

Skills anticipation in Croatia

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Summary

Skills anticipation is in a process of development in Croatia. Overall, there is a consensus between the various authorities on the direction of policy, but at the moment there is no systematic and coordinated skills anticipation process. The impact of various anticipation exercises has been limited; for example, there has been a lack of influence of the activities on students and educational institutions. In this respect there is a recognised need to improve overall coordination of the various organisations engaged in the process of skills anticipation. It should be noted in this regard that the analyses of current and projected skill needs are still under-developed, meaning that neither the education system nor future students are adequately informed. The efforts to tackle skill mismatches through improved skill anticipation measures were still at a nascent stage at the end of 2016.

Skills anticipation exercises largely fall under the remit of the [public employment service](#) (*Hrvatski zavod za zaposljavanje*, HZZ, hereafter PES). The PES has developed a process for assessing which occupations are and will be in surplus and which in shortage. This information mainly affects the recommendations of the PES regarding education and training enrolment quotas in secondary and tertiary education. The assessment of surplus and shortage occupations also aims to guide education and training providers on the future provision of secondary and tertiary education programmes and formal adult education programmes. The National Council for the Development of Human Potential (*Nacionalnog vijeća za razvoj ljudskih potencijala*) is also assessing what is needed to ensure that skills supply meets demand. However, the Council's recommendations (made on the basis of skills anticipation activities) are not binding for education and training providers.

In addition to the activities of the PES there have been attempts to develop a formal skills forecasting tool. They are still at an early stage of development. At the sectoral level, skills assessments are under way, and these are likely to be further developed by the emerging network of [sector councils](#) (*Sektorska vijeća*).

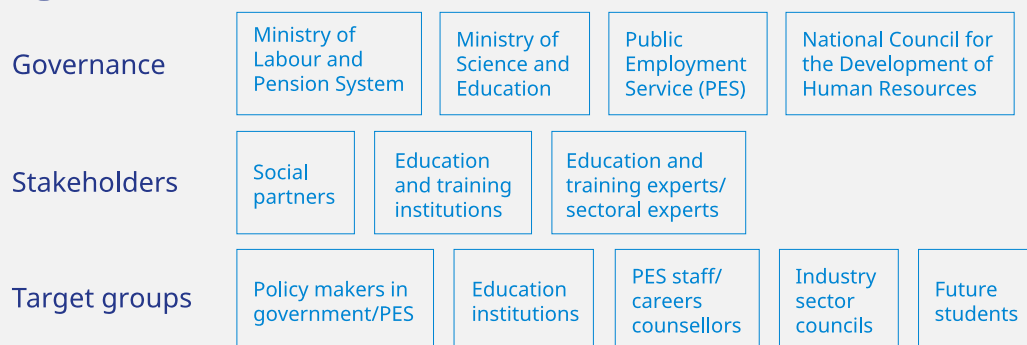
The introduction of the [Croatian Qualifications Framework](#) (*Hrvatski kvalifikacijski okvir*, HKO) in 2013 has provided a framework for analysis of the supply of, and demand for, skills and is expected to further enhance the development of skills anticipation activity and its relevance to stakeholders. It is notable that the Framework contains a description of occupational standards; this is considered important in planning future provision of skills training. Overall, skills anticipation in Croatia is at an early development stage.

Overview of the Croatian approach

Skills anticipation in Croatia



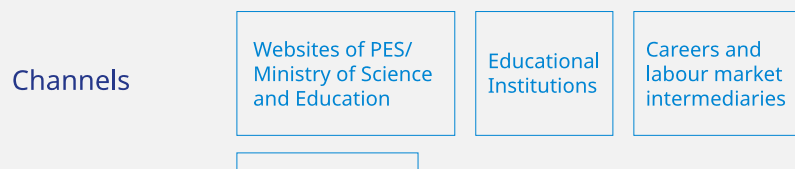
Key actors



Types of skills anticipation



Dissemination



Use

Not monitored

Description

Overall responsibility for skills anticipation rests with the [Ministry of Labour and Pension System](#) (*Ministarstvo rada i mirovinskog sustava* MRMS), which has jurisdiction over the public employment service (PES). In practice, the PES is the principal agency involved in skills anticipation. It undertakes assessments of current and future skill needs with a view to informing the education system (secondary and tertiary level) about future provision of programmes. In addition to the activities of the PES, sectoral assessments are also undertaken and there has been an initial foray into formal skills forecasting.

The HKO, introduced in 2013, provides a structure for skills anticipation activity. Important in the development of the HKO is the role of sector councils that have a responsibility for advising on changes in qualifications deriving from changes observed in occupational standards or other developments at the sectoral level. These councils comprise various stakeholders including the social partners and sectoral experts. The National Council for the Development of Human Potential also has an important role in relation to the HKO in making recommendations about how the skills supply system should respond to changing patterns of skills demand. The HKO falls under the domain of the Ministry of Science and Education (*Ministarstvo znanosti i obrazovanja*, MZOS).

As of late 2016, the main aim of skills anticipation is to inform policymakers and education and training providers. It is being further developed so as to also include careers guidance professionals and, increasingly, inform the decisions of jobseekers and prospective students.

Aims

Although it is commonly accepted that Croatia has for years continued to face high levels of skills mismatch, the research evidence to support this [\(1\)](#) (other than employers' reporting on hiring difficulties), is rather weak. In this regard, the primary aim of skills anticipation is to improve the skills intelligence available about the demand for, and supply of, skills. In turn, this skills intelligence aims to ensure that those responsible for the provision of education and training are better informed. There is scope for skills anticipation activity to increase the range of its target user groups, but for the moment it is very much orientated towards influencing the decisions of those responsible for the supply of education and skills.

As noted above, the HKO is considered a critically important first step in providing a structure for conducting skills anticipation exercises.

Legal framework

There are three key regulations relating to the development of skills anticipation activity in Croatia.

The Regulation on Monitoring, Analysis and Forecasting of the Labour Market Needs for Particular

Occupations (Official Gazette No. 93/2010) was introduced in the wake of the financial crisis in order to bring about a better match between the supply of, and demand for, skills. It requires the PES to analyse and forecast current and future labour market skill needs on an annual basis and make recommendations for educational enrolment policy. Once a year, the PES sends its recommendations to educational institutions, local and regional administrations, sector councils and the Ministry of Science and Education (MZOS).

The Vocational Education and Training Act (Official Gazette No. 30/2009) established the first sector councils, which comprised representatives of social partners and education and training providers, plus experts in the skills needs of different sectors. In addition, new sector councils were introduced by the 2013 Croatian Qualifications Framework Act.⁽²⁾

In addition, there are two strategy documents that have been important in shaping the developing skills anticipation activity:

- The Strategy on Development of the Vocational Education System in the Republic of Croatia 2008–2013 established, among other things, a methodology for labour market research on skills demand and supply and made recommendations regarding the collection and analysis of labour market data. The new strategy for vocational education and training (VET) which covers the period 2016–2020 was adopted in late 2016. ⁽³⁾
- The National Strategy for Lifelong Professional Guidance and Career Development in the Republic of Croatia 2014–2020 emphasises availability of high-quality information on career opportunities and provision of professional guidance for individuals and/or groups of jobseekers.

Governance

The Ministry of Labour and Pension System (*Ministarstvo rada i mirovinskog sustava*, MRMS) has overall responsibility for skills anticipation on the government side. Within the MRMS, the PES has operational responsibility for skills anticipation through its regional and local offices.

The development of the HKO rests with the National Council for Development of Human Potential, which monitors and validates the impact of the HKO. It makes recommendations based on the work of sector councils as to how to better connect the educational offer to labour market needs. Ultimate responsibility for the HKO rests with the MZOS.

The role of stakeholders

The PES is the main provider of skills anticipation information plus guidance and counselling to jobseekers. Social partners are represented on the managing board of the PES. Aside from the MRMS, PES and MZOS, the other key authorities that will have a role in skills anticipation as the process develops are:

- The [Agency for Vocational Education and Training and Adult Education](#) (*Agencija za strukovno obrazovanje i obrazovanje odraslih*), which has responsibility for developing qualifications based on

competences and learning outcomes, and the continuous alignment of education with labour market needs.

- The [Agency for Science and Higher Education](#) (*Agencija za znanost i visoko obrazovanje*), which has a role in implementing the HKO in higher education.
- The [sector councils](#) (*Sektorska vijeća*), which advise the HKO on changes to qualifications based on changes observed in occupational standards or other developments at the sectoral level.

Employers' associations, trade unions, education and training providers, and experts will be represented in the skills anticipation process by their participation in the sector councils.

Social partners are also represented on the sector councils and in the National Council for the Development of Human Potential, along with training providers and assorted experts.

Target groups

The main users of the outputs of the skills anticipation process are policymakers (across a number of ministries and agencies) and educational institutions (VET and higher education). The PES, at both national and local level, is also a target group for the use of labour market intelligence. Ultimately the aim is to expand the target groups to include students and jobseekers via labour market intermediaries.

Funding and resources

Funding for skills anticipation is provided by the MRMS to the PES. Despite regulation obliging the PES to further develop skills anticipation activity (Official Gazette No. 93/2010), its budget was not increased to accommodate this new responsibility.

Methods and tools

Skills assessment

As noted above, regulation requires the PES to engage in skills anticipation. To this end the PES has developed a methodology for assessing the current demand for and supply of skills, together with a view about how these are likely to develop in the future. Since 2011, the PES has run skills assessment exercises, based chiefly on two data sources:

- The register of unemployed people and
- A survey of employers.

Skills assessment is undertaken by analysing the speed with which people of different levels and fields of study make the transition from unemployment to employment. This provides an initial ranking of courses that are associated with a more or less successful transition into employment. The ranking is further modified by PES to make sure that the results correspond with their day-to-day experience. A

view is also taken on future developments (based on a linear extrapolation of trends). Results from the employers survey conducted by the PES (see subsection 2.4) are then used to provide a demand-side perspective, for example by integrating the frequency with which employers report a shortage of workers in a particular occupation into the ranking process. Because the rankings are conducted at regional and local levels, analysts from regional PES offices also take into account regional and local development plans and their projected workforce implications. The final rankings feed into recommendations (4) for enrolment policy for various VET and higher education courses. The analyses and recommendations are developed annually.

Shortcomings can be identified in the aforementioned methodology. For example, the unemployment register does not cover all graduates because registration is non-compulsory. Additionally the methodology does not take into account all causes of differential levels of employability – for example, the differences in filling vacancies between rural and urban areas tend to be unrelated to enrolment levels, especially in higher education.

As noted above, the sector councils also conduct skills assessments relating to their specific areas of interest. The intention is to establish 25 sector councils that correspond to the sectors in the HKO. As of 2016, few of the 25 sector councils are fully operational.

Skills forecasts

While the aim is to provide a future outlook on the demand for skills/qualifications (using the HKO), at the moment the only skills forecast available is that which is produced as part of CEDEFOP's pan-European skill projections. In April 2016, the [Institute of Economics](#) published a first [experimental forecast](#) on future labour market developments and skills needs for the period 2015–2020 with quantitative forecasts for 25 sectors..

Skills foresight

There is currently no foresight activity in Croatia.

Other skills anticipation practices

The aforementioned PES survey of employers enquires about occupational skill requirements. According to the PES, the survey results are used in targeting PES active labour market policy programmes and are one of the inputs into the PES yearly enrolment policy recommendations. The purpose of the survey is to identify which adjustments can be made in order to better match skills supply to demand. The survey is conducted in the first quarter of every year and encompasses a relatively high number of employers (8,969 employers were interviewed in 2015, accounting for 530,000 employees or 38 per cent of those currently employed). It is the largest and most representative survey of employers in Croatia. It is limited to employers with five or more employees (80 per cent of respondents are small employers, 16 per cent medium-sized ones and 14 per cent large ones). The questionnaire is sent to employers by mail but it is also possible to respond online through the PES web page. Although the results of the survey are available online, they are used almost exclusively by policymakers..

Dissemination and use

Use of skills anticipation in policy

Given that as of late 2016 the skills anticipation process in Croatia is under development, it is difficult to assess both to what extent and the way in which the outputs from skills anticipation activities will affect policy.

The results of skills anticipation exercises are publicised, for example in newspapers; therefore, there is presumably a degree of awareness of the outcomes of skills anticipation. Despite the main goal of the skills anticipation activity being to influence educational policy, as of late 2016 it is considered to have had little influence on either decisions made by education institutions or students' decisions about which courses to study.

However, it needs to be borne in mind that these are early days in the development of Croatia's skills anticipation activities. It is worth pointing to key strategy documents that indicate how attempts are being made to coordinate the use of skills anticipation in policymaking. Both the Strategy on Development of the Vocational Education System in the Republic of Croatia 2016–2020 and the National Strategy for Lifelong Professional Guidance and Career Development in the Republic of Croatia 2014–2020 concentrate on conducting more research and providing more information on skills demand in the labour market. Additionally, regulation gives the PES a central role in identifying the over- and under-supply of skills. With the introduction of the HKO an improved linking of the education system with labour market demand can be expected in the future, as it will offer greater transparency (for example on skills and qualifications required for occupations in excess demand). Against this background, the recommendations of the National Council for Development of Human Potential on education and training provision could have greater traction.

Target groups' uses of skills anticipation outputs

The main users of skill anticipation outputs are policymakers, and to a lesser extent educational institutions and PES employees. The PES uses these outputs to educate advisers and inform the Lifelong Career Guidance Centre (CISOK). The CISOK, developed as part of the CES, has regional and local offices and provides career guidance and educational advice to anyone who requires it. Also important in this context is the National Strategy for the Lifelong Professional Guidance and Career Development in the Republic of Croatia 2014–2020, which focuses on the need to improve the availability of high-quality information on career opportunities in the labour market. In particular it draws attention to the need to make information on careers available through a variety of media channels. The aim is to increase the availability of professional guidance to jobseekers.

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Available at http://skillspanorama.cedefop.europa.eu/en/analytical_highlights/skills-anticipation-croatia

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Endnotes

(1) Matković (2012); Tomić (2014).

(2) For a copy of the act in English see Croatian Qualifications Framework (2013).

(3) See Agency for Vocational Education and Training and Adult Education (2016)

(4) Recommendations correspond to occupations as classified in the PFS's registers that do not

... recommendations correspond to occupations as classified in the ISCO-08 and do not correspond fully to the names of educational programmes.

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