

# Strategy for 1 million new jobs

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## **SEE 2020 strategy includes BiH, Serbia, Kosovo, Montenegro, [The Former Yugoslav Republic of] Macedonia, Albania and Croatia**

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South East Europe 2020 growth strategy, which includes Bosnia and Herzegovina, Serbia, Kosovo, Montenegro, [The Former Yugoslav Republic of] Macedonia, Albania and Croatia, should be adopted on 21 November this year in Sarajevo.

Increase in foreign direct investments (FDI) and new businesses, and employment growth along with increased salaries are some of the expected benefits of this strategy.

The goals include the rise of the region's GDP from 36% to 44% of the EU average, increase of total regional trade turnover by 120% and decrease of trade deficit from 16% to 12% of region's GDP.

These goals were adopted by economy ministers of South East European (SEE) countries in November 2012, and the strategy was discussed in the interview with Sanjin Arifagić, Coordinator of SEE 2020 growth strategy.

**• SEE 2020 strategy announces 1 million new jobs in the region, given that 800,000 people lost their jobs over the last five years in Western Balkans. Are these plans megalomaniac or is the strategy in fact offering this sensational opportunity?**

**Arifagić:** This should be preceded by a number of instruments and measures SEE governments will have to adopt to generate 1 million new jobs. Governments of these countries adopted a number of ambitious regional and national objectives which describe where these countries wish to be by 2020. The fact is that 800,000 people lost their jobs and this should not be seen only as a statistical data. These are hundreds of thousands of families which are left without at least one income in their household. With average unemployment rate of 24%, this is one of largest issues in the region and due to this the RCC focused on creating new jobs. The strategy foresees measures related to improvement of trade relations in the region, mostly regulated by CEFTA Agreement. It proposes additional liberalization of service market and their trade in the region, establishment of a single market for public procurement, harmonization of tax policies, and significant investments into research and development. The intention is to harmonise qualification frameworks in the education sector in order to eliminate impediments to workforce mobility in the region and mutual recognition of diplomas.

Therefore, the aim is to harmonise a number of measures to facilitate additional integration of markets in the region. We believe that going beyond national into a wider, regional framework supports internationalisation and competitiveness of our companies and, bottom line, we are all being better prepared for EU accession as this is the main political goal of all South East Europe countries.

**• Educational system is very poor in this part of Europe, primarily because young people are being educated for employment bureaux instead of the professions needed by the modern economy. What should be improved in educational sector?**

**Arifagić:** Educational frameworks in SEE still lag behind the needs of private sector and the time we live in. For example, the profession of typist still exists in a number of countries of the region and this profession has not been needed by the economy and administration for some time now. This is just one radical example and unfortunately, there are many of these. Higher education also has much room for improvements. Furthermore, the strategy will improve the work of public administration and judicial system to the extent this can improve business environment in the region. This will have positive impact on attracting FDI. It takes as many as 3-4 years to resolve trade disputes in the region. Due to this fact alone, foreign investors will not invest their money and solutions need to be also found for this type of problems.

**• Does SEE 2020 have answers to all the issues?**

**Arifagić:** Of course not. The homework needs to be done by governments in all the countries from the region. Most of the policies cannot be addressed through this regional framework because they fall solely under the national competence such is the employment policy, investment or social policies, and we expect each government individually to undertake reforms which have not been, but should had been, implemented earlier.

**• Who are the partners in strategy development and what are their duties?**

**Arifagić:** The main partners are the Regional Cooperation Council (RCC) and governments in the region with strong support to the entire process provided by the EU, i.e. European Commission which financially supported development of the strategy and also intends to include some of the measures and goals into its strategic documents. This means that attaining SEE 2020 goals will become part of the EC dialogue with countries in the region which aspire to EU accession. In practice, this means that as of the next year, within negotiations with the EU, BiH, for example, should also be discussing the progress in implementation of this regional strategy.

**• How much funds did the EC invest in development of SEE 2020?**

**Arifagić:** The strategy will eventually have its own budget. We are convinced that the EU will certainly assist financially through IPA funds; however, countries of the region will have to financially contribute through their own budgets. It is no coincidence that development of this strategy coincides with activities EC and countries of the region are undertaking with regards development of new instrument IPA II. In such a way, we provide a coherent strategic framework. On one side, we will have regional strategy that tells us what we should do and how;

and on the other hand, EU will come out with an instrument that can adequately respond to those needs.

**• BiH will certainly have issues with disbursement of IPA funds given that politicians at the state level cannot agree how to implement them. Due to this, BiH has already lost 5 million EUR from IPA funds and is at risk of losing additional 20 million EUR. Can the strategy resolve this issue?**

**Arifagić:** One of the conditions the EU set for BiH to access IPA funds is to establish efficient mechanism of internal coordination within the country. I believe it is an illusion to expect BiH to implement everything within the SEE 2020 strategy unless an adequate mechanism for coordination of economic policies, and planning IPA funds, is set up within the country. It is my sincere hope that political agreement will be made in BiH in the shortest time possible as regards this issue.

**• Do other countries of the region have similar issues?**

**Arifagić:** We recently had consultations in Skopje, Prishtina and Podgorica. We see that working groups are already being established in these countries that will focus on implementation of measures under the strategy and that they have taken a serious approach to this action. I believe the strategy offers some of the answers as regards EU accession process and that the countries recognised this. In the previous period, all countries in the region focused on adopting EU legislation and regulations, hoping to, thus, meet all conditions for EU accession. Less attention was paid to development policies which are the only to guarantee prosperity to our citizens. SEE 2020 advocates the view that the EU accession process cannot take hold without economic growth and development. To put it simply, poor relatives are not welcomed even when brought up properly.

*Source: Al Jazeera*

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