



# Population Dynamics, Human Capital and Sustainable Development in South-East Europe

**Regional Conference**  
**Swissôtel, Sarajevo, Bosnia and Herzegovina**  
**21-22 October 2019**

## CONFERENCE REPORT

### Organized by

United Nations Population Fund (UNFPA)

### Convened in collaboration with

Ministry of Foreign Affairs of Bosnia and Herzegovina

Regional Cooperation Council (RCC)

United Nations Economic Commission for Europe (UNECE)

### with the support of

United Nations Development Coordination Office (UNDCO) in Europe and Central Asia

International Organization for Migration (IOM)

United Nations Development Programme (UNDP)<sup>1</sup>

United Nations High Commissioner for Refugees (UNHCR)

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<sup>1</sup> The Diaspora for Development (D4D) is a project of the Government of Switzerland and the Ministry of Human Rights and Refugees of BiH, in partnership with UNDP BiH and IOM BiH.

## **Introduction**

The scale and speed of demographic change in South-East Europe has been significant. Countries/territories in the region face what is often perceived as a ‘population crisis’. Highly skilled people of reproductive age are leaving their countries/territories to look for better opportunities elsewhere. Among those who stay, fertility rates are below or significantly below population replacement levels (two children per woman; and in some countries/territories, they are closer to one). The social and economic implications of an ageing population are becoming increasingly apparent in many countries/territories of the South-East Europe region.

These trends have raised alarm among politicians, economists and the public. The fear is that ageing populations, outmigration and below-replacement fertility rates will lead to smaller, older and weaker nations. While it is important to recognize and address challenges that population ageing can bring, it would be misguided to spell “doom and gloom” and overlook opportunities of longer and healthier lives. The best way for countries to respond to changing population dynamics is to invest in human capital and the real economy, promoting technological progress and innovation, and setting the conditions to harness everyone’s potential. In many countries, young people find that they do not have a real chance at developing a career, making a living and pursuing their dreams, and as a result, they are looking to build a life abroad. Whether countries have few or many young people, young people are a significant asset for any country. For economic development, labour productivity, entrepreneurship and innovation are more important than the sheer size of the labour force.

In order to raise awareness, among government institutions, non-government organisations and academia, on population trends and their impact on development in the South-East Europe, United Nations Population Funds collaborated with the Ministry of Foreign Affairs of Bosnia and Herzegovina, Regional Cooperation Council (RCC) and other UN agencies in the convening and organisation of the Regional Conference on Population Dynamics, Human Capital and Sustainable Development. The Conference has resulted in a set of conclusions that will guide governments and other stakeholders in the region in development of comprehensive population policies focused on human capital, gender equality and human rights, as well as strengthen cooperation on population dynamics and human capital development among the countries/territories with partners in the region.

In addition, the Conference has served as a prelude to marking the 25th anniversary of the International Conference on Population and Development (ICPD) and its Programme of Action which set out to empower women and girls for their sake, and for the benefit of their families, communities and nations.

### **Day 1 - Monday, 21 October 2019**

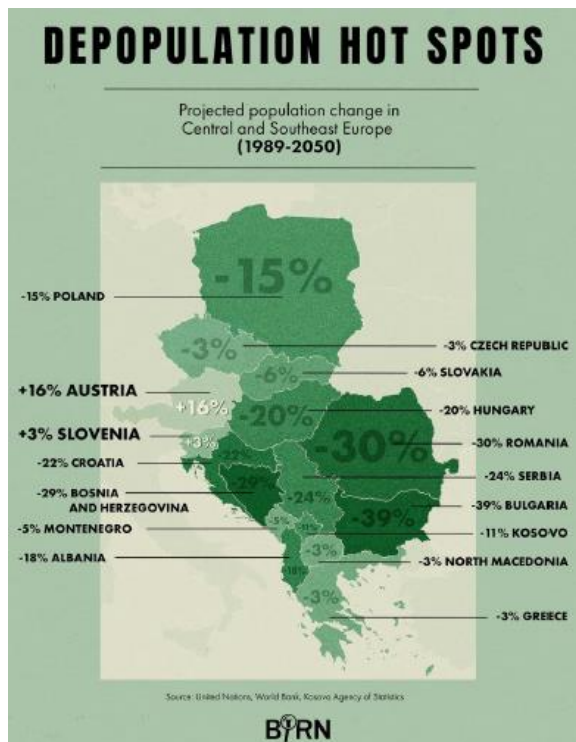
## **Live-streamed ICPD25 What’s Changed Conversation: *Demography and Development in South-East Europe***

### **Panelists:**

- **Dr. Tomáš Sobotka**, *Research Group Leader, Vienna Institute of Demography, Austrian Academy of Sciences / Wittgenstein Centre for Demography and Global Human Capital*
- **Mr. Tim Judah**, *Correspondent, The Economist*

- **Ms. Fatma Bulić**, Youth Activist, NGO Information Centre for Persons with Disabilities “Lotos”, Bosnia and Herzegovina
- **Ms. Alida Vračić**, Director, Think tank Populari, Bosnia and Herzegovina
- **Ms. Alanna Armitage**, Director, UNFPA Eastern Europe and Central Asia

## Discussion and Conclusions:



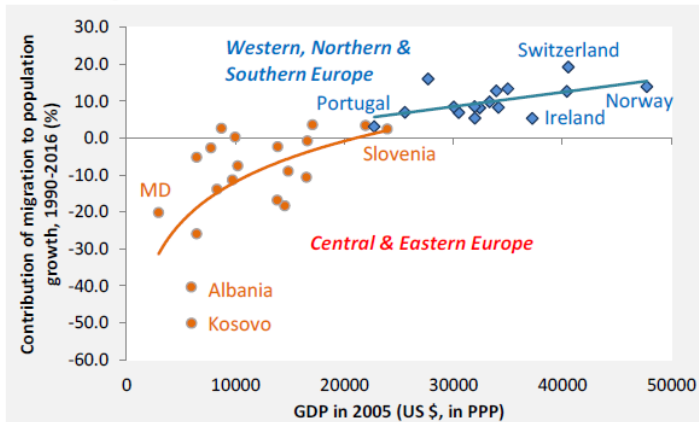
Population dynamics in the region are characterised by low fertility and emigration (mostly caused by economic challenges and conflicts) leading to an acceleration of population ageing. Families decide to have children later in life. Furthermore, the use of contraceptives is on the rise, while the number of abortions declined. This leads to a conclusion that children are planned and wanted, although parents are still not able to reach the desired number of children due to various development issues. A complete understanding of fertility trends requires a look beyond the common parameters. There is increasing evidence that today's generations are exposed to an entirely new variety of factors that act as contraceptives of modern times. This includes not only the availability and cost of quality care services, but also the availability and cost of housing. On the other hand, more and more people find it hard to get a regular job, have a reliable income and thus have a rather uncertain financial future. Furthermore, there is growing evidence that environmental and health-related factors result in sub-fertility, and growing concerns that changing life styles and sex lives might depress fertility levels, as well.

Notwithstanding the many factors and their interrelations that determine decisions about childbearing, it is clear that gender equality and women's empowerment are key to lifting fertility levels. Numerous countries in the region lack gender sensitive family friendly policies that would address these issues. In addition, the number of working age population is decreasing while the number of pensioners is on the increase. These trends are observed in the majority of countries in development but at a different pace (e.g. Armenia and Georgia are seeing the largest population decline).

Emigration trends had been common for all countries in Europe at some stage in their history. However, in the past, families used to have many children so the effects of emigration to population dynamics were lower in comparison to countries in development nowadays. Furthermore, developed countries in Europe first became rich before becoming old, which is not the case with countries in development today. This increases pressures on health care and social welfare systems of these countries. For this reason, developing comprehensive and pragmatic population policies is a must for all societies with focus on the development of well-being of individuals (including vulnerable groups) rather than focusing on number of population. Also, alternative ideas should be explored such as attracting diaspora to invest money in their countries of origin, or allowing immigration in line with practices of western countries. Expectations of countries that accession to the EU will represent a quick fix is wrong, as development needs to come from within. Croatia is a good example of how accession to the EU did not stabilise population trends in this country but rather increased emigration of skilled citizens.

## European migration closely correlated with economic development

GDP per capita in 2005 (in PPP) and cumulated population change due to migration, 1990-2016



Sources: GDP data: World Bank database (2018); migration: *European Demographic Data Sheet 2018*; <http://www.populationeurope.org>

Development focus is mostly put on economic development (employment opportunities, GDP growth, macroeconomic indicators etc.) while social development is left aside as it is harder to quantify. In addition, corruption and lack of freedom represent great barriers to development and push factors, while higher salaries in developed countries and advanced government, health care, social welfare and educational systems represent strong pull factors for emigration. The difference between past and current emigration trends from the region is that in the past men were usually emigrating and their families would stay in the country of origin while nowadays the entire families are leaving. Given that next generation diaspora (those born

in receiving countries) loses connection to the country of origin of their ancestors.

While emigration comes with challenges (e.g., brain drain), it also often comes with opportunities (e.g., personal remittances). What matters is that countries develop a comprehensive and coherent migration policy, which not only focuses on immigrants, but also on emigrants and on return-migrants, and seeks to create a strong diaspora network. In addition to helping emigrants return to their home country, it would be important for countries to offer emigrants opportunities to maintain linkages with, and invest in their home country. The Irish diaspora is 70 million strong, yet Ireland is one of the most dynamic economies in the EU. Furthermore, it is one of the few countries in Europe with near replacement fertility rate. Instead of attempting to attract diaspora to return, it is more important to enable their investments and use their capacities for development no matter where they live.

Countries need to tackle the issues of unemployment and education, and to link education to labour market needs. Quality education is not accessible to all, and certainly not affordable to many. Vulnerable groups, such as young people with disabilities are especially excluded.

Young people lack support for starting a family, and young women are not allowed to talk about sexual and reproductive health, especially in front of men and especially in rural communities. At the same time, societies call to return to traditional values even though women and girls are not willing to accept traditional value systems. Therefore, dignity and rights of women and girls need to be upheld and focus needs to be put on prosperity in order to keep young people in the country. In other words, countries need to make people wanting to live there.

## Session 1 - Demographic Change and Socio-Economic Implications

**Theme:** Implications of population projections related to health care, pension expenditures, labour markets and economic growth by 2050.

**Kickoff presentation:** *Demographic Headwinds in South-East Europe* by **Mr. Andreas Tudyka**, Economist, International Monetary Fund (IMF)

## Panelists:

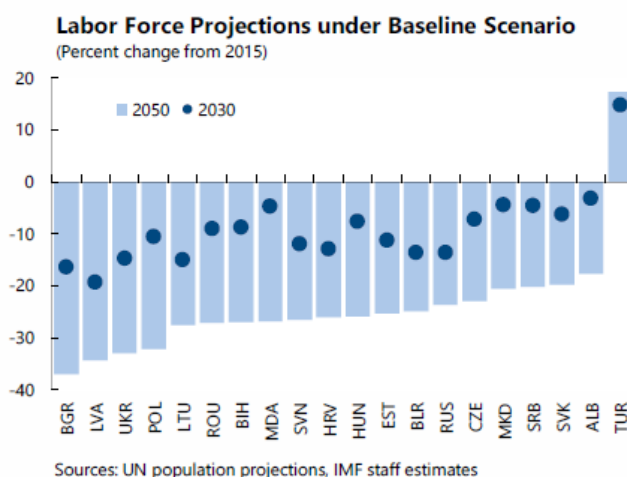
- **Dr. Tomáš Kučera**, Assistant Professor of Demography, Charles University in Prague, Faculty of Science, Department of Demography and Geo-demography, Czechia
- **H.E. Mr. Valeri Yotov**, Ambassador, Director of "UN and Development Cooperation", Ministry of Foreign Affairs of Bulgaria
- **Prof. Dr. Marija Babović**, Programme Director, NGO SeConS - Development Initiative Group, Serbia
- **Mr. Kenichi Hirose**, Senior Social Protection Specialist, International Labour Organisation

## Discussion and Conclusions:

The population of Central, Eastern, and Southeastern European (CESEE) countries (excluding Turkey) is expected to decrease significantly over the next 30 years, driven by high mortality and outward migration. However, although younger, CESEE population will age faster than the population in Western Europe. Associated with this are concerns that countries will have a shrinking, older, less innovative and less productive labour with negative growth implications. Furthermore, countries are worried that an increasing number of older persons places pressures on pension and health care systems, and results in an unmanageable burden for public budgets.

However, even if the labour force was shrinking, the countries of the region are unlikely to see an outright labour shortage. They might lack people in certain professions such as engineering or medicine, but are unlikely to lack workers as such. To date, a large share of young people remain underemployed or unemployed, and a large share of the female labour force is inactive. While the lack of productive employment might in part be attributable to a lack of skills of those who are not working (supply side), it is most certainly also related to the lack of employment opportunities and excess capacities (demand side). Efforts to boost employment must address both supply-side and demand-side factors of the labour markets. With the right investments, countries have a large capacity to enlarge their current labour force.

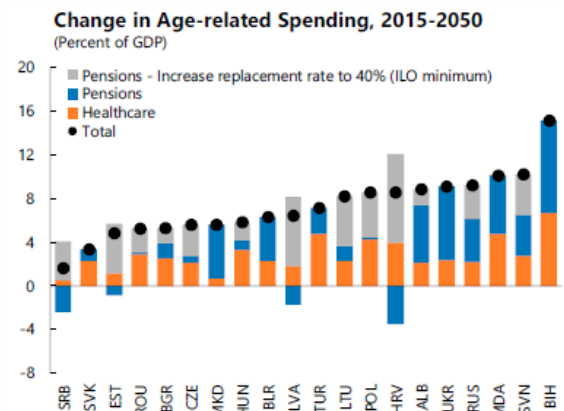
## Under current labor market policies, the labor force is projected to decline drastically by 2050





## Pension and healthcare costs are expected to increase by nearly 4 percentage points of GDP by 2050

- At current replacement rates which are about 33 percent on average
- Or 7 percentage points at 40 percent replacement rates as recommended by the ILO



The growing pressure on pensions, healthcare and social protection systems at large must be anticipated and addressed ahead of time. It is important however that the reforms of the social systems do not focus only on the financial bottom line but also remain effective in addressing their ultimate purpose: To fight poverty and inequality, and to leave no one behind. Balancing fiscal and social objectives will require new approaches. It is however also important to underscore that while fiscal challenges for a government agency, pension fund or insurance company cannot be equated with challenges of economies. From a macroeconomic perspective, expenditures are but the flipside of income. For example, health care expenditures create jobs and incomes in the healthcare sector, and contribute to economic growth.

Countries need to develop strategies linking gender to social issues, including taking care of older persons and creating the conditions, which encourage young people to stay in the countries of origin and pay taxes. Social protection systems need to be rethought while authorities need to listen to their citizens in a more dynamic way. Finally, where there is a serious lack of workforce, countries will need to identify alternative ways to ensure development processes are ongoing without breaks, such as immigration or automation.

### Session 2 - Drivers and Determinants of Demographic Change

**Theme:** Socio-cultural and economic determinants to changes in mortality, and fertility, as well as migration and youth in South-East Europe (two part session)

**Kickoff presentation:** Drivers and Determinants of Demographic Change by **Dr. Tomáš Sobotka**, Research Group Leader, Vienna Institute of Demography, Austrian Academy of Sciences / Wittgenstein Centre for Demography and Global Human Capital

#### Part I: Discussion on Fertility and Longevity - Panelists

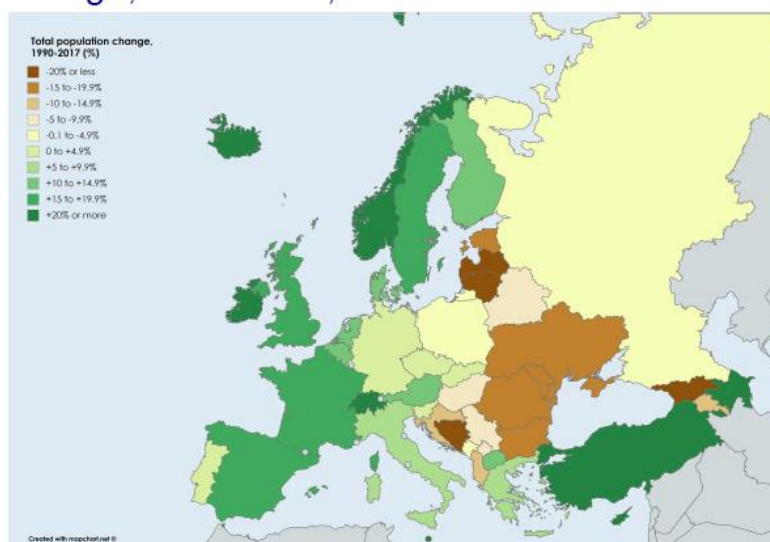
- **Prof. Dr. A. Banu Ergöçmen**, Institute Director, Hacettepe University Institute of Population Studies, Ankara, Turkey
- **Ms. Vitalija Gaucate Wittich**, Chief, Population Unit, Statistical Division, United Nations Economic Commission for Europe (UNECE)

- **Dr. Arjan Gjonca**, Associate Professor of Demography, Department of International Development, London School of Economics and Political Science
- **Dr. Victor Olsavszky**, Representative, WHO, Bosnia and Herzegovina

## Discussion and Conclusions:

Low fertility and outmigration trends in the Western Balkans imply accelerated long-term demographic decline. Although population decline is a trend in many parts of the world, countries of the South-East Europe experience fastest decline in comparison to other regions. The region also experiences data issues as in many countries data is deficient, biased, and incomplete (e.g. there is under-reported outmigration in all countries in the region). For this reason, leading to an unknown number of population in each country, it is not possible to calculate all other indicators with high precision. Fertility rates have declined dramatically in the region, but they might be higher than appeared, due to the underreported outmigration.

### Europe: East-West division in relative population change, 1990-2017, in %



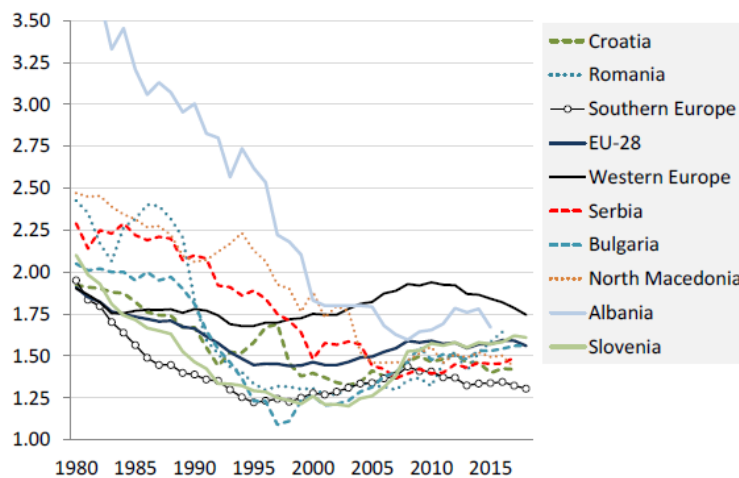
Source: *European Demographic Data Sheet 2018*; map created with mapchart.net

The determinants of decreased fertility in the region could be also seen as positive, including the higher use of family planning services and better education leading to families having smaller number of children. Women in this region with higher educational attainment mainly have one child while in developed countries, such as in Finland and France, the situation is opposite, more educated women have more children. Given that desired level of fertility in this part of the world is around 2 (close to replacement level), new population policies need to address these issues and provide support to this population group to realise their needs and desires.

Postponing age of marriage and the birth of the first child is evident in the region. One of the reasons is that young people stay with parents longer as it is very difficult for them to obtain their living space. Research showed cultural division and religion is very important for young people staying in the region with prevailing conservative attitudes toward gender roles, same sex marriages etc. Collective efforts of individuals, civil society, the private sector and governments are necessary to realize the potential of healthy life years, extended working lives, silver economy volunteering and caring etc. Adequate population measures including the extension of the working life, creation of better working conditions, introduction of flexible working hours, enabling the work from home, using technological potentials and advancement, elimination of ageism, healthy and active ageing,

## Fertility rates below European average

Period Total Fertility Rate (TFR, children per woman), 1980-2018



investment in life-long learning and social protection will be essential for population growth and country development.

Population decline cannot be addressed only by increasing fertility rates. It is necessary to address the whole spectrum of economic and social measures leading to attractive public services and opportunities coupled with strong outmigration management policies. As ageing is a global mega trend, longevity needs to be seen as a potential rather than a burden, so it is important to

recognize and harness that potential. It is necessary to provide conditions for healthy ageing, and with current level of outmigration also provide long term care services for those who are already there, in the old age.

## Session 2 - Drivers and Determinants of Demographic Change (cont'd)

### Part II: Discussion on Youth and Migration - Panelists

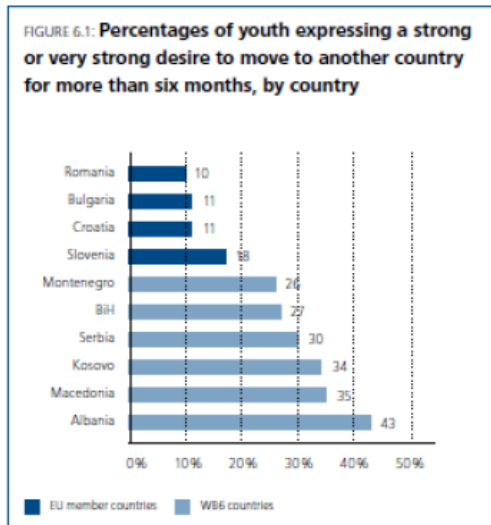
- **Prof. Jelica Stefanović-Štambuk**, Adviser to the Minister of European Integration, Serbia
- **Mr. Đuro Blanuša**, Secretary General, Regional Youth Cooperation Office (RYCO)
- **Mr. Jasmin Jašarević**, General Manager, NGO PRONI Centre for Youth Development, Bosnia and Herzegovina; Correspondent for Youth Policy Development from Bosnia and Herzegovina, European Knowledge Center for Youth Policy
- **Ms. Margherita Vismara**, Programme Coordinator, International Organisation for Migration (IOM)
- **Ms. Jasminka Džumhur**, Human Rights Ombudsperson, Institution of Human Rights Ombudsman of Bosnia and Herzegovina
- **Ms. Fiona McCluney**, UN Resident Coordinator, Montenegro
- **Ms. Tatjana Nikolić**, Youth and women's rights activist; Leader of FEMIX collective; Former member of the Board of the National Youth Council of Serbia

### Discussion and Conclusions:

Following years of conflicts and low economic development, there are fears that countries in the region will be left without any people (according to state statistics 2/3 of young people are absolutely



## Strong desire to emigrate in many countries



**Source:** Lavrič, Miran & Jusic, Mima & Tomanovic, Smiljka. (2019). YOUTH STUDY SOUTHEAST EUROPE 2018/2019.

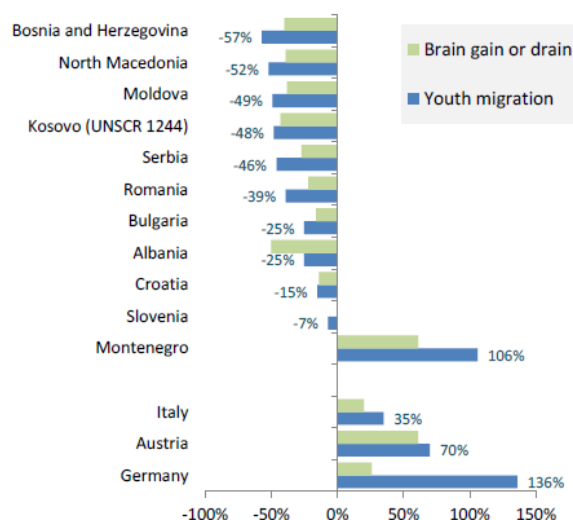
willing to leave their countries, ranging from 25% in Montenegro, up to 43% in Kosovo). Young people are concerned about their future, the environment, economy and other issues. Governments mostly focus on economic development while social and environmental development needs to be put in balance as well. Governments need to partner with young generations to create jobs for the future and address their concerns in a coherent and comprehensive way.

Besides giving focus to emigration to more developed countries, attention should also be given to population migration between the Western Balkans countries, as well as internal, rural to urban migrations in each country in the region (e.g. Podgorica has seen an increase in population by over 100,000 within a particular period, 4-5 years similar to the city of Kluj in Romania). Cities in the region can create opportunities to accommodate individuals and attract skilled human capital due to less conservative attitudes and opportunity for their citizens to express themselves differently.

The question remains what could be offered to young people to attract them to stay in their places of residence or move to larger cities in the country. Up until now, most of the offers were project based with little or no sustainability. However, young people now live in the virtual, digital world being connected at all times, globally. This new reality where young people could communicate and help each other wherever they are must be taken into consideration. Young people need support –

systematic government support through relevant policies and strategies followed by appropriate budgeting and investment. Also, young people should be involved in all the discussions and processes related to them.

## Potential net migration index, 2015-17 (Gallup)



Based on phone surveys covering the following Q:  
*Ideally, if you had the opportunity, would you like to move permanently to another country, or would you prefer to continue living in this country?*  
 Youth = age 15-29

Governments embracing traditional values usually put young women under scrutiny for low fertility trends. However, with extensive gender gap in the countries in the region young women have less chance to get a job, they are paid less for their job, they experience mistreatment

**Source:** Potential Net Migration Index; Gallup;  
<http://news.gallup.com/migration/interactive.aspx>; accessed 21 October 2019

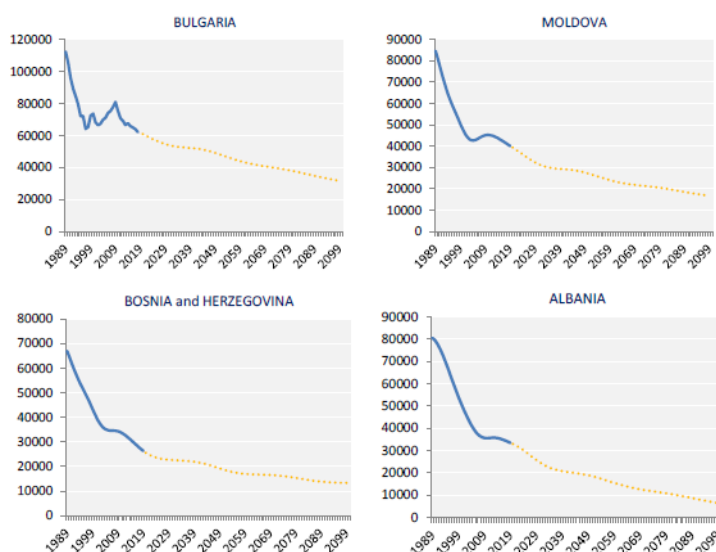
and termination of employment in case of pregnancy or intention to use the maternity leave, while their non-paid care for children and older persons are not taken into consideration as equal contribution to the society. Without addressing all these issues and enabling women to become equal members of society, it will not be possible for young women and families in general to achieve their desired levels of fertility. In other words, human rights need to be put in first if fertility is ever to reach replacement levels. More and more young people are deciding not to have a family, because they feel they cannot have employment and family and maintain good health, all at the same time.

In the Western Balkans the number of highly educated people leaving countries is nearly six times the world average, meaning mostly highly skilled people are leaving (in Bosnia and Herzegovina 12.7% of total population is highly educated, but 55% of young people who are leaving are highly educated). This also means that highly skilled and educated people are available to return or invest in their country of origin. The problem is that most of them plan to return only upon their retirement meaning that their resources are lost for a long period of time. There are some initial programs and initiatives, e.g. in Bosnia and Herzegovina the Ministry of Human Rights and Refugees together with UNDP and IOM have been implementing an initiative to bring in knowledge from abroad, through transfer of knowledge, which can be an answer to brain drain. New experimental modalities need to be piloted as well, such as knowledge transfer through technology, through distance counselling etc. Another potential is remittances, which represent a high proportion of GDPs in the region. However, at the moment they are mostly used for consumption and not for investment while governments have no plans developed for investments from diaspora.

The number of women emigrating from the region is at least as high as the number of men. This is due to the demand for work in health care centres, homes for older persons or in child care centres where women are mostly employed. This is significantly influencing the gender roles in families as steadily women become breadwinners and carers instead of performing non-paid jobs at home. Emigrating women are highly educated, more so than men that are emigrating. Yet, women living in their countries of origin are still excluded from economic sphere and exposed to domestic violence. Many of them do not have any income or property, which disables them to start businesses and take an active role in the labour market.

In line with the above, it could be concluded that people feel disappointed, they experience a lack of hope, lack of opportunities, and a lack of stability, as well as injustice. In order to tackle these issues, comprehensive population policies are required, in cooperation between various stakeholders (government authorities, non-government organisations, academia and business sector).

### Limits to potential fertility upturns: emigration and population momentum driving sharp falls in numbers of births



Population policies need to propose measures that will tackle the issues of provision of good quality education, health care services, social welfare services, employment, but also very importantly youth active participation in all spheres of life. Nevertheless, such policies and appropriate measures need to have appropriate budgeting and monitoring plans to ensure their timely implementation and corrective measures. Potentially, coordinated regional response could be taken into consideration as the countries might benefit more from retaining young people in the region (not necessarily their country of origin).

## Day 2 - The Way Forward - Investing in Human Capital

Tuesday, 22 October 2019

### Session 3 - Policies for human capital development

**Theme:** This two-part session focused on the policy options to support societies adapt their public services and invest in human capital. This will require investment in gender equality, active and healthy ageing, and youth participation and engagement, as well as more active policies to take advantage of migration. Human capital development, together with technological change and productivity growth will help countries realize a demographic dividend and promote sustainable development. It has further discussed what policy solutions will be needed and how different organizations - national, regional and global - can contribute to that conversation.

**Kickoff presentation:** **Mr. Jamele Rigolini**, Programme Leader for Human Development and Poverty, The World Bank

### Part I: Human Capital Investments for Sustainable Development - Panelists

- **Dr. Damir Mitrić**, Member of Steering Board, NGO BH Futures Foundation, Australia
- **Mr. Ion Dodon**, State Secretary, Ministry of Health, Labour and Social Protection, Moldova
- **Ms. Sejdefa Bašić-Čatić**, Executive Manager, NGO Partnership for Public Health - Healthy Ageing Centres, Bosnia and Herzegovina
- **Ms. Francesca Bonelli**, Deputy Regional Representative, UNHCR
- **Ms. Vesela Mareva**, Director, International Youth Center, Stara Zagora Town, Bulgaria

## How do we develop & empower students

**Professional Development** (mentoring, HR counselling, workshops with industry & other partners, international & local jobs & internships, application support for PhD, masters, EU grants & other opportunities) – **Education & Leadership** (Academy, Expert Webinars, Podcasts) – **Events participation** (Mobility, events, conferences, annual congress) – **Funding** (projects, early seed for POC (startup)) – **Volunteering** – Mentoring high school students, outreach etc – **Startup support**

#### Scholarships



#### Mentoring



#### Academy



#### Community



#### Mobility



#### Internships & Projects



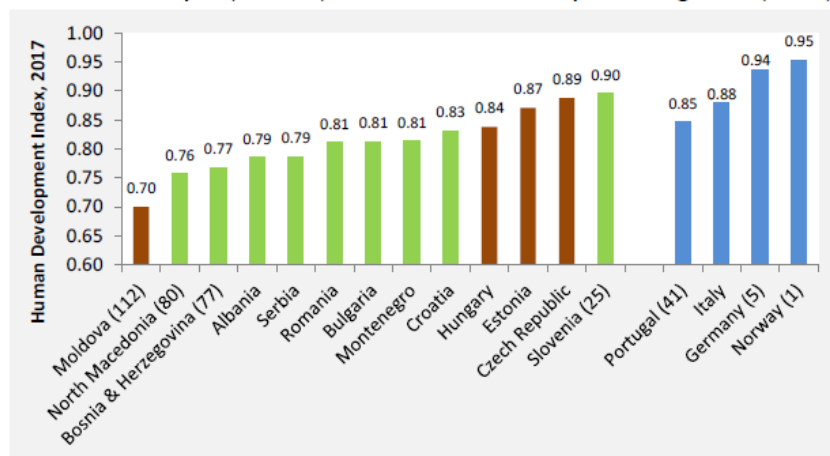
## Discussion and Conclusions:

Human capital is essential for growth, good jobs and poverty reduction. A healthy, skillful population helps handling increasingly complex demographic challenges. However, although the region has one of the highest rates of investment in health care and social welfare services, those most vulnerable and marginalised are not necessarily reached while out of pocket expenditures for health services remain high. Also, there are persistent inclusion challenges; disparities in learning outcomes persist along gender, location and income groups and education outcomes for vulnerable Roma are dismally low.

### South-eastern Europe countries diversity

#### Human Development Index (2017)

Selected countries in South-Eastern Europe (green), Central & Eastern Europe (brown) and in other European regions (blue)



Source: United Nations Development Programme 2019;  
<http://hdr.undp.org/en/content/human-development-index-hdi>

Investment in young people and allowing them to do things on their own represent a basis for solving the population and development issues. It is important to connect and empower young people through scholarships, mentoring, mobility initiatives and internships. There are positive examples of connecting young people from Bosnia and Herzegovina with those from Australia, and incubating students and young professionals who already work in industry. Migration mobility and engaging diaspora in sharing knowledge with the home country is a very important methodology for

development. Furthermore, investment in non-formal education to complement formal education is important. Non-formal education is very important for vulnerable population groups who have little or no opportunity to attend formal education. At the same time, youth work and youth activities on the promotion of non-formal education is contributing to solving social problems that young people are facing today. Sustainability of youth work remains an issue, where sustainability should not be seen as governments taking over the youth services and activities but rather governments becoming equal partners in the processes and enabling positive practices to spread across the country.

Besides investing in young people, it is very important to invest in older persons as well. Older persons face many issues, starting with ageism, loneliness leading to mental health issues, lack of interaction and intergenerational support and cooperation, and expansion of non-communicable diseases due to inactive and unhealthy lifestyles. There are good examples in work with older persons such as the Healthy Ageing Centres (HACs) in Bosnia and Herzegovina that promote healthy and active ageing in line with the Madrid International Plan of Action on Ageing. There is a large need for mentorship in local communities so the Centres are connecting older with young people and mentoring them on specific issues. Other countries in the region, such as Georgia, North Macedonia, and Moldova are also planning to establish own networks of HACs.



## 2017 Lisbon Declaration

3 goals for the fourth cycle

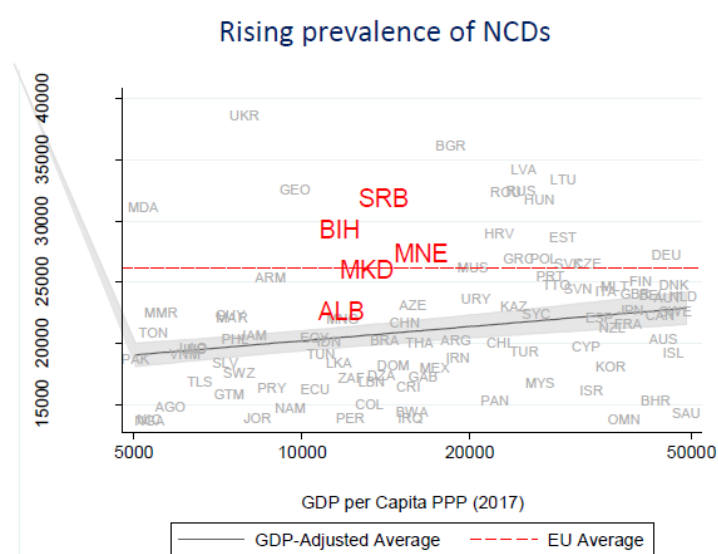


Beyond emigration of young, skilled people, population dynamics are characterised by global forced displacements leading to increased immigration in the region. However, many of those immigrants strive to reach developed countries rather than to stay in this part of the world. Only 25 migrants were approved asylum status in 2014 in the region while in 2018 there were 150 of them. Some countries are aware

of the importance of including immigrants in the labour market; e.g. in Montenegro, the national employment agency promotes integration of migrants into the labour market, while in Serbia CSOs are identifying the individual profile of each migrant and trying to connect it with the labour market needs. In addition, in North Macedonia, national institution for refugee integration, even before individuals are approved the migrant status helps them to join the labour market. Given the population trends and need to develop human capital, it is important that migrants are not seen as a burden but rather as a resource for development.

There is an urgent need to invest more in human capital. Health reforms, for example, should address the lifelong consequences of poor early child development, the rise of non-communicable diseases, and excessive out of pocket expenditures. Social assistance should focus on alleviating poverty, improving the employability of the poor and provide effective support throughout the

## Health systems that impoverish people and fail to address new diseases



lifecycle. It is the responsibility of all people to engage in development and implementation of local initiatives and help converting positive practices into population policies that will lead to development of human capital. It is essential to develop systems and environment that will enable young people to stay and contribute to development of their countries. South-South Cooperation initiatives are opportunities to share good practices and enable exchange of experiences among people and countries.



## Session 3 - Policies for human capital development (cont'd)

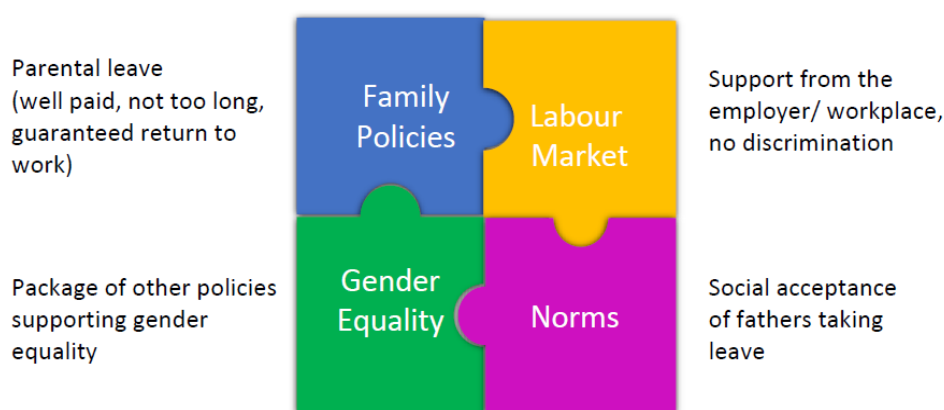
### Part II: Social and Family Policies - Panelists

- **Dr. Anne H. Gauthier**, Senior Researcher, Netherlands Interdisciplinary Demographic Institute (NIDI); Honorary Professor of Comparative Family Studies, University of Groningen (RUG); Director, Generations and Gender Programme
- **Ms. Stephanie Eble**, Senior Resident Representative for the Western Balkans, International Monetary Fund (IMF)
- **Ms. Tiina Bruno**, Founder and Leader of Parentsmart Employers, Sweden
- **Ms. Anna Gromada**, Social and Economic Policy Consultant, UNICEF Office of Research - Innocenti
- **Ms. Merita Xhafaj**, Director General for Health and Social Protection Policies and Development, Ministry of Health and Social Protection, Albania

### Discussion and Conclusions:

Population dynamics in itself is not a problem, but should be seen as an opportunity to openly discuss certain population issues. Older persons should not be seen as a burden but as potentially productive and valuable workforce while migrations should be utilised through involving diaspora in the society. Focus should be put more on reaching equality among all population groups. It is very important to provide high quality education to young people and engage them in development streams.

## 2. Having all the pieces



There is a need for general approach by working jointly with governments on gender equality in creation of environment that would motivate families to have children. At the same time, the privilege to make choices and have opportunities needs to be available across all family policies. However, the governments cannot achieve desired results if focus is put only on

raising fertility. Family policies need to be focused on cross cutting approach, combining various issues, such as social norms, gender equality and labour market. Discriminatory approach towards fathers on parental leave and (young) women who are candidates for employment is present everywhere, therefore, working place and social norms should be supportive (e.g. in Sweden, parental leave was introduced in 1997. Although not successful at the beginning, it has reached equality of use between women and men up to now). In order for governments to understand the population issues, it is essential to have access to relevant population data. In addition, population policies should have gender responsive budgets.

## An Urgent Need for More and Better Investments in Human Capital (1/3)

- In **education**, there is a need to improve quality, relevance, and inclusion:
  - In the **early ages**, access to quality childcare needs to be expanded – with priority to children from poor and vulnerable backgrounds
  - In **basic education**, teacher and curriculum reforms and better school management would help students acquire solid foundational skills
  - In **TVET and higher education**, ensuring quality certification and accreditation and closer links with the private sector could boost the labor market relevance of the training
  - There is also a need to more carefully **monitor student performance and outcomes at all levels**, and better support poor and vulnerable students

Business sector needs to be involved in development of population policies. Many reforms need to take place to provide necessary skills to the companies: update curricula and provide professional reorientation in order to upgrade skill levels. Furthermore, affordable child care, social safety for those left out and the need to support vulnerable groups are equally important. Investments in social

assistance, education and health infrastructure need to be recognised as investments for the future. Also, there is a need for cohesion between governments, private and public partner, where employee initiatives to be implemented should have a) formal support through time, money, routines and IT services, and b) informal support through attitudes, behaviour, leadership, and role models.

## Final Conclusions and Commitments

- **Ms. Alanna Armitage**, Director, United Nations Population Fund, Regional Office for Eastern Europe and Central Asia
- **Mr. Amer Kapetanović**, Head of Political Department, Regional Cooperation Council

Countries in the region face rapid depopulation, young people are leaving, fertility rates are collapsing, and societies are rapidly ageing. However, it is obvious from a two-day discussion that demographic trends in the South-East Europe should not be seen as catastrophe but rather as an opportunity for development. The promising path for the countries of South-East Europe is to focus on the human capital of a population – its education and health, productivity and innovative potential.

Lower populations have their benefits as well – greater investment in individual children, easier provision of childcare, provision of decent housing – and these can in turn boost the confidence of people to have children and to remain in their country. Changing realities in employment and the

## An Urgent Need for More and Better Investments in Human Capital (2/3)

- In **health**, reforms should address the lifelong consequences of poor ECD, the rise of NCDs, and excessive out-of-pocket health expenditures:
  - **Reproductive health and antenatal/children care services** are in need of a quality boost
  - Health care needs to adapt to **aging populations** and the **rise of NCDs**
  - **Primary care** should be enhanced and expanded into the places where people live and work
  - **Health insurance systems** need to be broadened and optimized to reduce out-of-pocket spending, in particular among poorer households

4<sup>th</sup> industrial revolution in technology also offer opportunities for countries to harness potential and productivity.

Overall, investment in human capital throughout the life course, health and education, and gender equality are the best solutions. There are positive examples to

follow – including countries such as Spain, Italy and Ireland where immigration policies have proved to boost the overall economy and well-being and with new approaches to the diaspora. Also, pockets of potential around cities and subnational level can be engines for growth and attracting young people. Many initiatives start with a single person committing to make changes and those commitments make a huge difference.

All of this requires progress on good governance, making economies more competitive and matching individual skills with labour market demands. And there is a requirement for a set of specific policies responding to the needs of families, women, men and children and transforming traditional social norms and stereotypes about men's and women's roles in society. Countries should strive to become places where people want to live in, and that allow young people to realize their dreams and build their future, peace and prosperity for all.

UNFPA will continue providing support to governments in developing and implementing relevant population policies, in cooperation with other UN agencies and development partners. Special focus

### An Urgent Need for More and Better Investments in Human Capital (3/3)

- **Social assistance** should focus on alleviating poverty, improving the employability of the poor and provide effective support throughout the lifecycle:

- Social assistance must be **refocused to address actual needs**, rather than covering broad categories of beneficiaries independent from needs
- Social assistance should not only support the poor but also **promote the acquisition of human capital** and the employability of the poor
- Programs and case management can also be **better integrated**: only two Western Balkan countries have a well-established social registry

will be put on connecting population dynamics with sustainable development goals and integrating this into work of United Nations Country Teams. This will ensure focus on inclusion of young people and marginalised groups in the conversation to bring their experience and ideas.