployed persons, existing entrepreneurs – both private and public companies and local self-government representatives. The trainings were devised as a single-day or several day ones, and were realised in almost all towns of Šumadija and Pomoravlje region, while the topics were chosen as to enable easier and faster employment or self-employment.

During its seven years of work, REDASP has through its activities managed to develop partner-

The agency provides following services: employment, labour force leasing (people are hired on temporary basis and placed in firms), engaging people for occasional jobs without the limit of age, than various trainings (programmes follow the instructions from Vienna and its Bratislava centre), as well as psychological evaluation (psychological profile of all members). People who most often find employment through this agency are people with university degrees, usually in big firms, especially foreign (Fiat and its joint contractors). The Agency also finds seasonal jobs outside Serbia, mainly in the region.

Membership of potential candidates is free of charge, and the services are charged from employers upon successful placement of its candidates – the fee is in the amount of the employed person's one to three gross salaries. Beside the listed services, the Agency provides the opportunity of organising trainings according to German standards. However, as proven by the results of research on a sample of job seekers and employers, the scope of using the services of this agency and similar ones is presently very low in the local labour market.



7.

HARMONISATION OF THE LABOUR FORCE SUPPLY AND DEMAND AND THE LOCAL LABOUR MARKET NEEDS

As an important task in the concluding chapter of this study, a question of mutual harmonisation of three significant components characterising local conditions of employment is raised. Therefore, the conclusions related to the (dis)harmony of the labour force supply and demand will be made first, followed by the adequacy of the local educational system and provision of practical educational services and contents in relation to the labour market needs.

7.1. Harmonisation of the labour force supply and demand²⁰

The analysis of the labour force supply and demand harmonisation in this study is directed towards two key aspects:

- 1.) The first one is related to objective indicators of harmonisation of the needs for labour force and characteristics of the labour force in supply;
- 2.) The second aspect is related to subjective characteristics of the labour force supply and demand, involving various kinds of values, readiness to work, perceptions and attitudes on what desirable jobs are from the job seekers' point of view, as well as what quality labour force is from the employers' point of view.

As for the former aspect of harmonisation of the labour force supply and demand on the labour market, the research arrived at a range of important findings. Primarily, it is important to emphasise that the labour market in Kragujevac has been facing serious problems in the last couple of years. The overall number of jobs is reduced, which increases the pressure on the existing and newly generated jobs. However, in the given circumstances, enterprises with employment potentials stand out by showing stability in doing business and by showing development tendencies that will in the forthcoming period lead to employing new labour force.

Table 7.1: Occupational profiles of the labour supply and labour demand

Occupational profiles	% of planned future employment	% of job seekers of appropriate qualification
Professionals	16.9	19.2
Technicians	19.4	25.9
Clerks	3.2	12.6
Skilled workers in services	0.8	5.9
Skilled workers in manufacturing	33.1	29.6
Plant and machine operators, and assemblers	14.5	1.5
Unskilled workers, elementary occupations	12.1	5.3
Total	100	100

By all means, the presented comparative structures are relatively rough and when, within the listed categories, individual narrower categories are singled out according to educational profiles of job seekers and according to the profiles needed by employers, the disharmony becomes even more pronounced.

The research then showed that almost a third of employers face the problem of finding adequate competent profiles on the local labour markets despite relatively high unemployment and substantial labour force supply. The research identified the following profiles that are in short supply: engineers of certain specialities, metal and machine workers, factory machine operators, etc. A high share of persons with university degrees among job seekers is not in accordance with the needs of employers, since engineers are in short supply, while available professionals are predominantly in the area of law, economy, social sciences and humanities. As for profiles of blue-collar workers that are in short supply, the data show that at this level of qualifications, avail-

able labour force can be, with retraining and additional training, adjusted to employers' direct needs.

It is important to note that there is strong readiness among the job seekers to retrain themselves or attend further training in the aim of finding employment faster. However, perceptions of the vocational profiles and desires are not in accordance with the perceived needs of employers, especially with identified vocational profiles in short supply. This raises the question of the role of local institutions that should participate in the processes of harmonising the labour force supply and demand, from educational system to employment services, but also other institutions and organisations relevant to the employment support network.

According to the research findings, 17% of working age persons are in the present direct labour force supply. Among them, the majority are unemployed persons, but also those who are currently employed, primarily in informal employment forms, as well as the persons who are by their primary status inactive (university and secondary school students, homemakers and the retired) and occasional job-seekers. A good part of this population has been coping with long-term problems of unemployment or instable and inadequate employment.

Among the job seekers two categories are dominant: skilled workers and technicians and office workers. The data show that the work for an employer is the most desirable option, although there is relatively pronounced readiness to venture into self-employment. What is expected from the employment is first of all to have an employment regulated by a formal employment contract, and providing a regular salary, which, for the majority of unemployed persons can be even lower than the average salary.

Job-seekers are relatively well informed about the employment programmes of the National Employment Service, but the participation in them is low, as well as the assessments of their contribution to the successful outcome of job seeking. Employers are also relatively well informed about the support programmes carried out through the National Employment Service, but it seems to a lesser degree than in the case of job seekers. On the other hand, their participation in the programmes in comparison to their informedness is higher than in job seekers. Nevertheless, it is very important to note that almost a quarter of enterprises does not cooperate with the local National Employment Service branch, which limits the range of intervention targeting harmonisation of the labour force characteristics with the needs of employers, as it limits their better direct linking-up. Negative attitudes and experiences of employers and job seekers pose a warning that the functioning of the National Employment Service should be improved in both directions, especially since this very institution, despite detected shortcomings, is the key institution of employment support according to a range of indicators.

Referring to subjective aspects of the harmonisation of the labour force supply and demand, what is noticeable in relation to the labour force supply is a relatively high readiness to better adjust to present conditions in the local labour market marked by intense dynamism of change and increased competitiveness in getting a job. This readiness is expressed through more flexible behaviour and various employment arrangements. Readiness to accept additional job or several of them, to acquire new knowledge and skills that enhance the chances of employment and getting a better position in employment zone are also present in the labour force supply. Moreover, there seems to be a relatively high readiness to start one's own business, more through self-employment than through entrepreneurship, although the later is also present in a significant volume.

Finally, subjective aspects of the labour force supply and demand harmonisation were also observed through the perceptions of the required qualities of employees. The questions asked were an open-ended ones, and respondents could list up to three most important qualities. On the other hand, job seekers were asked to list the qualities they think the employers value most in their employees.

Table 7.2: Perception of the required qualities of labour force

Qualities of employees	% of job seekers that quoted quality ²¹		% of employers that quoted quality	
Diligence	1.	69.0	4.	18.8
Honesty, credibility	4.	21.1	2.	43.8
Efficiency, resilience		4.2		6.3
Competence, knowledge	5.	14.1	1.	45.8
Responsibility	2.	29.6	3.	39.6
Accuracy, tidiness	3.	23.9		10.4
Obedience		12.7		
Working discipline		9.9		12.5
Team work, good interpersonal skills		5.6	5.	18.8
Youth		4.2		-
Experience		2.8		-
Persistence		5.6		-

Of course, it is impossible to expect that both parties chose the same answers in approximately the same percentage of cases (especially having in mind that the answers were open-ended ones). Therefore, it is important to note that the five most frequently mentioned qualities match in both parties, which could lead to a conclusion on generally adequate recognition of qualities that employers value in their employees. The above table shows that the respondents seeking employment recognise four key qualities that the very employers also emphasised, but they did not recognise team work and good inter-personal relations as one of five key qualities. Likewise, it seems to be that the job seekers overestimate the importance of certain qualities, and underestimate the importance of others. Thus, the overestimated qualities were: hard work, diligence, punctuality, precision and tidiness. The underestimated values were: honesty and trust, competence, knowledge and skills, responsibility and working discipline. Besides, the job seekers listed some other qualities that were not listed by the employers: youth, experience, persistence and obedience. Of course, it should be taken into consideration that with such questions, respondents can often try to give desirable answers, and that employers did not list those qualities that they considered were not acceptable. This suspicion can be partially supported by the findings on the pronounced forms of discrimination which showed that for certain employers gender, age and experience can be valued qualities for employees, that is, important selection criteria.

7.2. Harmonisation of the educational system with the labour market needs²²

In deliberating potentials of the young in kg to join the labour market, one of the most important determinants is the acquired knowledge. The process of transferring the acquired knowledges to the sphere of work is called the transition from education to work. The transition is a dynamic process in which an individual transfers from educational system to a relatively stable position of employment (Saar, E, Unt, M. and Kogan, I, 2005). The importance of this process for an optimal

substantial resources available (Altonji, 1992), not to mention the countries such as Serbia, lagging behind in the modernisation of their economies and institutions. The approach to reform in post-socialist countries was, as a rule, inconsistent and partial. Preoccupiedness with the reform of economy led to the neglect of the needs to reform the educational system as well (Dainov, 2006). The outcome of such circumstances in Serbia, and thus in the city of Kragujevac itself, is a rather dysfunctional system of education that does not correspond to the changed economic conditions and a sluggish institutional arrangement that either does not recognise or responds too slowly to impulses from the labour market²³. Dysfunctional aspects of secondary and university education pass on a heavy burden from open (general) to internal labour market and force employers to develop a more intensive internal training system than they otherwise would not, or direct unemployed persons to seek additional education in alternative, informal organisation. Of course, such an outcome has an effect in the extended period and increased costs of education and training.

In the context of the above presented objectives of the research, we are primarily interested in the harmonisation of the educational profile provision and the needs of the labour market in the territory of Kragujevac. Kragujevac is a big regional centre with developed services in the sphere of education and considerable economic capacities. Therefore, our research attention is oriented primarily towards the education and employment trends in Kragujevac, namely towards the question if local schools and faculties offer educational profiles that are sought out on the local labour market. On the other hand, we must be aware of the fact that the educational system is to a great degree centralised, which significantly reduces its flexibility and adaptability to real and constantly changing needs in the sphere of labour. However, what needs to be emphasised is that even in the governmental and non-governmental sector, there is awareness on the need for secondary education reform. Ministry of Education has been establishing closer cooperation with the National Employment Service. In 2006 the National Strategy for Developing Vocational Education was adopted. On the basis of the Strategy, Belgrade Open School initiated establishing the National Council for Vocational Education, which was confirmed by the new version of the Law on Foundations of the Education System²⁴. The idea is to support realisation of one of the aims of the strategy, to make vocational education and training respond to the needs of economy, labour market and local self-governments.

The situation in Kragujevac which was presented through the above-given data reveals serious problems and disharmonies. Unemployment is still high, even higher than the average in Serbia, while the files of the National Employment Service are cluttered with persons without qualifications and persons with certain educational profiles, such as economic technician, grammar school graduates and nurses. On the other hand, these secondary schools are most popular among candidates for secondary school education. Due to the economic crisis, the number of unemployed persons with vocational school qualifications (mainly metal profiles) is also increasing. University degree also does not seem to be a protective factor against unemployment: the largest inflow in the labour market is among the professions that otherwise have the highest share among the unemployed – qualified lawyers and economists (profiles educated at the University of Kragujevac).

23 Educational system should direct the process of acquiring knowledge towards clearly defined outputs and competencies of secondary and university students and to recognise such an orientation through defined profiles of qualifications. Generally, these profiles are determined through the national framework of qualifications. In the institutional point of view, Serbia is yet to develop this framework, but what can be of help in this process is the fact that the EU adopted European Qualifications Framework for lifelong learning in 2008 (available on: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:111:0001:0007:EN:PDF>)

24 Text of the law available on: <http://www.mp.gov.rs/page.php?page=84>

A good thing is that in Kragujevac there is awareness of the problem and that many stakeholders are involved in finding a solution to the problem: schools, Regional School Administration, University, National Employment Service, Regional Chamber of the Economy, employers. Another, even better thing is that these activities are gradually getting an outline of clear and focused policy, since a large number of initiatives are coming from the city government and are directed towards the objectives harmonised with the strategy of economic development. This qualifies the city of Kragujevac as a proactive community that is able to autonomously solve serious problems in its social and economic development – through the network of horizontally linked stakeholders characterised by fast flow of information and efficient use of resources.

The above-mentioned reform trend is distributed linearly. It is obvious that certain schools and faculties are much more engaged in the process than the others, as well as that certain institutions have a more central position in the network than the others. Primarily, the interest of the City Council to direct resources and activities towards harmonisation of the educational system and the needs of the labour market, and not to wait for the effects of changes to take place at the central level, has a key dynamic significance in the whole process. Secondly, it should be noted that the local National Employment Service branch has a good cooperation with all stakeholders mentioned in the report. This is important since a good information basis and updated data pose a good basis for successful implementation of any measure or activity. Furthermore, it is important that the Regional School Administration is active in various activities in which the quality of teaching at schools is improved, as well as the opportunity for further professional training of teachers. It should be emphasised that the capacities of the Administration, not only as a coordinator of local educational policy, but also as a link with the Ministry of Education and the National Educational Council, could be better supported and used by other (interested) stakeholders in the network. The link between the Regional Chamber of the Economy, with a range of the mentioned institutions is also important, but of more importance is a fact that many employers have a direct connection with the university and certain schools, since new contents are fastest introduced in the curriculums that way. However, it seems that there is still a lot of room for the improvement of cooperation and raising social accountability for the overall development of the region. As for the schools, it is clear that their position does not depend solely on the Ministry of Education policy, and that there seem to be several lawful potentials and real conditions that allow more successful management. The schools that have a more active approach and a more dexterous administration manage to enable better conditions for further professional training of the teaching staff and better conditions for work and more prosperous curriculums for their students. This is primarily related to a few vocational schools (Technical School, Polytechnic School, even Catering School). It seems that the key to success is in diversification of programmes and sources of funding. Similar is valid for faculties – those that are more active and seek multiple social partners and sources of funding and better adjust their curriculums to the needs of the local economy and administration manage to provide a better position for their graduates on the labour market. In this segment of network, the City Council has got even more room for initiative and connecting employers and faculties, since it has no limitations and slowdowns it faces in relation to secondary education.

However, there should be no confusion that these activities still cannot solve a significant part of the problem of unemployment and long-term interruptions in education and acquiring skills. For a more thorough solution to the problem there should be a more intensive economic growth. The announced start of work of „Fiat“ and its joint contractors that support the work of this factory could to a great degree change the current state of the labour market in Kragujevac. For such a change to happen, it is necessary that all those who are active in the sphere of labour and education should be prepared for the newly created situation, namely to make a contribution to employees' better preparedness to meet the requests and expectations of new employers.

One of the important factors of this progress is the fact that educational institutions in Kragujevac start responding to market impulses and behaving in a competitive manner and start cooperating with other stakeholders. Besides, it is very important to emphasise that there is outstanding readiness and connectedness of various sectors and stakeholders that operate in the labour market sphere.

7.3. Functionality of the local employment support networks

Two major stakeholders that intervene on the labour market in Kragujevac in terms of increasing employment are the local self-government (the City Council) and the local National Employment Service branch. These two institutions constitute major pillars of biggest and most important programmes of support to employment and self-employment – both financial support and support to trainings and improving knowledge.

All in all, the volume of activities in supporting employment is not enough to significantly change the current situation. Major changes can be expected with macro-effects of increased investment and economic growth, but present activities reflect a pro-active approach of key stakeholders on the labour market and offer a range of positive experiences and learned lessons that could in the future increase efficacy of the applied measures of support, make the labour market in Kragujevac more flexible and enable a better free flow of labour force on the market.



8.

RECOMMENDATIONS

On the basis of the above presented analyses and discussion with key stakeholders in this sphere in Kragujevac, key areas that need intervention are identified in order to improve the employment conditions on the local labour market in Kragujevac. Recommendations are defined for the following key areas:

- 1.) Improving employment potential of the labour force supply;
- 2.) Providing incentive to employers to offer a more favourable employment conditions in their domain
- 3.) Improving the education system so as to make it better respond to the local market needs.

As for the first key area of action, the following measures and activities are recommended:

- Unemployed persons should be supported in registering with the National Employment Service which enables them an access to various forms of support and enables them to join active employment programmes.
- Participation of unemployed persons in the active employment programmes should be increased, since the research showed that their informedness on the programmes is good, but involvement is relatively poor.
- It is necessary to profile employment programmes in a way that would better suit potential beneficiaries and employers' needs, both those that are immediate ones and those that are in accordance with the economy development projections in the region.

As for the recommendations related to the labour force demand, namely employers and employment practices, it would be important to do the following:

- Introduce the support programmes implemented through the National Employment Service to a larger number of employers, the selection and classification programmes in particular.
- Work with employers on improving their management skills and resource management skills.
- Promote a form of support to employer development through identified trainings for employees. These National Employment Service programmes are unexploited. Employers express readiness to use training programmes, but it is not demonstrated in practice.
- Educate employers on their responsibility to the local community which involves eliminating discriminatory practices in any form.
- Make employers realise the importance and potentials of strengthening the very local community and, for that matter, increasing its capacities to their own benefit through creating a better market and better quality labour force. On the employers' side, this would involve socially accountable approach to doing business, which beside anti-discriminatory practices should involve better working conditions for employees.
- Promote practical training of students among employers and make partnerships between schools and employers.
- Organise conducting similar studies on regular basis – once a year. It has been recognised that such analyses make an exceptionally good basis for the analysis of the current situation needed for both foreign and domestic investments.

Education

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education in Kragujevac, as well as on making initiatives for improving efficacy of the competent central bodies, primarily Educational Council.

- It is necessary to introduce advisors for professional orientation in elementary schools that would promote conclusions and recommendations made by the local stakeholders, in accordance with the economic growth trends.
- It is necessary to work on further, more concrete connections of certain educational institutions and economic entities.
- Organising continuous practical training for university students is of utmost importance. It became evident that university graduates, at the moment of finding the first job, have no practical work whatsoever, which prevents them from confident response to tasks at work or from applying for a job at all. Besides, employers give advantage to young people, but those with work experience.
- It is also important to support planned development of institutions of informal education in the city of Kragujevac.



9.

ATTACHMENT

Annex 2: Measures of support to employment of the National Employment Service

The following active employment support measures of the National Employment Service target the unemployed:

- Programme of trainee placement (persons to be employed for the first time in their lives) offering subsidised employment for the young with secondary, college or university qualifications on temporary basis (6–12 months) with the monthly salary of 16,000–20,000 RSD depending on the qualifications.
- Training for the work related to specific jobs, which implies the programme of acquiring specific technical and practical knowledges and skills necessary to performing the duties and tasks within the job in question.
- Courses of informatics training aimed at providing computer skills.
- Courses aimed at improving the knowledge of foreign languages.
- Programmes of re-training and additional training that are realised with the support of specialised centres or employers that enable unemployed persons to acquire knowledges and skills in demand on the labour market.
- Elementary Education of Adults is a programme that enables adults without elementary education qualifications to complete it alongside their work;
- Programme of material support to young talents – post-graduate students;
- Virtual Enterprise is a programme intended for unemployed persons with secondary school qualifications in economic or administrative sphere. This programme will enable them to acquire skills that employers seek in administrative jobs. Through simulations of business processes in an enterprise they acquire knowledge on marketing, business communication, finances, and the like.
- Training for active job seeking is a programme that offers the skills of better informedness, job applying and job interviewing.
- Training for self-employment during which people attending them can learn skills and acquire knowledge needed for entrepreneurship. The training poses a precondition for getting a subsidy for self-employment.
- Subsidies for self-employment is a programme offering pecuniary subsidy in the amount of 130,000 RSD for starting one's own business, on the basis of business plan estimation, with a condition of attending the above mentioned training for self-employment.
- Subsidy for self-employment entitled 'Severance to job' which is available to unemployed persons made redundant. If they invest the redundancy payment into starting their own business they are entitled to an additional subsidy.
- Club of Active Job Seeking is a club that enables unemployed persons to establish closer connections with employment advisors and employers, and are instructed on a more active and efficient employment seeking manner.
- Employment fairs organised in the aim of establishing more direct connections between the unemployed and employers.

Measures of employment support of the National Employment Service targeting employers that took part in the Survey include the following:

- Subsidies for opening up to 50 jobs is in a form of a lump-sum financial support per each new job. Conditions for getting them are positive business of the enterprise in question, and not having had layoffs.
- 'Severance to job – financial support to employers' is a programme aimed at employers who employ at least 50 persons previously made redundant due to the bankruptcy of their previous firms and who are at the same socially-endangered. An employer can get 100,000 RSD per such an employee.
- Mentoring programmes of specialist training offer employers a free-of-charge mentoring on the business development and specialist training.
- Exempting employers from paying contributions according to the Article 45 of the Law on Contributions for obligatory social insurance offers

employers the exemption if they employ unemployed persons older than 45 years of age, young trainees or persons with disability.

- Execution of public works is a programme that enables employers to apply at the National Employment Service for public works that are financed from the budget or the Republic on the basis of invitation to tender.
- Trainees and Volunteers is a programme of subsidised employment of the young that are to be employed for the first time.
- Trainings of Unemployed Persons for a Known Employer is a programme that offers employers free of charge trainings for unemployed persons in accordance with the needs and requirement of employers.
- Selection and Classification is a programme that offers employers a selection of profiles adequate to their needs.
- Employment Fairs are programmes that enable job seekers and employers to meet.



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