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The Knowledge Triangle: A Croatian Perspective

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Themes of the day

- **The Challenge**
- **Turning the knowledge triangle into a development tool**
- **Policy issues**
- **Focus on skills for the future**

The Challenge: Accelerating Change

- Innovation is the ultimate essence of advancement of societies
- Knowledge precedes innovation
- The market puts value on the new products and services
- Global competition increases the pressure
- Can we speed up this process and create an environment which generates jobs, increases well-being and develops communities?

Croatia: great challenges, great opportunities

- A small country – 4,3 million
- Size od Denmark but half the population
- GDP per capita in 2012 - 10,3 thousand Euro (EU27 – 25,1 thousand Euro)
- R & D intensity 0.75% of GDP with negative growth (2.03% EU)
- Employment in knowledge intensive industries 10,3% of total employment (EU=13,6%)
- Employment rate (20-64) - 57% (EU 68,6%)
- Unemployment rate (15+) – 15.9% (EU 10,5%)
- **Due to enter the EU on the 1st July this year**

Our main policy focus

- Give a boost to competitive or potentially competitive industries – smart specialisation
- Raise the level of utilisation of human potential by providing right skills for development
- Reduce regional imbalances by creating closer links between business, education and local knowledge
- Strongly support research and innovation
- Make use of the **knowledge cluster** concept

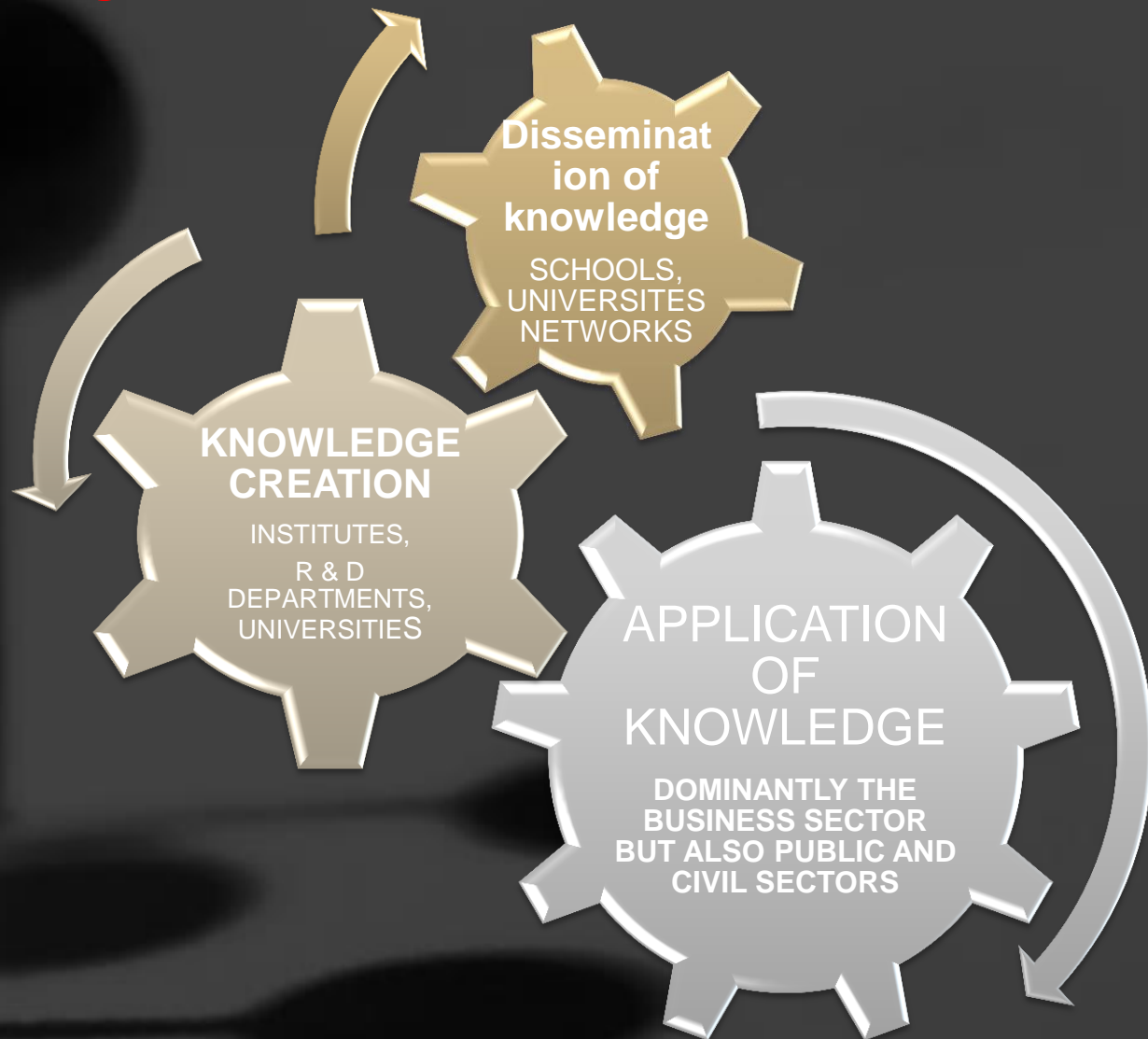
Education

KT

Turning the knowledge triangle into a dynamic cluster

Research

Businesses



How do we create an innovation promoting environment?

- Research, education and business cultures are usually very different, BUT
- Their interaction is crucial for success
- Creating an enabling interface is the first step (organisational challenges)
- Introduce entrepreneurial, innovation prone training outcomes in all training programmes from an early age
- Drive education reform in the direction of recognising talent, promoting excellence and creating a competitive learning environment
- Strongly promote research in the private sector as a main driver of competitiveness

Application of the knowledge cluster concept in local economic development

- Identify existing knowledge clusters and define their strategic direction (REG DEV)
- Integrate regional development, industrial, innovation, education and employment policies to support cluster growth (GOV)
- Develop skills needed for more knowledge intensive industries
- Ensure links with relevant others within the ERA and research networks
- Facilitate cluster dynamics and cluster growth

The Croatian drive for relevant skills

- **Understanding labour market needs**
 - Foresight exercises in key sectors
 - Clustering of key players in business, education and employment
 - New instrument for understanding competences in workplaces (employers' survey)
 - Very open system of promoting new occupational and qualification standards – **The Croatian Qualification Framework**
 - **CROQF – a dynamic adjustment system for the demand and supply of skills**

New forms of governance for the CROQF

- **3 ministries responsible for the functioning of the CROQF**
- **National Council oversees the work of the ministries**
- **Sector councils (experts) approve new occupational and qualification standards**
- **All labour market, education and regional development stakeholders are involved in the process**
- **Easy, open access to developing new occupational standards (on-line)**

Role of the Ministry of Labour and Pensions

- To understand the nature of labour demand (future skill needs)
- To prepare evidence about the macro and micro level needs and present it to potential applicants for introducing new standards
- Together with other ministries care for the smooth functioning of the CROQF
- Use active labour market measures to provide skills to job-seekers and the employed

The role of professional higher education institutions in the KC

- **The need for a higher level of professional skills – an important component of deepening of knowledge**
- **Stronger links with SME's to promote technological development**
- **Initiators of local and regional development in partnership with other stakeholders**
- **Possible main organisational role in the knowledge cluster (initiation)**
- **Develop relevant training outcomes for firms within the cluster (new skills for new jobs)**

Final words..food for thought

- Knowledge is the driving force of change
- Harnessing its power for creating value, jobs and sustainable development is a key policy issue in a competitive environment
- Interaction between research and innovation, education and the business world must be systematically pursued
- The role of higher education is key in developing knowledge intensive industries

ABOVE ALL

- Nurturing entrepreneurial, self-driven, creative, mobile, innovative and free individuals remains the biggest challenge for the EU family



THANK YOU FOR YOUR ATTENTION
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