

# **GOOD PRACTICE**

## **REGIONAL SCHOLARSHIP SCHEMES**



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REPUBLIKA SLOVENIJA  
MINISTRSTVO ZA DELO, DRUŽINO,  
SOCIALNE ZADEVE IN ENAKE MOŽNOSTI

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Family, Social Affairs and Equal Opportunities

<b>Title</b>
<b>REGIONAL SCHOLARSHIP SCHEMES</b>
<b>Location / geographic coverage</b>
<p><b>Regional Scholarship Schemes</b> is a programme of indirect co-financing of scholarship, implemented by development agencies and organisations at regional level. It is regional instrument based on partnership between employers, regional development agencies and the Government (Ministry of Labour, Family, Social Affairs and Equal Opportunities and Public Fund for Human Resource Development and Scholarships. Regional Scholarship Schemes are implemented in all Slovenian regions by unique principle and procedures.</p>
<b>Summary</b>
<p><b>Regional Scholarship Scheme</b> is an instrument, initiated by the Public Fund of Human Resource Development and Scholarship and co-financed by the ESF (50 %) and Slovenian companies (50 %) and implemented at regional level. Programme was initiated in 2007. It is an instrument of scholarships of young that educated in the most wanted occupations in regions, occupations that accelerate economic and social development and improve employability of youth. The programme contributes to matching skill supply and demand in Slovenian regions, motivates young people to enrolment in programmes and acquiring occupations demanded by employers and by that enables higher employability for young. The programme also encourages HRD planning accordance to regional labour market needs, increase of educational level, decrease of structural unemployment, and reduce the outflow of young educated people from the region and the return of trained young people from university centres back in the region.</p>
<b>Type of the good practice</b>
<p>It is a national programme is performed under the Operational Programme for Human Resources Development for the period 2007-2013 within the framework of Development Priority 1 "Promoting Entrepreneurship and Adaptability" and Priority orientation 1.2 "Training and Education for Competitiveness and Employability". The programme is initiated by the Public Fund of Human Resource Development and Scholarships and co-funded by the European Social Fund and companies. The programme is implementing in 12 Slovenian regions by development agencies and organisations.</p>
<b>Stakeholders and partners</b>
<p>The beneficiaries are young students getting scholarship and employment and companies getting competent employee according to the company's needs. The programme of indirect co-financing scholarships is carried out in cooperation between the Public Fund of Human Resource Development and Scholarship Fund and Regional Development Agencies and development organisations at regional level. The Ministry of Labour, Family, Social Affairs and Equal Opportunities is an intermediate body. The implementation of the programme is in accordance with the Scholarship Act, Law on Balanced Regional Development and the Regulations on the Implementation of the Regional Scholarship Schemes.</p>
<b>Issue / challenge and goals / assumptions</b>
<p>In Slovenia there is structural imbalance at regional labour markets. Companies cannot get employees with required competences and there is a supply of young people with finished studies that companies don't demand. The share of young graduates among unemployed is increasing and</p>

the situation is worsening. Mismatch between skill supply and demand on regional labour market is primarily reflected in the fact that the company hardly obtain adequate staff in which to invest systematically during the period of education of the individual. The lack of such staff, mainly in peripheral regions has been seen as a development deficit in the region. It is very important to approach to solving this problem systematically and in long-term by encouraging networking between educational sphere and businesses. This procedure contributes to more balanced regional development, prevent moving staff to economic centres, decrease of structural unemployment and facilitate rapid transition from of education to the world of work.

Therefore the Government introduced programme for improve the situation and decrease the imbalance on the labour market. By Regional Scholarship Schemes companies have opportunities to plan employment and select employee with education and competencies according to their needs, and getting co-financing for educated its own future staff. Students get scholarship and during studying they have opportunities to co-operate with future employer through performing practice, projects, research, and thesis.

#### **How does it work?**

The programme/instrument is implemented since 2007. Each year the Public Fund announce a Public tender where regional development agencies and organisations, authorized for implementation of those schemes apply for funding. The procedure is followed by four steps. (1) In the first quarter of the year the authorized regional development agencies and organisations (RDA) identify the needs and announce *Public invitation to employers*. Employers define targeted educational structure of future employees to whom they intend to give scholarship. The Commission by RDA make selection of employers to involve them in the Regional Scholarship Scheme. (2) According to the needs of employers RDAs announce Public tender for scholarships for students and students can apply for scholarship. (3) Contracting procedure with selected students; there is a tripartite contract between student, employer and RDA. By that contract employer is obliged to employ student and student is obliged to employ by the selected employer for at least the period of total time of getting scholarship, e.g. the time study lasting. (4) Financing scholarship is on monthly basis in the maximum amount of 30 % of minimal wage.

During studying students can to co-operate with future employer and prepare research, projects and have practice in the company and both student and employer have opportunity to know each other and students can examine acquired knowledge in practice and getting working experiences. If student doesn't want to employ by contracted employer or if employer does not employ student after finished study with the exception of bankruptcy they have to return all public (ESF) sources.

#### **Results**

Since 2007, there were seven public tenders for scholarships. For the school year 2007/2008 scholarships were co-financed by national budget, but since 2008 scholarships are co-financed by the ESF. From school year 2008/2009 to 2012/2013 within six tenders in 12 regions more than 3,000 scholarships were contracted with 1,350 employers. Unfortunately, the results are below plan because of the current economic situation and crisis that companies faced. In spite of this, this instrument and such partnership effectively encourage companies in regions for scholarships.

#### **Evaluation**

Each RDA is obliged to report to the Public Fund and the Ministry of Labour, Family, Social Affairs and Equal Opportunities regarding implementation of Regional Scholarship Schemes on monthly basis. Based on those statistical data the evaluation of implementation of the Operational Programme for Human Resources Development for the period 2007-2013 and within this the evaluation of the results of the implementation of those schemes was made in 2012. Although results are below

expectations caused by the economic and financial crisis some positive impacts have to be stressed out: students find jobs, especially higher educated and graduates after completion of education returning from university centres return back in the region of residence. In addition, the share of those wanted continuing study is increasing.

### **Lessons learned**

Scholarship is an important source of funding. Students mostly decided for scholarship because of opportunity for employment after studying what is in current economic crisis very important when vacancies for young job-seekers are very rare. The interest of employers for scholarship and employment of young graduates differ from region to region. Especially in regions that most damaged because of crisis there is lack of job vacancies and interest of employers for scholarships and creating jobs. On the other side some students that educated for the most wanted occupations the obligation for employ by contracted employer is less attractive.

It can be summarized that this instrument is contributing to matching skill supply and demand on regional labour market and new jobs.

### **Sustainability and transferability**

Scholarships are excellent opportunity for employer to establish relationship between company and student at the very beginning of study. By that the employer invest in future employees and company development for a long-term, and student get opportunity to connect study with practice and first job. Systematic approach to information and promotion by involving various development institutions (educational institutions, chambers of commerce, etc.) contribute to raised awareness and interest for long-term planning of HRD in companies and relationship with future employees. For sustainability the financial sources in the future financing period from 2014-2020 are needed.

The programme/model is transferrable to other EU regions and countries.

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