



CARDS 2004
Local Partnerships
for Employment – Phase 2

Ovaj projekt financira Europska Unija



Lika Senj Human Resource Development Strategy 2006. – 2010.



LIČKO-SENJSKA ŽUPANIJA



CONTENT

CONTENT	2
INTRODUCTION	4
1. Local context of the Human Resource Development Strategy in Lika-Senj County	6
1.1. Local context	6
1.1.1 Demography	6
1.1.2 Economic conditions and structure	8
1.1.3 Employment	11
1.1.4 Education	14
1.2. Unemployment	14
1.2.1 Structure and fluctuation of local unemployment	14
1.2.2 Vacancies and job offers on local labour market	19
1.3 Lika-Senj labour market trends	22
2. Framework of Human Resource Development Strategy for Lika-Senj County	25
2.1. European framework	26
2.2. National framework	29
2.3. Regional framework	29
2.4. Horizontal issues	32
3. SWOT analysis	37
4. Human Resource Development Strategy goal, priorities, measures	40
Priority I: Active labour market policy leading to employment and social inclusion	41
Measure 1: Increasing skills and competitiveness of local labour force through training and education	42
Measure 2: Increasing employers' interest in vulnerable groups' employment	43
Measure 3: Increasing employability of women	45
Priority II: Promoting and improving adaptability of local labour force	46

Measure 1: Developing vocational education that can respond to the needs of local labour market	46
Measure 2: Promoting lifelong learning education	48
Priority III: Stimulating entrepreneurship	50
Measure 1: Increasing awareness of local entrepreneurs	50
Measure 2: Promoting entrepreneurship	51
Measure 3: Promoting innovations among entrepreneurs	52
Measure 4: Increasing skills of local managers	53
Priority IV: Strengthening capacity of local labour market institutions	54
Measure 1: Modernizing equipment and technology in local labour market institutions	55
Measure 2: Improving linkages between local labour market institutions	56
5. Monitoring and evaluation	58
6. Human Resources Development Strategy implementation	61
6.1. Human Resources Development Council	61
6.2. Partnership approach	61
6.3. Criteria for projects selection	62
6.4. Financing HRD Strategy	62
Appendices	
APPENDIX 1:	
The Regional Partnership Committee decision on establishing the Human Resources Development Thematic Working Group (HRD/TWG)	64
APPENDIX 2:	
The Code of Principles for HRD/TWG	67

Introduction

Human Resources Development (HRD) Strategy for the Lika-Senj County is a complex document specifying the goal and priorities of investments in human capital in years 2006 – 2010.

This is the first time the HRD Strategy for the Lika-Senj County has been elaborated. The leading role in the process of HRD Strategy preparation was with Regional Employment Office in Gospić. The HRD Strategy has been prepared by Human Resources Development Thematic Working Group (HRD/TWG) established by Regional Partnership Committee in April 2006. HRD/TWG consists of representatives from public, private and third sectors (civil society sector) and their mutual attitude towards working in a partnership resulted in identifying strategic objectives of Lika-Senj County in human resources development. This multi-sectoral membership as well as partnership approach allowed initiating and improving dialogue among local stakeholders that may contribute significantly to the County's development.

HRD/TWG during the process of HRD Strategy development took into consideration already adopted Regional Operational Programme for Lika-Senj county 2005 – 2010, European Integrated Employment Guidelines, Croatian National Action Plan for Employment 2005 – 2008 as well as Annual Action Plan for Employment.

HRD Strategy presents labour market situation in Lika-Senj county referring also to overall socio-economic situation of Croatia as EU candidate country. It formulates the goal and strategic priorities by which required improvement of human resources in Lika-Senj County should benefit. Identified priorities and measures should contribute efficiently to better living conditions in the county and to increasing competitiveness of Lika-Senj county labour force in Croatia and in EU.

The HRD Strategy should be the basis for development of actions that can be supported by national and foreign financial resources. Specified measures of HRD Strategy can be implemented by various projects financed from Croatian own and external resources.

The current version of HRD Strategy was presented publicly seeking for comments and advices from all interested stakeholders. The process of consultation took place from mid July until mid September 2006. Several valuable opinions and comments were submitted and they were taken into consideration while elaborating the final version of the Strategy.

The HRD Strategy was presented to the Regional Partnership Committee in order to gain its recommendation for adoption of the Lika-Senj county assembly.

Chapter 1

Local context of the Human Resource Development Strategy in Lika-Senj County.

This Chapter was elaborated on the basis of data from (i) Eurostat, which is the source of detailed statistics on European Union and candidate countries, (ii) Crostat (Central Bureau of Statistics in Croatia) and (iii) Labour Market Analysis prepared within the CARDS 2004 Local Partnerships for Employment Project – Phase 2.

1. Local context.

1.1.1. Demography.

According to the 2001 Census, Croatia has 4,437,460 inhabitants. Among them 2,301,560 (51,9%) are women and 2,135,900 are men. The age group 15-64 years old is a working population and it constitutes 67,2%, while the age group of 15-25 years old is a schooling age population, which is expected to enter the labour market in several years, and it constitutes 13,6% of total population. Inhabitants at age of more than 64 years old constitute 16,1% of overall Croatian population. In coming years Croatia expects a sharp decrease in school population of approximately 15%, which reflects the trend of aging population noticeable all around Europe. Table 1 shows population by age groups in 2002.

Table 1. Population by age groups 2002 (Index 2000=100)

Age group	Rates
Y0-4	88.8
Y5-9	89.9
Y10-14	89.7
Y15-19	96.2
Y20-24	100.4
Y25-29	94.7
Y30-34	89.4
Y35-39	93.7
Y40-44	101.7
Y45-49	118.6
Y50-54	104.2
Y55-59	88.3
Y60-64	94.6
Y65-69	106.6
Y70-74	129.6
Y75-79	113.7
Y80+	103.7
TOTAL	92.4

Source: Labour Market Analysis July 2006, CARDS 2004 Local Partnerships for Employment – Phase 2

It is very feasible that in years 2007 – 2012 the increase of working population in Croatia will be very slow of about 0,5 percentage points

In the Lika-Senj county, in year 2000, there lived 53,677 inhabitants, which constituted 1,2% of overall Croatian population. 3,102 of inhabitants (5,8%) were agricultural population, which is slightly higher than Croatian average of 5,5%.

Lika-Senj County in 2004 registered a net in-migration related mostly to international migrants that were more than twice as high from the number of pure internal migration. But simultaneously it was significantly less than in years 2000 – 2003 (Table 2).

Table 2 Net international in-migration in Lika-Senj county in 2000 – 2004

	2000	2001	2002	2003	2004
Republic of Croatia	23432	16927	8598	11921	11571
County of Lika-Senj	78	111	54	161	48

Source: Labour Market Analysis July 2006, CARDS 2004 Local Partnerships for Employment-Phase 2

1.1.2. Economic conditions and structure.

Croatia seems to have the least growth potential till 2007 among the EU acceding countries¹. GDP (Gross Domestic Product) growth since year 2000 is shown in the Table 3.

Croatian GDP per capita is of half the size of EU average and it is expected to increase by 4% in 2006 and 2007.

Table 3 *GDP per capita in Purchasing Power Standards (PPS), (EU-25 = 100)*

	2000	2001	2002	2003	2004	2005	2006	2007
CROATIA	40.9	41.4	43.6	45.9	45.5	46.5	47.4	48.5

Source: Eurostat

Lika-Senj County contributed by 1,2% to Croatian GDP in 2003, which was the lowest percentage among all Croatian counties. Interesting enough, simultaneously in the period of 2002 – 2003 the Lika-Senj county experienced a significant growth rate to be higher than average growth rate (Table 4).

Table 4 *Gross domestic product in Croatian Counties 2001-2003 average annual growth rates in EUR current prices and 2003 in relation to 2001*

	Average annual growth rates		2003, Index 2001=100
	2002	2003	
Republic of Croatia	10.3%	7.2%	118.3
Lika-Senj	24.2%	21.3%	150.7

Source: Labour Market Analysis July 2006, CARDS 2004 Local Partnerships for Employment – Phase 2

This significant economic growth may be related mostly to the building a highway in recent few years, which resulted in the boost development of construction sector and overall improvement of the county's economy. This trend was also mirrored in higher than average GDP per capita growth in the county (Table 5).

Table 5 *Gross domestic product per capita, (EUR) in Croatian Counties 2001-2003 absolute numbers and relative to Croatian average (index Croatia = 100)*

	2001 Abs	2002 abs	2003 abs	2001 pct	2002 pct	2003 pct
Lika-Senj	4008	5011	6109	80.2	90.9	103.4

Source: Labour Market Analysis July 2006, CARDS 2004 Local Partnerships for Employment – Phase 2

¹ Acceding countries used in comparisons: Bulgaria and Romania.

In relation to EU-25, the average GDP per capita in Lika-Senj county constituted only 33.2% in 2001, 39.7% in 2002 and 47.5% in 2003. A significant increase of Lika-Senj GDP per capita occurred in 2003, which was even higher than Croatian average (45.9%). The proper and efficient utilization of this momentum should be a crucial point in Lika-Senj County development. The sustainability of the achievements should be one of the local priorities, since it might contribute significantly to local labour market and overall living conditions.

As export of goods and services in Croatia constitutes less than 50% a fraction of GDP, the country's economy seems to be less open than as is the case of other EU acceding countries (Table 6).

Table 6 *Export of goods and services in GDP percentages*

	2000	2001	2002	2003	2004	2005	2006	2007
BULGARIA	61.9%	65.4%	66.8%	69.0%	73.9%	76.7%	80.3%	84.1%
ROMANIA	44.8%	47.5%	53.1%	54.7%	57.4%	59.3%	60.8%	63.2%
CROATIA	45.2%	38.7%	36.8%	38.9%	39.5%	40.4%	41.4%	42.4%

Source: *Labour Market Analysis July 2006, CARDS 2004 Local Partnerships for Employment – Phase 2*

In 2001, Croatia experienced a significant decline in household final consumption expenditure² which only in 2007 will reach the level of year 2000 (Table 7). The reason is most probably related to a significant drop of export from Croatia in 2001 since export adds positively to household final consumption expenditure.

Table 7 *Final Consumption Expenditure, (Index 2000 = 100)*

	2000	2001	2002	2003	2004	2005	2006	2007
CROATIA	100.0	86.6	86.6	89.3	91.9	94.6	97.5	100.5

Source: *Labour Market Analysis July 2006, CARDS 2004 Local Partnerships for Employment – Phase 2*

In years 2001 – 2004 Croatia experienced also a significant decrease in Gross Value Added (GVA)³.

From 2000, a relatively high level of investments can be noticed in Croatia.

² Household final consumption expenditure comprises the expenditure, including imputed expenditure, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant (OECD Glossary of Statistical Terms).

³ Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector. GVA is used in the estimation of Gross Domestic Product (GDP).

Agriculture sector plays higher than average importance, but also manufacturing sector seems to play an important role in country economy.

GVA by economic sectors⁴ depicts economic strengths. In Lika-Senj county construction sector (sector F) plays a significant importance since 2003. It constituted one-quarter of county economy (Table 8).

Table 8 *Gross Value Added by broad Economic sectors in Croatian Counties 2003, percentages*

	TOTAL	A-B	C-D-E	F	G-H-I	J-K	L-P
Lika-Senj	1.2%	2.1%	0.9%	4.9%	0.9%	0.4%	1.1%

Source: Crostat

The importance of hotels and restaurants might be observed while comparing it with Croatian average. Also, public institutions sector seems to contribute to GVA, but in this case the importance of developing small and medium sized enterprises in other sectors of economy should be emphasized in order to identify strategic goal and priorities for human resource development in Lika-Senj County. Future measures and potential activities should concentrate on developing and improving - other than public administration sector - prospective sectors of local economy.

The county generates also higher than Croatian average output from production in agriculture, forestry and fishing (sector A), which is an obvious result of agricultural character of the county.

⁴ NACE:

- A Agriculture, hunting and forestry
- B Fishing
- C Mining and quarrying
- D Manufacturing
- E Electricity, gas and water supply
- F Construction
- G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
- H Hotels and Restaurants
- I Transport, storage and communication
- J Financial intermediation
- K Real estate, renting and business activities
- L Public administration and defence; compulsory social security
- M Education
- N Health and social work
- O Other community, social and personal service activities
- P Activities of households
- Q Extra-territorial organizations and bodies

Less than Croatian average output comes, in Lika-Senj County, from manufacturing sector (sector D) and trade (sector G). Underdeveloped financial intermediation/real estate, renting and business activities sectors (sectors J and K) are also one of the County's features. This may justify, to some extent, a low number of small and medium sized enterprises because the network of assisting business institutions is not visible.

The importance of the above mentioned economic sectors in Lika-Senj County as well as weaknesses related to them have been identified and taken into consideration while elaborating the SWOT analysis of socio-economic situation in the County. The SWOT analysis is described in Chapter 3 of the Strategy.

Table 9 shows productivity rate in Croatia in years 2000 – 2007, which is higher than the productivity rate of two other acceding countries, but at the same time, is lower than in EU member states. This indicator should be considered in relation with investment in human resources, especially by undertaking measures focusing on providing more and better labour market oriented education, which will benefit in increasing competitiveness of Croatia on the EU market.

Table 9 *Labour productivity per person employed, GDP in Purchasing Power Standards (PPS) per person employed in relation to EU-25 (EU-25 = 100)*

	2000	2001	2002	2003	2004	2005	2006	2007
CROATIA	49.8	54.5	55.2	57.7	56.3	57.1	58.1	59.1

Source: Eurostat

1.1.3. Employment

Employment in Croatia on the level of 41.5% is higher than in other pre-accession countries. Croatia has a rather high fraction of self-employed in comparison with the EU member states. At the same time, Croatia has experienced the highest decrease of economically inactive population since 2000 in comparison with EU member states (Table 10).

Table 10 Active population and employment 2004 (1000 persons), percentages

	HR abs	HR Pct
Self-employed	650	14.6%
Employees	1195	26.9%
= Total employment	1845	41.5%
Unemployed persons	250	5.6%
= Economically active population	2095	47.2%
Economically Inactive population	2347	52.8%
= Total population	4442	100.0%

Source: Eurostat

In relation to economic sectors, the data on employment provide similar data to the earlier stated on larger than average importance of construction sector and relatively low employment in financial institutions and real estate sectors, which is also reflected on the level of the County. Between years 2000 - 2004 in Croatia, a significant increase of employment in construction and agriculture sectors was observed, while all other sectors experienced a decrease in employment (Table 11).

Table 11 Employment by broad sectors (NACE 6), total employment (1000 persons), percentages

	TOTAL	A-B	C-D-E	F	G-H-I	J-K	L-P
CROATIA (abs)	1561	257	339	127	404	94	340
CROATIA (pct)	100.0%	16.5%	21.7%	8.1%	25.9%	6.0%	21.8%

Source: Labour Market Analysis July 2006, CARDS 2004 Local Partnerships for Employment – Phase 2

In Lika-Senj county in 2004, the employment rate was higher than Croatian average in the following sectors (Table 12):

- construction
- public administration
- hotels and restaurants
- agriculture
- electricity, gas.

Simultaneously, sectors with the highest employment rate on the Lika-Senj county level were as follows:

- construction (20.7%)
- public administration (17.1%)
- wholesale and retail trade (11.4%)

- manufacturing (8.7%)
- agriculture (7.8%).

Visible importance of public administration and agriculture sectors indicates a persisting socio-economic underdevelopment of the Lika-Senj county. It requires active and complex attitude towards strategic development of the County taking into consideration not only investments in physical infrastructure, but also in business infrastructure and local human resources development. Only by investing in both, the technical infrastructure and human resources, the increasing sustainable competitiveness of Lika-Senj County may be guaranteed.

Table 12 *Employment in Selected Croatian Regions 2004*

NACE	SECTOR	Croatia abs	Lika-Senj County abs	Croatia abs	Lika-Senj County pct
TOTAL		1047047	11860	2.5%	7.8%
A	AGRICULTURE ...	26530	929	0.1%	0.1%
B	FISHING	1265	16	0.8%	0.0%
C	MINING AND QUAR.	7979	0	22.9%	8.7%
D	MANUFACTURING	239934	1026	2.6%	5.2%
E	ELECTRICITY, GAS	26938	621	7.3%	20.7%
F	CONSTRUCTION	76626	2460	15.9%	11.4%
G	WHOLESALE AND ...	166258	1354	3.1%	6.0%
H	HOTELS AND REST.	32447	717	7.4%	5.3%
I	TRANSPORT AND ...	77985	633	2.8%	1.4%
J	FINANCIAL INTERM.	29572	162	5.4%	1.1%
K	REAL ESTATE, RENT.	56852	132	10.3%	17.1%
L	PUBLIC ADM...	107366	2025	8.5%	7.5%
M	EDUCATION	88755	895	7.0%	4.9%
N	HEALTH AND SOCIAL	72852	578	3.4%	2.6%
O	OTHER COMM...	35688	312	100.0%	100.0%

Source: *Labour Market Analysis July 2006, CARDS 2004 Local Partnerships for Employment – Phase 2*

Although the manufacturing, construction and hotels and restaurants sectors are important for the Lika-Senj County, it is interesting that the greatest labour shortages appear in those sectors. Actions towards decreasing significant imbalances on local labour market should also constitute one of Strategy's priorities.

1.1.4. Education

According to available data from 2003, Croatia is the country with a medium level of public expenditures on education. An important feature of Croatian education is almost non-existence of private educational sector. Taking into consideration the fraction of labour market relevant pool of students it is visible that it is lower than in EU member states. This may be the result of not labour market responsive curricula and lack of linkages between institutions/organizations existing and working on the labour market. As an indicator, 13.6% pupils and students enrolled in primary education, lower secondary and (upper) secondary education is a lower rate than the rate in EU member states and in Romania.

Statistical data on percentage of students and graduates in various fields lead to a conclusion that they both prefer: (i) science, mathematics and computing (ii) engineering, manufacturing and construction and (iii) services. Fewer students enrol in: (i) education humanities and art and (ii) health and welfare. This information should be taken in consideration while developing curricula and introducing changes to the educational system on both national and local level.

1.2. Unemployment

1.2.1. Structure and fluctuation of local unemployment.

End of 2005, unemployment rate in Croatia was 18% and in Lika-Senj County it was on the level of 22.3% (Table 13), which was less by 0.8 percentage points than in the end of 2004, but still higher than Croatian average.

Table 13 *Unemployment rate by counties (end of 2005)*

COUNTY	EMPLOYED	UNEMPLOYED	UNEMPLOYMENT RATE (%)
County of Zagreb	65.163	13.821	17.5
County of Krapina-Zagorje	34.728	6.117	15.0
County of Sisak-Moslavina	41.998	19.007	31.2
County of Karlovac	35.763	13.667	27.6
County of Varaždin	59.694	10.614	15.1
County of Koprivnica-Križevci	38.469	8.180	17.5
County of Bjelovar-Bilogora	35.622	11.940	25.1
County of Primorje-Gorski kotar	112.453	18.747	14.3
County of Lika-Senj	12.962	3730	22.3
County of Virovitica-Podravina	23.369	9.774	29.5
County of Požega-Slavonia	20.593	5.517	21.1
County of Slavonski Brod-Posavina	37.862	16.005	29.7
County of Zadar	41.826	12.278	22.7
County of Osijek-Baranja	86.584	32.941	27.6
County of Šibenik-Knin	26.542	10.859	29.0
County of Vukovar-Srijem	39.161	20.162	34.0
County of Split-Dalmatia	133.385	41.697	23.8
County of Istria	78.852	7.082	8.2
County of Dubrovnik-Neretva	36.228	8.494	19.0
County of Međimurje	38.167	7.357	16.2
City of Zagreb	451.996	39.447	8.0
Republic of Croatia	1.451.376	317.577	18.0

Source: CES Bulletin

End of 2005, there were 3.6% less registered unemployed in Lika-Senj County than at the same time of the previous year. But simultaneously, female unemployment rate was higher by 1.2% than in the end of 2004 (Table 14). Generally, female unemployment constituted 56.1% of all registered unemployed in Lika-Senj County and it seems to increase constantly.

End of 2005, there were 40 registered unemployed disabled persons, out of which 9 were women. At the same time, 49 persons, out of which 21 women, belonged to the group with difficulties in employment. Persons with difficulties in employment are

those with: health, psychological or personality problems. These persons are not eligible to be recognized as disabled people, but they have significant problems with access to employment.

Table 14 *Number of registered unemployed in Lika-Senj county in 2004 and 2005*

Year	Average number		December 31st	
	Total	Women	Total	Women
2004	3454	1945	3871	2070
2005	3650	1999	3730	2094
Index 05/04	105.7	102.8	96.4	101.2

Source: CES Bulletin

In 2005, the highest portion among all unemployed in the county was among persons aged between 40 – 49 (25.9%). The lowest portion among all unemployed was among young people aged between 15 – 19 (5.4%).

An important feature of local labour market is that a significant increase of unemployment among persons older than 50 occurred between 2004 and 2005 (Table 15).

Table 15 *Number of registered unemployed by age in Lika-Senj County (December 2004, December 2005)*

Age	2004		2005	
	abs	pct	abs	pct
From 15 to 19 years	230	5.9	201	5.4
From 20 to 24 years	555	14.3	494	13.2
From 25 to 29 years	459	11.9	447	12.0
From 30 to 39 years	788	20.4	759	20.3
From 40 to 49 years	1040	26.9	965	25.9
50 and older	799	20.6	864	23.2
TOTAL	3871	100.0	3730	100.0

Source: CES Bulletin

Additionally, end of 2005, the highest percentage of unemployed in Lika-Senj County was among the ones with 1 to 3 years vocational secondary school (40.4%). This general trend was followed also by female unemployment, which was the highest in

case of women with 1 to 3 years of vocational secondary school. As in case of other European countries, the lowest unemployment was observed among those with university, academy, master and doctor degree: 1.7% and 1.8% respectively for men and women.

Table 16 *Unemployment by educational attainment in Lika-Senj county, numbers and percentages (December 2005)*

	TOTAL	Educational attainment (code) ⁵						
		A	B	C	D	E	F	G
Abs	3730	201	978	1507	724	163	93	64
Pct	100,0	5.4	26.2	40.4	19.4	4.4	2.5	1.7
Women	2094	131	557	696	476	133	64	37
Pct	100,0	6.3	26.6	33.2	22.7	6.4	3.1	1.8

Source: CES Bulletin

A long-term unemployment is increasing in the County. The largest increase is related to unemployed for 1 – 2 years, 5 – 8 years and more than 8 years. This phenomenon was not alleviated by decreasing number of 3 – 12 months unemployed (Table 17).

Especially, the significant increase of unemployed for 1 – 2 years provides some basis for consideration because, according to EU guidelines, all registered young unemployed must be assisted by active labour market measures within the first 6 months of unemployment and in case of other unemployed they shall be assisted within 12 months from the date of registration. This is why the importance of early assistance to newly registered unemployed as well as active attitude of local labour market institutions must be a priority in Lika-Senj County. Also data on long-term unemployment require active approach from employment services working in partnerships with other local stakeholders.

⁵ Code of the educational level:

- A – No schooling and unfinished elementary school
- B – Elementary school
- C – 1 to 3 years vocational secondary school
- D – 4 year vocational secondary school
- E – Grammar school
- F – College, 1st degree of university and professional study (non-university degree)
- G – University degree, Master, PhD

Without undertaking measures counteracting long-term unemployment, the Lika-Senj County may suffer from increasing social exclusion and poverty. This may subsequently be more costly than active labour market activities which follow the EU guidelines.

According to available data from the Regional CES Office in September 2005 there were 345 families with 590 members in the Lika-Senj county eligible for social assistance. End of August 2006, the number of families increased up to 352 families with 589 members. The increase of single persons covered by social assistance increased from 215 in September 2005 to 224 in August 2006.

Table 17 *Number and percentage of unemployed by duration of unemployment in the Lika-Senj County (December 2004, December 2005)*

Unemployment duration	2004		2005		Index 05/04
	abs	pct	abs	pct	
0-3 months	825	21.3	810	21.7	98.2
3-12 months	1318	34.0	844	22.6	64.0
1-2 years	470	12.1	813	21.8	173.0
2-3 years	320	8.3	294	7.9	91.9
3-5 years	438	11.3	383	10.3	87.4
5-8 years	353	9.1	407	10.3	115.3
Longer than 8 years	147	3.8	179	4.8	121.8
TOTAL	3871	100.0	3730	100.0	96.4

Source: CES Bulletin

The largest number of unemployed in Lika-Senj was registered end of 2005 in Gospić (21.6%), Otočac (18.9%) and Senj (18.1%). The lowest number of unemployed was in municipalities Lovinac (1.3%), Karlobag (1.9%) and Vrhovine (2.8%).

Compared to the end of 2004, the unemployment increased most significantly in Vrhovine, Novalja, Otočac and Plitvička Jezera (Table 18).

Table 18 Number and percentage of unemployed in Lika-Senj municipalities and towns (December 2004, December 2005)

Municipality/town	2004		2005		Index 05/04
	abs	Pct	abs	Pct	
Brinje	282	7.3	227	6.1	80.5
Donji Lapac	360	9.3	309	8.3	85.8
Gospić	852	22.0	807	21.6	94.7
Karlobag	73	1.9	71	1.9	97.3
Lovinac	51	1.3	47	1.3	92.2
Novalja	177	4.6	200	5.4	112.9
Otočac	677	17.5	708	18.9	104.6
Perušić	198	5.1	164	4.4	82.8
Plitvička Jezera	291	7.5	294	7.9	101.0
Senj	699	18.1	676	18.1	96.7
Udbina	128	3.3	116	3.1	90.6
Vrhovine	80	2.1	105	2.8	131.3
Other areas	3	0.1	6	0.2	200.0
TOTAL	3871	100.0	3730	100.0	96.4

Source: CES Bulletin

In 2005, there was an overall decrease in the number of newly registered unemployed. In comparison with 2004, there were 24.4% less registered unemployed in the Lika-Senj County in 2005. But at the same time the number of employed declined as well by 5.1%. It is visible that the reasons for losing the status of unemployed were not related to employment (Table 19).

Table 19 Fluctuation of unemployed in the Lika-Senj County (2004, 2005)

	2004	2005	Index 05/04
Newly registered	3421	2587	75.6
Deleted from CES registration for other reasons than employment	852	1009	118.4
Employed	1852	1757	94.9

Source: CES Bulletin

1.2.2. Vacancies and job offers on local labour market.

Since year 2002, employers do not have legal obligation to submit information on vacancies to CES. But previously developed linkages between CES and employers exist and - still to some extent - the information on local vacancies is available to

CES. In 2005, 1626 vacancies were registered in the Regional Employment Office (Table 20).

Total number of registered vacancies in 2005 decreased in relation with 2004 by 33.7% (825 vacancies less). The biggest number of vacancies was registered in Gospić and Otočac, were at the same time the highest number of unemployed in the Lika-Senj County was noted. The reason for not matching vacancies with skills of unemployed may be various, but the need for working in partnerships and proactive attitude of labour market and educational institutions appears again in order to alleviate imbalances on the county labour market.

Table 20 *Registered vacancies in Lika-Senj County in 2004 and 2005*

Local office	2004		2005		Index 05/04
	abs	pct	abs	pct	
Donji Lapac	95	3.9	101	6.2	106.3
Gospić	651	26.6	563	34.6	86.5
Korenica	429	17.5	175	10.8	40.8
Novalja	294	12.0	225	13.8	76.5
Otočac	729	29.7	323	19.9	44.3
Senj	253	10.3	239	14.7	94.5
TOTAL	2451	100.0	1626	100.0	66.3

Source: CES Bulletin

The most active sectors submitting information to Lika-Senj Regional Employment Office were: (i) trade and repair of motor vehicles, motorcycles and personal household goods (30%) and (ii) hotels and restaurants sector (14.9%) (Table 21). In the case of the latter one, the overall number of vacant posts was reduced when compared with the previous year.

Table 21 Registered vacancies by sectors in Lika-Senj County in 2004 and 2005

Sector	2004		2005		Index 05/04
	abs	pct	abs	pct	
A Agriculture, hunting and forestry	44	1.8	92	5.7	209.1
B Fishing	2	0.1	0	0.0	0.0
C Mining and quarrying	0	0.0	0	0.0	0.0
D Manufacturing	220	9.0	135	8.3	61.4
E Electricity, gas and water supply	31	1.3	36	2.2	116.1
F Construction	722	29.5	96	5.9	13.3
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	351	14.3	487	30.0	138.7
H Hotels and Restaurants	248	10.1	242	14.9	97.6
I Transport, storage and communication	65	2.7	78	4.8	120.0
J Financial intermediation	8	0.3	11	0.7	137.5
K Real estate, renting and business activities	36	1.5	56	3.4	155.6
L Public administration and defence; compulsory social security	53	2.2	68	4.2	128.3
M Education	322	13.1	117	7.2	36.3
N Health and social work	79	3.2	64	3.9	81.0
O Other community, social and personal service activities	270	11.0	144	8.9	53.3
P Activities of households	0	0.0	0	0.0	0.0
Q Extra-territorial organizations and bodies	0	0.0	0	0.0	0.0
TOTAL:	2451	100.0	1626	100.0	66.3

Source: CES Bulletin

In the case of Lika-Senj County, an important factor of the labour market is seasonal employment. Available data provide information that in 2005, 184 persons were employed as seasonal workers among which the qualified workers prevailed employed as: salespersons, cooks and waiters (Table 22).

Table 22 *Number of seasonal employees in Lika-Senj County in 2005 by occupation*

Occupation	D.Lapac	Gospić	Korenica	Novalja	Otočac	Senj	Total
Garden worker	0	0	1	1	0	0	2
Cleaning lady	0	0	1	1	0	1	3
Guard-janitor	0	0	0	2	0	0	2
Kitchen assistant	0	2	4	2	4	15	27
Waiter's assistant	0	0	5	3	0	1	9
Chambermaid	0	2	0	0	0	0	2
Other non-qualified or semi-qualified workers	0	9	0	4	0	7	20
Total non-qualified and semi-qualified workers	0	13	11	13	4	24	65
Salesperson	0	7	3	17	2	14	43
Pastry cook	0	0	0	0	0	1	1
Cook	0	1	3	3	2	4	13
Waiter	0	19	3	5	1	16	44
Other qualified workers	0	1	2	4	0	0	7
Total qualified workers	0	28	11	29	5	35	108
Economic technician	0	0	0	0	0	1	1
Tourist worker	0	1	0	0	0	0	1
Receptionist	0	1	0	1	0	4	6
Other secondary school qualification	0	0	0	3	0	0	3
Total secondary school qualification	0	2	0	4	0	5	11
TOTAL	0	43	22	46	64	61	184

Source: CES Bulletin

1.3. The Lika-Senj County labour market trends

In order to draw conclusions on local labour market, it is very important to take into consideration overall social-economical situation in Croatia together with local characteristics linked with existing potentials and deficiencies.

The Lika-Senj labour market does not seem to be dynamic enough and it depends on seasonal employment. A survey "Employment Barometer"⁶ conducted in the County in March 2006, provided information on some future local labour market developments. Since it was only the first time that the survey was conducted, the

⁶ Employment Barometer – a questionnaire including questions to enterprises and entrepreneurs regarding current and future employment perspectives in their companies or businesses (introduced within the CARDS 2004 Local Partnerships for Employment Project – Phase 2).

conclusions should be treated as those to be further monitored and adjusted during the next rounds of the survey.

On the basis of “Employment Barometer”, the employment growth of 6.7% is expected in the Lika-Senj County until March 2007. As construction sector seems to be the most dynamic in the County, the employment growth in this sector is also expected to be the most significant during the coming months. Manufacturing and Financial intermediation sectors also expect an increase in employment. Decrease in employment has been foreseen for Trade and Real estate sector.

The labour market of the Lika-Senj County seems to be a slow responding one with limitations in employment growth potentials.

Significant imbalances on local labour market result from insufficiently developed active labour market activities and from the lack of sufficient “early” warning systems enabling management of local labour force in the situation of market restructuring. Local labour market imbalances in the County seem to be more surprising if one considers positive international net-in-migration to the Lika-Senj County. This characteristic leads to a conclusion that the role of unofficial economy in the County may be significant.

The Lika-Senj labour market favours male workers. Such reason may be related to the segmentation on local labour market but also to traditional way of thinking about women roles in the society as well as insufficient number of child care services available in the County.

It is also less likely to find a job after the age of 50, which in relation to demographic situation should be considered within a long-run strategic planning.

An interesting feature of the Lika-Senj labour market is that more than 50% of workers prepared for the labour market are registered as unemployed. This may be the outcome of not enough competitive local economy unable to absorb already skilled labour force. This is why it is necessary to develop programmes improving access to local labour market by skilled workers, allowing them the gaining of work experience through apprenticeships, on-the-job training programmes etc.

In the situation when there is no legal obligation for vacancies registration in Croatia, it is extremely important to develop partnership approach among local labour market institutions from public, private and third sector (civil society sector) in order to exchange information on employees, unemployed and newly entering local labour market young people.

They all may contribute positively to improving the local labour market situation. This can be a sufficient justification to establishing activities focusing either on partnerships development or improving and conducting mutual inter-sectoral researches, surveys providing data on the local labour market demand and supply side. This may also provide reliable information for education planning and curricula development.

Also, the long-term unemployment increasing constantly in Lika-Senj constitutes one of local labour market weaknesses. This is again the prove of non-dynamic, not demand driven and rigid labour market but equally it has to be also linked with the increasing risk of social exclusion of inhabitants. This phenomenon cannot be avoided when talking about the improving of local labour market situation as measures towards counteracting and combating long-term unemployment shall play a significant role in the process of improving local socio-economic situation.

Labour market shortages are also significant in the Lika-Senj County. Pursuant to the data obtained in "Employment Barometer", 28% of surveyed enterprises suffer from unavailability of needed labour force. Especially, the manufacturing sector, the construction sector and the hotels and restaurants sector suffer from labour shortages, 14.6%, 7% and 6% respectively. This may be the result of – again - poor or non-existing linkages between local enterprises and institutions possessing information on local labour force and educational programmes.

It may also be the case of employers' over-expectations towards employees. But in this case again, partnership relations between various local stakeholders may result in better and more effective labour market information which may lead to increasing demand driven employment in the Lika-Senj County as well as to better educational programmes for future labour force.

Chapter 2

European, national and regional framework of Human Resource Development Strategy for the Lika-Senj County

In order to elaborate the Human Resource Development Strategy for the Lika-Senj County and to identify its goals and priorities, both the European Union framework and the national framework were taken into consideration. Integrated European Employment Guidelines 2005 – 2008, the Croatian National Action Plan for Employment (NAP) 2005 – 2008 and the Lika-Senj Regional Operational Programme (ROP) 2005 – 2010 served as the basis for the HRD/TWG work in harmonizing the HRD Strategy with other existing strategic documents and programmes.

The Lika-Senj HRD Strategy is connected with and complements the regional and national priorities in the field of human resources development. This ensures the Lika-Senj HRD Strategy eligibility for potential financing from national funds, EU pre-accession funds, and other international sources and from structural funds once Croatia becomes the EU member state.

The process of harmonising regional priorities and policies with the EU framework is a part of the pre-accession process that Croatia is currently going through.

The Lika-Senj HRD Strategy is based on the Lisbon Strategy⁷ from year 2000, which was a starting point for reforms and establishment of a following new strategic goal for member states:

„Making the EU the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for environment” .

⁷ The Lisbon Strategy was agreed during the EU Summit in Lisbon in year 2000.

2.1. European framework

Lisbon Strategy refers to employment issues and emphasizes the need for European Employment Strategy (EES) implementation and the necessity of coordinating employment policies in member states. In this respect following EES objectives were adopted as goals for member states:

- *full employment;*
- *improving quality and productivity at work;*
- *strengthening social cohesion and integration.*

To achieve such ambitious goals, the EU introduced the Employment Guidelines which member states are obliged to take into consideration while elaborating and implementing operational programmes and action plans for employment.

As a part of pre-accession process, Croatia made its own National Action Plan for Employment 2005 – 2008, in 2004. It was based on the Employment Guidelines 2003 (Table 23).

Table 23 *EU Employment Guidelines 2003*⁸

Guideline 1	Active and preventive measures for the unemployed and inactive
Guideline 2	Opening a new workplaces and development of entrepreneurship
Guideline 3	Encouraging changes and enhancing adaptability and mobility in the labour market
Guideline 4	Promote human resources development and lifelong learning
Guideline 5	Increase labour force demand and promote active ageing
Guideline 6	Equality between men and women
Guideline 7	Fostering integration and fighting against discrimination of persons who are in an unfavourable position in the labour market
Guideline 8	Enable cost effectiveness of work
Guideline 9	Undeclared work
Guideline 10	Regional differences

In 2005, the EU launched a renewed socio-economic strategy for three years period

⁸ Council Decision of 22 July 2003 on guidelines for the employment policies of the Member States; Official Journal of the European Union 5.08.2003, L197/13.

and issued the Integrated Guidelines for Growth and Jobs. These renewed and amended Guidelines reflect the renewed Lisbon Strategy directed on more coordinated and efficient performance of member states in order to achieve the EU strategic goals. As the result, new Integrated Employment Guidelines were issued and they were taken into consideration when elaborating the HRD Strategy (Table 24).

Table 24 *Employment Guidelines 2005-2008*⁹

Guideline 17	Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion
Guideline 18	Promote a life-cycle approach to work
Guideline 19	Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive
Guideline 20	Improve matching of labour market needs
Guideline 21	Promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of the social partners
Guideline 22	Ensure employment-friendly labour cost developments and wage-setting mechanisms
Guideline 23	Expand and improve investment in human capital
Guideline 24	Adapt education and training systems in response to new competence requirements

The references of particular Employment Guidelines 2005 – 2008 were made to all the Lika-Senj HRD Strategy (hereinafter: the HRDS) priorities. Table 25 shows which guidelines refer to particular priorities in human resources development of the County.

⁹ Council Decision of 12 July 2005 on guidelines for the employment policies of the Member States; Official Journal of the European Union, 6.08.2005, L205/21.

Table 25 *Linkages between the Integrated Employment Guidelines 2005 – 2008 and the Lika- Senj HRDS priorities*

Lika-Senj HRDS priorities	Active labour market policy leading to employment and social inclusion	Promoting and improving adaptability of local labour force	Stimulating entrepreneurship	Strengthening capacities of labour market local institutions
EU Integrated Employment Guidelines				
(17) Implement employment policies aiming at achieving full employment, improving quality and productivity at work and strengthening social and territorial cohesion	x	x	x	x
(18) Promote a life-cycle approach to work	x		x	
(19) Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive	x		x	
(20) Improve matching of labour market needs	x	x	x	
(21) Promote flexibility combined with employment security and reduce labour market segmentation having due regard to the role of the social partners	x		x	
(22) Ensure employment-friendly labour cost developments and wage-setting mechanism	x			
(23) Expand and improve investment in human capital	x	x	x	x
(24) Adapt education and training systems in response to new competence requirements	x	x	x	x

2.2. National framework

In relation to the EU accession, Croatia prepared over last two years several strategic documents and programmes linked with human resources development:

- Strategy and Action Plan for Adult Education,
- Strategy for Development of Education System in Croatia 2005-2010,
- National Action Plan for Employment 2005 – 2008,
- Strategic Framework for Development 2006 -2013.

These documents contain human resources development priorities and complement the EU employment policies on national and regional levels introducing certain actions to be done.

Already mentioned NAP for Employment 2005 – 2008 was drafted on the basis of the EU Employment Guidelines 2003 and its goal is to:

"Improve efficiency of labour market in Croatia, increase employment and decrease unemployment and convergence to accession processes".

The NAP emphasizes the most important employment issues in Croatia, depicting current labour market situation and proposing measures and activities to be implemented in order to achieve its goal. The NAP focuses on counteracting long-term unemployment, increasing access of youth to the labour market, promoting lifelong learning and active ageing and increasing employability. Special emphasis was given to the role of CES in implementation of active employment measures and in developing cooperation/partnership relations with employers.

2.3. Regional framework

The Lika-Senj Regional Operational Programme 2005 – 2010 represents an overall county development strategy with its own goal and strategic objectives/priorities, including the ones related to human resources (Table 26).

The Lika-Senj HRD Strategy shall complement the ROP's priorities in the field of human resources development. This Strategy aims also at deeper and more concise study in the segment of human resources in the Lika-Senj County.

This means that the HRD Strategy is a part of the overall county development programme elaborated to achieve the County's priorities linked with human resources development.

Table 26 *The ROP's strategic objectives, priorities and measures related to human resources development*

Strategic objective 1	
The promotion of technologically advanced agricultural production, which delivers competitive products to both the domestic and EU markets	
Priority 1: Development of physical infrastructure to support the development of agriculture	
Measure 1	Revitalization of the existing and the construction of new storage houses, new premises for packaging and sorting of agricultural products (cold storage, dryers and potato storage premises)
Measure 2	Construction of the irrigation and draining systems in agricultural areas (for the support of intensive diverse crops production)
Priority 2: Institutional and financial support of agricultural development	
Measure 3	Cattle breeding and crop husbandry development and support to cooperatives in agriculture
Measure 4	Support to establishment of small food-processing capacities as well as mariculture and aquaculture capacities (dryers, meat/oil/wool/leather processing, dairies, fish and shellfish breeding etc.)
Measure 5	Support to the market development for local agricultural products (ensuring the market for local producers)
Measure 6	Eco-agriculture support and enhancement
Measure 7	Founding the institutions for research and development of agriculture and supporting their cooperation with the producers
Measure 8	Implementation of new technologies for increasing the competitiveness of agricultural products
Measure 9	Programs for the development of rural areas (socio-cultural and economic programs aiming to improve the life quality in rural areas and to involve the community)
Strategic objective 2.	
The promotion of the tourism sector, as a key "initiator" of the County development	
Priority 3: Institutional and human resource capacity building in tourism development	
Measure 10	Creating and implementing educational programs in tourism (including both experts and trainees)
Measure 11	Development and capacity building of all tourism stakeholders
Priority 4: Development of tourism product offer	
Measure 12	Development of selective tourism offers and basic infrastructure building for the development of new tourism models and new types of products, emphasizing the environmental protection and sustainable development principle
Measure 13	Preserving natural, cultural and traditional heritage as a basic resource for the tourism development
Strategic objective 3.	

The development of small and medium enterprises, characterized by value-added production and the export of final products, with the emphasis put on the processing industry based on natural resources	
Priority 5: Creation of conditions for rapid entrepreneurship development	
Measure 14	Increasing institutional and financial support for entrepreneurship development
Measure 15	Eliminating administrative barriers in entrepreneurship development (speeding up the procedures for licence approvals, establishing the one-stop-shop, the regional plans for all municipalities and towns as well as detailed urban planning)
Measure 16	Branding of the region
Measure 17	Implementation of programs for the enhancement of market-oriented small entrepreneurship
Measure 18	Building and starting up the entrepreneurship zones
Measure 19	Cooperation and trust building between the local government and entrepreneurs
Priority 6: Increasing local companies' competitiveness	
Measure 20	Introducing the quality certificates
Measure 21	Implementing new technologies and innovations in local companies
Measure 22	Creating clusters of priority sectors (wood industry, tourism)
Measure 23	Activating the Plitvice Lakes and other national parks as bearers of regional development
Strategic objective 4.	
The development of social and physical infrastructure as well as investment in human resources which will, together with the economy development, underpin a rise in living standards and retention of young families in the County	
Priority 7: Improvement of skills and knowledge of the work-capable population in order to improve their competitiveness on the labour market	
Measure 24	Implementation of workforce retraining and training programs in cooperation with the private and public sector and an increase of the knowledge and skills of socially excluded groups (gaining literacy)
Measure 25	Connecting educational systems with the economy in order to improve the practical aspects in teaching and the workers skills
Measure 26	Development of the institutional and absorption capacities of all stakeholders involved in regional development and the development of partnerships between them
Measure 27	Diminishing social differences based on economical, health, national, religious, sexual or other characteristics (creating and implementing the programs for gender equality and raising public awareness on the importance of tolerance, peace, human rights and their attainment, and on the importance of building mutual cooperation)
Measure 28	Creation and promotion of conditions for sustainable development and the settling of young families
Measure 29	Enhancement of health and social infrastructure and equipment and strengthening of services of non-institutional health and social care system
Measure 30	Promotion and implementation of sports and recreation activities in the population and implementation of sports programs considering children and teenagers

Measure 31	Improvement of infrastructure and equipment of educational institutions-content adjustment to the needs of the labour market
Measure 32	Significant institutional and financial support to civil society development
Priority 9: Improving the cultural offer and the development of the neglected cultural forms	
Measure 33	Supporting the development of the (non)institutional culture and the youth culture
Measure 34	Preservation, reconstruction and putting into function cultural, archaeological and ethnological sights and locations
Measure 35	Using new communication and networking technologies in the process of IT introduction in cultural institutions
Priority 10: Enhancing the life quality of local population by means of the principles of sustainable development	
Measure 36	Communal infrastructure construction
Measure 37	Establishing systems for air, water and soil quality monitoring and adequate management, and establishing international co-operation in this field
Measure 38	Drafting and implementing the programmes of forest protection and sustainable forests management
Measure 39	De-mining the residual areas under mines, dissemination and education about the risks of mines
Measure 40	Building purification systems for the polluting industrial and other facilities
Measure 41	Increasing the level of education and technical equipment of local subjects considering the importance of regional planning, decrease of harming influences to the environment and ecological sustainability of economical and social development
Measure 42	Increasing the health status and life expectancy of population using health-oriented programs and campaigns

2.4. Horizontal Issues

Priorities and measures of the HRD Strategy will also have impact on the following horizontal issues:

- local development
- gender mainstreaming,
- development of the information society
- sustainable development.

Local Development

The Lika-Senj HRD Strategy will support local development through the provision of assistance to the projects aiming re-establishment of social cohesion that comprises activities which encourage the improvement of the quality of life, the local community or the broadening of mutual assistance of local communities and the exchange of local services. Also important in this respect are the projects related to the

development of businesses and mutual collaboration between regional and local stakeholders by promoting the initiatives for developing the resources in the region which will be of benefit to the local community.

Gender Mainstreaming

All measures under the Lika-Senj HRD Strategy shall be carried out by taking into consideration and by respecting the principles of equal treatment of men and women, both during the programming stage and the implementation stage. The implementation of the policy of women and men equal rights is implemented directly within the Strategy by means of the concentration of measures on vocational integration and reintegration of women to the labour market and by increasing their professional activity.

Throughout the Strategy, the attainment of equal opportunities between men and women is a horizontal principle. It will be respected during the implementation of all measures within the Lika-Senj HRD Strategy.

It is assumed that the implementation of the equal opportunities principle will be monitored at the level of the HRD Strategy priorities, by means of indicators that have been respectively defined.

As a result, it is expected that women's employment opportunities will be higher, their access to training aimed at updating qualifications will increase, their entrepreneurship will grow and that overall access to local and regional labour market will be facilitated.

The horizontal priority of equal opportunities will be an important component of all of the activities implemented under the Lika-Senj HRD Strategy.

The activities will result in:

- an increase in the level of social acceptance of women performing both social and vocational roles;

- implementation of new institutional approach , involving solutions allowing for greater flexibility in employment and enabling better access to day-care facilities;
- the raised awareness among women concerning the necessity for continuous education, thus it will lead to their greater uptake of available training and vocational counselling;
- an increase of women's share in the population of the self-employed.

The equality of opportunities is conceived in the HRD Strategy not only as the equality of opportunities for men and women, but also as equal access to education, information and employment for everyone.

Development of the Information Society

Global competition has created a need to develop an economy based on knowledge. For the new economic strategies to be successful another condition must be met – the parallel development of a knowledge based society.

Global competition requires developing various forms of continuous education. Improvements in the quality of education and training will build on the achievements of modern IT technologies, including multimedia technologies.

The improvement of the knowledge of advanced technologies (e.g. new materials, IT, energy, sustainable energy resources), the ability to use the technology of the information society, knowledge of modern management and organizational systems should result in an enhanced openness of enterprises to new technology, and increased capacities and competitiveness of businesses and agricultural sector in the County. The actions planned will enable development of appropriate vocational skills, and this, along with the access to new technologies will improve the situation of both employees and employers, stimulating the increased employment.

Educational and training undertaking requires the creation of a widespread network of training centres based on training institutions, NGOs, universities, research units and local governments.

The support for the development of the information society will contribute to the removal of barriers in the positioning of business centres outside of cities, thus increasing the attractiveness of rural areas for investment. This in turn, will create new possibilities related to the development of new forms of employment and the introduction to the labour market of new professions requiring high qualifications. The enhancement of the qualifications of the population in relation to information technologies will contribute to the development of new types of work, such as for example home-based-work, potentially creating a wider access to employment and more flexible working hours. This will therefore limit the problems related to the mobility of employees. The development of the information society will also open new opportunities in the fields of education, training, healthcare, tourism and cultural heritage. It will also make impact on environment protection, improve public safety and increase the transparency of the public administration.

Sustainable Development

The term 'sustainable development' means the development addressing current needs, without harming the potential for satisfying the needs of future generations. This is achieved through the protection and enrichment of the natural environment, as well as of the economic and social capital. The protection should apply to a broadly determined balance and variety of the natural resources. The achievement of sustainable development requires the use of appropriate methods of assessing short-, medium- and long-term costs, gains and losses; and the introduction of instruments identifying the real socio-economic results of actions, including the assessment of the end results of consumption or conservation. Sustainable development will be achieved, with the correct use and management of the available resources.

Sustainable development focuses to a large extent on problems related to the restrictions in the field of nature conservation and the protection of the natural resources. Nevertheless, the activities aiming to ensure sustainable development

must take into consideration both the well-being of the natural environment and of the society and the economy as well as their reciprocal influences.

A more efficient exploitation of the available resources is also an opportunity to develop entrepreneurship and improve competitiveness. The development of eco-products, ecological services, the means of recycling waste and energy are the new areas for business and labour market activity.

Raising the awareness and ensuring the necessary training will result in lower costs, increased profits and improved image of business as well as in possible provision of training focused on environmental protection, especially for the tourist sector.

CHAPTER 3

SWOT analysis

This SWOT analysis was prepared by the members of Human Resource Development Thematic Working Group (HRD/TWG) in the Lika-Senj county.

In order to identify strengths, weaknesses, opportunities and threats of local human resources, the following documents and information was taken into consideration:

1. EU Integrated Employment Guidelines
2. Croatian National Action Plan for Employment 2005 – 2008¹⁰ adopted by the Conclusion of the Government of the Republic of Croatia from December 2, 2004)
3. Annual Croatian Action Plan for Employment¹¹ The Government of the Republic of Croatia adopted at its session held on 2 March 2006 the Decision on the Approval of the Annual Employment Plan got 2006
4. Regional Operational Programme 2005 - 2010
5. Draft Local Labour Market Report (April 2006)
6. Statistical information on local economy and labour market.

The Lika-Senj HRD Strategy shall complete already established ROP objectives on the county level. The HRD Strategy stipulates the goal, strategic objectives/priorities and actions emphasizing the need for human resources development. The SWOT analysis relates also to European Employment Strategy (EES) aiming at achieving:

- Full employment
- Quality and productivity at work and
- Social inclusion

The SWOT analysis prepared by the HRD/TWG in the Lika-Senj County can be divided into the following policy fields:

- Employability

¹⁰ http://www.hzz.hr/DocSlike/National_Action_Plan_for_Employment_2005-2008.pdf

¹¹ <http://www.mingorp.hr/default.asp?id=11>

- Entrepreneurship and adaptability
- Equal opportunities and social inclusion.

Employability

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> - young labour force - good cooperation of local institutions on the labour market - established HRD/TWG - active labour market policy of the Croatian Employment Service (CES) - EU standards of CES services - existing educational institutions - possibility of organizing labour force - possibility of using public institutions services in gaining knowledge and skills - good geographical position of the County in terms of accessibility of other centres 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> - Insufficient possibilities for retraining and training - high unemployment rate - high illiteracy rate - outflow from the region of young and skilled labour force - low spatial and professional work force mobility - mismatches on the labour market (employers cannot find appropriate manpower on the labour market) - imbalances on the labour market (lack of precise information on the local labour market demand) - low rate of job creation - not labour market driven curricula - “grey” economy (unregistered work) - slow acceptance of changes and new ideas, of work and education on the labour market - lack of medium sized enterprises (with more than 59 employees) having better market competitiveness - high rate of aging population - rigid labour market - low employment of skilled labour force
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> - lifelong learning education - education according to local labour market needs - local projects regarding HRD - EU pre-accession funds and other foreign financial resources - area of special state concern - possible housing provisions for labour force - active employment policy (CES) 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> - globalization (cheap, foreign labour force) - decreasing population - labour market actors not ready to respond to local labour market demand - small number of potential enterprises (lack of interest for entrepreneurship) - low number of returned youth after gaining higher education in educational institutions outside the region

Entrepreneurship and adaptability

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> - existing educational institutions - existing local branches of institutions/organisations supporting entrepreneurship (e.g. Chamber of Crafts, Chamber of Commerce) - good cooperation of local educational and labour institutions 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> - low density rate - insufficient training and retraining programmes - declining traditional crafts - low competitiveness of local economy - lack of sustainable linkages b/n public sector and enterprises - insufficient planning in the field of education
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> - possibility of international funds utilization - possibility of acquiring additional education regardless of the present qualification - lifelong learning education - acquiring IT and foreign languages knowledge at the early phase of schooling - demand driven education of labour force - developing local projects regarding the job training, apprenticeships etc. 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> - lack of systematic support for SME - globalization - lack of interest in developing entrepreneurship - lack of national unified certification system

Equal opportunities and social inclusion

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> - good cooperation of local institutions - active labour market policy of CES - active social centres providing assistance to those at risk of social exclusion 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> - insufficient training and retraining programmes - high illiteracy rate - high rate of unemployment among women - imbalances on local labour market - high long-term unemployment rate
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> - education of local population - availability of additional education - implementing locally identified projects - international assistance (financing and consulting) 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> - globalization - lack of sustainable assistance against social exclusion

Chapter 4

The Lika-Senj Human Resource Development Strategy's goal, priorities and measures

In order to identify the HRD Strategy's goal and strategic objectives/priorities, the HRD/TWG took into consideration the SWOT analysis elaborated by the HRD/TWG as well as the available information on the local labour market.

As the result of mutual work, the HRD/TWG has come up with the following goal to be achieved in the period from 2006 to 2010 in the Lika-Senj County:

Reaching full employment by increasing knowledge, skills and adaptability of labour force through strengthening capacity of labour market institutions in order to improve their linkages with employers' needs, taking into consideration the entrepreneurship stimulation and the increase of employability of vulnerable groups.

This ambitious and extensive goal of the Strategy tries to emphasise the most crucial issues existing on local labour market, such as:

- shortages of competitive labour force,
- weak linkages between the labour market institutions and local employers
- need for providing assistance to enterprises establishment and
- increase of the risk of social exclusion resulting partially from growing number of long-term unemployed.

Identified local labour market problems require an active approach and more versatile types of activities leading to improving employability and living conditions in the County in relation to the existing imbalances on the local labour market which call for stronger, closer and more qualified collaboration between the local labour market institutions and the private sector.

Also, quality of labour force and necessity of assisting vulnerable groups (e.g. disabled, women, social assistance beneficiaries, immigrants) shall be supported during the implementation of HRD Strategy.

It is obvious that in order to increase employment there must exist economic growth in the County. But it is also important to consider that in order to be able to attract new economic investments, the human resources must be competitive and demand driven.

Qualified and able to adapt to new challenges labour force may have influence on the overall county development.

In order to achieve the HRD Strategy goal, the HRD/TWG identified the following strategic objectives/priorities completed by related measures:

PRIORITY I:

Active labour market policy leading to employment and social inclusion

Increasing employability of local population and counteracting social exclusion is one of the challenges in the Lika-Senj County. Providing training and additional education to unemployed in order to increase their access to the labour market and to adjust skills to the labour market demand is crucial in the preparation of the County to the EU accession.

Social inclusion, as one of the EU priorities, requires also undertaking activities which increase employability of vulnerable groups such as: disabled persons, long-term unemployed, social assistance beneficiaries and migrants. It is usual that e.g. disabled persons very rarely find employment on open (first) labour market. This is why activities towards the smoothing of access to local and regional labour market for disabled persons and activities towards employers aiming at developing employers' interest in hiring the disabled should be improved.

Measure 1:

Increasing skills and competitiveness of local labour force through training and education
--

Qualified and competitive labour force ensures better living conditions. Therefore, it is crucial to provide training and education responsive to the local labour market needs. Such activities should decline average length of unemployment and to smooth passing from one job to another.

Activities focused on early recognition of unemployed and job seekers needs should be undertaken by local labour market institutions, which should work on improving their mutual collaboration.

This measure may be implemented by the following potential types of projects: training and retraining services provided either on-the job or in training institutions, to include training for basic skills and skills development, developing training curricula on the basis of local and regional labour market demand, improving collaboration among local labour market institutions and employers.

Target groups (beneficiaries of assistance):

- unemployed
- job seekers
- regional and local labour market institutions

Summary of Measure 1

Employment Guidelines	17, 18, 19, 20, 21, 22, 23, 24
Regional strategic objective (SO) according to ROP	SO 4: The development of social and physical infrastructure as well as investment in human resources which together will underpin a rise in living standards and retention of young families in the county.
Priority	Active labour market policy leading to employment and social inclusion
Measure	Increasing skills and competitiveness of local labour force through training and education
Activities	<ul style="list-style-type: none"> - training and retraining services provided either on-the job or in training institutions, which include training for basic skills and skills development, - developing training curricula on the basis of local and regional labour market demand, - improving collaboration among local labour market institutions and employers
Stakeholders	Regional and local labour offices, vocational schools, universities, regional and local authorities, training institutions, community centres, NGOs
Target groups	Unemployed, job seekers, regional and local labour market institutions

Measure 2:

Increasing employers' interest into vulnerable groups' employment

Since the traditional way of thinking often discriminates certain social groups, this measure is related to encouraging employers to employ vulnerable groups within the local society, e.g. people with disabilities, long-term unemployed.

The measure may be implemented by the following activities: subsidized employment; organizing presentations and workshops on introduction qualities of potential workers from vulnerable groups; breaking prejudices in employing people with disabilities; long-term unemployed or social assistance beneficiaries; education on advantages of flexible employment in some economic sectors; and developing social economy focusing on creating employment for people at risk of social exclusion.

Target groups (beneficiaries of assistance):

- long-term unemployed
- disabled persons
- young people
- social assistance beneficiaries
- migrants

Summary of Measure 2

Employment Guidelines	17, 18, 19, 20, 21, 22, 23, 24
Regional Strategic objective according to ROP	SO 4: The development of social and physical infrastructure as well as investment in human resources which together will underpin a rise in living standards and retention of young families in the county.
Priority	Active labour market policy leading to employment and social inclusion
Measure	Increasing employer's interest into vulnerable groups' employment.
Activities	<ul style="list-style-type: none"> - subsidized employment, - organizing presentations and workshops on introduction qualities of potential workers from vulnerable groups, - breaking prejudices in employing people with disabilities, long-term unemployed or social assistance beneficiaries, - education on advantages of flexible employment in some economic sectors and - developing social economy focusing on creating employment for people at risk of social exclusion
Stakeholders	Regional and local labour market institutions, training institutions, social assistance centres, employers, regional and local labour offices, NGOs
Target groups	Long-term unemployed, disabled persons, young people, social assistance beneficiaries, migrants

Measure 3:

Increasing employability of women

Women represent a big percentage of unemployed in the Lika-Senj County. Inclusion of women into labour market and raising their employability is possible by harmonizing the family life and work. Promoting flexible working hours and increasing access to child care institutions can facilitate their return and entrance on labour market. At the same time, assistance towards increasing and renewal of their professional skills is required.

This measure can be implemented by the following potential types of activities: training and retraining services; providing additional assistance to trainees in order to increase their access to training services (e.g. childcare services); promoting flexible employment among local employers; improving and developing skills in traditional crafts.

Target groups (beneficiaries of assistance):

- unemployed women
- female job seekers

Summary of Measure 3

Employment Guidelines	17, 18, 19, 20, 21, 22, 23, 24
Regional Strategic objective according to ROP	SO 2: The promotion of tourism sector as a key “driver” to development in the county. SO 4: The development of social and physical infrastructure as well as investment in human resources which together will underpin a rise in living standards and retention of young families in the county.
Priority	Active labour market policy leading to employment and social inclusion
Measure	Increasing employability of women
Activities	<ul style="list-style-type: none"> - training and retraining services, - providing additional assistance to trainees in order to increase their access to training services (e.g. childcare services), - promoting flexible employment among local employers, - improving and developing skills in traditional crafts.
Stakeholders	Vocational schools, training institutions, NGOs, chamber of craft
Target groups	Unemployed women, female job seekers

PRIORITY II:

Promoting and improving adaptability of the local labour force

The dynamics of modern economy and labour market calls for a prompt reaction and adjustment of labour force to constant changes. Only the labour force permanently upgrading its skills and ready to answer to newly appearing challenges of highly modernized society is capable to participate in the competitive economy. Through the provisions of training and additional education to local employees, their competitiveness and chance for remaining on labour market increases. Ensuring conditions for space mobility on a local and national level allow for overcoming a disproportion in the regional development and labour shortages.

Measure 1:

Promoting vocational education that responds to needs of local labour market

It is necessary to establish curriculum adjusted to the labour market needs. To achieve this, it is necessary to follow the labour market trends and, accordingly, to

plan school programmes and the training content. Quality and labour market responsive vocational education is one of the key development segments in a knowledge based society. Introducing new and changing old curricula imply an education of teachers and trainers and necessary equipment for classrooms.

This measure can be implemented by the following potential types of projects: training and retraining services in e.g. IT courses, training of trainers; developing skills in analyzing labour market trends; elaborating labour market demand driven schools' and training curricula; developing early warning system for persons at risk of lay-offs..

Target groups (beneficiaries of assistance):

- employed in public, private and third (civil) sector
- employees at risk of lay-offs
- schools teachers
- management and administrative staff of public and private institutions
- regional employment office staff (together with staff from local branches of regional CES)
- staff of local labour market institutions e.g. chamber of crafts, chamber of commerce, non-governmental institutions

Summary of Measure 1

Employment Guidelines	17, 20, 23, 24
Regional Strategic objective according to ROP	SO 1: The promotion of technologically advanced agricultural production, which delivers competitive products for both the domestic and EU markets. SO 4: The development of social and physical infrastructure as well as investment in human resources which together will underpin a rise in living standards and retention of young families in the county.
Priority	Promoting and improving adaptability of local labour force.
Measure	Promoting vocational education that can respond to needs of local labour market
Activities	<ul style="list-style-type: none"> - training and retraining services in e.g. IT courses, - training of trainers, - developing skills in analyzing labour market trends - elaborating labour market demand driven schools' and training curricula, - developing early warning system for persons at risk of lay-offs
Stakeholders	Vocational schools, regional and local labour offices, NGOs, training institutions, universities
Target groups	Employed in public, private and third sector, employees at risk of lay-offs, schools teachers, management and administrative staff of public and private institutions, regional employment office staff (together with staff from local branches of regional CES), staff of local labour market institutions e.g. chamber of crafts, chamber of commerce, non-governmental institutions

Measure 2:

Promoting lifelong learning education

Majority of working population in Croatia remains for a long period of life in the same working post with the same or similar duties and responsibilities. Due to globalization and current situation on the labour market, the constant upgrading of skills and development of competences is required in order to respond to new technological challenges and changing methods of work.

Majority of employed persons do not possess adequate skills because the system of life long learning is underdeveloped and existing forms of lifelong learning education are inconsistent and inefficient.

Establishment of consistent and systematic lifelong learning will allow labour force the gaining of knowledge adjusted to the labour market demand. Only permanent education can lead to a knowledge based society.

This measure can be implemented by the following potential types of projects: training and retraining services; individual assistance in identifying professional paths of development (counselling services); promoting life-long learning education among employers and employees, developing the system of on-the-job training.

Target groups (beneficiaries of assistance):

- employed in the public and private sector
- public and private sector employers

Summary of Measure 2

Employment Guidelines	17, 20, 23, 24
Regional Strategic objective according to ROP	SO 1: The promotion of technologically advanced agricultural production, which delivers competitive products for both the domestic and EU markets. SO 4: The development of social and physical infrastructure as well as investment in human resources which together will underpin a rise in living standards and retention of young families in the county.
Priority	Promoting and improving adaptability of local labour force.
Measure	Promoting lifelong learning education
Activities	<ul style="list-style-type: none"> - training and retraining services, - individual assistance in identifying professional paths of development (counselling services), - promoting life-long learning education among employers and employees, - developing the system of on-the-job training
Stakeholders	Training institutions, NGOs, regional and local labour offices, vocational schools
Target groups	Employed in public and private sector, public and private sector employers

PRIORITY III:

Stimulating entrepreneurship

The stimulation of entrepreneurship leads to a creation of new jobs and self-employment. The situation in Lika-Senj County urgently requires the follow up in stimulation of SME, which should become basic drivers of local economy. Stimulation must be oriented on the quality and knowledge that leads to increasing competitiveness in the global economy.

It is necessary to stimulate self-employment through opening crafts and enterprises; to encourage training on “how to run business”, accountancy, marketing and other fields in business activity. It is equally important to develop a network of business assistance institutions employing qualified staff able to provide services to SME owners on regional and local level.

Measure 1:

Increasing awareness of local entrepreneurs

It is necessary to raise awareness of local entrepreneurs on importance of human resources in developing their business plans and achieving success. Strategic thinking not only about physical/technological investment in companies but also about developing and improving skills of current and potential future employees should be considered by entrepreneurs. Highly motivated and well-trained labour force can raise the level of productivity and bring profit to companies. The working environment must be stimulating and attractive to in order achieve such results.

This measure can be implemented by the following potential types of projects: investment in human capital through scholarships for talented students and pupils; stimulating apprenticeship and providing education to employees leading to success of enterprises; promoting ideas of necessity to invest in human resources in companies.

Target groups (beneficiaries of assistance):

- entrepreneurs
- students/pupils
- local population
- regional and local public and private institutions/organizations

Summary of Measure 1

Employment Guidelines	17, 18, 19, 20, 21, 23, 24
Regional Strategic objective according to ROP	SO 3: Developed SME characterized by value added production and the export of final products; with emphasis put on the processing industry based on natural resources
Priority	Stimulating entrepreneurship
Measure	Raising awareness of local entrepreneurs
Activities	<ul style="list-style-type: none"> - investment in human capital through scholarships for talented students and pupils, - stimulating apprenticeship and providing education to employees leading to success of enterprises, - promoting idea of necessity of investing in human resources in companies
Stakeholders	Local and regional - public and private employers, vocational and secondary schools, chamber of commerce, chamber of crafts, NGOs, training institutions
Target groups	Entrepreneurs, students/pupils, local population, regional and local public and private institutions/organizations

Measure 2:

Promoting entrepreneurship

Creating new qualitative jobs depends on investments in a dynamic SME. Thus it is necessary to create simulative business environment. Stimulation for opening crafts and enterprises through following potential types of projects: training e.g. on „how to run business” and accountancy lead to increase of this type of self-employment and employment. Also, adequate training for staff of institutions and developing a network of regional and local institutions providing assistance to SME shall benefit to improving business environment on regional and local level.

Target groups (beneficiaries of assistance):

- entrepreneurs
- local population (persons setting up their businesses)
- staff from regional and local public and private institutions/organizations

Summary of Measure 2

Employment Guidelines	17, 18, 19, 20, 21, 23, 24
Regional Strategic objective according to ROP	SO 3: Developed SME characterized by value added production and the export of final products; with emphasis put on the processing industry based on natural resources
Priority	Stimulating entrepreneurship.
Measure	Promoting entrepreneurship
Activities	<ul style="list-style-type: none"> - training e.g. on „how to run business“ and accountancy - adequate training for staff of institutions providing assistance to SME shall benefit to improving business environment on regional and local level - developing network of regional and local institutions assisting SME
Stakeholders	Training institutions, vocational schools, NGOs, chamber of commerce, chamber of crafts
Target groups	Entrepreneurs, local population (persons setting up their businesses), staff from regional and local public and private institutions/organizations

Measure 3:

Promoting innovations among entrepreneurs

Introduction of new technologies constitutes also one of the modern economy priorities which contribute to the development of information society.

This should be followed by education of staff capable to introduce and utilize new technological ideas and approaches. Education and training of entrepreneurs and promoting new ideas together with introducing new technologies in business lead to an increase of competitiveness and successfulness of enterprises.

This measure can be implemented by the following potential types of projects: assistance and training provided to enterprises addressing human resources development; human resources strategy development; training needs analysis in companies; training of key staff and the training in specific subjects responsive to technological investments in companies.

Target groups:

- entrepreneurs
- regional and local population
- local public and private institutions/organizations

Summary of Measure 3

Employment Guidelines	17, 18, 19, 20, 21, 23, 24
Regional Strategic objective according to ROP	SO 3: The development of SME characterized by value added production and the export of final products; with emphasis put on the processing industry based on natural resources
Priority	Stimulating entrepreneurship.
Measure	Promoting innovations among entrepreneurs
Activities	<ul style="list-style-type: none"> - assistance and training provided to enterprises addressing human resources development such as human resources strategy development, - training needs analysis in companies, - training of key staff and - training in specific subjects responsive to technological investments in companies
Stakeholders	Training institutions, universities, NGOs
Target groups	Entrepreneurs, regional and local population, local public and private institutions/organizations

Measure 4:

Increasing knowledge and skills of local managers

Only managers and entrepreneurs who are in possession of up-to-date knowledge and skills can utilize good market opportunities, possibilities for their business capacity development and, of course, opportunity for profit in the fast changing local and national economy. Managers trained for new market challenges are drivers of development, not exclusively of their companies but of whole region as well. Current low number of people that have access to Internet and e-mail constitutes serious obstacles in local enterprises development. It is followed by lack of IT skills among local entrepreneurs.

This measure can be implemented by the following potential types of projects: training and assistance on developing managerial skills; providing basic and specific training in IT; developing system of assistance for regional and local managers.

Target groups:

- managers of local enterprises
- social partners representatives e.g. trade unions, employers associations

Summary of Measure 4

Employment Guidelines	17, 18, 19, 20, 21, 23, 24
Regional Strategic objective according to ROP	SO 3: Developed SME characterized by by value added production and the export of final products; with emphasis put on the processing industry based on natural resources
Priority	Stimulating entrepreneurship.
Measure	Increasing knowledge and skills of local managers
Activities	<ul style="list-style-type: none"> - training and assistance on developing managerial skills, - providing basic and specific training in IT, - developing system of assistance for regional and local managers
Stakeholders	Training institutions, vocational schools, universities
Target groups	Managers of local enterprises, social partners representatives e.g. trade unions, employers associations

PRIORITY IV:

Strengthening capacity of local labour market institutions

One of the EU priorities stipulated in the Integrated Employment Guidelines emphasizes the necessity of strengthening labour market institutions with special accent put on Public Employment Services (PES). Efficient programmes on the labour market can only implement well-equipped institutions with fully skilled employees. Labour market institutions on the local level have a great knowledge in working with unemployed and generally, a good knowledge on the labour market issues. Therefore, it is necessary to establish and develop good linkages among

labour market institutions as well as between these institutions and employers underlying the partnership approach.

Through education and training of the PES staff and other regional and local labour market institutions, the introduction of new working methods aiming at raising quality of work with unemployed, job seekers, employees at risk of lay-offs and employers as well as monitoring changes on regional and local labour market, may begin.

Measure 1:

Modernizing equipment and technology in local labour market institutions
--

Technological improvement is a precondition of successful work of the labour market institutions. Modern equipment means an opportunity for implementing new ideas and approaches, reducing the time period of implementation and utilization of new ideas, possibility of easier linkages and flow of data between various local stakeholders. IT equipment allows an easy approach and better articulation of information to unemployed and employers, yet it opens a possibility for different training sessions linked with this type of technology.

This measure can be implemented by the following potential types of projects: training on IT and utilization of technologies in labour market services; developing relevant information system for target groups of assistance.

Target groups (beneficiaries of assistance):

- staff from local labour market institutions both public and private
- regional and local population

Summary of Measure 1

Employment Guidelines	17, 23, 24
Regional Strategic objective according to ROP	SO 4: The development of social and physical infrastructure as well as investment in human resources which together will underpin a rise in living standards and retention of young families in the county.
Priority	Strengthening capacity of local labour market institutions
Measure	Modernizing equipment and technology in local labour market institutions
Activities	<ul style="list-style-type: none">- training on IT and utilization of technologies in labour market services,- developing relevant information system for target groups of assistance.
Stakeholders	Training institutions, vocational schools, regional and local labour offices, NGOs, regional and local authorities, chamber of commerce, chamber of crafts
Target groups	Staff from local labour market institutions both public and private, regional and local population

Measure 2:

Improving linkages between local labour market institutions

Good cooperation between institutions on the local labour market is one of preconditions for developing and implementing the HRD strategy and for combating unemployment through increasing the possibilities of employment.

Monitoring of trends and supplying labour market needs requires a coordinated work of all partners through information and experience exchange and through the building of employment strategies. The partnership approach should be strongly emphasized in implementing activities as it increases efficiency and purposefulness of measures and activities.

This measure can be implemented by the following potential types of projects: developing linkages between employers, trainers, public employment services and local community: promoting the partnership approach in human resources development in the County.

Target groups (beneficiaries of assistance):

- staff from regional and local labour market institutions both public and private
- employers
- regional and local population

Summary of Measure 2

Employment Guidelines	17, 23, 24
Regional Strategic objective according to ROP	SO 4: The development of social and physical infrastructure as well as investment in human resources which together will underpin a rise in living standards and retention of young families in the county.
Priority	Strengthening capacity of local labour market institutions
Measure	Improving linkages between local labour market institutions
Activities	<ul style="list-style-type: none"> - developing linkages between employers, trainers, public employment services and local community, - promoting partnership approach in human resources development in the county
Stakeholders	Regional and local labour market institutions, NGOs, social partners, employers, county and local authorities
Target groups	Staff from regional and local labour market institutions both public and private, employers, regional and local population

Chapter 5

Monitoring and evaluation

The monitoring system together with monitoring indicators must be established in order to be able to observe the progress in the HRD Strategy implementation. Monitoring of the HRD Strategy ensures its implementation in line with the changing environment. Collected indicators allow executive bodies and all institutions/organizations involved in the HRD Strategy implementation to analyze whether the goal and results can be achieved and the strategic objectives obtained.

Information gained by monitoring can and even should play an important role for local and county level institutions/organizations to decide on adjusting financial allocations as well as on the types of activities that may be implemented within particular measures.

The HRD Strategy should be monitored on a constant basis, in the form of annual monitoring reports prepared for the Regional Partnership Committee and the County authorities. Annual reports should provide information including the data coming out from the established indicators. The list of indicators for each priority is included in the Table 27.

The HRD Strategy shall also be evaluated in order to analyze:

- impacts of undertaken activities within measures
- process and implementation mechanisms and
- added value (innovations) of financed activities.

There shall be *ex ante*, *on-going* and *ex post* evaluation. The SWOT analysis conducted by the HRD/TWG can be considered as a part of *ex ante* evaluation. *On-going* and *ex post* evaluation shall be conducted during and after the HRD Strategy implementation process. It should be done by external entities not directly involved in the HRD Strategy implementation.

Table 27 *The HRD Strategy monitoring indicators*

	Input indicators	Output indicators	Outcome indicators	Impact indicators
Priority I: Active labour market policy leading to employment and social inclusion	<ul style="list-style-type: none"> - 140 projects - 1400 beneficiaries - annually spent amounts 	<ul style="list-style-type: none"> - 840 female beneficiaries - 380 beneficiaries older than 50 years old, 450 beneficiaries under 25 years - 480 beneficiaries with low skills/low educational attainment - 520 long-term unemployed (more than 12 months registered as unemployed) - 3 months of average length of assistance - 8 disabled beneficiaries - 150 beneficiaries covered by social assistance 	<ul style="list-style-type: none"> - 80 % of women employed - 80% of beneficiaries employed below 25 and above 50 years of age - 40% of beneficiaries continuing training or education - 20% of employed disabled persons 	<ul style="list-style-type: none"> - average length of employment by gender and age; 1 year (12 months) - employment rate increased by 10% by gender and age - unemployment rate decreased by 10% by: gender, age and educational attainment - long-term unemployment rate decreased by 20% by: gender and age - satisfaction rate (will be investigated during the process of HRD Strategy implementation)
Priority II: Promoting and improving adaptability of local labour force	<ul style="list-style-type: none"> - number of projects - number of beneficiaries - annually spent amounts 	<ul style="list-style-type: none"> - number of beneficiaries by: gender, age, educational attainment, length of unemployment - average length of assistance - number of employees covered by assistance - number of re-qualified/retrained beneficiaries - number of enterprises and institutions covered by assistance 	<ul style="list-style-type: none"> - % of employed by: gender and age - % of beneficiaries continuing training or education by: gender and age - % of beneficiaries remaining employed 	<ul style="list-style-type: none"> - employment rate increased by 10% by: gender, age and educational attainment - satisfaction rate(will be investigated during the process of HRD Strategy implementation)
Priority III: Stimulating entrepreneurship	<ul style="list-style-type: none"> - number of projects - number of beneficiaries - annually spent amounts 	<ul style="list-style-type: none"> - number of employees covered by assistance - number of enterprises - number of managers by company size: small, medium, large 	<ul style="list-style-type: none"> - number of newly created enterprises increased by 12% - % of beneficiaries covered by 	<ul style="list-style-type: none"> - 90% survival rate of enterprises - employment rate increased by 10% by: gender, age, educational attainment

	Input indicators	Output indicators	Outcome indicators	Impact indicators
		<ul style="list-style-type: none"> - number of trained trainers per year - number of companies covered by services 	<ul style="list-style-type: none"> assistance - 10% more issued certificates for beneficiaries of assistance - % of beneficiaries continuing education - % of self-employed beneficiaries 	<ul style="list-style-type: none"> - satisfaction rate(will be investigated during the process of HRD Strategy implementation) - rate of self-employment increased by 25%
Priority IV: Strengthening capacity of labour market institutions	<ul style="list-style-type: none"> - 40 projects - number of beneficiaries - annually spent amounts 	<ul style="list-style-type: none"> - 80 beneficiaries employed in assisted institutions/companies - number of beneficiaries by: gender, age, educational attainment - number of employees per IT equipment in assisted institutions – 100% 	<ul style="list-style-type: none"> - 100% of unemployed using counselling assistance - 20% of unemployed using training assistance - 70% employed in assisted institutions - 10% of beneficiaries continuing education - 100% of issued certificates 	<ul style="list-style-type: none"> - employment rate increased by 10% - satisfaction rate(will be investigated during the process of HRD Strategy implementation)

Chapter 6

The Human Resources Development Strategy implementation

The Lika-Senj county HRD Strategy has been elaborated by local stakeholders gathered in the HRD/TWG. The leadership of the process was with the Regional CES Office in Gospić, but the ownership of the process belongs to all HRD/TWG members.

According to existing regulations and principles, the HRD/TWG is a working group of the Regional Partnership Committee, which shall recommend the Strategy to the Lika-Senj County authorities for approval.

6.1. Human Resources Development Council

The HRD Strategy complements the ROP strategic objectives, priorities and measures in the field of human resources development. This would be useful to establish a Human Resource Development Council on the County level that would exclusively deal with human resources development on regional and local level and would supervise the HRD Strategy implementation.

The HRD Council should represent all local stakeholders linked with and engaged in the county development especially including: labour market institutions/organizations (e.g. public employment service, chamber of commerce, chamber of crafts and trade, non-governmental organizations), educational sector, employers' organizations, trade unions' representatives and regional and local authorities.

6.2. Partnership approach

The HRD Strategy implementation principles are:

- transparency,
- partnership,
- concentration and
- subsidiary.

These principles shall ensure appropriate efficiency of the HRD Strategy implementation and achievement of its goals and priorities. The principles of partnership should be particularly emphasized since the HRD/TWG has been established on the county level. This good practice which already exists on the

county level should be followed fulfilling at the same time one of the European Union's priorities – the partnership approach.

The HRD/TWG allows for involving more local stakeholders interested in being a part of human resources development process. Partnership shall also contribute to facilitate preparing innovative projects under the HRD Strategy's measures.

In overall, the idea of activities prepared and implemented by public and private sectors together shall be promoted in the County. Since the HRD Strategy has been elaborated by three-partied HRD/TWG, the implementation shall be carried out by using the same approach. This is a guarantee of mutual understanding of local human resources strengths and weaknesses as well as of efficient HRD Strategy monitoring process and its effectiveness.

6.3. HRD Strategy selection criteria

Efficient HRD Strategy delivery mechanism requires additionally agreed selection criteria for projects that can be submitted and implemented within the HRD Strategy.

The selection criteria shall refer to:

- regional and local socio-economic circumstances,
- proper identification of needs on the county level,
- appropriate identification of target groups,
- innovativeness/value added of projects,
- consistency with expected results,
- partnership approach,
- sustainability of projects results and
- capacity of potential project providers.

6.4. Financing the HRD Strategy

Financial resources to support the Lika-Senj HRD Strategy come from both the national budget and international assistance. As agreed on the national level, all funds supporting the regional development together with human resources development shall be disbursed through the ROP on counties levels. International assistance means funds that are provided by the EU pre-accession assistance, the World Bank programmes and projects as well as funds donated by other international donors.

Nevertheless, it is important to emphasize the national and regional budgets as potential resources of funds that may support regional development containing human resources development in the County.

APPENDIX 1 Regional Partnership Committee Decision on Establishing the Human Resources Development Thematic Working Group (HRD/TWG)

REPUBLIKA HRVATSKA

LIČKO-SENJSKA ŽUPANIJA

REGIONALNI PARTNERSKI ODBOR

KLASA: 300-01/06-01/04

URBROJ: 2125/1-13/1-06-01

Gospić, 27. travnja 2006. god.

Regionalni partnerski odbor (RPO) Ličko-senjske županije, na drugom sastanku u procesu provedbe Regionalnog operativnog programa (ROP-a), održanom u Gospiću, 27. travnja 2006. god, a sukladno čl. 4. Pravilnika RPO-a donosi slijedeću

ODLUKU

1. Osniva se Tematska radna skupina (TRS) za razvoj ljudskih resursa.
2. Članovi TRS predstavljeni u RPO-u su:

	Ime i prezime	Institucija
1.	Milka Rukavina	HZZ PODRUČNA SLUŽBA GOSPIĆ
2.	Mijo Vidović	OPĆINA PLITVIČKA JEZERA
3.	Josip Serdar	OBRTNIČKA KOMORA LIČKO-SENJSKE ŽUPANIJE
4.	Ljubica Grčević	HRVATSKA GOSPODARSKA KOMORA Županijska komora Otočac
5.	Dinko Sekula	SREDNJA ŠKOLA OTOČAC
6.	Marijana Tomljanović	GRAD SENJ

3. Članovi TRS koji nisu predstavljeni u RPO-u, a koji se u rad TRS uključuju kao stručnjaci na predmetnom polju su:

	Ime i prezime	Institucija
1.	Ankica Brajković	CENTAR ZA SOCIJALNU SKRB GOSPIĆ
2.	Ivan Orešković	STRUKOVNA ŠKOLA GOSPIĆ
3.	Šimo Pavlović	SREDNJA ŠKOLA PLITVIČKA JEZERA
4.	Željka Jurjević	SVEUČILIŠTE U RIJECI VISOKA UČITELJSKA ŠKOLA U GOSPIĆU
5.	Braco Tomljenović	PČELARSKA UDRUGA GOSPIĆ
6.	Karlo Starčević	PIVOVARA "LIČANKA"
7.	Dubravka Rukavina	LSŽ-Upravni odjel za društvene djelatnosti
8.	Danijela Vukelić	SREDNJA ŠKOLA SENJ
9.	Dalibor Dabo	DRUŠTVO SLIJEPIH I SLABOVIDNIH LSŽ

4. Koordinatorica/predsjednica TRS je Milka Rukavina pročelnica Područne službe Hrvatskog Zavoda za zapošljavanje u Gospiću.
5. Tematska radna skupina RPO-a predstavlja Partnerstvo u projektu «Lokalna partnerstva za zapošljavanje – faza 2» u Ličko-senjskoj županiji.
6. Tematska radna skupina sudjeluje u donošenju Strategije razvoja ljudskih resursa za Ličko-senjsku županiju i u donošenju odluka o projektima koji će se provoditi kroz projekt Lokalno partnerstvo za zapošljavanje.
7. Tematska radna skupina za razvoj ljudskih resursa u obvezi je informirati RPO i konzultirati ga kod donošenja odluka navedenih u točki 6.

8. Za vrijeme trajanja projekta Lokalno partnerstvo za zapošljavanje kao tajništvo Tematske radne skupine radit će stručne službe Hrvatskog Zavoda za zapošljavanje, Područne službe Gospić, u suradnji s županijskom Jedinicom za provedbu projekata, u prostorijama Hrvatskog zavoda za zapošljavanje.

9. Tematska radna skupina za razvoj ljudskih resursa će na način predviđen Pravilnikom RPO-a sudjelovati u provođenju svih aktivnosti RPO-a koje uključuju elemente razvoja ljudskih resursa.

PREDSJEDNIK RPO

Slaven Stilinović, dipl. ing.

APPENDIX 2 The Code of Principles for HRD/TWG

Tematska radna skupina (TRS) za razvoj ljudskih potencijala Ličko-senjske županije

„Kodeks“ TRS-e za Razvoj ljudskih potencijala

Na temelju više prijedloga principa i načela rada članova TRS-e sa sastanka održanog 18.svibnja 2006.godine radna skupina u sastavu Rukavina Milka , Brajković Ankica i Dubravka Rukavina izradila je Nacrt „Kodeksa“.

OPĆE ODREDBE

Članak 1.

Ovim kodeksom uređuju se pravila dobrog ponašanja članova TRS-e za Razvoj ljudskih resursa Ličko-senjske županije sukladno Odluci Regionalnog partnerskog odbora o osnivanju ove TRS-e od 27.travnja 2006.godine , a u skladu sa Pravilnikom Regionalnog partnerskog odbora Ličko-senjske županije.

Članak 2.

Ovaj kodeks sadrži pravila dobrog ponašanja članova TRS-e prema instituciji koju predstavljaju i u njihovim međusobnim odnosima.

Članak 3.

U obavljanju zadatka kao član ove TRS-e članovi se trebaju pridržavati odredbi ovog kodeksa.

ODNOS ČLANOVA PREMA ULOZI U PROJEKTU I MEĐUSOBNI ODNOS

Članak 4.

U radu ove TRS-e članovi trebaju postupati i djelovati ozbiljno, profesionalno, odgovorno i argumentirano na način da u svojim nastupima i sudjelovanju u radu primjenjuju svoja stručna znanja i iskustvo vezano za djelatnost - instituciju koju predstavlja .

Članak 5.

Kako bi se ostvario cilj i svrha ove TRS-e od članova se očekuje redovno i aktivno sudjelovanje, efikasnost u radu, koordiniranost, solidarnost u radu, jednakost i suradnja svih članova bez dominantne uloge niti jednog člana već članovi ove TRS-e moraju imati jednak utjecaj na odluke i posjedovati jednaku moć u partnerstvu kako bi i odluke mogli donositi po načelu konsenzusa.

Članak 6.

Članovi TRS-e jedni prema drugima i u odnosu prema drugim osobama na projektu kao i prema drugim predstavnicima institucija koje će biti uključene u rad i određene aktivnosti postupaju po načelu uzajamnog poštivanja, povjerenja, jednakosti, iskrenosti, suradnje, koordinacije na način da međusobno razmjenjuju iskustva, mišljenja i informacije ne ometajući jedni druge u radu što podrazumijeva i poštivanje načela pristojnosti bez diskriminacije ili povlašćivanja na osnovi dobi, nacionalnosti, etničke i socijalne pripadnosti, jezičnog i rasnog podrijetla, političkih ili vjerskih uvjerenja ili sklonosti, invalidnosti, obrazovanja, socijalnog položaja, spola, bračnog ili obiteljskog statusa ili neke druge orijentacije po bilo kojoj drugoj osnovi. Članovi postupaju s posebnom pažnjom prema osobama s invaliditetom i drugim osobama s posebnim potrebama.

Članak 7.

Koordinator TRS-e dužan je upoznati nove članove, odnosno zamjenike članova TRS-e sa ovim kodeksom poštujući time i načelo javnosti.

STUPANJE NA SNAGU

Članak 8.

Ovaj kodeks stupa na snagu kad ga usvoji TRS-a.

Predsjedavajući TRS-e:

Milka Rukavina