

Western Balkan Peer Reviews on Employment Policies and Programmes

Peer Review on on-the-job training (Hosted by Albania)

Review for the Republic of Serbia

This study is conducted in the framework of the *Employment and Social Affairs Platform (ESAP)*, a regional project financed by the European Commission and jointly implemented by RCC and ILO in Albania, Bosnia and Herzegovina, Kosovo^{*}, Montenegro, Serbia and The Former Yugoslav Republic of Macedonia. The project, which began its implementation in 2016 and lasts for 3 years, aims to strengthen regional cooperation and institutional capacities of national administrations, employers' and workers' organisations, enabling them to develop and effectively implement labour market and social policy reforms in their EU enlargement process.

This review covers in depth stages of the design, implementation, monitoring and evaluation of the on-the-job training programme. The data for the review were collected through a questionnaire with the specialists of the PES of the Republic of Serbia.

1. General Information

On-the job training in the Republic of Serbia is named "Training at the request of the employer". It is implemented within the framework of the Annual Education and Further Training Programme, under the National Action Plan for Employment. The objectives of the programme are to improve the quality of the workforce and to increase the level of competence and the employability of the unemployed. It also aims at providing knowledge and additional skills that are necessary to perform specific jobs in a company. Geographically, the programme covers the entire territory of Serbia.

The on-the-job training programme has been implemented over the past 20 years and over time has had different modalities and different titles (on-the-job training, training for a known employer, training at the employer's request, etc.). Under this title - training at the request of the employer - the programme has been implemented since 2012.

The annual budget of the programme is not specified; instead, it is part of a pool of funds for the implementation of all additional programmes of education and training. The main source of funds is the state budget based on the Financial Plan of the National Employment Service, compulsory contribution funds for the unemployment part of social security.

Table 1 presents the budget of the programme in the last six years. The maximum budget amount was in 2013, when the budget of the programme was about 650 thousand Euros. The budget in 2014 was the lowest, accounting for about one tenth of the previous year's budget. In consecutive years, the budget fluctuated between 214 and 450 thousand Euros.

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

Table 1. Budget of the programme “Training at the request of the employer” in the last six years

Year	Amount in RSD	Exchange rate of EUR on 31.12. of that year	Amount in EUR
2013	74,220,665	114.6421	647,411.95
2014	7,738,380	120.9583	63,975.60
2015	26,050,167	121.6261	214,182.38
2016	55,644,435	123.4723	450,663.31
2017	37,774,267	118.4727	318,843.64
2018	45,342,252	118.1946	383,623.72

In addition, in 2018, the autonomous region or local self-government unit may submit a request to the Ministry for co-financing of this programme at the local level based on the local action plan for employment. In 2018, this programme is implemented with the funds of EU through IPA 2013, a direct grant for PES. The training of around 400 unemployed jobseekers is planned based on this funding source.

The target group of participants is the registered unemployed jobseekers, and the priority for inclusion in any of the active measures is given to the categories that face more difficulties in employment, which are specified in the National Action Plan for Employment.

The training at the request of the employer is an active labour market programme (ALMP) based on the Law on Employment and Unemployment Insurance (Official Gazette RS, No. 36/09, 88/10, 38/15, 113/17 and 113/17-other law). The programme is part of the Additional Education and Training, and in addition to the above, the legal framework is also the Law on Professional Rehabilitation and Employment of Persons with Disabilities (“Official Gazette RS”, No. 36/09 and 32/13) and Articles 79, 105 and 129 of the Regulation on Criteria, Methods and Other Issues of Importance for Implementation of Active Labour Market Policies (“Official Gazette RS”, No. 102/15, 5/17 and 9/18).

2. Programme design and promotion

The Ministry of Labour, Employment, Veterans and Social Affairs is in charge of the programme design. Through the Annual Action Plan for Employment, the Ministry may introduce new measures or re-design existing ones, including the programme of training at the request of the employer. The employer applying for participation in the programme is obliged to develop a real programme for employment.

PES is the only institution in charge of implementation. The programme design takes into account the skills needs analysis, as well as the needs of employers in terms of knowledge and skills that are required to perform specific jobs, which are determined based on the discussions with the employers. Additional education and training is realised for the fields where the lack/deficit of skills and knowledge is identified.

The selection of unemployed jobseekers who will participate in the programme is carried out by PES. The categories with high probability of unemployment are prioritised for participation in the ALMPs. The inclusion of disabled persons is prioritised based on the training programme approved for implementation of measures and activities of professional rehabilitation.

There are no priority pre-selected sectors/fields of intervention; however during the selection phase priority is given to production rather than to service and/or other sectors. No criteria or restrictions are imposed with regards to applicant businesses.

The social partners are involved in the work group for the design and implementation of ALMPs and they can provide recommendations on the design and implementation of the programme.

Several changes were made in the National Action Plan for 2018 . There were changes in the amount of tuition fees for the trainees, and the duration of the employment contract with a trainee after completion of

the training period. The employee and employers are now obliged to sign a fix-term employment contract instead of a contract of indefinite duration.

No legal requirements are imposed on the participants of the programme and beneficiary businesses, such as age, gender, etc. The criteria for business participation are determined in each call for applications. The evaluation of applications that meet the conditions/criteria of the call takes into account the following criteria: training programme, staff capacity, the sector of company's activity, and previous experiences of collaboration with PES in the ALMP for on-the-job training at the request of employer.

The decision on funding the request for training will be made based on the control, evaluation and ranking of the application for participation in the programme. With the purpose of realistic evaluation and ranking process, PES pays a visit to the business premises to control the compliance with the conditions set out in the call for applications.

The programme is delivered in combination with supplementary services such as counselling, mentoring, job search and placement assistance. PES selects the individuals who will participate in the programme based on the individual plan of employment, which is developed in collaboration with the unemployed person who is part of the programme. PES monitors the programme implementation. A legal contract is signed between the business and PES for the implementation of the programme within 45 days from the date of the decision on approval of funds. The contract sets the rights and obligations of both parties.

3. Selection process (Recruitment/Admission)

The programme is launched through a public call for applications, which is published in the media, online on the PES webpage (www.nsz.gov.rs), as well as in printed information billboards near the organisational units of PES. In addition, conferences, meetings, and round tables with employers are organised to explain the public call to interested employers. PES does not apply any internal rules for selection/admission of participants in the programme.

In the application process, interested businesses should use the application forms prepared by PES and submit them to the respective local/regional Employment Office. The entire process is managed by PES specialists.

The decision on the approval of funding for training at the request of employer, based on one or more applications of one employer submitted within the calendar year, involving up to 49 employers, is made by the respective director of the employment service, under the authority of the General Director of the PES or other officials authorised by the Director General. First, the technical control of the application is carried out and in the next step the respective organisation unit approves.

The decision on the approval of funding for training at the request of employer based on one or more applications of one employer submitted within the calendar year, which includes more employers, is made by the Director General of the PES, with the consent of the Administrative Council and based on the proposal of the competent commission which is set up by the PES Steering Committee.

The main stages of the selection process include formal control of the application form and supporting documents, evaluation of requests, decision making, support in selecting the candidates, contract signing, and implementation monitoring. The decision on the submitted request is made within 60 days from the date of submission, and the contract is signed within 45 days from the date of the decision.

Internally produced regional and local information/statistics on registered unemployed persons are used during the selection process. The amount of financial support is pre-determined in the public call for applications and depends on the type and complexity of the training programme duration.

4. Implementation and operationalization

The main fields of training at the request of employers are mechanics, metal processing, textile, leather processing and electrical engineering. The training is organised based on the training standards that PES launches along with the public call for applications. The training duration varies depending on the type and complexity of the training. There are no pre-defined structured training plans. The training modules are prepared by the employer. If the employer needs assistance on that, PES provides support on the preparation of the training modules. Instructors/trainers must meet the conditions stated in the public call, and the staff capacities are also evaluated.

The financial support for employers is related to the training organisation and training expenditure for each trainee, while the financial support for trainees include transport expenditure, accident insurance, and professional sickness insurance. Employers are also supported in their need for information, guidelines for training implementation and development of training programmes in accordance with the training standards required in the public call.

Employers must employ those who successfully finish the training programme. PES monitors the employment of trainees in a period of six months. If the employer fails to comply with this rule, the employer must return the full amount received in financial support for the training programme. The trainees must participate in training sessions and fulfil the tasks determined in the training programme and plan, to get employed and perform the job which they are trained for in the same company, and stay with the same employer for at least six months. The trainee will receive a monthly amount of RSD 6,000 for a full-time attendance of the training programme, transport expenditure based on the cheapest public transport ticket. The participants receive a certificate upon completion of the training.

5. Monitoring and evaluation

During the training programme implementation, official visits are paid to the employers in order to control and verify a proper training process. These visits and controls of training implementation procedures ensure that business-as-usual is not paid by public money. There is no pre-determined frequency of visits/monitoring.

The internal evaluation of the programme is carried out at the end of the programme through a survey with the participants. The last external evaluation of the training at the request of the employer was conducted with the support of the International Labour Organisation (ILO) in 2015, using the data of participants in the ALMPs from 2012, hence two years after the intervention. The training at the request of the employers is estimated to have an impact of 35.4 percent. The sustainability of the programme is guaranteed by the measure of participant's satisfaction with training and the job with the employer, as well as the employment retention rates with the same employer even after the completion of the programme.

6. Results

The number of businesses that participated in 2017 was 69, in which 515 persons (332 females) were trained in total. With regard to education, 91 participants had no or low qualification, 366 persons completed high school education, 29 persons completed bachelor studies of three years, and 29 had a four-year university degree. With regards to age, the participants aged 30 – 50 years old are highly represented (251 persons); a total of 208 persons are up to 30 years of age, while the less represented category is that of persons over 50 years old with a total of 56 persons.

With regard to Roma inclusion in the programme, the figures are low:

- 2017: 5 Roma out of a total of 515 participants
- 2016: 13 Roma out of a total of 568 participants
- 2015: 2 Roma out of 505 participants
- 2014: 2 Roma – suspended because of lack of funds
- 2013: 4 Roma out of 239 participants

The percentage of representatives of disadvantaged groups in the programme reached 96.70 percent, a total of 498. 53.79% are long-term unemployed, 39 persons or 7.57 percent belong to redundant employees, 5 persons or 0.97 percent belong to the Roma community, 20 persons or 3.88 percent are those in social assistance scheme, 4 persons or 0.78 percent are the social welfare beneficiaries recommended by the Centre for Social Work, 13 persons or 2.52 percent are beneficiaries of financial support, 16 persons or 3.11 percent are single parents, 17 persons or 3.30 percent belong to the families with two unemployed parents, 6 persons or 1.17 percent belong to the category with two unemployed partners.

There are 5 levels of training with different duration, training classes and cost per person. The average cost per person varies from RSD 30,000 to RSD 100,000, with an average value of RSD 85,000, and an average duration of training of two months. The key success factors identified by evaluations are a good selection of candidates, a good training plan and programme, and good instructors. Whereas the main barriers/challenges towards better results in all stages are the low interest from employers, funding constraints, and the inability of instructors to devote more time to trainees. With regard to best practices, the programme provides training and employs unemployed jobseekers at the request of employers, thus reducing the mismatch between the skills supply and demand, as well as structural unemployment.