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NEW CHALLENGES IN CHANGING LABOUR MARKETS

THEMATIC MONOGRAPH

**NEW CHALLENGES IN
CHANGING LABOUR MARKETS**

在不斷變化的勞動力市場面臨的新挑戰

The monograph is published in partial fulfilment of the project "Macroeconomic analysis and empirical evaluation of active labour market Policies in Serbia" supported by Regional Research Promotion Programme in the Western Balkans (RRPP) of the University of Fribourg, financed by Swiss Agency for Development and Cooperation (SDC).

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IN CHANGING
LABOUR MARKETS**

Edited by

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AN EXPLANATORY NOTE

Global economic crisis slowly changes its shape and the debt crisis shifts towards the labour markets. The experts throughout Europe anticipate further major problems in the labour markets, because during the last four years period there has been a dramatic tumble in a number of job offers. Persistent decline in employment in the region that has been reinforced by the crisis of 2008 has left countries' economies without a driving force for economic recovery. Despite of strong efforts made by means of increased utilisation of the labour market policies, a significant increase in employment will not be possible without an increase in the overall economic activity achieved via investments' growth. However, given the recent forecasts made by the experts it is not to expect positive trends in the labour markets until at least 2013.

Continuous increase in numbers of jobless persons came as a response to the reduced investments and consumption, which has led into a vicious circle: **reduced investments** - elimination of new jobs - reduced consumption - reduced economic growth - **reduced investments**. Throughout this circle, the most vulnerable group, the unemployed (especially youth and women), had borne most of the burden. Therefore the first part of this monograph is devoted to this issue.

Along with the labour market crisis emerged a pension system crisis. The European Central Bank revealed information that in EU countries, the scope of state debts with regard to funding of pension funds is about five times higher than their external debts. Therefore, the governments in many European countries have increased their expenditures on the new policies on the labour market programs as an adequate response with an aim of reinforcing economic growth and development. That topic is a theme of the second part of the monograph.

Employees and human capital are economic foundations of modern economies. A loss of human capital is a process that strongly affects long-term unemployed and those who are unable to improve their knowledge and skills. For that reason it is crucial to facilitate these people to find jobs, or at least to provide them professional advance of their knowledge and skills throughout the duration of unemployment in order for them to be able to quickly re-

spond to new and modified job market demands. Hence, training and education in labour markets is a third section of this monograph.

This monograph primarily focuses on new labour market challenges that include, but are not limited to women and youth in the labour markets, the active policies in those markets, economic restructuring and downsizing, excessive aging of population in the region, as well as on adequate reaction of the states in order to ensure economic growth and development. It is partly created with aim to disseminate research results of the project "Macroeconomic analysis and empirical evaluation of active labour market policies in Serbia" which is implemented within the Regional Research Promotion Programme in the Western Balkans of the University of Fribourg from Switzerland (RRPP Western Balkans).

The handbook contains a total of 22 papers which, according to their research areas are divided into three topics: The Role of Women and Youth, State Interventions, Training, Education and Economic Aspects. Contributors are primarily engaged on reviewing the role and importance of human capital that has been identified as a strategic factor for economic recovery. Monograph contents are interdisciplinary and the book provides some empirical findings from the WB countries which need to serve as a basis for the comparison with other countries in EU, and wider with all countries in the world.

We hope that this publication will be useful to the scientific and professional public both in WB region and EU and that it can give an answer to questions that are important to improve conditions in the labour markets, and that it could serve as an incubator of economic development of those countries.

We would like to express our gratitude to all those who have contributed to this book either by writing a chapter or by discussing the research results.

Belgrade, April 2012

The Editors

Jovan Zubović
Ivana Domazet

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