



# **MUSTRA**

Model for improving cooperation between  
employers and  
secondary vocational schools

Policy Brief

December 2013

## SUMMARY

The mismatch between educational profiles and labour market needs is a long-term and systemic problem in Serbia. This has consequently led to high unemployment and youth unemployment increasing at an alarming rate. The socio-economic development of Serbia largely depends on the quality and availability of the workforce. The problem of insufficient cooperation between education policy decision-makers and employers is clearly recognized, and since 2001 there have been changing successes and effects in solving it. There is no systemic connection between secondary vocational schools and employers of their students whose engagement in organizing hands-on training for students drastically varies from case to case. Employers, on the other hand, have difficulties in finding employees with secondary education, and in most cases, they do not have capacities, resources or time to organize additional training and gradually familiarize newly-employed with the working process. This has consequently led to a significant number of vacant posts. The improvement of hands-on training for students creates a sustainable and effective framework for cooperation between secondary schools and employers and contributes to further harmonisation of the education system and the labour market in Serbia.

**If we want secondary vocational education which is practical, quality and relevant, it is necessary to:**

**a) Improve and apply the existing strategic and normative framework in the area of secondary vocational education**

**b) Improve hands-on training programmes**

## MISMATCH BETWEEN SECONDARY VOCATIONAL EDUCATION AND THE LABOUR MARKET

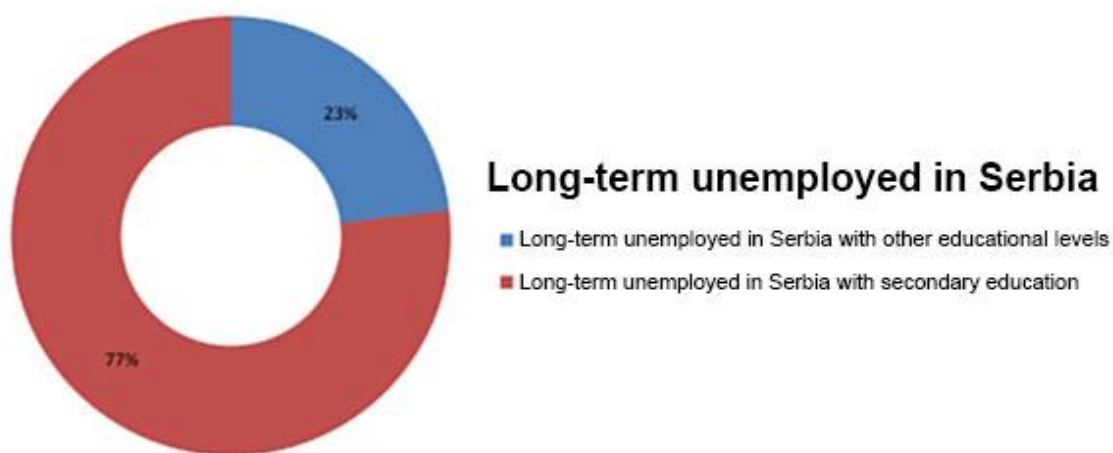
Budgetary funds allocated to education are low and with 20% of these funds (80% is spent on education staff salaries) substantial progress, accelerated reforms or impact on Serbia's socio-economic development cannot be expected. However, **it is possible to introduce some changes into vocational education and prepare young people for work without new financial investments.**

The problem of mismatch between educational profiles and labour market needs in Serbia has a history lasting for several decades and it resulted in high and structural unemployment, and specifically in a growing and worrying youth unemployment rate. The mismatch between the existing education profiles and the needs of the labour market is one of the systemic questions posed not only in the context of education development, but also when assessing the implementation of active employment measures. Moreover, it is the major issue in every social dialogue about secondary vocational education.

The problem of mismatch between labour market needs and skills and knowledge gained throughout secondary vocational education has a significant impact on a series of economic and social problems: budgetary funds allocated to education do not lead to employment, young people are not prepared for the transition from school to work and labour market challenges, lack of skills and competences required for work.

The European Commission's 2013 Progress Report for Serbia emphasizes that Serbia has made little progress on stabilisation and economic reforms, fiscal stability, a record-high unemployment rate in 2012, and that young people and long-term unemployed are particularly disadvantaged. According to the Statistical Office of the Republic of Serbia, official data published in April 2013, 49.7% of 14- to 24-year-olds nationwide on average are unemployed, and **among persons categorised as long-term unemployed 76.9% are secondary education graduates**. There is no doubt that the rise of unemployment is also caused by the current economic crisis. Nevertheless, one of the reasons of unemployment is the mismatch between secondary vocational education and labour market needs.

**This mismatch largely lies in the lack of cooperation between secondary vocational schools and employers.**



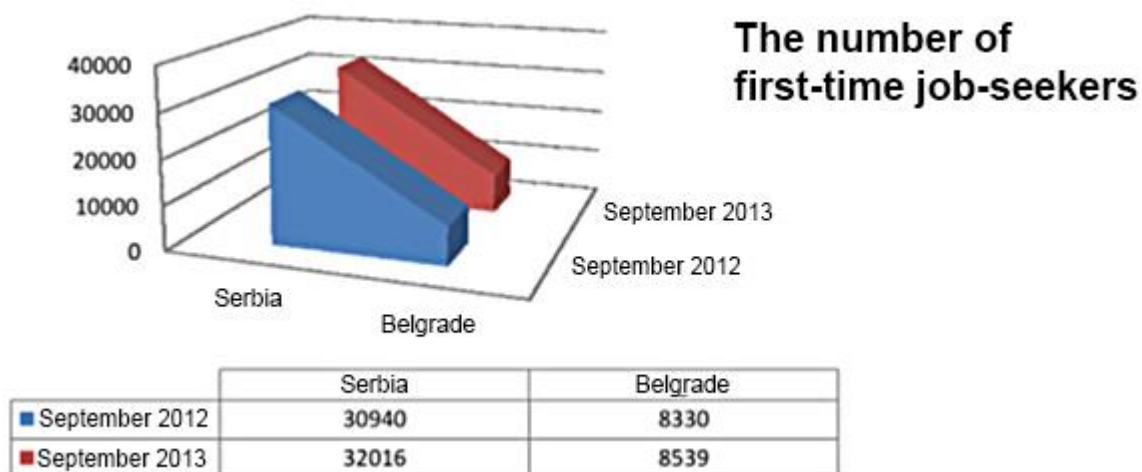
#### INSUFFICIENT COOPERATION BETWEEN EMPLOYERS AND SECONDARY SCHOOLS

For years now, secondary vocational education has been encompassing a significant number of young people. According to the data of educational authorities, out of 307 educational profiles 267 are still active in Serbia. The data for the 2012/2013 school year indicate that 75.66% (212,233 enrolled) attend secondary vocational schools, i.e. the following educational profiles: *economics, law and administration* (14.09% / 39,532 students), *trade, tourism and hospitality* (8.86% / 24,864 students). The reform

of the VET<sup>1</sup> system introduced pilot educational profiles: business administrator, financial administrator, sales specialist, bank officer and insurance officer (which have recently been merged into one profile as decided by the Council for Vocational Education and Training and Adult Education). In the area of trade, tourism and hospitality the following pilot profiles were introduced: tourist services technician, cosmetics technician, waiter, cook, and confectioner. Pilot profiles have different curricula and more classes for practical skills teaching.

Serbia's economy and its development depend greatly on the quality and availability of the workforce. Employers have difficulties in finding needed employees with secondary education, and in most cases they have no capacities, resources or time to additionally train them. This has led to a significant number of vacant posts, which cannot be ignored under current economic situation.

**Unemployment causes the increase of poverty, particularly among young people, and a progressive decline of the birth rate. According to the data of the National Employment Service – Belgrade branch office, which do not necessarily accurately reflect the labour market development due to the grey economy, the number of first-time job-seekers who graduated from four-year secondary schools is increasing both in Serbia and in Belgrade. In September 2012 this number was 30,940 (8,330 in Belgrade) while in September 2013 it rose to 32,016 (8,539 in Belgrade). This increase**



was primarily caused by the low economic activity rate additionally hampered by the economic crisis, and also by insufficient cooperation between the education system and labour market.

**The lack of cooperation between education policy decision-makers and employers was clearly identified, and there have been mixed successes and effects of attempts to tackle this issue since 2001.** The Ministry of Education was dedicated to solving it through reform programmes focused on secondary vocational

<sup>1</sup> Vocational Education and Training.

education. Several projects were implemented (2 CARDS and 2 GOPA projects, GTZ) with the aim of **increasing institutional capacities** of the Ministry to implement VET curriculum reforms, **introduce new pilot educational profiles** in accordance with the needs of the economy. As of 2001, there has been a rise of employers' initiatives who, in cooperation with the Serbian Chamber of Commerce, National Employment Service and NGOs, are seeking further institutionalisation of dialogue and cooperation with education policy-makers at both republic and local levels, which is in accordance with the objectives of the Strategy for Development of Education in Serbia by 2020. For example, the Chamber of Commerce initiated and piloted sector-level councils and the establishment of the Council of Partners for Lifelong Entrepreneurial Education. Even though these initiatives are examples of good practice, they remained in the pilot phase. Introduction of the representatives of employers into the Council for Vocational Education and Training and Adult Education and sector-level councils have made some progress, but due to slow reform processes, the satisfaction of employers with competences of young people who graduated from secondary education has not yet been significantly improved.

*The Law on the Fundamentals of the Education System* established the Council for Vocational Education and Training and Adult Education which is responsible for monitoring, stimulating and directing activities linking education and employment and influencing economic development. Sector-level councils were initiated by the Serbian Chamber of Commerce and were formed within the Institute for the Improvement of Education's Centre for VET and Adult Education. These councils are professional and advisory bodies for 4 sectors of economic and social affairs whose main role is to identify qualifications required on the labour market and to define the National Qualifications Framework. Even though the councils were active throughout 2012, they stopped functioning in 2013.

**The key innovation in pilot profiles (45 out of 307) is the increased number of practical teaching classes, with hands-on training that is incorporated into curricula and can be organized not only at school laboratories and workshops, but also in the workplace. Unfortunately, due to the insufficient number of such education curricula there is no a more significant impact on the quality and qualifications of VET graduates in Serbia.**

Even though links between VET schools with potential employers of their students are not prevented either by the Law on the Fundamentals of the Education System, or by the newly-adopted Law on Secondary Education, they are not at the system level, but rather based on individual initiatives<sup>2</sup>, and employers' involvement and experience in

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<sup>2</sup> Pilot curricula also included hands-on training in the workplace, while this model of acquiring skills and competences was applied in VET schools which did not have adequate conditions for hands-on training in school workshops. In cooperation with the Institute for the Improvement of Education, 380 teachers were trained to mentor students attending hands-on training. The

organizing practical skills training vary. Substantial changes have not yet been made in the way of organizing and implementing practical teaching in the workplace and hands-on training.

Employers rather recruit young people with work experience, developed skills and transferrable competences, as they need less time to understand the job and adapt to the tasks and working environment. The fact that more than 90% of companies in Serbia are micro and small enterprises must be considered when assessing not only their needs and requirements in terms of competences of potential employees, but also their capacities and resources to offer hands-on training to students and initiate newly-employed into work. The listed problems might be significantly alleviated with carefully designed hands-on training which would *follow up* quality practical education implemented at schools.

Even though practical teaching and hands-on training for students offer the most direct connection between secondary school students and employers, they are often not organized properly and do not exert expected effects in terms of acquired skills and developed competences. **Creating a practical and sustainable mechanism of cooperation between secondary schools and employers in the implementation of practical teaching and hands-on training will contribute to better linkages between VET education and the labour market, and eventually to the increase of youth employability.**

#### PARTICIPATORY APPROACH TO THE CREATION OF PRACTICAL TEACHING CURRICULA AND SYLLABI PRODUCES BETTER EFFECT

This policy brief intends to contribute to better matches between the education system and the labour market by developing and strengthening **mechanisms for better cooperation between schools and employers, particularly in terms of implementing practical teaching and hands-on training.** This mechanism has been formulated through a participatory dialogue among stakeholders: representatives of institutions, VET schools, employers and employers' associations and chambers, operating in the area of finances/economy and services/tourism.

#### SECONDARY VOCATIONAL EDUCATION THAT WE WANT: PRACTICAL, QUALITY AND RELEVANT

According to the vision defined in the Strategy for Development of Education by 2020, education in Serbia should be designed in line with the expected long-term economic, social, scientific, technological, cultural and other aspects of social development. It should also follow the development of creative and working

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number of mentors drastically declined over the years, but this form of practical teaching continued to be implemented sporadically.

potentials and quality of life of every citizen of the Republic of Serbia, while secondary vocational education must ensure that every individual gains knowledge, skills and attitudes – professional competences needed to efficiently enter the world of work and continue education.

#### EXISTING STRATEGIC AND LEGAL FRAMEWORKS REGULATING SECONDARY VOCATIONAL EDUCATION SHOULD BE APPLIED AND IMPROVED

The Strategy for Development of Education in Serbia by 2020 underlines: necessity of *developing a system of accreditation and certification of employers* who implement hands-on training for students in their workplace; adoption of legislation and regulations concerning *financial incentives* for employers in companies where hands-on training is organized for students; inclusion of at least 10% of employers in the work of sector-level councils, examination boards, and implementation of hands-on training.

The Strategy for Development of Education in Serbia by 2020 was adopted at the end of 2012, but an accompanying Action Plan with a defined dynamics of its implementation and necessary resources has not yet been developed and adopted, and this was criticised by the European Commission in the 2013 Progress Report for Serbia. With this action plan and other mechanisms for the implementation of the Strategy missing, it cannot be perceived how problems identified in the Strategy will be tackled. These problems also include the unsolved issue of securing quality practical skills training in the workplace, unaccredited jobs and practical training instructors, the lack of incentives for companies providing students with quality hands-on training, and a small number of employers interested in this kind of cooperation with education. Sector-level councils within the Institute for the Improvement of Education have not been formed for all, but for only 4 sectors, and this also hampered the reform process. The National Qualifications Framework for lifelong learning has not been adopted, despite being long waited and topic of many projects in Serbia.

Schools are satisfied with the reformed profiles attracting best student, while employers, particularly in the sector of finances, express that they can rarely see graduates from pilot profiles as they mostly go to colleges (according to some researches almost 90%).

Moreover, researches indicate that many employers are dissatisfied with the work of newly-employed young persons – 28% in trade and even 46% financial sectors. Employers emphasize that young employees do not have professional knowledge and competences, and neither do they have soft skills that can be easily acquired through work experience.

**Young people and employers agree that knowledge acquired through formal education is not satisfactory, or only partly satisfies the needs of the world of real work, while according to the recent surveys even 90.10% of young people believe that this reflects inadequate practical teaching in formal education.**

**In the sector of personal services** in Belgrade, employers are very interested in providing students with hands-on training, but schools are not convinced that students efficiently spend time intended for work-based learning. One of the problems **in the sector of finances** is the inconvenience of the time when hands-on training is organized because employers are overburdened and unable to assign challenging tasks and provide adequate mentorship to students. Employers cannot directly influence hands-on training curricula and syllabi, and this reduces the effectiveness of hands-on training and employers' motivation to implement it.

The Strategy for Development of Education in Serbia by 2020 and the Law on the Fundamentals of the Education System allow certain autonomy for schools to adjust school curricula and syllabi to local and regional economy and other circumstances. However, schools are neither fairly familiar with this possibility nor willing to use it.

The newly-adopted Law on Secondary Education (Article 30) confirms that it is necessary to ensure cooperation between secondary vocational schools and companies, and it envisages the minister's support to schools in organising practical teaching by introducing a regulation for its implementation. ***Continuous institutional cooperation between secondary vocational schools and employers, particularly in adjusting curricula and syllabi to the needs of local and regional economy and in organizing hands-on teaching,*** is necessary to improve the efficiency of secondary vocational education and qualifications of young people entering the labour market.

The existing strategic and legal regulations developed through participatory and consultative processes require more efficient implementation. This is, among other things, important for Serbia's progress in European integration.

## PRACTICAL SKILLS TRAINING INCREASES COMPETITIVENESS AND EMPLOYABILITY OF YOUNG PEOPLE

We support the notion of creating and implementing effective educational policies, curricula and syllabi with substantial involvement of all stakeholders. Representatives of employers and entrepreneurs are supposed to provide useful contribution to educational reforms and have an active role in the educational process. The legal framework and other regulations are to enable an efficient mechanism for continuous



cooperation and linkages between economy and VET schools. Curricula and syllabi should be innovated on a regular basis in order to follow scientific and technological changes in domestic, regional and European markets.

#### RECOMMENDATIONS FOR INCREASING COOPERATION BETWEEN VET SCHOOLS AND EMPLOYERS AND IMPROVING PRACTICAL SKILLS TRAINING

Practical skills training, as a direct link between secondary school students and their future employers, should be designed in accordance with needs, possibilities, and strategic plans of local and regional economic development, in a way that stimulates employers to substantially and adequately contribute to the development of students' competences. Students graduating from VET schools are to be competitive with their peers from the region and EU in terms of their competences for finishing duties, readiness to easily adapt to employers' requirements and specific jobs, and in terms of their openness for lifelong learning and career management.

In accordance with the existing strategic and legal frameworks, we advocate for the following steps that are supposed to contribute to the improvement of the current secondary vocational education and youth employment.

#### RECOMMENDATIONS FOR POLICY-MAKERS AT THE NATIONAL LEVEL

o **To establish institutional mechanisms aimed at securing implementation of various forms of cooperation between VET schools and the economy.**

o To prioritize the adoption of an Action Plan for the implementation of the Strategy for Development of Education in Serbia by 2020. The Action Plan should be prepared through a participatory and consultative process which would enable stakeholders to contribute substantively to defining measures, activities, deadlines, responsible institutions and indicators for measuring success. The Action Plan must precisely define measures for enhancing cooperation between employers and VET schools, actions for improving practical teaching, responsible institutions, implementation timeframe, and foreseen costs.

o To continue activities of sector-level councils and establish councils for remaining sectors; to increase their effectiveness, particularly in promoting dialogue and direct cooperation with the economy.

o To adopt proposed additional standards regarding the quality of secondary vocational schools and the implementation of practical teaching and hands-on training.

o To progressively adopt the National Qualifications Framework for lifelong learning.

- o To involve at least 30% of employers in the work of sector-level councils, examination boards and implementation of practical teaching.

- o To ensure the improvement and implementation of the legal framework for adequate hands-on training.**

- o To adopt legislation and regulations concerning *financial incentives* (through tax exemptions) for employers in companies providing students with hands-on training.

- o To devise and regulate by delegated legislation methods and conditions for completing hands-on training, responsibilities of VET schools, students and employers for defining hands-on training programme and its implementation.

## RECOMMENDATIONS FOR IMPROVING PRACTICAL TEACHING

- o To establish local forums for continuous cooperation between secondary education schools and companies providing hands-on training in various areas of work.**

- o To establish continuous participatory relations between companies and employers within specific sectors and ensure information transfer from the local labour market to VET schools at the local level.

- o To establish operational Partnership Forums of stakeholders in order to:

- develop solutions for issues relating to practical skills training and links between young people and the world of work;
- acquaint representatives of educational institutions with technical, technological and organisational innovations significant for potential innovations in education process

- o *Or* to use the existing structures, such as VET schools associations, and associations of employers and businesses, which may develop more functional relations and cooperate at the local level.

- o To increase the relevance of practical teaching and hands-on training for VET students.**

- o To inform and provide schools with training in how to use the autonomy allowed by the Strategy for Development of Education by 2020 in order to:

- Increase competences of practical training teachers by establishing links and continuous cooperation with employers;
- Elevate the significance of cooperation with employers, use resources and organisational capacities of business associations, such as the Belgrade

Chamber of Commerce, Association of Micro and Small Enterprises, Serbian Association of Employers, etc.;

- Regulate the involvement of employers in the preparation of hands-on training programme by establishing an interactive network of employers – hands-on training providers and professional associations of VET schools;

- o To adjust practical teaching curricula and syllabi to opportunities and needs of local labour markets through a dialogue of stakeholders at local and regional levels;

- o To schedule time for hands-on training in agreement with employers and their commitments in order to ensure stimulating tasks and adequate mentorship for students;

- o To empower VET school teachers to manage projects for upgrading school equipment for practical teaching and innovating school curricula and teaching processes.

- o **To improve the quality of hands-on training for students.**

- o To define criteria for the selection of companies – employers that provide students with hands-on training.

- o To improve mentorship provided during hands-on training by redefining and promoting the concept of mentorship.

- o To organise training to rise capacities of hands-on training mentors.

- o To introduce accreditation and licencing of hands-on training mentors.

- o To improve competences of practical training teachers by establishing links and continuous cooperation with employers.

- o To provide students with career guidance and counselling in order to foster positive attitudes toward hands-on training, practical skills and competences needed on the labour market and toward lifelong learning.

- o To motivate students to attend hands-on training by introducing various forms of delivering information about companies – employers (lectures, discussions, virtual practical skills training, “job shadowing”, presentation of business innovations, visits of representatives of occupations and economy to schools...).

- o **Increase the number of practical teaching classes**

- o To revise the current curricula and the number of classes for general education subjects in VET school and create balance between general and vocational education subjects that would guarantee students vocational competences and their easy and rapid adaptation to job requirements.

## CLOSING REMARKS

The suggested measures take into account the specific economic situation in Serbia and limited funds for greater financial support for vocational education and training development based on directions defined by the Strategy for Development of Education by 2020 and Vocational Education and Training Development Strategy in Serbia. Therefore, they imply *the use of the existing resources*, and primarily advocate for *a greater use of organisational capacities* within the vocational education system and companies on the labour market.

The preparedness of young people for employment is not, and it cannot be, the sole responsibility of the education system. Only through the continuous cooperation and information exchange, the education system can produce young professionals who can easily adapt to a working environment and processes. People must be constantly aware of this, as well as of the fact that without socially responsible participatory approach to the issues of curricula and hands-on training, the world of work cannot expect young people to have knowledge, business and social skills and competences that are needed for the development and positioning of employers on the competitive and demanding market. That this is necessary, meaningful and cost-effective is confirmed by experiences of European countries.

Directed professional and political support is required to establish systematic cooperation between VET schools and companies, remove institutional barriers and determine each other's duties and responsibilities for implementing practical skills training for students. Professional resources exist and the implementation of the suggested model will substantially and quickly contribute to the improvement of quality and preparedness of young people for work, which will increase their employability.

THE BELGRADE OPEN SCHOOL WISHES TO EXPRESS ITS GRATITUDE TO THE REPRESENTATIVES OF THE FOLLOWING INSTITUTIONS WHO CONTRIBUTED TO THE DEVELOPMENT OF THIS DOCUMENT BY PARTICIPATING IN THE CONSULTATIVE PROCESS: SECONDARY SCHOOL OF ECONOMICS, DANUBE TOURISTIC CLUSTER, SCHOOL OF ECONOMICS "NADA DIMIC", PHARMACY AND PHYSIOTHERAPY SCHOOL, FINDOMESTIC BANK, BRANCH TRADE UNION OF EDUCATION STAFF OF SERBIA "INDEPENDENCE", CAFÉ "SEXY", CAFÉ "SEX AND THE CITY", CLUSTER FOR THE REVITALISATION OF OLD OCCUPATIONS, KOMS, KPMG, MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY DEVELOPMENT, MINISTRY OF YOUTH AND SPORTS, NATIONAL EMPLOYMENT SERVICE, FIFTH SCHOOL OF ECONOMICS, LAW AND ADMINISTRATION SECONDARY SCHOOL "DIMITRIJE DAVIDOVIC", BELGRADE CHAMBER OF COMMERCE, SERBIAN CHAMBER OF COMMERCE, FIRST SCHOOL OF ECONOMICS, COUNCIL FOR VOCATIONAL TRAINING AND ADULT EDUCATION, ASSOCIATION OF HAIRDRESSERS' CLUBS, AUTONOMOUS TRADE UNION OF HOSPITALITY AND TOURISM, BEAUTY SCHOOL, SOCIAL INCLUSION AND POVERTY REDUCTION UNIT, SERBIAN ASSOCIATION OF EMPLOYERS "EMPLOYER", UNICREDIT BANK, SERBIAN ASSOCIATION OF EMPLOYERS, USAID SUSTAINABLE LOCAL DEVELOPMENT PROJECT, INSTITUTE FOR THE IMPROVEMENT OF EDUCATION. WE OWE SPECIAL THANKS TO THE EXPERTS JADRANKA DIMOV AND ISKRA MAKSIMOVIC, PHD FOR INVALUABLE CONTRIBUTION AND SUPPORT.



The Belgrade Open School implements the project "MUSTRA – creating a model for matching the education system and the labour market through dialogue" aimed at overcoming challenges of matching the education system and the labour market in Belgrade, i.e. of **insufficient cooperation between employers and secondary vocational schools**. The project pilots a model of dialogue among representatives of two sectors: *finances/economy* and *services/tourism*. The model envisages consultative meetings, consultative workshops and discussion forums. The aim of the project is to improve the policy framework in the area of education and youth employment by providing specific recommendations for matching the education system and the labour market in Belgrade.