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Sibenik – Knin County

**HUMAN RESOURCE
DEVELOPMENT
STRATEGY**

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1 HUMAN RESOURCES

This draft of human resources strategy has to be discussed with Sibenik-Knin County's social partners and other in the County's partnership and their comments to be included in the final version of the HRD strategy.

The draft strategy of human resources development is elaborated on the basis of the Regional Operational Programmes variety of indicators in Sibenik-Knin County (population, education, employment structure, unemployment, labour market,) and the Labour Market Analysis carried out by the LMA task group, the following updated information of the most recent trends in Sibenik-Knin County, as well as SWOT analysis. Furthermore the strategy is developed in accordance to the National Action Plan for Employment and the European Union Employment Strategy.

It is argued in this Strategy that the future of Sibenik-Knin County crucially depends on quality of its human resources. Educated population and skilled labour are key conditions for economic development. Sibenik-Knin County has to look for development strategies that are rooted in education, fostering human resources, modern technologies, dynamic labour market and skilful use of the opportunities.

A. Human resources Development SWOT analysis

Several group discussions were organised to discuss and verify the findings of the present documentation and to carry out the sector SWOT analysis. The working group included representatives of local governments, educational institutions, Employers organisations, Trade Unions and Regional Employment Office. The SWOT analysis revealed the main strengths, weaknesses, opportunities and threats that the HRD sphere faces in Sibenik-Knin County and allowed formulating human resources development strategies.

SWOT ANALYSIS OF HUMAN RESOURCES ŠIBENIK AND KNIN COUNTY

Strengths (according to importance)

- HZZ networking, professional staff and upgraded technology
- Encouragement programmes for all categories of unemployed people no matter their age, gender and education
- Wide range of high schools and universities
- Increasing qualification structure of population
- Wide range of educational programmes (training, qualifications, re-qualifications of adult persons)
- Encouragement of SME development especially in tourism and production sectors
- Good guild organisation
- Rich cultural inheritance
- National parks and parks of nature
- Traffic connections

Weaknesses (according to importance)

- Great number of unemployed people
- Inadequate qualification structure
- Expensive and long-term educational programmes
- Slow economical development
- High percentage of temporary jobs -seasonal workers
- Insufficient communication among local partners (HGK; HOK, state management, local management, Entrepreneurial centres.
- Inflexible banks' conditions
- Lack of systematic human resources development
- Lack of continuous qualitative Labour market analysis
- Lack of innovations' encouragement

Opportunities (according to importance)

- Use of EU funds for employment promotion
- Self-employment encouragement
- SME development
- Family business development
- Natural potentials

- Cooperation between employers and educational institutions in creation of educational programmes for adult persons
- Technologically equipped educational institutions
- On-line learning
- Flexible programme of adult education
- Opening of new working places with adjusted terms for persons with special needs

Threats (according to importance)

- Political changes
- Centralized employment incentives
- Uncontrolled sale of capacities
- Black economy
- Impossibility of training investments
- Technological changes
- Organisational changes of crafts and entrepreneurships
- Increase of insufficiently qualified persons on the labour market
- Increase of long-term unemployed people
- Legal frameworks

B. The main strategic directions

Based on ROP analysis, the Labour Market Analysis and human and social sector SWOT analysis, suggestions and comments of regional experts, this Strategy envisages four major strategic directions to strengthen capacity of human resources and efficient their use in Sibenik-Knin County.

1. Employment promotion

- Ø Establishment of new innovative employment centre
- Ø Opening of new working places with adjusted terms for persons with special needs
- Ø Increase employability of long-term unemployed middle aged people, especially woman
- Ø Increase employability of young people with no work experience
- Ø Increase employability of long-term unemployed war veterans and other marginalized groups
- Ø Possibilities of special activities for unemployed persons and those facing the risk of losing it

2. Entrepreneurship

- Ø Encouragement of self-employment
- Ø Centres for career development
- Ø Family business' development

- Ø Strengthening of attitude about the importance of entrepreneurial spirit promotion

3. Education

- Ø Flexible programmes of adult education
- Ø Cooperation between employers and educational institutions in creation of educational programmes for adult persons
- Ø Provide modern equipment for adult education
- Ø Possibility of creating completely new educational programmes for needed occupations in the region

4. Social Welfare and inclusion

- Ø Prequalification and training
- Ø Community projects for employment – public works: cleaning of forests and creation of forest fire barriers, archaeological excavations, sanitation of wild waste deposits etc.
- Ø Rehabilitation and reintegration of various groups in society (war veterans, prisoners, addicts)
- Ø Shelter for the homeless
- Ø Treatment and prevention of social delinquency and substance addictions
- Ø Develop support systems for children, youths, disabled, elderly, and persons with special needs

Each of the strategies in this Strategy Report is substantiated in the following way: firstly, the main characteristics and development tendencies are characterised, secondly – the long term vision and goals are defined, and thirdly – priority actions are suggested. The long term goals and visions are formulated for the year 2012. The middle term programmes with measures and priority actions are formulated till year 2008.

1.2.1 EMPLOYMENT PROMOTION

1.2.1.1 Analyses

A. Description of the situation

Recent trends in employment and the labour market in Sibenik-Knin County

The situation in the labour market in Sibenik-Knin County is characterised by a set of several indicators – the number of people of working age, the number of economically active people, the number of people who are working in the economy, employment by sector, as well as the number of job seekers, registered unemployed persons and long-term unemployed persons. These indicators are part of what is known as the employment balance.

The population of Šibenik-Knin County is 112,891 (2001). The county population density is 38 inhabitants/km² making Šibenik-Knin one of the least densely populated counties in Croatia. Average population density in Croatia is 78.4 inhabitants/km².

Almost 50% of the county population (49,000) lives in the Šibenik municipality. The population density in some coastal areas is increasing due to immigration and construction activities. Population increases have been recorded in the coastal towns of Vodice, Pirovac, Primošten, Rogoznica, and Bilice. Islands that do not have ready access to the mainland have experienced serious depopulation. Murter Island has retained its population due to the bridge connection to the mainland. The homeland war caused estimated population losses of 40,000 inhabitants.

The total workforce is according to the Regional Employment Service 37.789 which corresponds to 33.47% of the total population in the county.

The number of employed registered 30.6.2004 by the Regional Employment Service in Sibenik is 19.197 persons corresponding to 50.8% of the workforce. It indicates that the unemployment rate on that date in the county was 49.2%.

However, the number of registered unemployed per 31.10.2004 according to statistical information from Regional Employment Service was 10,292 persons corresponding to 27% of the workforce.

Sectors of employment 30.06.2004/RES 30.06.2004

<u>CATEGORY</u>	<u>persons</u>	<u>In %</u>
<u>INDUSTRY</u>	<u>3.446</u>	<u>18,0</u>
<u>CRAFTS</u>	<u>6.451</u>	<u>33,6</u>
<u>ADMINISTRATION</u>	<u>1.254</u>	<u>6,5</u>
<u>TOURISM/SERVICE</u>	<u>7.730</u>	<u>40,3</u>
<u>AGRICULTURE/fishing</u>	<u>316</u>	<u>1,6</u>
<u>Total</u>	<u>19.197</u>	<u>100</u>

Unemployment 31.10.2004/RES Sibenik-Knin County

Sex	Number	% of total unemployed	% of workforce
Female	5.797	57	15,3
Male	4.495	43	11,9
Total	10.292	100	27,2

Age			
16-25	1.886	18	5,0
25-35	2.334	23	6,1
35-45	2.828	27	7,5
45-55	2.633	26	7,0

55-65	611	6	1,6
Total	10.292	100	27,2
Qualifications			
Unskilled	3.250	31,6	8,6
Skilled	6.482	63,0	17,1
College degree	266	2,6	0,7
University degree	294	2,8	0,8
Total	10.292	100	27,2

Sectors			
Industry & crafts	3.063	29,7	8,1
Administration	1.154	11,2	3,1
Service	4.950	48,2	13,1
Agriculture/fishing	1.125	10,9	2,9
Total	10.292	100	27,2

The statistic materials available show further that unemployment rate among women make up 57% against 43% for men, and that unemployment for skilled worker are extremely higher than for unskilled, namely 63% to 32%. Nearly half of the unemployed 48.2% is coming from the service sector.

Unemployed men and women in Šibenik-Knin County

Year	Total	Women	Women (%)	Men	Men (%)
1996	8,698	4,420	50.8	4,278	49.2
1998	11,191	5,583	52.3	5,608	47.7
2000	13,171	6,956	52.8	6,215	47.2
2002	13,173	7,606	57.8	5,567	42.2
2004	10,292	5,797	56,3	4,495	43,7

The development in unemployment is shown in the table above and this indicates a fall in the total unemployment from 2002 till 2004. Having in mind the missing data for about 8.300 persons in the workforce the picture of the development of the labour market is incomplete as well as the structure of unemployment is doubtful. For example the figure for 16-25 years shown here is probably much too low. ROP for Šibenik-Knin County states in its study that the number of unemployed in the age bracket 15-29 is 4,633 persons.

The main part of the unemployed per 30.06.2004 was long term unemployed with a catastrophic high 64%.

Duration of unemployment/ 30.06.2004 / RES Sibenik-Knin County

Duration	Number	%
< 3 months	894	8,9
> 3 - < 6 months	972	9,6
> 6 - < 12 months	1.765	17,5
> 12 months	6.469	64,0
Total	10.100	100

ACTIVE LABOUR MARKET MEASURES

The government has developed active employment measures through an employment support program valid from March 2002. The program focuses on the needs of a variety of unemployed persons.

The program does not take into account the differences in the structure of unemployment in the respective counties and is not build on in-depth analysis and surveys of the labour market and the employment situation.

The program is co-funded with employers who tend to predominantly hire persons for part-time employment. Once the contract period of co-funding has expired, workers are often laid off.

The Regional Employment Service considers these measures to be inadequate and new initiatives are required to address the problem.

EMPLOYMENT THROUGH ACTIVE LABOUR MARKET MEASURES

No.	MEASURES	01.03.02- 01.03.03	01.03.03- 05.11.04	Duration month
A-1			2	12
A-3			2	12
A-4	Employment of university graduates	21	63	112
B-1	Employment of trade school graduates not having any work experience	15	25	24
C-1	Employment of persons under 30 years of age with no work experience	68	78	3-12
C-2	Employment training in established enterprises	629	640	6-24
D	Employment of women over 45 years of age and men of over 50 years	73	121	18
E-1	Employment of disabled persons	1	2	12
E-2			5	12
F-1	Employment of war veterans, orphans and widows of deceased	173	170	24

	veterans			
Z			16	12
	TOTAL	980	1122	

THE LABOUR MARKET

Number of enterprises excl. crafts in Sibenik-Knin County (development trends)

Classification by Activity	Number of Enterprises 2003.	%	Number of Enterprises 2002.	%	Index 2003./2002.
Agriculture, hunting, and forestry	26	2,1	23	2,0	113,0
Fishing	16	1,3	16	1,4	100,0
Mining	6	0,5	6	0,5	100,0
Processing industry	146	11,8	136	12,0	107,4
Utilities (electric, natural gas, water)	6	0,5	4	0,4	150,0
Construction	104	8,4	90	8,0	115,5
Trade	504	40,8	513	45,4	98,2
Hospitality	86	7,0	71	6,3	121,1
Transport, storage, and delivery	103	8,3	91	8,1	113,2
Financial mediation	3	0,2	3	0,3	100,0
Real Estate management	163	13,2	124	11,0	131,5
Education	15	1,2	9	0,8	166,7
Health care and social services	12	1,0	7	0,6	171,4
Other social and personal services	46	3,7	37	3,3	124,3
TOTAL	1236	100,0	1130	100,0	109,4
Classification by Size					
- large enterprises	11		7		157,1
- medium to large enterprises	37		37		100,0
- small enterprises	1188		1086		109,4
TOTAL	1236		1130		109,4
Classification by employees					
	30.06.2004.		30.06.2003.		
- large enterprises	4508		3999		112,7
- medium to large enterprises	2175		2074		104,9
- small enterprises	4606		4229		108,9
TOTAL	11289		10302		109,6

Classification by size	2001.	2002.	2003.
- large enterprises	7	7	11
- medium to large enterprises	31	37	37
- small enterprises	916	1086	1188

TOTAL	954	1130	1236
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It is difficult to have an exact overview over the labour market and the number of employed owing to the mismatch in registration of enterprises and private businesses. In Šibenik-Knin are around 2.600 private businesses/Crafts. The statistic materials from RES show a total number of employed by 30.06.04 to be 19.197 persons.

Due to location and natural resources, the tourism sector has major potential for employment generation and related business activities. The key advantages of the Šibenik area include the preserved and diverse environment (coast, islands, and continental area), authentic architecture of coastline towns and villages, Mediterranean climate, diverse destinations, hospitality of local population, rich cultural heritage, natural heritage park, two national parks, and eleven nautical centres.

There seems to be a good growth potential in the tourism sector, and the new Master plan for Tourism identifies new rural tourism products, while coastal and island tourism continues to expand.

B. Expectation on regional level

It is at local level that the potential for job creation can be tapped, within services – from tourism to transport, in the social sector – for example, home help and childcare, within environmental sector, in manufacturing and marketing local produce and goods, inside housing improvements, security, culture and sport. The potential is vast;

The Labour market Analysis carried out in Šibenik-Knin County gives a picture of the present situation and some trends for future development of the labour market on a regional level.

Taking into consideration the whole sample and on the basis of 70 enterprises which responded to the questionnaire, 74.3% of the interviewed enterprises marked their business trends in the last two or three years. According to sectors, the greatest part of enterprises which had positive trends was in the sector of traffic and connections, then in the sector of commerce.

The sector of personal services has the smallest number of increasing enterprises. 21.4% of the companies showed no change in their running a business in the last 2 or 3 years. The smallest number of changes in their running a business could be found in the sector of traffic and connections, only 10% of interviewed enterprises within this sector had some changes in their trends.

In regard to the overall business only 4.3% of enterprises showed negative trend in the previous period.

On the basis of the answers from the interviewed enterprises we may conclude that the enterprises in sectors: traffic and connections (90%), commerce, retail trade and wholesale trade (83.3%), business services (80%) and hotels and restaurants (75%) showed positive trend in their overall business. Concerning the question that deals with the trend of number of employed people 65.7% showed increase.

Companies which belong to the sector of commerce, retail and wholesale trades, traffic and connections and business services had the biggest increase of the number of their employees in the previous period.

In the sector of commerce (retail and wholesale trade) as well as in the sector of personal services, no enterprise showed decrease when the number of employees is concerned. It is important that enterprises in the sector of processing industry showed the highest rate of decrease 30.8% when the number of employees is concerned.

From all these facts we may conclude that positive trend of employment was found exactly in the sectors which showed positive trend in their overall running a business.

While analysing answers to the first question according to the size of a company it was evident that medium enterprises showed mostly increase in their business (88.2%). The greatest part of small enterprises also showed positive trend in their running a business (75%).

The smallest increase of the number of employed people was shown mostly in big companies (47.6%) and at the same time they also increased number of dismissed workers for 30% and they have the smallest increase of their overall business.

These trends of overall running a business reflect the number of employed people.

The employers expect that the total number of employed persons will increase for 29% (1.657 employees) in the following 12 months comparing to the current number of employees.

The biggest increase is expected in the sector of hotels and restaurants (64.4%) and in the sector of commerce (wholesale and retail trade 49.7%). *No sector foresees decrease of the number of employed people.*

The smallest increase of the number of employed people is expected in processing industry-only 1.4%.

Big enterprises have the smallest growth of their overall running a business at the moment. At the same time the smallest increase of employment and current decrease of the number of employed people. They expect increase of employment in the following 12 months because of their increased employability of temporary workers during the season. Medium enterprises have the biggest growth of their overall running a business, overall employment and the smallest decrease of employed persons while the biggest expected employment growth is for temporary seasonal workers.

In the context of changes in technology and work organisation that enterprises are planning to undertake in the future, only 20.3% of enterprises out of 64 interviewed enterprises are planning to make technological changes, and 28.7% are planning to make changes in their work organisation.

The biggest interest for the investment of new technologies was evident in enterprises which deal with business services and enterprises in the sector of traffic and connections,

and the smallest interest was shown in the sector of processing industry and personal services.

Enterprises in the sector of processing industry and in the sector of commerce said mostly that they didn't know whether technological changes would be planned in the following 12 months

Changes in the work organisation that are to be undertaken were shown in enterprises belonging to the sector of business services, commerce (retail and wholesale trade), traffic and connections, while enterprises belonging to the sector of personal services showed small changes and enterprises belonging to the sector of processing industry showed no planned changes in their work organisation. It is indicative that 27% of the enterprises belonging to the same sector answered to the question with - I don't know.

1.2.1.2 Strategic options for employment promotion

1) The long term vision and objectives till year 2012

In the long term vision Sibenik-Knin will be the region with a balanced labour market, which meets the needs of globalising, open and competitive economy. There is an active labour market in Sibenik-Knin where:

- The workforce is educated, trained, mobile, competitive and able to adapt to the changes in economic structure;
- Incidence of unemployment is not higher in Sibenik-Knin than Croatian average;
- The employment structure and job opportunities provide material wellbeing of the population and prevent from exclusion;

2) The middle term programme till year 2008

The middle term programme with following priority activities is leading to fulfil the strategic objectives and to reach the long term vision:

- Improving employability;
- Strengthening equal employment opportunities;
- Implementing the newest EU employment strategies and policy measures and attracting EU financing for promoting employment in Sibenik-Knin.

Specific quantifiable/qualitative objectives of the programme:

- The creation of number of new jobs in Sibenik-Knin County;
- The reduction of unemployment rate to towards the Croatia average;
- The reduction of long-term unemployment;
- The risen numbers of retrained working population;

1.2.1.3 Employment promotion programme 2008

Priority action 1: Improving employability

Improving employability is a key priority action for Sibenik-Knin County. It is important that as many economically active people as possible work in sectors that are adapted to the open market and that are competitive. It is also important to ensure that as few economically active people as possible remain outside of the active labour market (as registered or unregistered unemployed people) for any period of time. Employability can be improved by combating unemployment, implementing active employment measures to train and retrain labour force participants, making easier transition from school to work.

The Measures are as follows:

Measure 1	Establishment of Employment Association
Measure 2	Activities to prevent unemployment after mass lay offs
Measure 3	Tackling youth unemployment
Measure 4	Preventing long-term unemployment

Measure 1: Establishment of Employment association

Privatisation and restructuring typically leads to the layoff of redundant workers almost every case. A high level of unemployment creates immense and long-term financial problem for the Government. Various social and political difficulties can also be expected as a direct or indirect consequence of this situation, for example, increasing crime, growth of the black economy, brain drain. Experience from elsewhere shows that the political cost of not addressing these problems is high. The adequacy of the measures taken to ameliorate these problems can have a significant influence on the social acceptance of the whole reform process within a country.

The problems associated with redundant and unemployed workers should be addressed through social adjustment measures. These are activities to provide a certain support to redundant and unemployed people both in bridging an unemployment period and helping them to find new employment. Those activities should form overall active labour market policy implemented in a country.

The current labour market situation is characterised by a lack of a homogeneous labour market policies, including uncoordinated development targets, priorities and guidelines. The social adjustment programme is not aiming to solve the problems of unemployment completely, even in the short term. The programme should be seen as one contribution to reducing the negative impacts of privatisation and restructuring. In the longer term, depending on local circumstances, the programme may develop into a more general employment assistance programme aimed not just at the problems created by privatisation and restructuring but also at unemployment in the wider economy in general.

Discussions at the local level with various interested parties such as municipalities, trade unions, Chambers of Commerce, local ES, local SME Bureau, and enterprises being privatised, indicate that there is a strong preference for actions to deal with redundant workers and the unemployed to be coordinated and implemented at the local level. There is a general consensus that central agencies did not have the local knowledge or resources

to effectively implement social adjustment measures. At the local level there is knowledge of potential business opportunities and resources available, sometime in the form of regional development plans, and a range of interested parties, particularly the municipality and the trade unions, that have a very direct incentive to deal with the problems of redundant workers and unemployment.

It is obvious that the units established should not duplicate the work of any agencies (organisations or Institutions) already in existence. The units would deliver or organise actual services to assist the unemployed such as training, business development assistance or employment on public works programmes. If present, these services would be provided by existing institutions such as the ES, the SME Agency or the local municipalities. However there is a lack of coordination between the partners on the labour market and the employment association should be the unit to overcome this lack.

Measure 1

1. Operational Programme	REGIONAL OPERATIONAL PROGRAMME (ROP) OF ŠIBENIK-KNIN COUNTY			
2. Objective	Employment			
3. Priority	Possibilities of special activities for unemployed persons and those facing the risk of losing it			
4. Measure	Establishment of new innovative employment centre			
5. Description of Measure	In cooperation with all regional partners (educational institutions, HZZ, HGK, POK, local government and self-government, HUP, unions etc.) it will contribute to decreased negative impact of privatisation and restructuring. Depending on circumstances, the measure should become a more general programme of employment focused on, not only problems created by privatisation, but also on unemployment in general.			
6. Activities	<ul style="list-style-type: none"> Ø Measures for education – training, re-training, re-qualifications (signing a contract with educational institutions) Ø Education and support of self-employment Ø Education and support for entrepreneurial development and other activities Ø Publishing of promotion material 			
7. Type of Support	Financial and technical			
8. Final Beneficiaries	?			
9. Ultimate Beneficiaries	Number of included persons			
10. Financial Plan 2004-2010	Donor			Total
Intervention Level	Indicator	Source of data	Study baseline	Target
• Output (Monitoring)	Overall number of trained persons	HZZ Educational institutions Employers		
• Result	Overall number of entrepreneurial			

(Monitoring)	start-ups Overall number of self-employed people			
• Impact (Evaluation)	Overall number of employed people in other crafts and enterprises			
• Environment				
• Equal opportunities				

Measure 2: Activities to prevent unemployment after mass lay offs

The TLM factory is in the process of privatization and a mass lay off of employees is foreseen. A mass lays-off will increase the level of unemployment in the region. In addition, the decline of economic activities in the region due to closure of ancillary enterprises will also impact on unemployment. The following must also be taken into consideration: a number of laid-off workers will find a new employment on their own or with the help of Employment Service, while others will be entitled to retirement. However, it is expected that a majority of workers will not find a new employment in the short-run.

The effect of the loss of primary employment in TLM factory will have a serious knock-off effect to subsidiary enterprises which provide services to the main enterprises, as well as to the effective demand for services and employment in the region.

Experiences from mass lay-offs abroad show that the redundant workers roughly fall in three categories:

- Unqualified and low qualified people lacking the skills reflecting the demands of the labour market (about 50%);
- People with secondary comprehensive and secondary profile-oriented education (about 46%), who cannot find jobs due to narrow specialisation, but could be qualified and re-qualified in starting their own business.
- A small group of people (about 4%) with high qualification /higher education/ who have been discharged from specialized enterprises and cannot apply their qualification.

The data indicated above show that great number of people have only a low level of education and qualification and did not improve their professional qualification after completing their secondary education. The expected lay-offs during the next years, as a result of the restructuring in the economy, will stimulate additional increase of the low as well as highly qualified workforce.

The expected profile of the redundant is both qualified and unqualified workers. In addition, there will be as well a significant number of administrative staff with secondary and higher education.

The measure aim assisting redundant workers or the unemployed regain employment through support measures which it is anticipated will include training, re-training, counselling, business advice, support to engage in new enterprises; and promotion of entrepreneurship through activities directed

- To encourage local initiatives promoting sustainable employment opportunities for the labour force in the region affected by the closure and re-structuring
- To fund employment initiatives based on community, social welfare, infrastructure and environmental projects which enhance the quality of life and the social and physical environment; and to create conditions for sustainable employment, and prevent long-term unemployment.
- To facilitate training and re-training initiatives to promote the return to the labour market of unemployed workers in areas affected by enterprise closure and restructuring;
- To strengthen the capacity of local authorities and project initiators in the management of funds in areas concerning employment and economic reintegration.

PROGRAMME COMPLEMENT – MEASURES

1. Operational Programme	REGIONAL OPERATIONAL PROGRAMME (ROP) OF ŠIBENIK-KNIN COUNTY			
2. Objective	Objective 3: Skilled human resources to meet market demands, leading to a higher degree of social inclusion and cohesion			
3. Priority	Priority 6: Higher skilled human resources			
4. Measure	18.2 TLM employees. Current estimate of people to be made redundant : 400 to 500			
5. Description of Measure	<u>Providing Business and Vocational Training to encourage new start up opportunities and other entrepreneurial activities. Obtain skills to meet new market requirements.</u>			
6. Activities	<ul style="list-style-type: none"> * Business Training (Business Plan Development, Marketing Skills, Financial control etc) * Working Capital Assistance * Equipment Grants * Property Provision * Business Association Platform * Focused Skill Training 			
7. Type of Support	<ul style="list-style-type: none"> 1. Financial Investments/Loan Guarantees 2. Provision of Training 			
8. Final Beneficiaries	Redundant TLM Employees (400 to 500)			
9. Ultimate Beneficiaries	Creation of increasing job opportunities in Sibenik County through the creation of SMEs			
10. Financial Plan 2004-2010	Donor (M€)	Matching Public Funds (M€)	Projected matching Private Funds (M€)	Total (M€)
	€1.5m	€0.5m		€2.0m
11. Monitoring & Evaluation Indicators				

Intervention Level	Indicator	Source of Data	Study Baseline	Target
<ul style="list-style-type: none"> Output (Monitoring) 	Number of Trained persons	Training Providers		200 - 400 Ex TLM Employees
<ul style="list-style-type: none"> Result (Monitoring) 	Number of New Start-Ups	Post Training Monitoring and follow up. Providers of Grants and Financial Guarantees		50 SMEs created
<ul style="list-style-type: none"> Impact (Evaluation) 	Number of Employees engaged by New Start Companies	Post Training Monitoring and follow up. Providers of Grants and Financial Guarantees		300/400 employed persons
12. Cross-Cutting Themes				
<ul style="list-style-type: none"> Equal Opportunities 	Equal opportunities for both men and women made redundant			

Measure 3: Tackling youth unemployment

Youth unemployment is a severe problem in Šibenik-Knin County. Experiencing difficulties in finding job and seeing narrow life opportunities at hand many young and educated people tend to migrate out of the region in search for work and life opportunities. It is important that youngsters have the possibility to join the labour market after finishing of education so they get an appropriate start of their active labour life, otherwise their will be a risk to loose a whole generation on the labour market with unemployment associated with other social problems like exclusion and apathy for this group. Activity is the key word either in form of work or in form of further education.

The main tasks for tackling youth unemployment include:

- Ensure that every young person is offered a start opportunity in the form of training, retraining, work practice, a job or other employability measure (temporal paid public work, job seekers club, etc.) with a view to integration into the labour market;
- Stimulate young and educated people to return to the region after graduating universities in other towns in Croatia and promote return of professionals and qualified labour.

PROGRAMME COMPLEMENT – MEASURES

1. Operational Programme	REGIONAL OPERATIONAL PROGRAMME (ROP) OF ŠIBENIK-KNIN COUNTY
2. Objective	Objective 3: Adequate infrastructure to support a balanced economic development and quality of life in the county
3. Priority	Priority 5: Employment Creation
4. Measure	Measure 15: Financial support to create new working positions (including

	self-employment and young people) – 15.1. Support to young people to obtain employment			
5. Description of Measure	The goal of this measure is to increase employment opportunities for young people (less than 30) without previous working experience, through financial incentives to the firms willing to give them a job. <u>Assistance would be a one-installment for the firm that would have the obligation to maintain the young people for a minimum of a 12 month training period.</u>			
6. Activities	<ul style="list-style-type: none"> * Printing of new promotion materials * Training of HZZ (Croatian Employment Agency) staff that will supervise the program. * Promotion of the scheme amongst the existing firms on the new employment program * Co-financing of the new working positions * Monitoring of employers and employees 			
7. Type of Support	Financial			
8. Final Beneficiaries	Office for Employment, Centre for Entrepreneurship, firms, crafts and employers in general.			
9. Ultimate Beneficiaries	600 trainees			
10. Financial Plan 2004-2010	Donor (M€)	Matching Public Funds (M€)	Projected matching Private Funds (M€)	Total (M€)
	1.8 (36%)	1.4 (28%)	1.8 (36%)	5.0 (100%)
11. Monitoring & Evaluation Indicators				
Intervention Level	Indicator	Source of Data	Study Baseline	Target
• Output (Monitoring)	Number of one-time grants	HZZ		600 grants
• Result (Monitoring)	Number of new workplaces	HZZ	HZZ Bulletin	600 new workplaces
• Impact (Evaluation)	Drop in overall unemployment from 13,400 (36%) to 12,800 (34%)	HZZ	HZZ Bulletin	Reduction of 2% of unemployment
12. Cross-Cutting Themes				
• Equal Opportunities	Working opportunities for both young men and women.			

Measure 4: Preventing long-term unemployment

64% of the unemployed in Sibenik-Knin County are long term unemployed with a tendency to increase. It is important to turn this tendency to decrease in the short run and in the long run to create possibilities for the long term unemployed to obtain new skills and qualifications in order to return to the labour market.

About 55% of the long term unemployed is women. The core group can be characterized as persons between 35 and 50 years.

Experience show that the actions to be taken for this group of unemployed has to be of longer character if the unemployed should have any change to return to labour, and that new skills and qualification according to the demands from the labour market is the only way forward.

Education and hereunder social skills or soft qualifications in combination with practical work has shown to be an effective tool in this matter.

The main tasks for the preventing long term unemployment within Sibenik-Knin County include:

- Training activities especially for women
- Every unemployed person is should be offered a new start opportunity before reaching twelve months of unemployment, in the form of training, retraining, work practice, a job or other employability measure (temporal paid public work, job seekers club, etc.) with a view to integration into the labour market.

PROGRAMME COMPLEMENT – MEASURES

1. Operational Programme	REGIONAL OPERATIONAL PROGRAMME (ROP) OF ŠIBENIK-KNIN COUNTY			
2. Objective	Objective 3: Adequate infrastructure to support a balanced economic development and quality of life in the county			
3. Priority	Priority 5: Employment Creation			
4. Measure	Measure 15: Financial support to create new working positions (including self-employment and young people) – 15.2 Employment for persons over 45 years of age			
5. Description of Measure	The purpose of this measure is to increase employment opportunities for people over 45 years of age, and waiting more than 6 months for a job, through financial incentives for the firms or employers... <u>Assistance would be a one time instalment, and the firms would commit themselves to maintain their new employees on their payroll for at least 18 months.</u>			
6. Activities	<ul style="list-style-type: none"> * Printing of new promotion materials * Training of HZZ (Croatian Employment Agency) staff that will carry out the program. * Promotion of the scheme amongst potential employers * Co-financing the opening of the new working positions * Monitoring of employers and employees 			
7. Type of Support	Financial			
8. Final Beneficiaries	HZZ, Centre for Entrepreneurship, firms, crafts, and unemployed people above 45 years.			
9. Ultimate Beneficiaries	600 unemployed persons over 45 years.			
10. Financial Plan 2004-2010	Donor (M€)	Matching Public Funds (M€)	Projected matching Private Funds (M€)	Total (M€)
	1.7 (34%)	2.1 (42%)	1.2 (24%)	5.0 (100%)
11. Monitoring & Evaluation Indicators				
Intervention Level	Indicator	Source of Data	Study Baseline	Target
• Output (Monitoring)	Number of grants	HZZ		600 grants to firms
• Result (Monitoring)	Number of new workplaces created	HZZ	HZZ Bulletin	600 persons over 45 years
• Impact (Evaluation)	Drop in unemployment by 13,400 (36%)	HZZ	HZZ Bulletin	2% drop in overall unemployment

	to 12,800 (34%)			
12. Cross-Cutting Themes				
<ul style="list-style-type: none"> Equal Opportunities 	Working opportunities for both men and women.			

PROGRAMME COMPLEMENT – MEASURES

1. Operational Programme	REGIONAL OPERATIONAL PROGRAMME (ROP) OF ŠIBENIK-KNIN COUNTY			
2. Objective	Adequate infrastructure to support a balanced economic development and quality of life in the county			
3. Priority	Employment Creation			
4. Measure	Re-qualification of long term employment (LTU) –meeting labour market demand			
5. Description of Measure	Changing the employment qualification structure, recycling the LTU, thereby adjusting offer to labour market demands			
6. Activities	<ul style="list-style-type: none"> * Verify the number of unemployed persons in specific branches and trades (create a list) * Verify the number of interested persons for re-qualification and training * Carry out health and professional competence tests for the interested persons * Gather offers from all possible institutions (including schools) for re-qualification and training. If necessary, ask for offers from outside the county for such a purpose. * Sign agreements with institutions for prequalification and training * <u>Monitoring of the programme</u> 			
7. Type of Support	Financial			
8. Final Beneficiaries	HZZ (Croatian Employment Agency) and training institutions			
9. Ultimate Beneficiaries	1,400 persons for re-qualification and 2,000 persons for special training			
10. Financial Plan 2004-2010	Donor (M€)	Matching Public Funds (M€)	Projected matching Private Funds (M€)	Total (M€)
	2.2 (100%)	-	-	2.2 (100%)
11. Monitoring & Evaluation Indicators				
Intervention Level	Indicator	Source of Data	Study Baseline	Target
<ul style="list-style-type: none"> Output (Monitoring) 	Number of training courses	HZZ		To be defined
<ul style="list-style-type: none"> Result (Monitoring) 	Number of re-qualified and trained workers	HZZ	HZZ Bulletin	3,400 people altogether
<ul style="list-style-type: none"> Impact (Evaluation) 	Drop in unemployment. 1,400 people (40% of the trained people) able to find a job	HZZ	HZZ Bulletin	Drop of 4.5 % in overall unemployment rate.
12. Cross-Cutting Themes				
<ul style="list-style-type: none"> Equal Opportunities 	Equal opportunities for both men and women.			

1.2.2 PROMOTING ENTREPRENEURSHIP

Analysis

SMEs in retail trade constitute the largest part of active SMEs in the region. Commerce and services in general are an important potential for regional development. Tourism is an example in case for Sibenik-Knin County. In order to make it more successful a Master plan for Tourism has been elaborated, using both the environmental and the cultural potential of the region.

There is an urgent need to increase productive employment in Sibenik-Knin County. The micro, small and medium size enterprises are an important vehicle for new employment generation. SMEs are characterised by their flexibility, which permits them to evoke in smaller markets. SMEs can be envisaged, providing income generating job for many, however, such development needs adequate support.

The contemporary development practices and policies in all spheres of economic and social life are increasingly becoming project based. The government support funds for regional development, SME support, agricultural modernisation and other purposes are mostly allocated to projects via project competitions. The EU pre-accession funds for regional development (Phare programme), for agricultural and rural development (SAPARD programme), and for environmental and infrastructure improvement (ISPA programme) are also disbursed through bidding. The projects are increasingly elaborated and implemented by coalitions of partners – local governments, NGOs, private businesses and other. Therefore it is of crucial importance for Sibenik-Knin region to strengthen capacity of local governments, local leaders, NGOs and private individuals to prepare, manage and implement viable projects.

The lack of resources being channelled to the rural areas is in part due to the fact that villages, rural towns and rural districts are unable to formulate projects and programmes which would attract and warrant such levels of funding. Therefore it is important to create the capacity to formulate and prepare projects which encourage the central authorities and other donors to allocate appropriate finance to disadvantaged regions.

For those who wish to start a business, either alone or in association with others, advice and training on business, financial, legal, marketing and technical issues, as well as on management of personnel is essential to ensure success, as is the continued support of the relevant local and state agencies. This should be available at no or low cost to the start-up enterprise.

Voluntary and self-help projects should receive particular encouragement and support, including the possibility of fiscal incentives. Such projects are often closer to local situations and can meet the social and economic needs of local communities not fulfilled by the profit-oriented private sector or by public sector organisations.

Strategic options for promotion of entrepreneurship

1) The long term vision and objectives till year 2012

In the long term vision Sibenik-Knin will be the region with an innovative and supporting environment for entrepreneurs where SME's will develop new growth possibilities. Available will be:

- Physical possibilities for establishment
- A network of established entrepreneurs as advisors for new
- Capacity to absorb investments from EU and other donors
- One-Stop shop for establishment of enterprise

2) The middle term programme till year 2008

The middle term programme with following priority activities is leading to fulfil the strategic objectives and to reach the long term vision:

- Development of project preparation and management skills / Training of potential entrepreneurs
- Development of family businesses

Specific quantifiable/qualitative objectives of the programme:

- A number of potential entrepreneurs trained in management skills and project preparation
- An increase of the number of SMEs and family business operations in service and industrial production sectors.
- Increase in foreign investments

The Measures to promote entrepreneurship and creation of new jobs are as follows:

Measure 1: Development of project preparation and management skills / Training of potential entrepreneurs

The project preparation and implementation skills should be strengthened in order to stimulate private sector development in Sibenik-Knin – business start-ups, technological modernisation and investments in SMEs, restructuring of agricultural farms. The regional economic growth will depend on ability of entrepreneurial population to identify market opportunities and to prepare and implement successful business projects.

Project preparation and management skills are also needed for development of social sphere and public sector. Human resources development, education, vocational training, retraining of unemployed, territorial planning, community development, public transportation and environmental protection are the spheres of public interest where efficient projects could be prepared and submitted for financing. This is the argument why development of project preparation and management skills among Sibenik-Knin

County population should be viewed as strategic priority and a valuable demonstration activity.

The main tasks for project preparation and management skills include training of population and NGOs in:

- Motivation building for projects strategic planning;
- Attracting finances to projects;
- Writing of project applications;
- Team building and conflict resolution;
- Image making and publicity of projects;
- Project evaluation.

Title: Training in project preparation and management		
Objective:		Planned budget:
<ul style="list-style-type: none"> • Identification of target audience – entrepreneurial and active people in the community / locality; • Awareness and motivation building among target audience in project preparation; • Training in project preparation and management; • Replication and demonstration of project successes in other communities. 		9 100 EUR
Expected results:		
<ul style="list-style-type: none"> • The content of courses will include training in preparation of business projects, business plans, as well as preparation of community development projects. Course attendants will be educated in fund rising methods and methods of attraction and use of EU pre-accession funds. 		
Partners:	Main beneficiaries:	Timing:
•	<ul style="list-style-type: none"> • Local NGOs, civil society leaders, local municipalities representatives, interested individuals 	(number of months) 2 months
Description:		Location:
Lectures and training course in project preparation would consist of 10 lectures and seminars and would take place in one of the selected regions.		Whole region

Measure 2: Development of family businesses

The special geography in Sibenik-Knin County with 6 populated islands and rural potential in the Hinterland gives a potential to develop family businesses inside tourism, craft and agriculture. Clearly there is significant tourism potential on the islands including nautical and rural tourism, agriculture (viticulture, olive-growing, collecting medicinal herbs, fishing industry), as well as the restoration of traditional island crafts (collecting sea sponges and corals).

Title: Family training for new employment generation		
Objective:		Planned budget:
<ul style="list-style-type: none"> • Education of families, particularly in rural areas and small towns in identification of employment opportunities, confidence building, training in skills to develop communication and employment contacts 		15 000 EUR

<u>Expected results:</u> <ul style="list-style-type: none"> • Networks families, individuals involved and organisations developed; • Training courses in implemented; • Self confidence among the participants strengthened; • Contacts with employers established; • Small business start up plans prepared by the course participants and business ideas elaborate; • Identification of the potential family business opportunities and the elaboration of respective family enterprise business plans; • Knowledge acquired in small business management and micro economy; • Positive effect on the local community; • Potentially new work places found or created. 		
<u>Partners:</u> <ul style="list-style-type: none"> • Network for development and co-operation of women; • Local governments; • Business associations. 	<u>Main beneficiaries:</u> <ul style="list-style-type: none"> • 35-40 volunteer families; • Families and individuals who want to diversify the existing or to find new employment; • Self-employed persons and business starters; • Women and young people; • Persons who want to share positive experiences and results of the project; • Local entrepreneurs and business associations. 	<u>Timing:</u> 12 months
<u>Description:</u> <ul style="list-style-type: none"> • Family training and skills development for communication and business contacts; • Training courses in self confidence building and career planning; • Training course for career development and self-confidence building; • Training seminar in entrepreneurship ; • NGOs participation and local society involvement. 		<u>Location:</u> Whole region

Measure 3: Opening of entrepreneurial incubator and technologically-innovative centres

The county of Šibenik and Knin needs, as a foundation of SME and crafts' development, economical development in order to include scientific and research resources in the process of creation, implementation and commercialization of modern technologies. The purpose and objectives of these technologically-innovative centres are providing of:

- Continuous and full help of consultants
- Systematic development of new production or services and advancement of the existing ones
- Provision of services and production development
- Easier approach of foreign and Croatian partners, support in sustainable business relationships
- Help in internal management organisation and provision of modern management

These institutions are related to new entrepreneurs, especially star-ups (up to one year of work), having developmentally orientated production programmes or services that support production. As it is very well known, all start-up activities need extra care so entrepreneurs and craftsmen are not an exception. The role is also to provide survival of start-up entrepreneurs, development with no difficulties until they are ready for the market with clear development conceptions.

PROGRAMME COMPLEMENT – MEASURES

1. Operational Programme	LOCAL PARTNERSHIP FOR EMPLOYMENT IN ŠIBENIK AND KNIN COUNTY			
2. Objective	Development of entrepreneurship and creation of new work places			
3. Priority	Development of entrepreneurial infrastructure			
4. Measure	Establishment of entrepreneurial incubators and technologically-innovative centres			
5. Description of Measure	In order to encourage entrepreneurial development, especially start-up entrepreneurs, entrepreneurial incubators are being established, in other words technologically-innovative centres for activities based on high technologies and innovations			
6. Activities	<ul style="list-style-type: none"> - Half-made plans - Identification of entrepreneurial potential-possible users of incubator - Location finding - Finding of financial sources - Implementation 			
7. Type of Support	Financial support, technical help, local government and self-government help (free space, subventions for entrepreneurs' works...)			
8. Final Beneficiaries	Local government and self-government units			
9. Ultimate Beneficiaries	Start-up entrepreneurs			
10. Financial Plan 2004-2010	Donor (M€)	Matching Public Funds (M€)	Projected matching Private Funds (M€)	Total (M€)
11. Monitoring & Evaluation Indicators				
Intervention Level	Indicator	Source of Data	Study Baseline	Target
<ul style="list-style-type: none"> • Output (Monitoring) 	A number of entrepreneurial incubators and technologically-innovative centres	<ul style="list-style-type: none"> - Local and self-government units - HGK 	Reports and questions	
§ Result (Monitoring)	A number of entrepreneurs using incubator services	<ul style="list-style-type: none"> - Employers - HGK - HOK - HZZO 	Reports and questions	
<ul style="list-style-type: none"> • Impact (Evaluation) 	Increase of employment	<ul style="list-style-type: none"> - HZMIO - HZZ 	Reports and questions	
12. Cross-Cutting Themes				
<ul style="list-style-type: none"> • Equal opportunities 	This measure certainly includes equal opportunities of all stakeholders.			
<ul style="list-style-type: none"> • Information technology 	Use of information technology will be necessary in all phases of measure realization			

1.2.3 EDUCATION

1.2.3.1 Analyses

Today's Europe is experiencing change on a scale comparable with that of the Industrial revolution. Digital technology is transforming every aspect of people's lives, whilst Biotechnology may one day change life itself. Trade, travel and communication on a world scale are expanding people's cultural horizons and are changing the ways in which economies compete with each other. Modern life brings greater chances and choices for individuals, but also greater risks and uncertainties. People have the freedom to adopt varied lifestyles, but equally the responsibility to shape their own lives. More people stay in education and training longer, *but the gap is widening between those who are sufficiently qualified to keep afloat in the labour market and those who are falling irrevocably by the wayside.* The County's population is also ageing rapidly. This will change the make-up of the labour force and the patterns of demand for social, health and education services.

The knowledge, skills and understanding we learn as children and as young people in the family, at school, during training and at college or university will not last a lifetime. Integrating learning more firmly into adult life is a very important part of putting lifelong learning into practice, but it is, nevertheless, just one part of the whole.

Lifelong learning sees all learning as a seamless continuum 'from cradle to grave.' *High quality basic education for all, from a child's youngest days forward, is the essential foundation*

A. Description of the situation

It is at the County/local level in particular that education and training is organised, developed and delivered;

SWOT ANALYSIS OF EDUCATIONAL SYSTEM FOR ADULT PERSONS IN THE COUNTY OF ŠIBENIK AND KNIN

STRENGTHS

- wide choice of educational institutions conducting education of adult persons
- wide choice of educational programmes
- long time tradition of adult education
- important pedagogical experience in education of adult persons
- the existence of skilled educational personnel
- identical inscription procedure of educational institutions
- different possibilities of payment for participants
- readiness of educational institutions for system changes in the education of adults
- interest of educational institutions in co-operation with employers and other institutions

WEAKNESSES

- Lack of coordination between supply of educational programmes and demand of labour market
- Long duration of educational programmes
- High price of educational programmes for unemployed persons
- Lack of educational personnel for certain educational programmes
- Material and technical problems in conduction of educational programmes
- Insufficient investments in professional training of educational personnel
- Insufficient advertising of educational programmes

OPPORTUNITIES

- decentralization of educational system
- better awareness about labour market and inclinations of economical development on the county level
- coordination between supply of educational programmes and demands of labour market
- shorter duration of educational programmes
- suitable price of education for unemployed persons
- engagement of necessary educational personnel from other counties
- use of foreign sources of financing (CARDS and similar sources) in order to improve material and technical conditions
- permanent trainings for educational personnel
- more active advertising

THREATS

- slowness and bureaucracy of educational system
- poor economy without clear programmes that will lead to improvement and without clear demands in relation to educational system
- non-transparent system for education of adult persons
- indifference of employers for additional training of their employees in order to gain new knowledge and skills
- political uncertainty related to the question of joining the EU which has the role of prime-mover of important changes
- lack of understanding of adult persons about the necessity of permanent and long-life learning

Sibenik-Knin County has to look for innovative and technology based ways for accelerated economic growth and seek out routes for development that are based on education, fostering human resources, modern technologies, dynamic labour market and skilful use of the opportunities.

Education serves to develop human resources, it helps to develop the working abilities of individuals, and it has much to do with a person's competitiveness in the job market. This, in turn, affects the competitiveness of entire sectors in the economy and, by extension, the welfare of the people.

One of Sibenik-Knin County advantages is a relatively high level of education among the population.

The education system in Šibenik-Knin County requires considerable restructuring. There is a need for more modern curricula, new equipment along with the application of modern education contents, improved teaching methods and extra teaching space/resources. Only a minority of the elementary or high schools in the county has the necessary resources to provide a modern teaching service.

Considering the unemployment rate and intense competition for jobs in the county, the qualifications of high school and college graduates do not reflect the needs of local employers. There is a need to retrain people in deficit occupations, such as carpentry, masonry, steel-benders, cooks, waiters, mathematics teachers and foreign languages teachers etc. Some initiatives have been undertaken by the Employment Agency to set a goal for satisfying the demands for deficit occupations but extra funding sources and training products are needed.

The Labour Market Analysis shows indicative that almost 1/3 of enterprises said that the further education would be necessary or desirable and especially the needs for the so called soft qualifications.

Below is shown what employers consider to be very important qualifications for their workforce in the future, and it is very characteristic that it concerns employees attitude towards work, adaptability, team work, readiness to further learning and oral communication. The least important characteristics are general work experience and IT knowledge.

CANDIDATE'S CHARACTERISTICS	AVERAGE GRADE
Attitude towards work	4,6
Adaptability	4,4
Team work	4,3
Readiness to learning	4,3
Oral communication	4,2
Problem solving	4,2
Technical and practical skills	4,2
Vocational skills	4
Relationships with customers	4
Planning and organisation	4
Ability to write	3,8
Capability of decision making	3,8
Education	3,7
Cooperative skills	3,7
Use of numbers	3,7
Written communication	3,6
General work experience	3,3
IT	3,2

The main problem in the sphere of education in Sibenik-Knin is that there are not sufficient links among educational institutions, employers and local governments and this makes it hard for graduates to find work, and that adult education and lifelong education system is undeveloped.

Furthermore, better cooperation between the Employment Service and the education system is necessary in order to coordinate the supply and demand of the workforce market, instead of creating a surplus in deficit occupations.

A barrier for development of an adult educational culture is the fact that adult educational actions are build of a system of income covered activities for the education institutions. It means that the costs for participation is often much too high for as well employed as unemployed persons.

B. Prospects in regional level

Systematic investment in knowledge, a forceful employment policy and the creative efforts of many different people can make Sibenik-Knin County a leader in the field of education, research, employment and enterprise. Globalization and the speed of change, as well as the shift to a sustainable society, make great demands on the workforce and on efforts towards a sustainable society. Sound knowledge is essential if people are to absorb information and make choices, in the context of sustainability, as citizens and consumers and at work. Lifelong learning for all must therefore become a reality. Employment is also prioritized in the strategy on account of the anticipated demographic trend.

A successful regional economy and labour market requires both specialists with a higher education and specialists with a professional secondary education. Educational system should provide opportunities for adult education and retraining.

Since people's attitudes and lifestyles are established at an early age, the work of increasing their interest in and knowledge of sustainable development should start in pre-schools. This learning should then be reinforced throughout the official education system. Pupils and students should be encouraged to have a say and take responsibility.

The knowledge, skills and understanding we learn as children and as young people in the family, at school, during training and at college or university will not last a lifetime.

Integrating learning more firmly into adult life is a very important part of putting learning into practice, but it is, nevertheless, just one part of the whole.

Basic education followed by initial vocational education and training, should equip all young people with the new basic skills required in a knowledge-based economy. It should also ensure that they have 'learnt to learn' and that they have a positive attitude towards learning.

People will only plan for consistent learning activities throughout their lives if they want to learn. They will not want to continue to learn if their experiences of learning in early life have been unsuccessful and personally negative. They will not want to carry on if appropriate learning opportunities are not practically accessible as far as timing, pace,

location and affordability are concerned. They will not feel motivated to take part in learning whose content and methods do not take proper account of their cultural perspectives and life experiences. And they will not want to invest time, effort and money in further learning if the knowledge, skills and expertise they have already acquired are not recognised in tangible ways, whether for personal reasons or for getting ahead at work.

It is essential to *raise the demand for learning as well as its supply*, most especially for those who have benefited least from education and training so far. Everyone should be able to follow open learning pathways of their own choice, rather than being obliged to follow predetermined routes to specific destinations. This means, quite simply, that education and training systems should adapt to individual needs and demands rather than the other way round.

To be able to have a system where education institutions can act flexible and in accordance with demands from the labour market it is necessary to ensure appropriate physical conditions such as up to date teacher, curricula, workshops and equipment and possibilities for investments should be present.

Training and re-training in skills relevant to the demands of the local labour market are vital elements of any local employment initiative. However, local education and training policies cannot be formulated in isolation from wider workplace and business developments. Consequently, in providing such training or re-training, the changing nature of work has to be taken into account and a key consideration of education and training policies should be the need for training programmes to provide leadership, business and technical skills which are also marketable in the wider context of national and global labour markets.

In responding to the need to provide sustainable long-term employment opportunities, greater co-operation is required between the local educational and training institutions, local employment agencies, local government including both elected representatives as well as officials, local enterprises and the representatives of the social partners in the development of education and training policies, in line with the available resources and the labour market demands within the locality and/or region.

All education and training programmes should include modules on personal and social skills, job hunting and career planning and development, in line with the principles of 'life-long learning' and non-formal education.

Opportunities need to be provided to workers to ensure that their skills and qualifications continue to be relevant to the ever-changing demands of the labour market. This should be done, through national training policies, supported by local partnerships and local enterprises. The objective of life-long learning should be to enable workers and those wishing to enter the labour market to keep up with the constant changes in technology and markets, and thus to have a place in the labour market.

All education and training programmes should include an element of 'on the job' placement and work experience as a means of assisting the integration/ re-integration of participants into the workforce.

It is essential that public works and community employment programmes include an element of skills training, so as to provide participants with the opportunity to find further employment at the end of the programme.

The overall target in Sibenik-Knin County is to achieve higher overall levels of education and qualification in all sectors, to ensure people's knowledge and skills match the changing demands of jobs and occupations, workplace organisation and working methods.

Strategic options for reinforcement of educational system

1) The long term vision and objectives till year 2012

The growth of the economy in Sibenik-Knin County will depend as much on the development of our people as on traditional financial investment. Success in the broader European market depends on our competitiveness in all forms and especially the performance of our educational and training systems and institutions.

To bring them up to modern international standards especially vocational and adult education and training requires fundamental change across a broad front including curricular, assessment, certification and teacher training.

The competitiveness of Sibenik-Knin County will mainly be determined by the education of its people, as well as by the qualifications of its labour force.

In the long term vision Sibenik-Knin County will be the region where:

- The educational system provides qualification and skills demanded in the labour market, there is a good linkage between educational system and labour market;
- The educational system offers wide range of opportunities for adult and lifelong education;
- There is a competitive education and qualification infrastructure in new technologies and information and communication technologies;
- The education and training quality is high.

2) The middle term programme till year 2008

The following actions are leading to fulfil the strategic objectives and partly to reach the long-term vision:

- Flexible education programs for adults including special programs developed for women
- Effective partnership establishment between employers and education institutions
- Updated equipment and premises of education institutions
- Possibilities for elaboration of new education programs in specific Occupations after employers' demands

Specific quantifiable/qualitative objectives of the programme

- Increased number of firms employing unemployed young graduates from higher and secondary education and VET schools;
- Increased number of young people starting a business/becoming self-employed;
- Increased number of young people obtaining relevant and appropriate qualifications;
- Teachers/trainers trained in pedagogic and vocationally specific issues;
- Number of business-education partnerships and lifelong learning partnerships established;
- Increased number of adults retrained in professions demanded in the labour market;
- Increased number of adults trained in business and entrepreneurial courses;
- Increased number of adults enrolling the new training courses;
- Increased number of institutions providing the labour market training;

The measures proposed are:

Measure 1: Flexible education programs for adults including special programs developed for women

Most of what our education and training systems offer is still organised and taught as if the traditional ways of planning and organising one's life had not changed for at least half a century.

Basic skills as those required for active participation in the knowledge society and economy – in the labour market and at work, in real-time and in virtual communities and in a democracy, and as a person with a coherent sense of identity and direction in life are necessary.

Social skills such as self-confidence, self-direction and risk-taking are also increasingly important, because people are expected to be able to behave much more autonomously than in the past.

Entrepreneurial skills release capacities both to improve individual job performance and to diversify company activities; they also contribute to job creation, both within existing enterprises – especially SMEs – and for self-employment. Learning how to learn, to adapt to change and to make sense of vast information flows are now generic skills that everyone should acquire.

Employers are increasingly demanding the ability to learn and acquire new skills rapidly and to adapt to new challenges and situations.

The task of increasing gender equality is a high priority. Power and influence and equal rights and opportunities for women and men as regards economic and other matters are central features of gender equality policy.

The main tasks for improving quality (curricula) of vocational education within Sibenik-Knin County include:

- Development of new curricula, elaboration and provision of education and training programmes in a flexible, modular system vital for regional labour market;
- Development of modern, up-dated education, training and learning materials;
- Purchasing of training equipment for ensuring the implementation of the newly designed curricula;

- Training of the teaching staff in curricula development, training of teachers;
- Supporting the attainment of vocational teachers and instructors in technical qualification upgrading.

The term "module" (building block, assembly) originally stems from technological production and "modularisation" is the term used to describe a process which permits final products to be manufactured more easily and more cost effectively. The terms are being used in other areas, including vocational education and training. Teaching and learning materials, for example, were designed many years as "modular systems" in order to facilitate their use in a more flexible and differentiated manner (compared with rigid teaching materials). Given the growing heterogeneity of learning groups, rapid changes in the requirements of industry, the plurality of vocational education and training providers and the major trend towards short-term orientation in industry, flexibility, differentiation and a dynamic approach are required. Modules and modularisation are described to be effective ways of achieving these goals.

PROGRAMME COMPLEMENT – MEASURES

Measure 1: Development of flexible education programs for adults including special programs development for women

1. Operational Programme	REGIONAL OPERATIONAL PROGRAMME (ROP) OF ŠIBENIK – KNIN COUNTY			
2. Objective	Education for labour market			
3. Priority	Provide faster re-qualifications of unemployed, especially women, for occupations needed on the labour market			
4. Measure	Development of flexible education programs for adults including special programs developed for women			
5. Description of Measure	In cooperation with high schools, offer more programmes of re-qualifications according to the labour market's demands. Acceptable educational programmes should be offered to unemployed women.			
6. Activities	<ul style="list-style-type: none"> - Research of labour market demands - Organisation of short qualification programmes for needed occupations - Cooperation with schools in order to organise skill courses needed on the labour market. - Organisation of child care for unemployed women during the educational period women. 			
7. Type of Support	Professional and financial			
8. Final Beneficiaries	Unemployed persons, employers, schools			
9. Ultimate Beneficiaries	Higher competitiveness on the labour market and smaller number of long-term unemployed people.			
10. Financial plan 2004 – 2010.	Donor	Matching Public Funds	Projected matching Private Funds	Total
11. Monitoring & Evaluation Indicators				
Intervention level	Indicator	Source of Data	Study Baseline	Target
• Output (Monitoring)	Number of courses and	Schools, HZZ		Unemployed, women

	participants			
• Results (Monitoring)	Number of successful qualifications	Schools		Successfully re-qualified
• Impact (Evaluation)	Number of newly employed	HZZ, HZMIO		Higher number of newly employed people
12. Cross-Cutting Themes				
• Equal Opportunities	Creation of equal opportunities for employment			

Measure 2: Effective partnership establishment between employers and education Institutions

The main objective of vocational education system in Sibenik-Knin County is to train specialists in sectors of economy with potential of growth in the region and ensure qualifications and skills that are demanded in the labour market. Vocational education in services, information and communication technologies and business management specialities are of primary importance. Co-operation between vocational schools, Vocational education and training Centre, regional Universities and business organisations may serve as precondition for improving quality of education corresponding to the labour market demand.

The main tasks for promoting links between vocational training and working life within Sibenik-Knin County include:

- Professional orientation of youth and adults career counselling in accordance with prospective demand in labour market;
- Labour market and skill needs analyses;
- Support for business-education partnerships and local employment partnerships;
- Practice in work organisations;
- Initiatives, encouraging social partners and business organisations involvement in vocational education programme and curricula design and implementation and examination;
- Training, development and short placement in companies for teachers to improve school-employer links and relevance of curriculum.

PROGRAMME COMPLEMENT – MEASURES

1. Operational Programme	REGIONAL OPERATIONAL PROGRAMME (ROP) OF ŠIBENIK – KNIN COUNTY
2. Objective	Training of needed number of economy experts
3. Priority	Development of cooperation between economy and schools
4. Measure	Effective partnership establishment between employers and education institutions
5. Description of Measure	It is necessary to establish cooperation of economy and educational institutions in order to plan education of experts according to the market

	demands, who will start their careers immediately after education.			
6. Activities	<ul style="list-style-type: none"> - Identification of needs for economy experts through HGK, HOK and HZZ - Planning of students' enrolment in high schools according to economical demands - Cooperation of schools and enterprises - Additional education of teachers in enterprises - Organisation of practical work for students in enterprises 			
7. Type of Support	Local self-government should coordinate linking of economy and schools.			
8. Final Beneficiaries	Students, schools, enterprises			
9. Ultimate Beneficiaries	1300 successfully educated students every year, for the needs of economy			
10. Financial plan 2004 – 2010.	Donor	Matching Public Funds	Projected matching Private Funds	Total
11. Monitoring & Evaluation Indicators				
Intervention level	Indicator	Source of Data	Study Baseline	Target
• Output (Monitoring)	Number of students enrolling into high schools	Office of state-government		Primary school leavers
• Results (Monitoring)	Number of students at the end of their education	Office of state-government		High school students
• Impact (Evaluation)	Better employability after education	HZZ		Education for work and market
12. Cross-Cutting Themes				
• Equal Opportunities	Creation of equal opportunities for employment of young people after they finish their education.			

Measure 3: Updated equipment and premises of educational institutions

High schools in Šibenik and Knin County have no adequate equipment for education of students and demands of labour market. Equipment and premises of educational institutions are very old. Schools can't provide education that would be in line with the newest technological achievements. It's not a rare situation if you see students using equipment that is no longer used in real life. That is the reason why they can't get needed working skills and can't be competitive in the modern market; this is also the reason of their need to go through additional education afterwards. Only few of them get the chance because employers want experienced workers. Because of these facts it is compulsory to equip schools with upgraded technology so that the students in Šibenik and Knin County could have equal opportunities in the labour market as their colleagues from other European countries.

Main tasks considering renewal of workshops and equipment upgrading in educational institutions are:

- Provision of new adequate equipment and workshops' renewal
- Provision of PCs so that each student could have computer access
- Education of workshops' supervisors and teachers in using of upgraded equipment
- Organisation of going to training in other centres or arrival of foreign experts

PROGRAMME COMPLEMENT – MEASURES

1. Operational Programme	REGIONAL OPERATIONAL PROGRAMME (ROP) OF ŠIBENIK – KNIN COUNTY			
2. Objective	To upgrade educational process in high schools.			
3. Priority	To update equipment of educational institutions			
4. Measure	Updated equipment and premises of education institutions			
5. Description of Measure	Old and inadequate school equipment should be replaced with the new and modern equipment as soon as possible. In that way students will be able to acquire necessary skills and knowledge.			
6. Activities	<ul style="list-style-type: none"> -Provide new equipment for schools -Renovate school workshops in line with the European standards -Provide IT equipment -Education of teachers in European centres(for work in present-day conditions) -Invite experts coming from other centres in order to conduct training for workshops' supervisors 			
7. Type of Support	Financial and professional			
8. Final Beneficiaries	Primary and secondary school students, teachers			
9. Ultimate Beneficiaries	Employers will get qualified workers trained for work in present-day conditions.			
10. Financial plan 2004 – 2010.	Donor	Matching Public Funds	Projected Matching Public Funds	Total
11. Monitoring & Evaluation Indicators				
Intervention level	Indicator	Source of Data	Study Baseline	Target
• Output (Monitoring)	New equipment	Schools		Students
• Results (Monitoring)	Modern schools	Teachers		Students
• Impact (Evaluation)	Successful education	Employers		Young employed persons
12. Cross-Cutting Themes				
• Equal Opportunities	All students will have the opportunity to be educated under the same conditions as their age-mates in other European countries.			

Measure 4: Possibilities for elaboration of new education programs in specific occupations after employers' demands

The market is changing, new technologies are being developed and it gets harder for employers to find educated employees. It's not a rare case that schools, from year to year, educate students in out of date programmes that are not following market changes. School principles often understand what the problem is, but they can't do anything. On the one hand there are teachers that need their jobs and on the other hand there are parents wanting their children to go to professions with low employability rate, but they believe these professions are adequate base for the further education of their children. This way, students are often educated to unemployment and not for work. Bidding of professions does not correspond to needs of employers or to market needs. For this reason, it is necessary to create new educational programmes for specific occupations according to market demands.

Main tasks considering creation of new educational programmes are:

- Identification of employers' needs and demands of the labour market
- Establishment of a team of experts consists of teachers, HGK, HOG, HZZ representatives, enterprises' representatives and representatives of local self-government suggesting new educational programmes and changes in the existing programmes according to the employers' demands.
- Establish full cooperation among team of experts, Institute for educational advancement and Ministry of education, science and sports
- Verification of new programmes at short notice
- Re-education of teachers
- Creation of programmes in line with the market demands.

PROGRAMME COMPLEMENT – MEASURES

1. Operational Programme	REGIONAL OPERATIONAL PROGRAMME (ROP) OF ŠIBENIK – KNIN COUNTY
2. Objective	Creation of new school programmes.
3. Priority	Better cooperation of local community and Ministry of education, science and sports in adjusting of educational programmes to regional needs.
4. Measure	Possibilities for elaboration of new education programs in specific occupations after employers demands
5. Description of Measure	It is necessary to create new educational programmes that will be in line with the latest changes of the labour market and with the demands of employers. In that way there won't be any need to additionally train young people for their work.
6. Activities	<ul style="list-style-type: none"> - Creation of a team of experts that will write programmes according to the employers' demands. - Analysis of existing programmes - Suggestions for new programmes - Change of the existing ones - Education of teachers for new programmes
7. Type of Support	Professional cooperation and financial help
8. Final Beneficiaries	Employers, students, teachers
9. Ultimate	Local community

Beneficiaries				
10. Financial plan 2004 – 2010.	Donor	Matching Public Funds	Projected matching Private Funds	Total
11. Monitoring & Evaluation Indicators				
Intervention level	Indicator	Source of Data	Study Baseline	Target
• Output (Monitoring)	New programmes in schools	Institute of education advancement		Students and teachers
• Results (Monitoring)	New occupations	Schools		Modern education
• Impact (Evaluation)	Education in line with the labour market demands	Employers		Employment of young people after they finish their education
12. Cross – Cutting Themes				
• Equal Opportunities	Equal opportunities in achieving modern education of quality.			

1.2.4 SOCIAL WELFARE AND INCLUSION

1.2.4.1 Analyses

A. Description of the situation

Social vulnerability is a problem not only for the individual. It can also be a problem for the individual's family and neighbourhood, for society and for future generations. Some groups have never had a firm foothold in the labour market. Their lives are shaped by serious social problems such as substance abuse, homelessness and mental handicaps. There is a good deal of evidence that they do not get the care and support they need.

Social Welfare Centres are public institutions with permits issued by the Ministry of Work and Social Welfare. Social Welfare services in the county are administrated by 3 main centres: Šibenik, Drniš and Knin. The following services are supplied by trained professionals from these institutions:

- General activities involving social work
- Counselling for married couples, youth, and family
- Foster Care administration
- Supporting persons with physical, psychological, and mental trauma problems
- Counselling and activities dealing with delinquent youth

The Social Welfare Centre in Knin has a catchment's area that includes Kijevo, Kistanje, Biskupija, Ervenik and Civljane municipalities. The entire area under the centre's supervision is in the area of special state care.

All Social Welfare Centres also deals with marriage protection, family protection, and children's rights. There is a constant increase in the number of social welfare and police interventions in family disputes.

There are a growing number of families using social welfare financial aid due to the high unemployment rate and the particular problems facing returnees and settlers. Statistics for 2002 indicated that Šibenik-Knin County had the highest percent of income support claimants in Croatia with 11.8%. The Croatian national average was 2.7%.

There is a general lack of social support services, including family counselling, self-confidence encouragement of youth, and prevention of behaviour disorders.

The following services are offered though the Social Welfare Centres and Caritas in Šibenik-Knin County: Public Kitchen, sick/poor financial aid, clothing supplies, adoption services, education grants, abortion prevention, parental counselling, housing support and shelter. Other Caritas projects in the county currently underway include: home care for poor and immobile persons and a free bakery in Knin.

Caritas also assists two drug rehabilitation centres in the county through distribution of food. In 2002 Nunić received 1,361 kg in food while Cenacolo received 4,266 kg. Along with Caritas, the Centre for Addiction Prevention also deals with resolving situations related to drug and alcohol addictions.

B. Prospects in regional level

It is at the regional / local level where services are provided to help integrate the most vulnerable into our societies.

Regional analysis of social problems has shown that regions have varying levels of capacity to cope with social problems and that there are variations regarding opportunities to develop region-specific approaches. In Šibenik-Knin County tackling of social problems require the collaboration of various institutions and the involvement of the various community levels:

- Public sector – national, regional and local government organisations;
- Private sector organisations – insurance companies, private health care and social care organisations, as well as private recruitment and training agencies, employers;
- Non Governmental Organisations, which aim to reduce social problems, provide social assistance and community services as well as community groups, church, private charities etc.

Poverty in Sibenik-Knin County is of a structural and regional nature, for instance, poverty is significantly associated with war affected, rural and peripheral areas. The reduction of social problems using regional policy measures means the creation of equal opportunities in the region for full participation in the various spheres of community life.

In addition, where the main attention is focused on supporting successful individuals and activities in the poorer or backward region, there is also the need to extend programs with a special focus, aimed at individuals with low resources and competitiveness. The Human Resource Development Strategy should concentrate on extending opportunities for socially vulnerable groups, education.

Furthermore, of particular concern is the lack of access to income generating resources and social support systems that is characterising many of the “losers” of the transitional process (the long term unemployed, workers of large enterprises under privatization and hence, security are falling away, subsistence farming families whose return to the land has not led to a rise out of poverty, the elderly who experience a deterioration in the ability of the state to provide a living pension, and the young who are increasingly facing debilitating unemployment).

Successful tackling of social problems will depend on improvement of social services focused on providing direct social support to target social groups, which could include, for example, confidence building for the unemployed, pre-vocational training initiatives; assistance to youth centres, and key issue support programmes.

Where necessary, economically disadvantaged women, especially those with family or caring responsibilities, should have access to special training and other support programmes specifically designed to meet their circumstances, in particular affordable, accessible and good quality day-care facilities for children and other caring needs.

While recognising the principle of non-discrimination, it is sometimes necessary to positively discriminate in favour of certain groups through targeted programmes in order to combat their long-term unemployment. In such targeted programmes, integrated approaches are essential between the various agencies involved, including social services, to ensure access to employment for such groups.

2 Strategic options for tackling social problems

1) The long term vision and objectives for 2012

The long term vision of social conditions in SIBENIK-KNIN COUNTY envisages that:

- The level of economic welfare of population and the level of household income provide satisfaction of human needs and provide the quality of life;

- Social security programmes are efficient and provide control over social problems;
- Opportunities in society are shared equally, there are no incidence of extreme poverty, isolation and exclusion;
- There are equal access to educational, employment and health care opportunities;
- Social programmes prevent from spread of alcoholism and drugs;
- Public housing programmes are efficiently implemented.

2) The middle term programme till year 2008

There are several key directions of work to reduce social problems:

- Prequalification and training
- Community projects for employment – public works: cleaning of forests and creation of forest fire barriers, archaeological excavations, sanitation of wild waste deposits etc.
- Rehabilitation and reintegration of various groups in society (war veterans, prisoners, addicts)
- Develop support systems for children, youths, disabled, elderly, and persons with special needs
- Opening of entrepreneurial incubator and technologically-innovative centre

There is one major priority action to control social problems – improvement of social conditions. This priority action includes five measures, which envisage systemic reforms as well as immediate assistance to target groups living in extreme social conditions.

The following measures are proposed:

Measure 1: Prequalification and training

On the basis of labour market analyses and plans for the future, individuals will have to bring up to date their professions, through different courses and training, no matter if they stay in the same enterprise, the same sector or move to another. Šibenik and Knin County is characterised by imbalance between supply and demands for certain occupations, for example; on the one hand there is deficit of certain occupations and on the other hand huge surplus in other occupations, at the same time there is also a certain imbalance of the existing skills and knowledge and those required on the labour market.

Huge effort must be put into improvement of education and labour market balance:

- Continuous analyses of labour market,
- Learning promotion and encouragement of new knowledge acquisition,
- Specific measures of training and re-qualification funding,

- Counselling and establishment of help programmes when selecting occupation and accepting job

Measure 2: Community projects for employment – public works: cleaning of forests and creation of forest fire barriers, archaeological excavations, improvement of wild waste deposits

This measure could be applied to unemployed persons with secondary school education (SSS), the most represented educational level in HZZO Šibenik register. Public works could be financed out of several sources, probably supported by Ministry of education and social welfare and the most important-local self-government. The aim of this kind of employment is to give, to each employed person, start base of work experience, a sense of importance and self-confidence. This way of putting to work could also serve as a certain base of permanent employment of each person. This programme might provide following works; cleaning of forests and creation of forest fire barriers, archaeological excavations, improvement of wild waste deposits, clearance of beaches and shore zone or help in social activities. Also, the named activities could improve the qualitative and stylish aspect of these works, instead of being always on the margins of social values.

Measure 3: Rehabilitation and reintegration of various groups in society (war veterans, prisoners, addicts)

The majority of people belonging to this group, capable of working (war veterans, prisoners and addicts), finished their education, so the intention is to find them a job. All other unemployed persons should be additionally trained according to the demands of the labour market, in other words they must gain knowledge and skills needed for challenges of new technologies. It is also important to make sure that these people feel well as a part of society. If they worked and were employed, their inclusion would be easier and better. Training or re-qualifications would improve their knowledge and flexibility.