

UNLOCKING THE POTENTIAL OF YOUTH

IN SOUTH EASTERN EUROPE AND TURKEY

Skills development for inclusive labour markets and cohesive societies

Summary

A recent regional study carried out by the European Training Foundation – *Unlocking youth potential in South Eastern Europe and Turkey* – aims to inform policymakers involved in shaping new actions and strategies for skills, employment and social inclusion. It also provides input to the programming of the EU Instrument for Pre-accession Assistance (IPA) III on the situation of young people, the challenges they face and the mechanisms for addressing youth joblessness, mistrust, disengagement and frustration. The report highlights the emerging socio-economic risks and opportunities for equipping young people with the skills of tomorrow. It also puts forward youth focused policy recommendations in the rapidly changing context of the Covid-19 pandemic and an inclusive, digital and green transition.

Over the past decade, the skills and employment outlook has improved for younger generations in the region, but major challenges remain. These are:

- securing relevant and inclusive education;
- providing upskilling or reskilling and work experience opportunities during the transition from school to work or during the early stages of professional careers;
- catering for those most exposed to poverty, social exclusion, informal work and discrimination;
- supporting faster and better-matched transition to employment.

Policy measures are now more integrated and are slowly moving towards a more comprehensive, active social inclusion approach. However, the coverage, relevance and evidence-based implementation of these support measures in an ever-changing economic and labour market context remains problematic.

The Covid-19 crisis that began in early 2020 has accelerated the transformation of the labour market and education towards digitalisation and online solutions. This may deepen social inequalities and affect the potential of those in more precarious employment, leaving them even more exposed to economic and social exclusion. Policymakers in education, employment and social inclusion need

to address such growing risks in a timely and consistent manner. Now is the time to introduce policy responses that focus on reweaving the social fabric during and after the crisis.

KEY MESSAGES FOR POLICY ACTION

Building resilience in a time of uncertainty

- Young people need both short-term financial support education and training and a long-term strategy for employability;
- Promoting a narrative of opportunity may ease the transition towards a post-pandemic economy;
- Countries need to consider how to engage young people in a work culture in flux;
- Reflection and remedial measures are needed to bridge the digital divide and improve capacity to deliver education digitally, e.g. by retraining teachers and training providers;
- Financial support should be considered for young entrepreneurs who want to experiment with creating new products or services to help fight the current health crisis;
- Migrants and refugees are particularly disadvantaged in terms of access to healthcare and employment and need targeted support, such as work-based learning.

Towards a digital and green transition

- Entrepreneurship as a key competence should be embedded in national

curricula in a lifelong learning perspective;

- VET reforms at all levels should have a focus on technology and innovation and the development of management skills and competences;
- Work-based learning opportunities are key to providing practical experience for digital and green economies;
- New roles and modes of cooperation are needed between schools, labour market intermediaries, social assistance centres, youth organisations, social partners and local public administrations;
- Focused financial support, networking, competitions and co-working spaces help promote innovation and the sustainability of start-ups.

Improving policy monitoring and evaluation

- Countries need to provide resources and means for systematic graduate tracking in secondary and tertiary education and regularly analyse changing skills needs and demands;
- Participants in active labour market measures will need to be followed up and effects on employment gauged;
- A more fine-grained analysis of social exclusion and poverty, skills mismatches and labour market transitions, with a focus on young people is necessary.
- Existing surveys and administrative data in policy design and monitoring should be used more and databases (education and employment, social security systems) should be linked;

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- Representative samples should be analysed for quality assurance and longitudinal surveys should be introduced;
- Institutional partnerships for tracking data collection, interpretation, analysis and dissemination should be developed.

A. TRANSITION FROM SCHOOL TO WORK AND YOUTH EMPLOYMENT

Young people in South Eastern Europe represent an untapped potential for offsetting the effects of ageing, emigration and the depletion of skills due to long spells of joblessness. This calls for relevant, quality education and training and efficient measures supporting employment.

Keeping young people in education while upskilling them through vocational qualifications has proved a successful policy option in countries such as Bosnia and Herzegovina, Montenegro, Serbia,

North Macedonia and Kosovo*, where a large proportion of secondary students are enrolled in vocational programmes ([KIESE, ETF, 2020](#)).

High retention rates in education, however, coexist with educational underachievement in most countries (PISA 2018), which is significantly correlated with social aspects. This calls for targeted remedial measures to address the educational divide and accompanying social measures, services and support.

The economic shock from the pandemic is expected to generate a significant rise in joblessness, with young people disproportionately affected. When designing policies for vulnerable groups, it should be borne in mind that young people not in education, employment or training (NEETs) are a very heterogeneous group. Youth employment also reveals

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.



deep gender gaps that need to be addressed.

Some of the immediate effects of Covid-19, such as online delivery and accelerated digitalisation of economies, may favour a younger workforce with stronger digital and foreign-language skills and higher adaptability.

Teaching job-relevant skills is essential. Large numbers of young people are enrolled on vocational programmes, but the labour market relevance of some programmes is still a challenge.

A rapid increase in enrolment in tertiary education has resulted in overqualification and skills mismatches. Tertiary education provision should be adapted to future labour market needs, support innovation and technological progress and strengthen foreign language, digital and interpersonal skills.

Lifelong learning opportunities are also needed, even at younger ages, as the pace of change in economies and workplaces accelerates.

Policy responses

As various EC assessments, such as those of the Economic Reform Programmes and the 2020 Enlargement Package, testify, the countries of the region, in many cases with EU and international community support, have developed various types of policy action addressing the needs of young people. These include:

- Dual education reforms aimed at bringing together schools and companies for vocational training development (all countries);
- The EU Youth Guarantee scheme. In countries where it has been successfully

implemented, e.g. North Macedonia, the scheme has led to structural changes in public employment services in favour of youth. In most other countries, it requires greater resources, funding and institutional capacity;

- Targeted actions, such as enterprise development, to support youth employment, e.g. in Kosovo, Turkey, Montenegro and Serbia.

Overall, there needs to be a greater focus on young people most in need. The increased availability of robust social statistics should help in targeting interventions towards vulnerable groups and designing more tailored programmes. More sophisticated and timely integration programmes are needed, and several countries provide examples. Career counselling and guidance merit particular attention.

All countries in South Eastern Europe have made substantial efforts to harmonise their statistical instruments and practices with international and European standards and to improve data collection. However, they still need to consolidate their mechanisms for identifying and matching skills needs. Graduate tracking systems are at different stages across the region.

Policy solutions addressing the challenge of migration include a Serbian initiative to stimulate circular migration by reaching out to highly qualified members of the diaspora community.

B. ENTREPRENEURIAL ASPECTS OF EDUCATION AND TRAINING

Transversal skills, particularly entrepreneurship, are essential for young people in the context of high youth

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unemployment, economic crises and rapid changes towards a knowledge-based economy and society. Some 99.7% of enterprises in the region were SMEs in 2017, and yet a focus group showed that most young people in the region prefer a career in the public sector or as an employee in the private sector. This points to a need to change the mindset of young people. Employers, too, increasingly seek young, entrepreneurial people who can take initiatives and create innovation in the workplace.

Entrepreneurship should be considered a key competence, and taught in a lifelong learning perspective in both initial and continuing education and especially vocational training. The teaching of entrepreneurship should go beyond pure business skills. The [European Entrepreneurship Competence Framework \(EntreComp\)](#) provides a common reference for entrepreneurial learning. The entrepreneurial ecosystem and support mechanisms also need to be consolidated.

Policy responses

Findings from the 2019 national [Torino Process](#) reports and the results of the 2018 [Small Business Act \(SBA\) assessment](#) in the region indicate that all countries have a clear policy commitment to promoting entrepreneurial learning in a lifelong learning perspective. There is no one-size-fits-all approach, and each government must decide whether to opt for a separate entrepreneurial learning strategy or for a more integrated approach, or a combination of both. Multi-stakeholder partnerships are necessary, e.g. the National Partnership of Entrepreneurial Learning in Montenegro.

All countries are moving towards competence-based curricula as part of education reforms. Countries must continue to invest in teacher training (pre-service and in-service) and develop an entrepreneurial mindset among teachers. The assessment of entrepreneurship as a key competence needs to be developed further.

All countries have introduced business support services in their SME policy frameworks and invested heavily in them. Montenegro and Albania are good examples. The low uptake of support services calls for monitoring and evaluation of programmes and their impact in terms of creation, sustainability and growth potential of businesses.

Some countries, such as Bosnia and Herzegovina, have targeted entrepreneurship programmes for specific groups, including young people, women and migrants. Social entrepreneurship is gaining ground as a relatively new policy area.

The Covid-19 crisis has positives and negatives for SMEs. There are several examples in the region of start-ups that have scaled up their business during the pandemic.

Countries need to invest in young people as a specific target group for entrepreneurship support programmes.

Policymakers should:

- pay attention to the different categories of entrepreneur when allocating resources;
- promote peer-to-peer learning events, networking events and competitions;
- monitor and better evaluate support programmes for youth entrepreneurship



and their impact on the sustainability of businesses;

- make more use of the existing EU programmes that support young entrepreneurs and small businesses in developing their entrepreneurship skills, e.g. Erasmus for Young Entrepreneurs, COSME, the European Enterprise Network.

C. SOCIAL INCLUSION AND SKILLS DEVELOPMENT

ETF analysis indicates that national policies for modernising education and VET in the region have focused on adapting skills development systems to the needs of emerging market economies, rather than on overcoming social exclusion and discrimination to promote social cohesion. Global, regional and domestic trends, and the impact of Covid-19, point to a need to pivot toward the latter.

Technology is likely to have a positive impact on employment across the

economy, provided that the mechanisms for translating technological development into jobs – education, training, innovation, production, labour market and social welfare systems – operate effectively. A new equality gap has opened in areas such as tertiary education and access to broadband. An increasing number of young people are educated and connected, but lack social mobility. Policymakers have a battery of remedies that, if correctly combined to suit the context of each country and target group, could translate into a lifelong investment in equality and sustainability.

Policy responses

Torino Process 2018-20 analysis shows that the potential of vocational training to drive innovation and growth has been underexploited compared to higher education in the region. Policies and practices around skills must be integrated with overall economic and social policies. Vocational education and training can contribute in multiple dimensions: skills,

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social mobility, socialisation, citizenship and equity. Today, purely job-related skills are not enough: vocational training should strengthen transversal skills and key competences, and a comprehensive policy approach is required to achieve this.

Policy makers should pursue social and economic development objectives in parallel. This requires joined-up thinking, planning and implementation, putting skills for inclusive growth at the top of the agenda. This should be applied in the following areas:

- **social dialogue:** revise the social dialogue model, shift to a socioeconomic partnership model to include capacity building of private sector support organisations;
- **private sector:** build effective engagement, participation and contribution by willing enterprises for skills reform programmes (publicly supported, enterprise-funded);
- **new skills governance structures:** high-skills equilibrium (sectors, government, training providers, R&D community) and leadership (e.g. enterprise champions).

Deeper institutional and policy reforms are also required to build resilience through robust and universal social protection systems that can act as automatic economic and social stabilisers in the face of crises such as Covid-19.

D. EU YOUTH SUPPORT IN THE REGION

There is a range of EU youth support policies and mechanisms relevant to the region, and in parallel, youth policies and action plans are being developed by countries in line with EU accession requirements. The countries have established the main institutions for cross-sectoral youth policy making (e.g. the EU–Council of Europe Youth Partnership), and there is potential for more institutional links, in particular at local and municipal levels, as well as between research, policy and practice.

IPA III (2021-27) plans to increase allocations for youth programmes by 13%. The VET Pilot Mobility Scheme for the Western Balkans, a €2m initiative funded through IPA II, has just started.

The budget for ERASMUS+ and Youth in Action will be doubled in 2021-2017. In the light of the Covid-19 crisis, the ETF takes the view that increased investment in the young generation should continue, as recommended by the EC Communication of February 2018 on the Western Balkans, but with short, medium and long-term planning and responses to the needs of the countries, including an emphasis on ensuring a high-quality digital learning environment and developing new governance models.

READ THE PUBLICATION:
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