

The background of the slide features a close-up, shallow depth-of-field shot of three paper boats on a map. One boat in the foreground is bright orange and is in sharp focus, while two others in the background are white and out of focus. The map shows various geographical features and colors like blue, green, and brown. The text is overlaid on the left side of the image.

KEY CHALLENGES OF HUMAN CAPITAL IN FORMER YUGOSLAVIA REGION

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KEY CHALLENGES

- Demographic changes – aging population
- In case of some countries/periods even population decline (supported by net migration flows)
- Educational system – over-education, skills mismatch, low participation in adult education
- Low productivity: underutilization of labour, low capital intensity

- Some similarities to the rest of the Europe
- Some similarities to European South

PRE-PANDEMIC HOT TOPICS: MIGRATION AND RESTRUCTURING

Strong net emigration (?)

- Finding better work and life opportunities (labour market mechanisms work!)
- Labour market skills mismatch (slow reforming educational system)
- Labour market institutions
- Voting with their feet
- Lack of precise (structural!) data



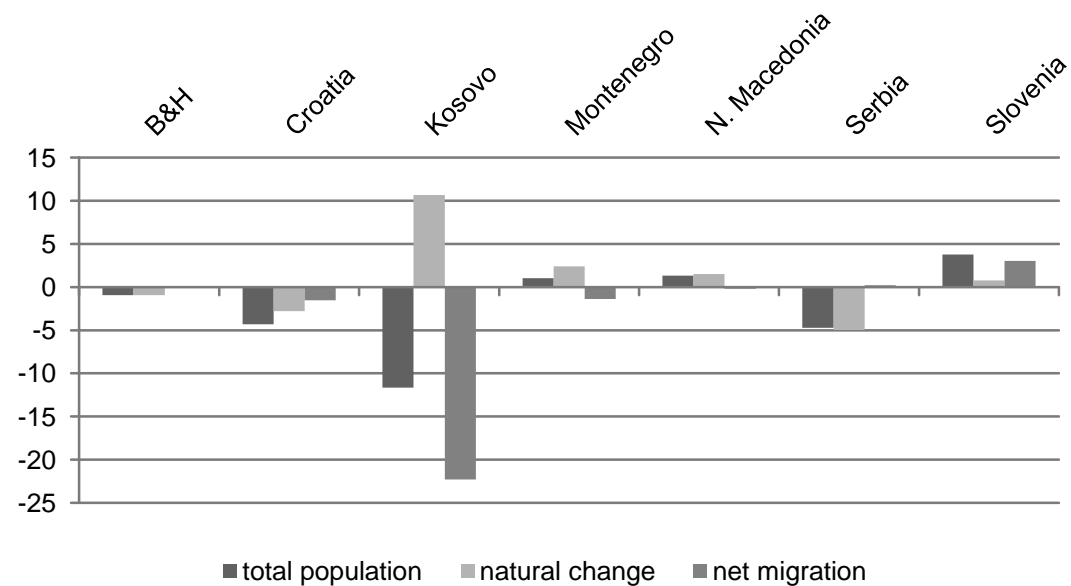
Lingering economic structures

- High unemployment
- High (official) inactivity rates
- High informal sector
- Skills shortages in certain sectors
- Inability to attract talent
- Opposition to active immigration policies

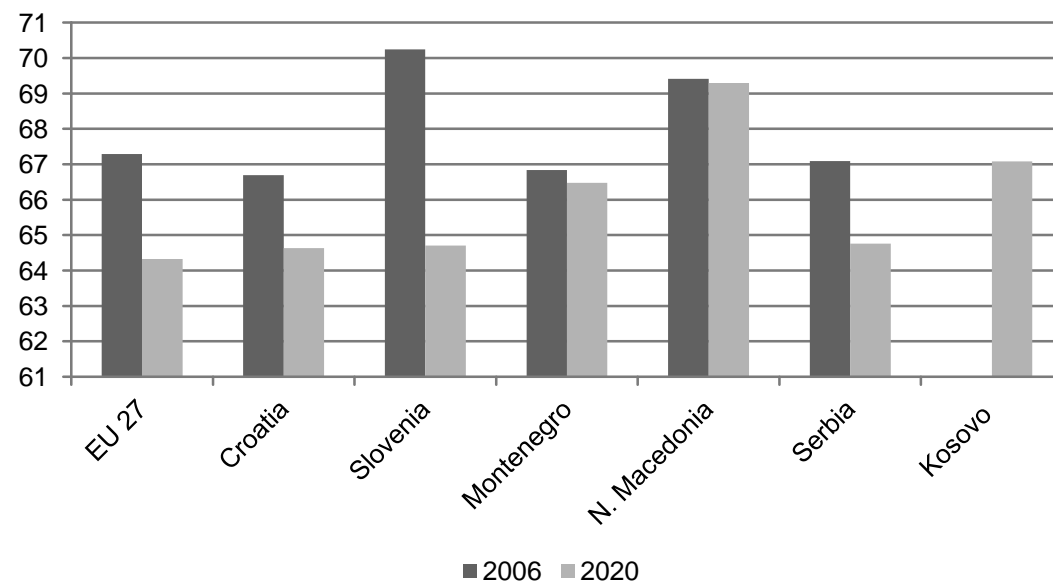
The difference in characteristics between those who leave and those who stay

HUMAN CAPITAL – STILL A COMPARATIVE ADANTAGE?

Average annual change, 2006-2019

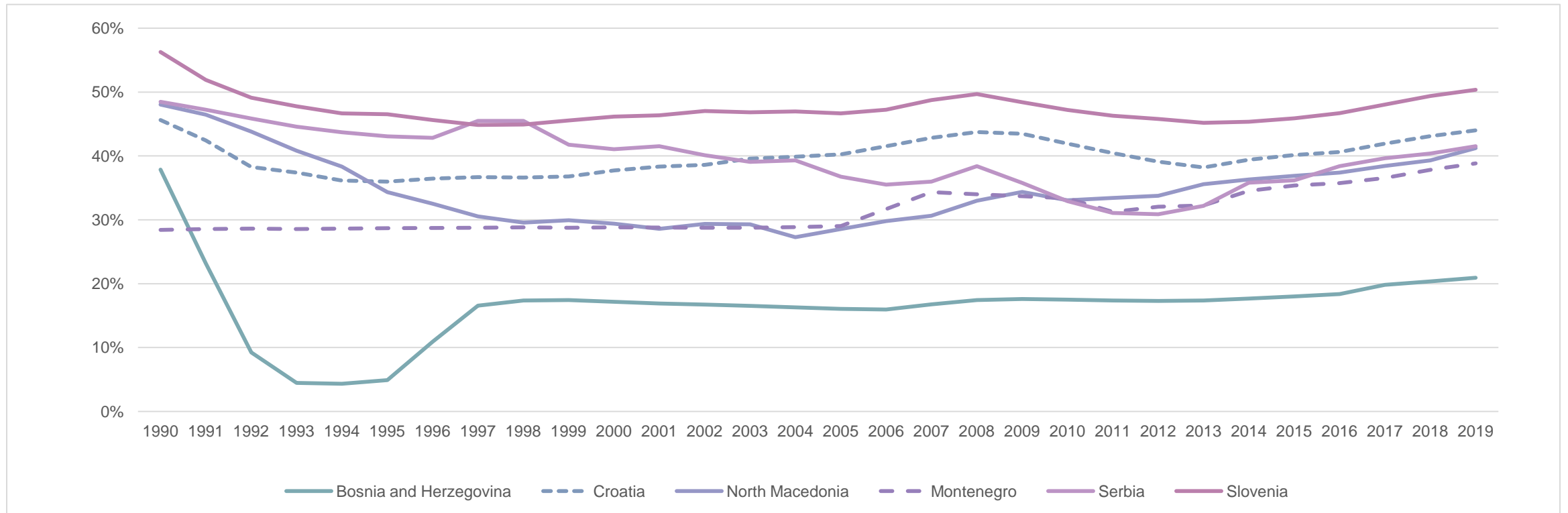


Work population (15-64) share



Source: Eurostat.

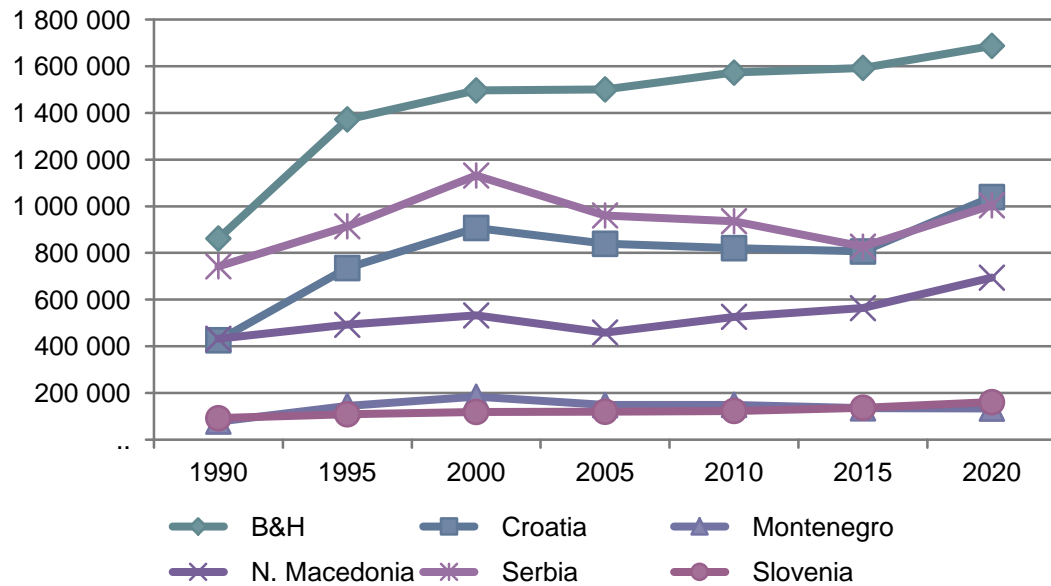
EMPLOYMENT TO POPULATION RATIO



Source: PennWorldTables10.0

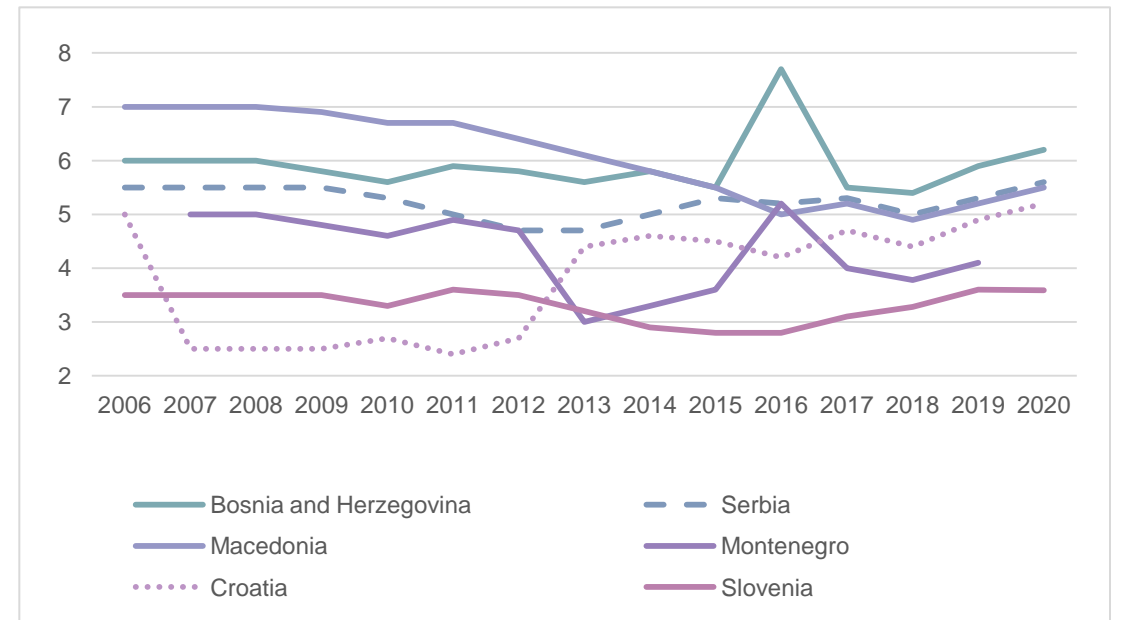
THE CONSEQUENCES OF MIGRATIONS

Migration stock dynamics



Source: UNDESA 2020.

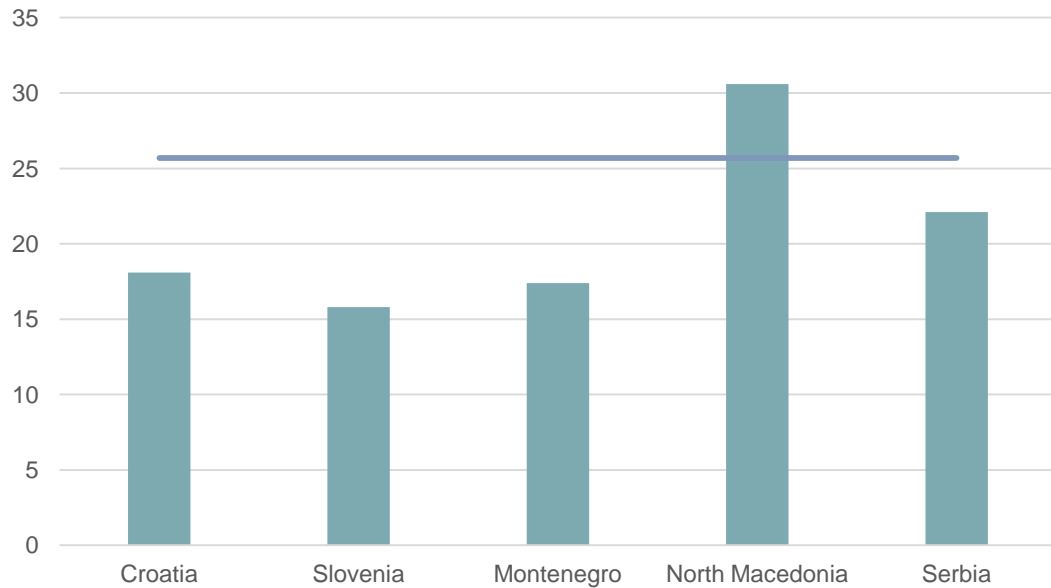
Human flight and brain drain



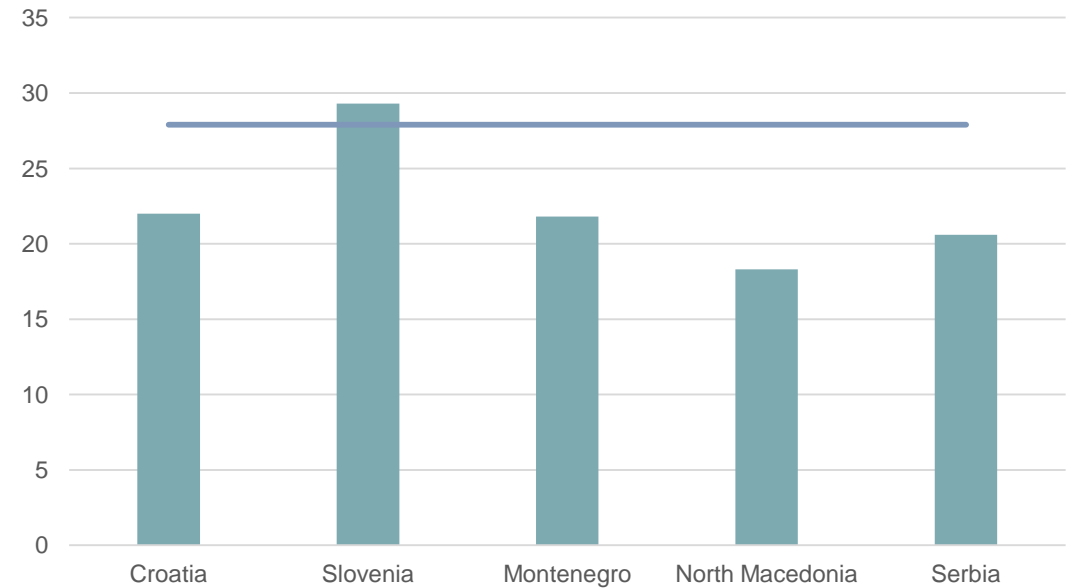
Source: Fragile States Index 2020.

PERCENTAGE OF POPULATION BY EDUCATIONAL ATTAINMENT LEVEL, 2019

Less than primary, primary and lower secondary education



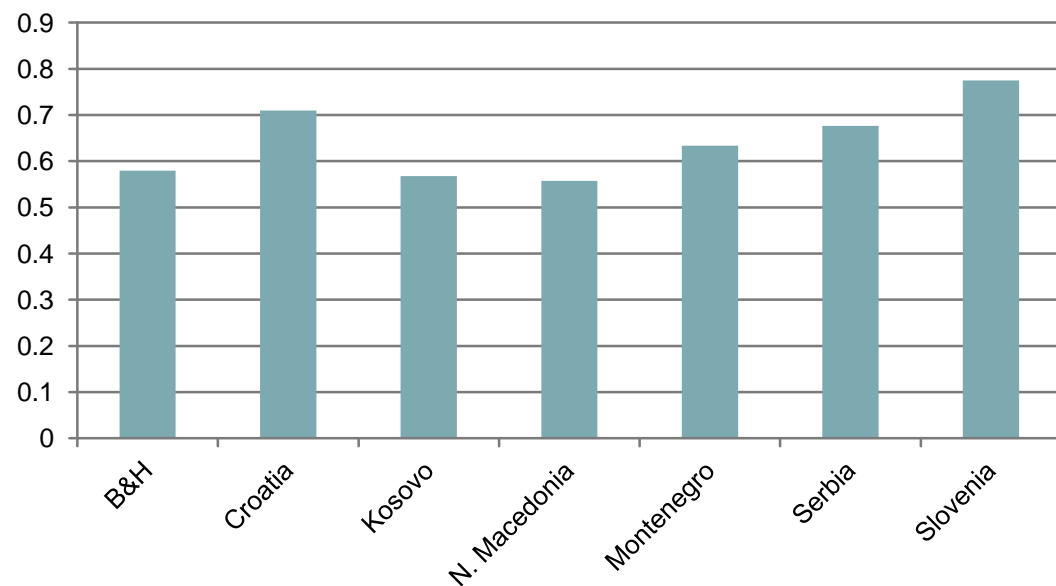
Tertiary education



Source: Eurostat.

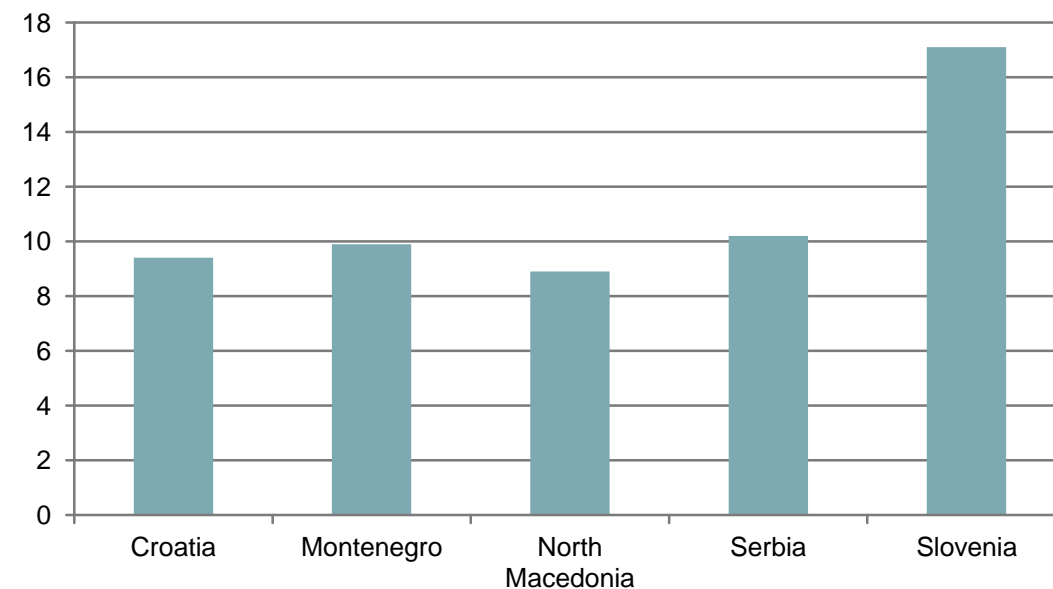
(INVESTING IN) HUMAN CAPITAL

Human capital index (2020)



Source: The World Bank.

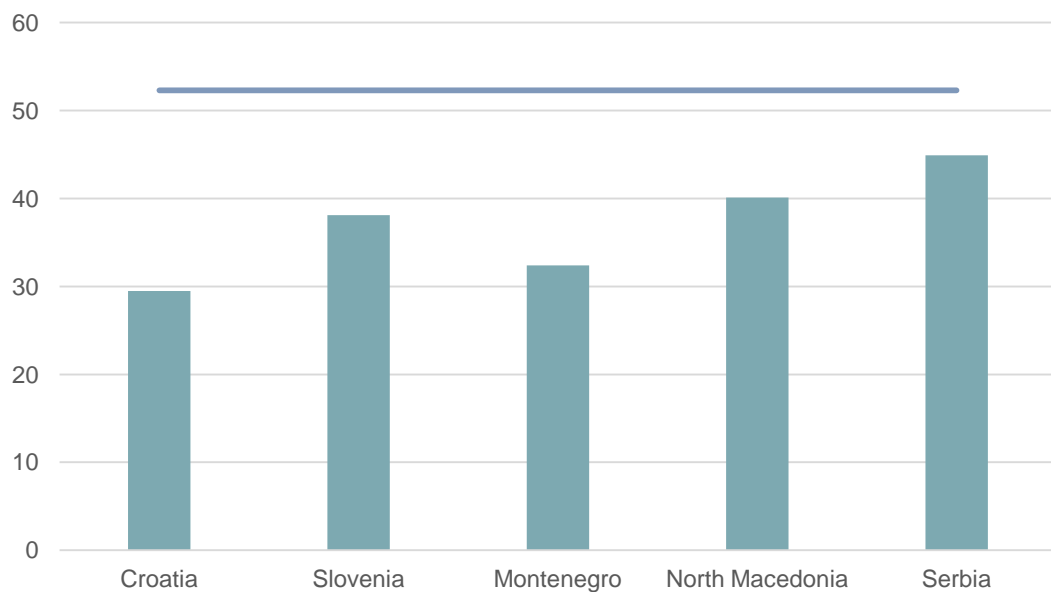
Participation in education and training (18-64), 2019



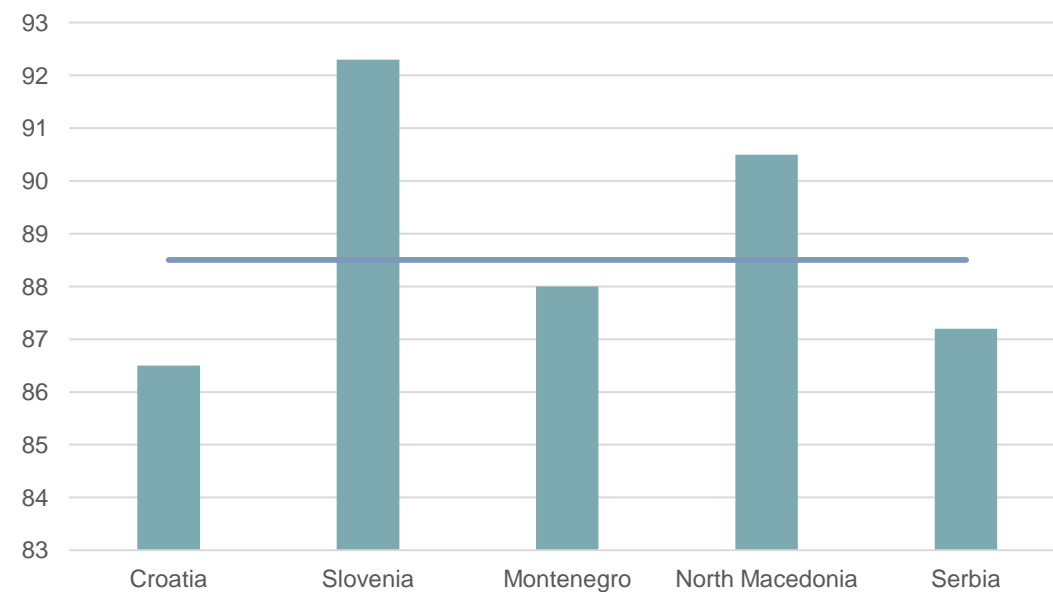
Source: Eurostat.

ACTIVITY RATES AND EDUCATIONAL ATTAINMENT (15-64)

Less than primary, primary and lower secondary education



Tertiary education



Source: Eurostat.

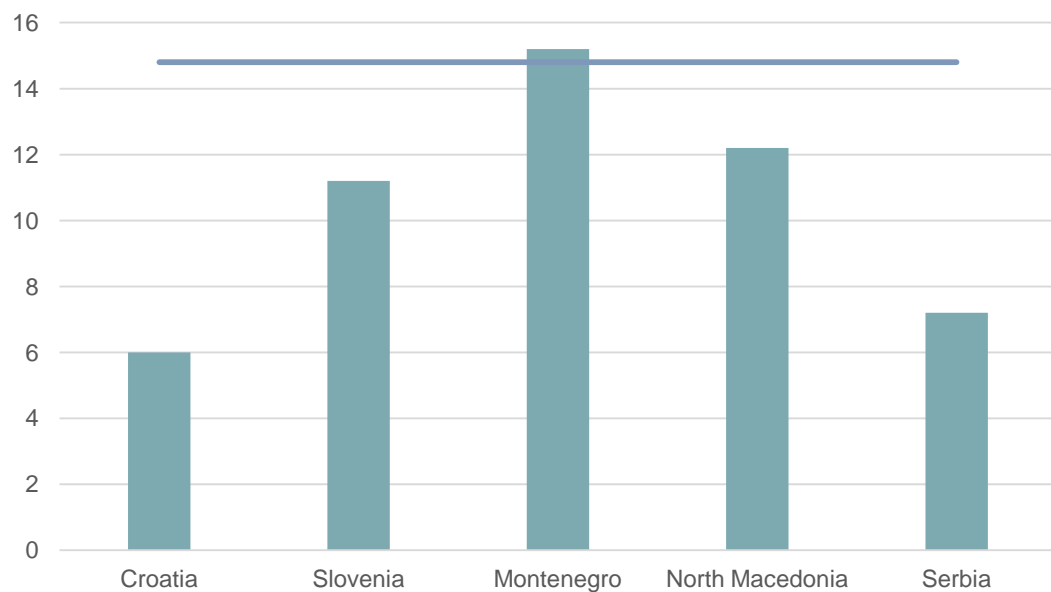
UNEMPLOYMENT – PRE-PANDEMIC SLIGHT IMPROVEMENT



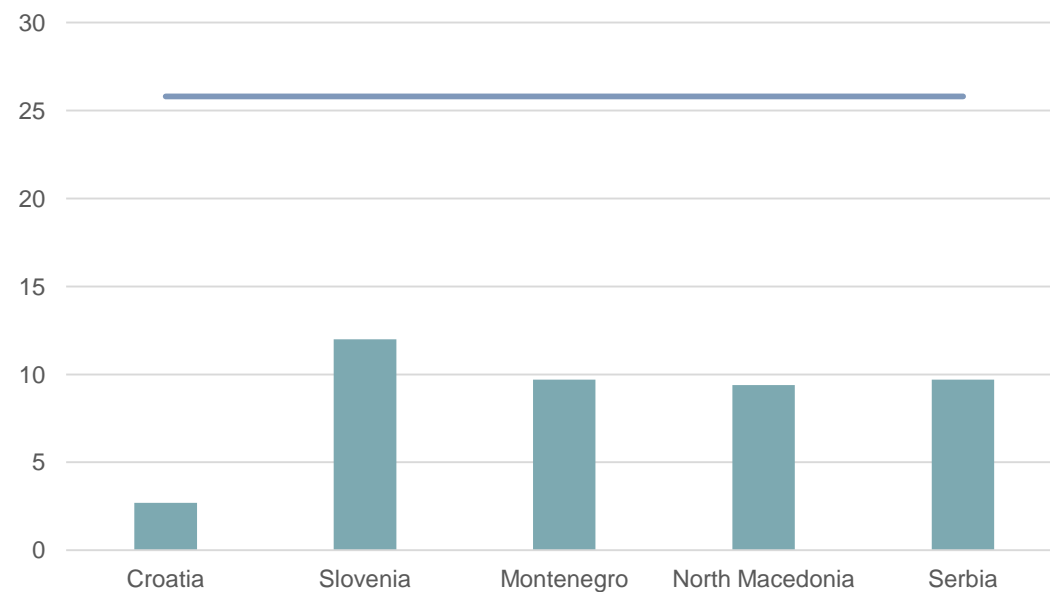
Source: WIIW Annual Database

YOUTH EMPLOYMENT PROSPECTS LOW

Tertiary educated youth, percentage of total employment, 2019



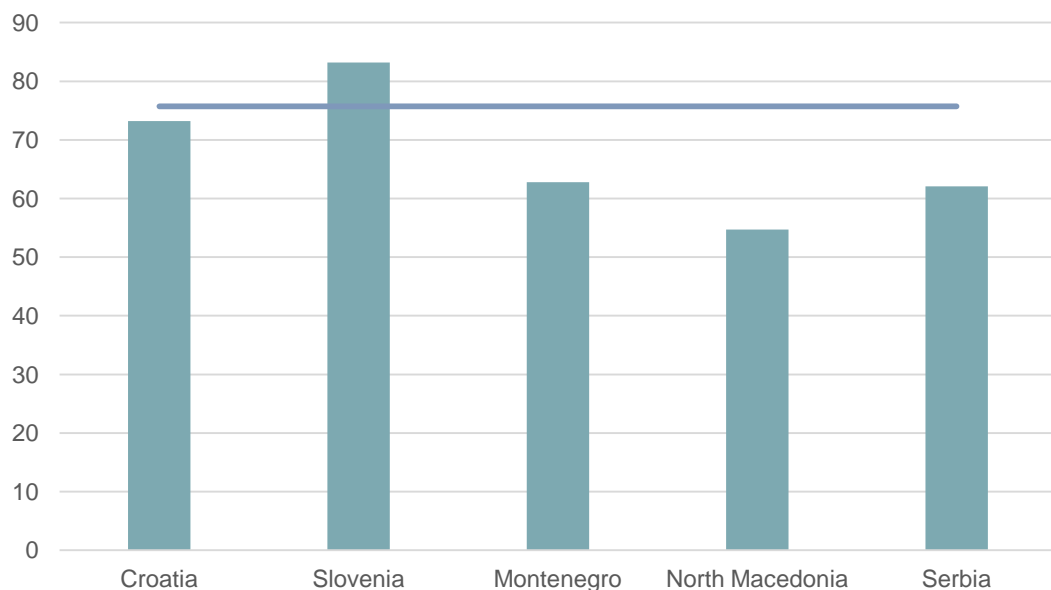
Up to lower secondary educated youth, percentage of total employment, 2019



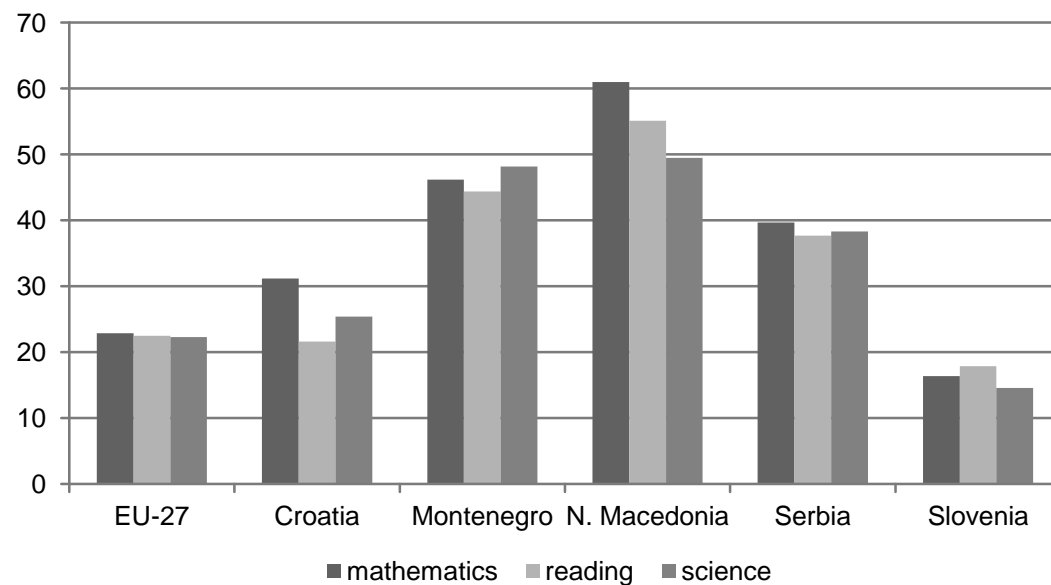
Source: Eurostat.

TRANSITION FROM SCHOOL TO WORK

Employment of youth (15-34), 1-3 years after existing education, 2019

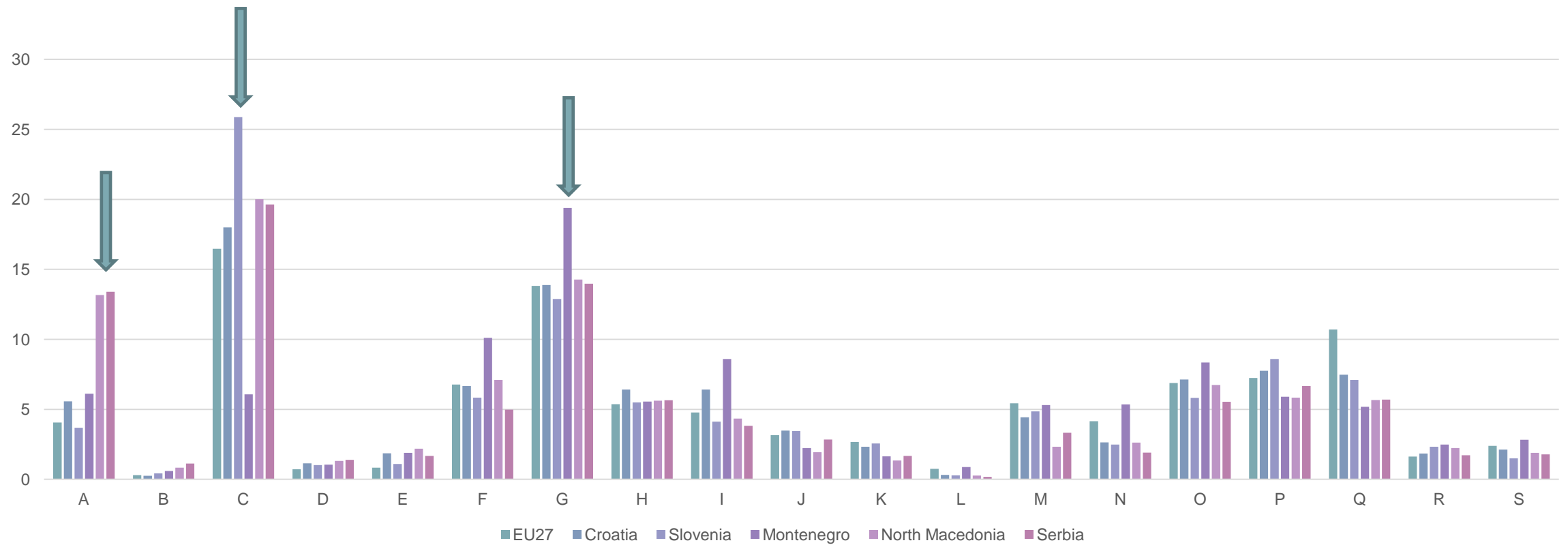


Underachieving 15y-olds, 2018



Source: Eurostat.

ECONOMIC STRUCTURE – EMPLOYMENT 2019



Source: Eurostat.

POST-PANDEMIC PROSPECTS?

- Clearly, not the reliable pool for further emigration (to EU)
- Active immigration strategies (although politically still unpopular) should be developed
- Education must be a priority, life-long learning key for addressing (not only!) the issue of aging population
- Integration in global value chains – shorter global value chains related to pandemics an opportunity (however, skills depletion, competition, education system ...)

- Limits of the existing policy creating structures...
- Dependence on the decision making process outside the region...



AFTER 30 YEARS...

- Key problems of the countries are fairly similar: related to ‘megatrends’ globalisation, digitalisation and ageing
- Policies adopted strongly guided by outside countries factors, less by domestic evidence-based policy making
- Path dependency aliby still holds?

- Where are the solutions?
- “Reforms”, “structural reforms”, “institutional reforms”, ...
- Or...