

# YOU SEE!

PLATFORM FOR SOCIAL INNOVATIONS  
IN YOUTH EMPLOYMENT

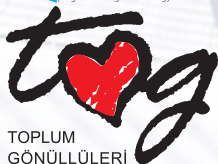
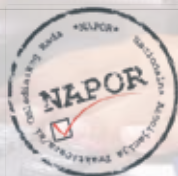


Regional CSO platform advocating social innovation under employment policies that guarantees security for youth at risks, an EU-funded project. This document has been produced by financial assistance of the EU funds of Civil Society Facility Operating Grants to IPA CSO Associations.

## LEAD APPLICANT



## CO-APPLICANTS



The content of this document are the sole responsibility of YOU SEE! partnership and can under no circumstances be regarded as reflecting the position of the EU.

# THE COST OF FREE MONEY



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**“LENS”  
December 2016**



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## FOREWORD

This paper is part of the project: “Regional CSO platform advocating social innovation under employment policies that guarantees security for youth at risks” supported by the European Commission Civil Society Facility funds, and implemented by a partnership of six organizations from Western Balkan and Turkey. The project was implemented through a twelve-month period in Kosovo, Montenegro, Albania, Macedonia, Serbia, Bosnia and Herzegovina and Turkey. The content of this document are the sole responsibility of YOU SEE! project partnership and can under no circumstances be regarded as reflecting the position of the EU. These data are specific for Kosovo and are collected and refined from Lens.

Information in this research is gathered through researches, statistics, and reports of different institutions, governmental and non-governmental ones. Furthermore the paper proposes a guideline which would serve as best practices to lower the unemployment rate. Similar papers like this can be found in partner countries of the project as they mutually coordinated their activities. However each paper will have flexibility to focus on specific approach based on the national problems, and as a whole, these papers will be presented as a regional report which will serve as a review of current regional state.

In conclusion this project aims to enhance the regional cooperation, representation and political participation in order to advocate effective reforms in employment policies, which articulates interests of youth groups at risk of marginalization in accordance with their socio-economic background and living place.

# 1. THE COST OF FREE MONEY

To be young has always been construed as having the opportunity and, more importantly, the time to become what one wishes to. Today, being young is riddled with precariousness, hollowing of opportunity for employment, short-term work, and growing ranks of 'NEETs' (Not in Education, Employment or Training).<sup>1</sup> The EU alone estimates that one third of its young population are NEETs.<sup>2</sup> Even further, according to EU statistics 42% of those below 25 are on temporary contracts compared with 10% of those aged 25 to 64.<sup>3</sup> This is further exacerbated when considering that the world faces the problem of creating 600 million jobs over the next decade, a formidable if not impossible task given the present growth rates, environmental impact of economies, and externalities like technology and artificial intelligence.<sup>4</sup>

Employers are now seeking applicants that produce, write, read, and compute competently; listen and communicate effectively; solve problems autonomously; take ownership; handle basic technology; lead productively as well as are able to follow orders. Such demands are beyond the technical skills offered at our educational facilities.<sup>5</sup> The result is that young people today are underprepared, unemployed, in low quality jobs, and find it difficult to transition into decent work, all of which combined has led to the current generation being detached from the

<sup>1</sup> The Salto-Youth Inclusion Resource Centre (2014), 'Inclusion through Employability: Youth work approaches to unemployment', European Commission, Erasmus+ Programme

<sup>2</sup> Ibid.

<sup>3</sup> Jacqueline O'Reilly, Werner Eichhorst, András Gábos, Kari Hadjivassiliou, David Lain, Janine Leschke, Seamus McGuinness, Lucia Mýtna Kureková, Tiziana Nazio, Renate Ortlieb, Helen Russell, and Paola Villa., (2015), 'Five Characteristics of Youth Unemployment in Europe: Flexibility, Education, Migration, Family Legacy, and EU Policy', Sage Open, Vol. 1, No. 19.

<sup>4</sup> Brewer, L., (2013), 'Enhancing Youth Employability: What? Why? And How? Guide to Core Skills' International Labour Organisation, Skills and Employability Department.

<sup>5</sup> Ibid.

labour market altogether.<sup>6</sup> Notwithstanding some young people for whom unemployment is a frictional experience, for those exposed to long-term unemployment can even be part of a generational legacy.<sup>7</sup> This can be due to low school achievement in literacy on numeracy, post-school qualifications that were not effective in employment, or possibilities of networking afforded by family.<sup>8</sup> Indeed, for young people falling into this category the chances of obtaining secure employment, let alone careers, are substantially diminished.<sup>9</sup> were not effective in employment, or possibilities of networking afforded by family. Indeed, for young people falling into this category the chances of obtaining secure employment, let alone careers, are substantially diminished.

According to extant literature, long-term youth unemployment can have personal consequences and wider economic implications for the state. The former stipulates that the effects of long-term unemployment can leave a legacy that reduces lifetime earnings, increases the risk of future periods of unemployment, limits the likelihood of finding stable employment, impacts health and wellbeing negatively, and reduces job satisfaction for the next two decades.<sup>10</sup> Mentally, the young person can exhibit low self-esteem, psychological problems, domestic violence, depression, crime, and, increasingly so, youth suicide.<sup>11</sup> The latter highlights that youth unemployment has multiple consequences for the economy, beginning with reduced spending on goods and services, decreased taxation

<sup>6</sup> Ibid.

<sup>7</sup> Jacqueline O'Reilly, et al. (2015), 'Five Characteristics of Youth Unemployment in Europe: Flexibility, Education, Migration, Family Legacy, and EU Policy,' Sage Open, Vol. 1, No. 19.

<sup>8</sup> Marks, G., and Fleming, N., (1998), 'Factors influencing youth unemployment in Australia: 1980 - 1994,' LSAY Research Reports. Longitudinal Surveys of Australian Youth, No. 7

<sup>9</sup> Ibid.

<sup>10</sup> Jacqueline O'Reilly, et al. (2015), 'Five Characteristics of Youth Unemployment in Europe: Flexibility, Education, Migration, Family Legacy, and EU Policy,' Sage Open, Vol. 1, No. 19.

<sup>11</sup> Marks, G., and Fleming, N., (1998), 'Factors influencing youth unemployment in Australia: 1980 - 1994,' LSAY Research Reports. Longitudinal Surveys of Australian Youth, No. 7

revenue, increase government spending on unemployment, as well as additionally unknown socioeconomic costs (e.g. crime waves, protests, riots, low productivity). Indeed, the total cost of youth unemployment is rarely calculated beyond its “direct costs” of welfare and subsidised state intervention to including the cost of crime, ill health, deteriorating environment, wasted potential, opportunity costs associated with taxes, contributions to economic sectors, and many more facets.<sup>12</sup>

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<sup>12</sup> Royston Flude, (2000), “The journey into work – an innovative approach to tackling long-term youth unemployment”, Education + Training, Vol. 42 Iss 1 pp. 6 - 16

## 2. KOSOVO'S YOUTH: POTENTIAL OR PROBLEM?

Despite its complex multidimensionality, successive governments have attempted to address the prevailing unemployment amongst young people through a “top-down” strategy that has dissipated resources and encouraged convoluted bureaucratic processes with limited success.<sup>13</sup> The underlying question is what is being done, has it had any impact, does it continue to aid young people, and what results have active measures had? To answer such questions, this short paper analysed several strategic and output documents from relevant organisations and institutions (i.e. UNDP, EYE, ICK, Ministry of Labour and Social Welfare, Ministry of Trade and Industry, Ministry of Culture, Youth and Sports, USAID Empower) and interviewed stakeholders to gain a deeper understanding of the process. Additionally, the focus throughout the process remained on active measures to do with young people and start-up businesses, which for some organisations was not a priority or was not featured at all (e.g. EYE, USAID Empower).

### 2.1 INOVATION CENTRE KOSOVO (ICK)

As an organisation that has been founded with the premise to support entrepreneurship, innovation, and business development, ICK is a vibrant establishment supporting youth engagement. Since 2012, they have had 11 calls for business ideas, 377 applications, of which 71 have been awarded grants and were able to join the in-house incubator.

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<sup>13</sup> Royston Flude, (2000), “The journey into work – an innovative approach to tackling long-term youth unemployment”, Education + Training, Vol. 42 Iss 1 pp. 6 - 16

According to their figures, 285 individuals were employed as a result of these grants, however presently only 19 businesses/teams continue to be active.

Apart from awarding grants, ICK boosts approximately 10 voluntary professional mentors that provide consulting and coaching services (i.e. Management, Marketing and Sales).

The organisation also supports the start-up business with a working space as well as promotional activities for their products and presence on social media. Two interesting success stories have been ZAG Apps and Appsix. Evidently, ICK is edgy and ICT oriented with most businesses operating in technological fields.

**With the aim of lowering unemployment among young people ICK provides grants of up to 3,000€.**

During the interview, ICK's representative highlighted that the sustainability of start-up businesses is quite low and that most of the businesses will certainly fail. Additionally, the grants provided are quite symbolic in nature as a mere 3,000€ will not be enough to create, or at least in most cases, a functional and effective business from the get-go. When discussing the impact, the focus shifted to the idea of motivation and inspiration rather than actual job creation. Interestingly, a major problem identified was that public sector employment and wages were causing private sector stagnation and thus lowering competition.

## 2.2 UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

Among many of its programmes, activities and initiatives, UNDP's self-employment programme is designed to facilitate the creation of businesses that are capable of competing successfully in Kosovo's market.

Under the auspices of the self-employment programme, UNDP will continue to offer grants for the 2016 in collaboration with the Ministry of Labour and Social Welfare, the Ministry of trade and Industry, and the Ministry of Foreign Affairs of Finland.

**In 2015, the programme created 43 new start-ups in 15 municipalities in the regions of Prishtine, Gjilan, and Prizren.**

Such a collaborative framework between UNDP, an international organisation, and responsible ministries in Kosovo is a best practice that should be replicated throughout Kosovo's territory. The grants can be up to approximately 5,000€.

Additionally, those awarded grants undergo 2 weeks intensive training on business administration in order to understanding what it takes to maintain a functional and effective business.

According to UNDP statistics, all 43 grantees that were awarded during 2015 are still operational, but most are functioning in minus at the moment. Most of the grants awarded were situated in textiles, metals, and vocational activities. The focus was exclusively on the private sector. Apart from such a programme and under the slogan "Learn by Doing", UNDP also boasts that 1,200 individuals that have through training that were required to register at the Job Centre prior to applying.

The focus was, and still remains, on practical training and in-house apprenticeships/internships.

During the interview, UNDP's representative highlighted that in principle there are a variety of programmes on the same issues and that there is a chance of overlapping. However, with strict procedures and careful calibration such an issue can be avoided. Furthermore, inter-ministerial cooperation can be at times daunting but not impossible, something the UNDP representative highlights through their collaboration with a number of ministries. A major problem identified by UNDP is access to financing, such as loans from micro-finance institutions, which has become a difficult issue, especially for women who have no property as collateral. Accordingly, UNDP grants are promoted as the only means by which one can help unemployed persons stand on their feet.

Additionally, a clear problem identified by the UNDP representative is that the private sector continuously seeks to hide taxes, is opaque and not transparent, employs individuals without papers, and seems to be intransigent to governmental initiatives for change. This problem has exacerbated disinterest and, at times, distrust between state institutions and the private sector.



## 2.3 ENHANCING YOUTH EMPLOYMENT (EYE)

Despite not offering direct grants for start-up businesses, even though when it begun EYE did provide start-up financing, one of the organisations top priorities is to invest in companies that offer and generate opportunities for youth employment. EYE's market focus remains on agricultural businesses, ICT, construction and healthcare.<sup>14</sup>

During our interview, EYE's representative openly discussed the need to rethink and restructure the donator-led system, as it is a legacy of the past.

**International Donors have severe pressure to create jobs and highlight successful areas of their doing.**

Indeed, the recommendation was that the government should be taking a leading role by promoting clear-cut practical policies and guidelines. There is little coordination and understanding of the impact that all such programmes are having on Kosovo's youth, their prospects of employment, whether such measures are sustainable, what to what extent active market measures effect the principle of a free market economy.

A clear issue outlined was that remittances, which today make up approximately 16% of Kosovo's GDP, and the continual flow of donor wherewithal are distorting the attractiveness of the private sector. These external factors, among many more, are not questioned nor controlled effectively by the central government and thus hinder and at times are counterproductive to the very goal they have set to achieve.

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<sup>14</sup> <http://eye-kosovo.org/project-info/project-outcomes/>

## 2.4 EMPOWERING PRIVATE SECTOR (USAID)

The aim of this organisation is to achieve sustainable economic development through job creation. The main target groups are women, north Kosovo residents, ethnic minorities and vulnerable groups.

- Empower has 3 components**
- 1) Job Creation through increasingly competitive and Market-oriented SMEs in Focus Sectors**
  - 2) Job Creation through Workforce Development and in Opportunistic Sectors**
  - 3) Strengthened Capacity of Local Partners**

During the interview as well as through desk research, it became clear that Empower does not fund start-up businesses or specific youth groups. The main target is large-scale employment rather than innovative small-scale steps. It intervenes only if the company is able and willing to share the cost and take ownership of the process. Once awarded, companies are visited every 3 months as a follow-up activity. What is clear from the interview is that each donor organisation has a specific set of rules that may be different from other organisation.

This, of course, represents a possible problem and may lead to clashes or counterproductive activities. It also may lead to a diversified approach to a problem that is indeed multidimensional. There are no publications on whether the active measures promoted have had any impact and level of collaboration with other institutions/actors. The impact such interventions have on Kosovo's free market is unknown and not assessed.

## 2.5 MINISTRY OF LABOUR AND SOCIAL WELFARE (MLSW)

The MLSW is mainly focused on training and subsidising programmes rather than providing grants for start-up businesses. Nonetheless, according to its Sectorial Plan and Action Plan (see table 1 below) in 2015 it was supposed to devise and pilot a grant scheme for employment measures worth 2,000,000€. However, there is still no sign of such a grant scheme.

<b>Aim</b>	Design and pilot a grant scheme for the implementation of employment measures for non-public organisations, including social enterprises.
<b>Grantees</b>	Unknown
<b>Donators/ Supporters</b>	European Union EEVG/ Ministry of Labour and Social Welfare
<b>Total Cost: 2,000,000€ (2014-2015)</b>	

Table 1. Active Measure from the Ministry of Labour and Social Welfare. Source: Government of Kosovo, (2014), Sectorial Plan and Action Plan for the Ministry of Labour and Social Welfare

Apart from this, this paper has also looked into the subsidies provided to workers for the year 2015, which comes up to approximately 490,000€. It is important to question the impact of such measures, have they achieved the goals they have set, has their impact been measured and their sustainability tested?

## Example of SUBSIDIES Offered

For the year 2015, Ministry of Labour and Social Welfare and Kosovo's Forest Agency (APK) have subsidised wages on several fronts. In collaboration with APK, the Ministry of Labour and Social Welfare have subsidised 1145 workers with a monthly wage of 250€. The length of subsidies provided varied from 45 days to 6 months. The total budget was 659,125€. The workers were exclusively focused on foresting, seeding, maintaining, and cultivating land. By itself, the Ministry of Labour and Social Welfare has distributed subsidies in the value of 490,000€ for 260 workers. The length of subsidies provided varied from 2 months to 9 months. The subsidies were provided exclusively for practical work in either private or public enterprises. For instance, 20 practitioners were sent for a period of 9 months to Job Centres (or Employment Offices) while another 20 were sent to the Department for the Disabled of Wartime and Families of Martyrs for a period of 2 months.

Source: Ministry of Labour and Social Welfare, (2015), Yearly Report of Activities.

## 2.6 MINISTRY OF TRADE AND INDUSTRY (MTI)

While this paper has not considered all the activities of MTI, it has found that it does not primarily support start-up businesses but mainly micro, small and medium SMEs (see table 2 below). We also intend to look into the SME Development Strategy for Kosovo 2012 – 2016 and the Private Sector Development Strategy 2013 – 2017 and understand more in-depth the active market measures promoted by this ministry. Once again there is little done on the impact of these measures. Nonetheless, we will seek to contact young individuals that have gained from grants and understand the procedures they had to undergo, the problems they faced, best practices they wish to share, and the general experience of being awarded a grant.

<b>Aim</b>	Support micro, small, and medium SMEs through grant-giving measures.
<b>Grantees</b>	20 micro / 16 small, medium
<b>Donators/Supporters</b>	European Union / Ministry of Trade and Industry
<b>Total Cost: 4,000,000€ (2015)</b>	

Table 2. Active Measure from the Ministry of Trade and Industry. Source: Ministry of Trade and Industry, (2015), Major Activities during 2015

## 2.7 MINISTRY OF CULTURE YOUTH AND SPORTS

The Department of Youth within the MCYS has had, according to Kosovo's Youth Action Plan, the aim of supporting start-up entrepreneurship through grant-giving activities. According to their figures approximately 15-20 businesses have been supported with a total of 240,000€ (see table 3 below). The programme has the aim of facilitating youth employment and is based on the Kosovo Youth Strategy 2013 – 2017 and the Youth Action Plan 2013 – 2015; both documents will be analysed in-depth.

<b>Aim</b>	Supporting start-up entrepreneurship through grant-giving activities. Innovative ideas are given priority.
<b>Grantees</b>	20 Businesses
<b>Donators/ Supporters</b>	Ministry of Culture Youth and Sports/ Department of Youth/ Ministry of Trade and Industry
<b>Total Cost: 240,000€ (2013-2015)</b>	

Table 3. Active Measure from the Ministry of Culture, Youth and Sports. Source: Kosovo's Youth Action Plan, 2013-2015

## 3. WHERE ARE WE NOW?

To begin with, making general statements about the likely effectiveness of particular measures on youth unemployment, or general measures on unemployment, is difficult given the variation one sees in practices (e.g. programme design, framework conditions, target groups).<sup>15</sup> Nonetheless, the underlying question here is how far have we come as a nation in terms of youth unemployment? In order to attempt to answer this question it is necessary to consider empirical evidence. This paper considers a number of factors, these include: GDP % real growth, youth unemployment rate, long-term unemployment, number of operational businesses in each sector, and registered unemployment by age and gender.

According to latest figures from Kosovo's Statistical Agency, youth unemployment (defined as individuals aged 15 – 24) for the year 2014 was 61%, a marked increase of 9.12% from the previous year (55.9% for 2013). This is a worrying statistic particularly as according to the same authority general unemployment has dropped. What's more, the impact of the above measures seem to have not been entirely effective, especially as young people are having a hard time finding employment due to the changing structure of the labour market and the associated difficulty in accessing entry-level jobs.

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<sup>15</sup> Jacqueline O'Reilly, et al. (2015), 'Five Characteristics of Youth Unemployment in Europe: Flexibility, Education, Migration, Family Legacy, and EU Policy', Sage Open, Vol. 1, No. 19.

## YOUTH UNEMPLOYMENT 15-24

YEAR	Total %
2008	73%
2009	73%
2010	-
2011	-
2012	55.3%
2013	55.9%
2014	61%

Table 4. Youth Unemployment 15-24. Source: Kosovo Statistical Agency, (2015), Statistical Yearbook of the Republic of Kosovo.

Interestingly, when one considers registered unemployment statistics from the Ministry of Labour and Social welfare, general unemployment has increased by 34.6% within a year (2014 to 2015) while for the age group 15-24 it has increased by 36.9% (see table 4 and 5 below). What's surprising is that the age group 15-24 only makes up 9.5% of all registered unemployed for the year 2015, something that highlights the lack of interest by young people in the institutionalised employment services offered by the Ministry of Labour and Social Welfare. Indeed, institutionalised employment services do not capture the scale of youth unemployment nor do they approach it adequately and legitimately to say the least. During the interview with EYE's representative, it became clear that Job Centres do not serve adequately the unemployed and do not maintain the legitimacy needed to promote employment opportunities.



2015			
Age		Female	Male
15-24	9.5%	4915	5689
25-39	48.1%	24136	29847
40-54	33.6%	15888	21797
55+	8.8%	4022	5885
		<b>Total: 112,179</b>	

Table 5. Registered Unemployment (Age and Gender) for the Year 2015. Source: Ministry of Labour and Social Welfare, (2015), Annual Yearly Report on Work and Employment, Department of Work and Employment.

2014			
Age		Female	Male
15-24	9.3%	3803	3938
25-39	49.5%	18409	22822
40-54	31.9%	11152	15409
55+	9.3%	3206	4584
		<b>Total: 83,323</b>	

Table 6. Registered Unemployment (Age and Gender) for the Year 2014. Source: Ministry of Labour and Social Welfare, (2014), Annual Yearly Report on Work and Employment, Department of Work and Employment

A possible deduction from the tables above is that direct subsidies for job creation are problematic in promoting the transition to full-time employment, especially when one considers that young individuals do not register as unemployed with the Ministry of Labour and Social Welfare. Indeed, programmes that promote temporary hiring subsidies for employers may be effective to some extent, but are overall costly and tend to have significant side effects with net employment gains less clear-cut.

Another possible explanation is that young people's transition into the labour market is occurring later, particularly because they study longer or simply do not manage to find an adequate job. Regional patterns confirm this finding and highlight that the expansion of education has run well ahead of economic development. The impact of such an occurrence has been that most graduates are unwilling to yield or retreat as they seek to live the city lifestyle and attain the career they were promised or always sought to have. Unsurprisingly, Kosovo is suffering from the same epidemic.

Apart from the macro-economic factors having an impact on youth unemployment, there are also the issues of education and overall culture and mentality. Parents do not expect their children to settle for anything less than what they graduated for. Families who have been prepared to support their graduate sons and daughters into higher education become offended if they settle for less and feel as though the investment committed to the child's education has gone to waste. Evidence suggests parents are ready to support young people until they find suitable employment, even if this takes several years.<sup>16</sup> The mismatch of education with the labour market has created an imbalance that has trickled down to a crisis with the younger generations, their mentality, their expectations, and the problem of reality. Kosovo's institutions have not adequately prepared for the demographic shift happening and may soon come to realise that the absorptive capacity of its economy – businesses, corporations, and enterprises – cannot withstand the oncoming avalanche of youngsters.

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<sup>16</sup> Royston Flude, (2000), "The journey into work – an innovative approach to tackling long-term youth unemployment", Education + Training, Vol. 42 Iss 1 pp. 6 - 16

Such an oncoming crisis is by no means a surprise. Kosovo's real GDP % growth has been weak while the number of active enterprises operating in its territory has decreased by more than 30.4% from 2008 to 2013 (see table 7 and 8 below). To make matters worse, long-term unemployment has increased by 23.4% between 2012-2014, in a sense highlighting the lack of impact wage subsidising programmes as well as direct employment programmes have had throughout the years (see table 9 below).

## NUMBER OF ENTERPRISES PER SECTOR

Economic Sectors	2008	2009	2010	2011	2012	2013
Mining and Quarrying	206	199	204	201	229	149
Production	4065	4103	4112	4264	4598	3736
Supply of Electricity, Gas, Steam and Air Conditioning	46	52	63	59	68	28
Water Supply, Sanitation, Waste and Land Revitalization	1414	1449	1874	1546	1685	144
Construction	2362	2459	2564	2702	3038	2094
Wholesale and Retail Trade, Vehicle and Motorcycle Repairs	20815	21125	19775	19791	20509	16091
Transportation and Storage	1213	1228	1135	1168	1160	1166
Accommodation and Food Service Activities	3498	3559	3364	3459	3715	3126
Information and Telecommunication	3615	3706	3731	3696	3563	626
Other Activities	3891	4209	4241	4558	3192	1897
	41124	42086	41063	41425	41757	29057
<b>The number of enterprises in total has fallen by 30.4% from 2008 to 2013.</b>						

Table 7. Number of Enterprises per Sector. Source: Kosovo Statistical Agency, (2015), Statistical Yearbook of the Republic of Kosovo.\*It should be noted that the number of active enterprises as outlined by Kosovo's Statistical Agency includes the number of enterprises that have declared "0" turnover as well as "0" employees for the years 2008, 2009, 2010, 2011, 2012.

The empirical evidence presented suggests that the impact of active market measures, whether these are institutional or donor-led, have not had the desired result. Why is this the case?

## GDP % REAL GROWTH

Year	%
2010	3.3
2011	4.4
2012	2.8
2013	3.4
2014	1.2
2015	3.2

Table 8. Kosovo's GDP Real Growth %. Source: Euromonitor International, (2016), Kosovo:

Country Profile

Most certainly, one can argue that broader issues concerning the general business environment, business creation and barriers to entry, and macro-economic policies, are some aspects that cannot be controlled and therefore the impact of such programmes can only be opaquely assessed. Indeed, it is clear from the example above of donor-led initiatives (e.g. ICK) that entrepreneurship has been nurtured and the programme structure seeks to develop young people's interest and furnish them with experiences and skills that will facilitate a path into business initiatives.

## LONG-TERM UNEMPLOYMENT

Year	%
2008	81.8%
2009	81.7%
2010	-
2011	-
2012	59.8%
2013	68.9%
2014	73.8%

Table 9. Long-term Unemployment in Kosovo. Source: Kosovo Statistical Agency, (2015), Statistical Yearbook of the Republic of Kosovo.

Successful policies to address youth unemployment have sought to specify and target hard to reach groups. Most importantly, it has been evidenced that young people get involved only if they consider the programme to be of good reputation and that relevant and legitimate community group(s) are involved.<sup>17</sup> Furthermore, the effectiveness of such policies and programmes is consistently based on understanding the range of minor but complex needs affecting labour market readiness of young people. Low quality quick fixes have only exacerbated the problem of youth unemployment.

From the programmes analysed, it is clear that grant procurement is a “top-down” procedure where young people are constructed as the objects of policy rather than shapers and decision-makers.<sup>18</sup> It is clear that there are no electronic networks that support or improve inter-organisational knowledge sharing related to youth problems and unemployment, whether that is amongst international donors or Kosovo’s institutions.

<sup>17</sup> Jacqueline O'Reilly, et al. (2015), 'Five Characteristics of Youth Unemployment in Europe: Flexibility, Education, Migration, Family Legacy, and EU Policy', Sage Open, Vol. 1, No. 19.

<sup>18</sup> The Salto-Youth Inclusion Resource Centre (2014), 'Inclusion through Employability: Youth work approaches to unemployment', European Commission, Erasmus+ Programme

Therefore, it is important to question why there is very little holistic coordination of efforts related to young people in terms of actions and services. Such a holistic approach should not concern itself with just general coordination but with specific actions towards a specific target of young people; it must be interdisciplinary and long-term.

## 4. SOCIAL INNOVATION: A POSSIBLE PATH?

An interesting highlight of our discussion with EYE's representative was the argument that social innovation, that is social enterprises functioning for the good of the community, can hardly be created in Kosovo let alone be sustainable. It became clear that the general socio-economic situation in Kosovo would disapprove of such an idea or concept due to it being too idealistic and simply not a priority. Nonetheless, it is worth considering the alternative, namely, what if such social enterprises would be afforded the capital similar to how start-up businesses are now, or general business for that sense. Put differently, including social enterprises in the mix could spur the re-organisation of how grants are awarded and be more inclusive of the community as a whole rather than individual start-up businesses concerned mainly or entirely with profit.

Kosovo's legal definition for social enterprises is recently defined, therefore there is no legal aspect for companies to define themselves a social enterprise entity yet. Social enterprises which operate in Kosovo are registered as businesses and they operate within business framework. Besides this in Kosovo there is no sustainable national strategy for social economy development. The strategy for economic development of 2011 and the framework for mid-term expenditure (2015 - 2017) aims to support sustainable economic development through capacity enhancement of human resources by providing trainings and professional education.<sup>19</sup> Whereas the rate of unemployment in Kosovo is still concerning.

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<sup>19</sup> Republic of Kosovo – Mid-term expenditures framework 2015-2017

However, latest initiatives for social development have contributed very well in this section. These donators have given contribution in strategies into the first steps of social enterprises. The aim was to establish new enterprises which will help directly in social welfare and lower the rate of unemployment. During the program these social enterprises had the chance to follow a training program, develop business strategies, and also improve their personal skills in order to lead the enterprise after the grants period is done.

“Amë”- enterprise is founded in 2012 with a purpose to ensure a training and employment program for people with intellectual disability, offering them opportunities in socialization and capacity enhancement for independent and productive life. Today “Amë” functions based in three primary lines: 1) First line is natural honey packaging 20gr for food industry, 2) Handmade gift cards 3) the coffee shop which is led by people with Down syndrome.

Raw material is gathered from private cultivators of honeybees, giving the priority to people from honeybee associations. The aim is to enhance the beekeeping in rural areas that are well known for their suitable environment such as Sharri, Peja, Deçani, Gjakova, Rahoveci and Suhareka. “Amë” has an agreement with Food and Veterinary Agency FVA and also with Institute for Public Health IPH who are responsible for the quality of the product. Now “Amë” has reached more than 180 clients in the food industry, and counts around 16 persons who are engaged in training and working directly in “Amë”. Considering this opportunity “Amë” is planning to start a new line of product which will help them to raise enough incomes throughout all fiscal year.



Another enterprise which is fully oriented into social activities is Social enterprise “Sa-punë”. “Sa-punë” is founded in 2012 under The Ideas Partnership umbrella. The aim is to enhance employment of marginalized Roma, Ashkali and Egyptian community women in Fushë Kosova and Istog. First they were trained through the program of The Ideas Partnership and now they have developed skills in sewing, decorating, and jewellery making.

“Sa-punë” has four main lines of products: 1) soap producing, 2) handmade jewelleryes, 3) candle holders and 4) Tote bags. Lately they started producing Yoga Mat Bags which are characterised by unique colours and designs. Now “Sa-punë” counts around 20 women working directly in the line of soap producing, and around 20 other women who are engaged in other lines of producing.

However on the discussion with representatives from these enterprises we came to understand that these social enterprises are facing difficulties into business orientation management. Currently these Social Enterprises are being monitored and managed from specialised persons who are directly engaged through the founding association. This concern came to highlight when the donation period was over and the social enterprises had all the operations on their own. Fewer improvements were noticed in both social enterprises when they have achieved to make agreements with larger companies, who will directly support them by giving free space to promote their products or by buying the products directly.

In conclusion, Ngo`s and grant founders together with social welfare institutions should focus in two main development areas in order to create self-sustainable enterprises. 1) Create long term programs which will mainly focus in social

innovation and 2) Develop training programs that would help people build capacities not only on working skills, but also into business oriented and market penetration knowledge.

We believe that social innovation will create new opportunities to improve community needs, and social enterprises would directly have an impact on lowering the rate of unemployment. New job opportunities will become available and people will get qualified to drive their enterprises through process of growth of these enterprises.



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