

EDUCATION AND EMPLOYMENT IN SOUTH EAST EUROPE

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Abstract: With the end of socialism, South East European societies experienced a most dramatic increase in poverty and socio-economic inequality. Some might have hoped that the transition from the generalized inefficiency of bureaucratic social-ism to Western-style capitalist market economies would bring Western-style mass prosperity to South Eastern Europe, but the actual experience of social polarization proves the opposite. The Lisbon strategy (valid 2000-2010; its successor is "Europe 2020") is aimed at transforming Europe into the world's most competitive knowledge economy. Research and innovation as well as participation in education and lifelong learning are seen as key variables to reach these goals. Universities were – like schools – identified to play a central role in achieving these goals. Quality education is one of the main prerequisites for the development of each society. The Bologna Declaration signed in 1999 by 29 ministers responsible for education launched the Bologna Process. Today there are 46 signatory countries.

For the purposes of this article, effective education for employment is defined as: "the development and assessment of the requisite skills, knowledge and behaviors that constitute an effective employee in the 21st century". In some countries, this is collectively described as a 'skill set'. Levels of skills and education are vital components in the skills race and will increasingly determine the economic fortunes of many countries. Many education challenges are now related to behaviors. It is becoming increasingly important for workers to have the right attitude, a willingness to learn and an understanding of how to conduct themselves in the workplace. These are the transferable qualities that many employers are seeking.

The economic downturn has hit the employment prospects of low-qualified people working in rich countries harder than their more highly qualified counterparts. The level of education is crucial to the successful implementation of population in the labor market. The availability of education and training for certain work activities contribute to personal fulfillment and provide a higher standard and quality of life. Increasing the educational level of the people is an opportunity for the optimal exploitation of the workforce and for more active involvement in society of marginalized segments of the population.

Keywords: vocational education, labor market, workforce, illiterates.

With the end of socialism, South East European societies experienced a most dramatic increase in poverty and socio-economic inequality. Some might have hoped that the transition from the generalized inefficiency of bureaucratic social-ism to Western-style capitalist market economies would bring Western-style mass prosperity to South Eastern Europe, but the actual experience of social polarization proves the opposite. The Lisbon strategy (valid 2000-2010; its successor is "Europe 2020") is aimed at transforming Europe into the world's most competitive knowledge economy. Research and innovation as well as participation in education and lifelong learning are seen as key variables to reach these goals. Universities were – like schools – identified to play a central role in achieving these goals. Quality education is one of the main prerequisites for the development of each society. The Bologna Declaration signed in 1999 by 29 ministers responsible for education launched the Bologna Process. Today there are 46 signatory countries.

Education is essential to promoting economic growth and building cohesive societies. Human capital is the most valuable asset for the development of any country. Education systems in Europe are improving and it is therefore important that the benefits of this success also reach those at greatest risk. This requires new and more solid investment in education to ensure an open, beneficial and tolerant learning environment of high quality for all. Thus, investing in high quality education, particularly in higher education, removal of barriers to students as well as professors, promotion of lifelong learning and elaboration of research potential should be given priority. The Europe 2020 Strategy is a top priority in tackling unemployment in the European Union and improving the quality of education within the Union. We can not miss the link between improving education as the goal of the strategy with one of its other priorities, namely social inclusion and poverty reduction. The higher the quality of education received by every single citizen of the Union, the more the chances of finding a job that brings economic dividends but also moral satisfaction are increased.

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century". In some countries, this is collectively described as a 'skill set'. Levels of skills and education are vital components in the skills race and will increasingly determine the economic fortunes of many countries. Many education challenges are now related to behaviors. It is becoming increasingly important for workers to have the right attitude, a willingness to learn and an understanding of how to conduct themselves in the workplace. These are the transferable qualities that many employers are seeking.

Human capital is the most important form of wealth for a modern nation. The economic downturn has hit the employment prospects of low-qualified people working in rich countries harder than their more highly qualified counterparts. The level of education is crucial to the successful implementation of population in the labor market. The availability of education and training for certain work activities contribute to personal fulfillment and provide a higher standard and quality of life. Increasing the educational level of the people is an opportunity for the optimal exploitation of the workforce and for more active involvement in society of marginalized segments of the population. The education system, particularly tertiary education, has to be responsive to labour market requirements. Furthermore, research and development activities need to be integrated to the higher education system. Exchange of practices between countries and a more robust set of facts are essential to enable countries to respond to challenges such as increasing inequality and continuing unemployment in South-Eastern Europe. Southeast Europe (SEE) is a geographical area covering more than 10 countries, including Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia and Turkey – East Thrace.

The labour markets in South-Eastern Europe (SEE) have been badly affected by the recent global economic and financial crisis. The external effect of the crisis, however, should not be over-estimated. Some of the countries in the region already had substantial domestic problems, such as a growing budget deficit, high inflation rates, and obvious symptoms of "overheating" national economies. Given the structurally weak labour markets, such as those of the countries in the region, these defects have been amplified, while the process of recovery has been protracted. An important problem is the declining birth rate, the emigration of young people, and hence the decline in labor force capacity. In South East Europe, unemployment is more than twice as high for youth as for adults. In developed countries a negative relationship exists between education and unemployment (Livanos, L. 2010). Countries with the most intellectual resources achieve the highest rates of economic growth and the fastest development in science and technology.

The demographic crisis with its multifaceted manifestations is one of the most serious problems faced by the country over the coming decades as it continues to diminish and aging population, on the one hand, due to the late reforms in policies to support family values, The birth rate and the retention of young people, on the other hand, given the socio-economic conditions in the country, the displacement of the population goes beyond its borders (Ivanov, M. 2016).

Evidence suggests that people with higher education face lower levels of unemployment. One cause of the 'brain drain' is the mismatch of the educational qualifications of the job seekers and the higher demands of the employers. Higher the level of education of the labor forces in the home country, the higher the rate of the 'brain drain'. Contrary to popular belief, that those who are less successful in the educational system in their homeland are less likely to emigrate than those who achieve academic success. But knowledge produces more than economic riches: it is also a vital ingredient for dealing with many of the social and environmental aspects of life today.

Migration of labor resources, which is accompanied by a redeployment of the income of hired workers at an international level, as wages in developed countries outweigh what workers with the same qualifications in less developed countries receive. In the age of globalization, migration policy is increasingly spontaneous and increasingly systematic and diversified. It should not be overlooked that migration affects national employment, the quality of human capital, labor productivity, income levels and even the state of inter-ethnic and inter-confessional relations. And in this line of thought, the current modern migration policy should include not only the direct regulation of migratory flows, but also the definition and implementation of measures for their integration into national society, economy and culture (Ivanov, M. 2016).

Migration is influenced by a combination of economic, political and social factors, either in a migrant's country of origin (push factors) or in the country of destination (pulls factors). Labor migration, work and higher quality of life as a top cause of human mobility has been a tremendous achievement for the past two decades both for emerging societies such as Albania, Bulgaria, Romania, and post-conflict and post-war countries of the former Yugoslavia. The Eastern and Western Balkans can be considered as a single analytical unit. A little more than a decade ago, it was almost impossible, the two parts of the region were developing in opposite directions: the

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transition from closeness to openness, and from political to economic migration in Bulgaria, Romania, Albania; The exact opposite transition in the former Yugoslavia. This decade has brought about convergence of migration in both parts of the region. Labor emigration still strongly prevails over immigration, with the exception of Slovenia and Croatia, but the importance of immigration as a likely center of migration patterns in the medium term is increasing. On the day when pull factors reach the push factor, SEE citizens will celebrate the new image of an attractive and hospitable region. That day is not tomorrow, but it is in the foreseeable future. In every South-eastern European country there are returning migrants; Circular migrants who earn outside and spend at home, immigrants who invest labor and capital in their new country are also beginning to find themselves. At the same time, there is a significant level of high-skilled labor from some developing countries, particularly in information technology (IT), medicine, nursing and teaching.

In almost every South-eastern European country there are reforms or change to be made in order to achieve the best possible educational system. The new EU member states Bulgaria, Romania and Slovenia have undergone important structural changes concerning sectoral structure and uneven productivity dynamics. Consequently, the structure of employment and labour demand concerning sectoral employment has changed further affecting the demand for employment and educational levels (Stehrer, R. 2005). These countries have made major reforms to bring their education systems in line with EU standards and best practices. For example, Bulgarian educational system falls within the continental European tradition. The main types of secondary schools are: general educational, vocational, language schools and foreign schools. Private schools are also being established and they are beginning to compete successfully with state schools. Education in Bulgaria is mainly supported by the state through the Ministry of Education and Science. School education is compulsory for children from seven to sixteen years of age. Early drop-out is one of the main challenges facing the labour market at present, a trend expected to continue in the future when an acute shortage of quality work force is expected. The active labour market policies should put the emphasis on promoting the geographical and professional workforce mobility. The involvement of business in vocational training and education initiatives could be assessed as insufficient. In Albania, market and practice orientation are now the target that need to be achieved through developing education and professional training. The education and professional training system is weak on one hand with regard to quantity and on the other hand with regard to quality. There is a lack of appropriate infrastructure, insufficient financing, a low supply of human resources, old curricula and an old management style. The liberalization of licensing of the private institutions in higher education and academic freedom was one of the main decisions taken by the government after 2005. The strategy of the education system is focused on the practical needs of the country for increasing the skills and training of young people. In Romania, a higher level of education helps the individual to find more rapidly a job better paid, and helps the employer to be more competitive in a knowledge-based economy. The law of education stipulates that the budget allocated to education must be at least 6% of the GDP. In none of the years since the enactment of this regulation (2007) has it been applied. Even if the new law of education (Law 1/2011) stipulates a minimum 6% of the GDP to finance education (Art. 8), the Minister of Education declared that Romania cannot yet afford to allocate this percentage of the GDP.

In Albania, Bosna and Herzegovina, Croatia, Macedonia, Serbia and Montenegro major challenges to the education system were the dissolution of Yugoslavia, the deep recession of the early 1990s, military conflicts, slow economic recovery, high unemployment rates resulting from restructuring of the industry as well as similar problems accompanying transition. In the aftermath of war, they have been reconstructing their educational systems and trying to grant equal access to young people with different ethnic background (Hanappi, H. 2012). For example, higher education in Croatia is conducted in higher education institutions through university and professional studies. Higher education institutions are divided into polytechnics, colleges of applied science, faculties and art academies. All courses were aligned by 2005 with the requirements of the Bologna Process as part of the creation of a European system of higher education. Regardless of temporary economic slowdowns, Croatia needs to take into account the population aging and the workforce shrinking, which in the long run will change the characteristics of the overall labour force. It is unlikely that migration will contribute significantly to the capacity of the workforce, which again makes internal capacity of educated people building and adjustment of prime importance. In Bosna and Herzegovina data for labour force by highest level of education attained and sex shows also that the female population tend to increase their level of education in the last few years. If we compare university obtained titles of education per sex, the female population is almost on the same level as male, but the percent- age change is stronger for females, e.g. from 14.5% to 17.0% compared with male e.g. from 9.3% to 10.9%, which is an excellent indicator because the educated female population demonstrate the confidence that only by obtained, higher education level will they be in

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a position to become more competitive on the labour market in a traditionally labour market oriented country, compared with their male colleagues. With respect to skills matching, most of the unemployed are uninformed about the skills and professions required on the job market in Macedonia. In addition, the general picture is that many of the people are not flexible regarding prequalification programmes and training, especially when it comes to people at the age of 40 and above. However, this does not change the fact that prequalification programmes are needed in order to improve the matching of skills and respond to what the contemporary labour market requires. The education system in a country needs to be set up in a way that will serve the labour market and respond to its needs and demands. Every mismatch between these two things should be corrected appropriately and provide positive benefits for both sides. Among the key requirements by Macedonian companies are for the candidates to have relevant work experience and be familiar with at least one foreign language. The government of Montenegro recognised the importance of the creation of a knowledge-based society and adopted different strategic and documents which are in line with the Lisbon Strategy. Adoption of the Law on National Vocational Qualifications significantly advances and facilitates the procedure of obtaining vocational qualifications, that is, crucial skills that are necessary for the labour market and which will have an impact on the planning of human resources and improvement of the qualification structure of the population. Although there are efforts to improve the linkage between the education system and labour market needs, the fact is recognised that a lot of knowledge does not fit the modern requirements of the labour market and that the only way of bridging this gap is the promotion of a “learning society” and that is inclusion of adults in the process of life-long learning. One of the most often emphasised weaknesses of Serbian education system is a clear lack of connection between ‘school’ and ‘work’. This is one of main reasons why the transition from school to work is so difficult for young people in Serbia. The scope for co-operation between education and the side of economy has been mapped out by various strategic documents and concrete proposals have been made on how to ensure it. However, institutional separation still exists and there are no joint bodies, which would work together toward the reduction of skill mismatches. According to an analysis of education at the level of local self-government, there is no sufficiently developed awareness of the relationship of education and prosperity of the community. It is important that investment in education brings the expected effects for society as a whole. The goal should not be the acquisition of formal degrees as it is now, but competitiveness of knowledge and skills on the labour market.

Greece and Cyprus have a long history and tradition of education. Nevertheless, a high rate of graduate unemployment is a serious problem in the Greek labor market pointing to the need for drastic changes in the educational system. The link between education and labor market is found to be rather weak (Hanappi, H. 2012). For example, the education system in Greece is centralized, with all levels falling under the responsibility of the Ministry of Education, Lifelong Learning and Religious Affairs (Ypourgeio Paideias, dia Biou Mathisis kai Thriskeumatou). Private higher education institutions are not permitted to award national certificates. There is a division within higher education between universities and institutions of higher professional education; in terms of organization, these 2 are at the same level. The language of education is Modern Greek, yet certain higher education programmes are also provided in English (this is particularly the case at private institutions). Education is compulsory for 9 years (for children aged 5-15) (Education system Greece, 2015). Government programmes in Moldova are necessary to ensure youth involvement in entrepreneurship. These programmes should be focused not only on theoretical and rational perspectives of the labour market trends, but also on in-depth training in matters of trade, informal sector activity (no shadow economy), and be prepared to take a reasonable degree of risk. Among young people there must be not only graduates, but primarily artisans, farmers, and people without vocational training, who want to make a business and need training, guidance and consultation. The government must recover the insurance of vocational education and training, especially for adults and youth, helping them to integrate into the labour market. Government implications should focus on diversification and differentiation in vocational education and training, and higher education

In a high number of South-eastern European countries, brain drain is a serious matter. High rates of youth unemployment together with the possibility to find a suitable job abroad lead higher education graduates to migrate. The issue of migration is complicated and has many sides. Nevertheless, though further collaboration and cooperation with the industry, tertiary education institutions can play a role in increasing the competitive advantage of businesses and contribute to the regional economy. The enhancement of the regional economy, generation of new jobs and positive future expectations would help decreasing the brain drain (Hanappi, H. 2012).

The main reason for brain drain is the drive for human capital. Many industrialized countries are giving priority to policies aimed at attracting highly skilled immigrants. Among them are the United States, the United

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Kingdom, Canada, Germany, Japan, Singapore, Hong Kong and Australia. The countries of the SEE have to deal with national issues underlying the leaving of highly skilled labor. Student migration is also rising, as are the number of visas that enable overseas students to study on a 'fee-paying' (rather than a scholarship) basis, and then transfer to a work or permanent residence visa. Universities in the United States, Canada, the United Kingdom and elsewhere have become meccas for young people ambitious to join fellow graduates and others in the academic network (Mahroum, S. 2002).

Brain drain or human capital flight is a large emigration of individuals with technical skills or knowledge, normally due to conflict, lack of opportunity, political instability, or health risks. A brain drain is usually regarded as an economic cost, since emigrants usually take with them the fraction of value of their training sponsored by the government. It is a parallel of capital flight, which refers to the same movement of financial capital. It should not be overlooked that the brain drain can be accompanied by the opposite process of "brain return" at a later stage. This may also lead to "brain circulation" or short-term movements, as the National Economy becomes more integrated into the global one. The SEE countries need to understand why migrates highly qualified staff and formulate policies and strategies that will address these issues. The fundamental obstacle to initiating such approaches is a lack of political will – at both national and international levels. But without action, the highly skilled in science and technology will continue to move on to richer economies, with only a small number of developing countries peripherally tied into this system. The remainder will be relegated to the margins, and their basic infrastructure and social services – in particular health and education – will deteriorate even further. Unfortunately, the collaboration between the educational institutions and the private sector is far from satisfactory. The appropriate link between theory and practice has not been established yet. Many employers are not satisfied with the practical skills that the graduates have. It is especially important to increase investment in human capital with the state employers, local authorities and regional communities sharing the burden without ruling out individual responsibility. Concrete tools for implementing the policy of continuing vocational training and life-long learning could be: the establishment of sectoral funds for improving the qualification of the employed and setting up individual training accounts.

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