

# 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.

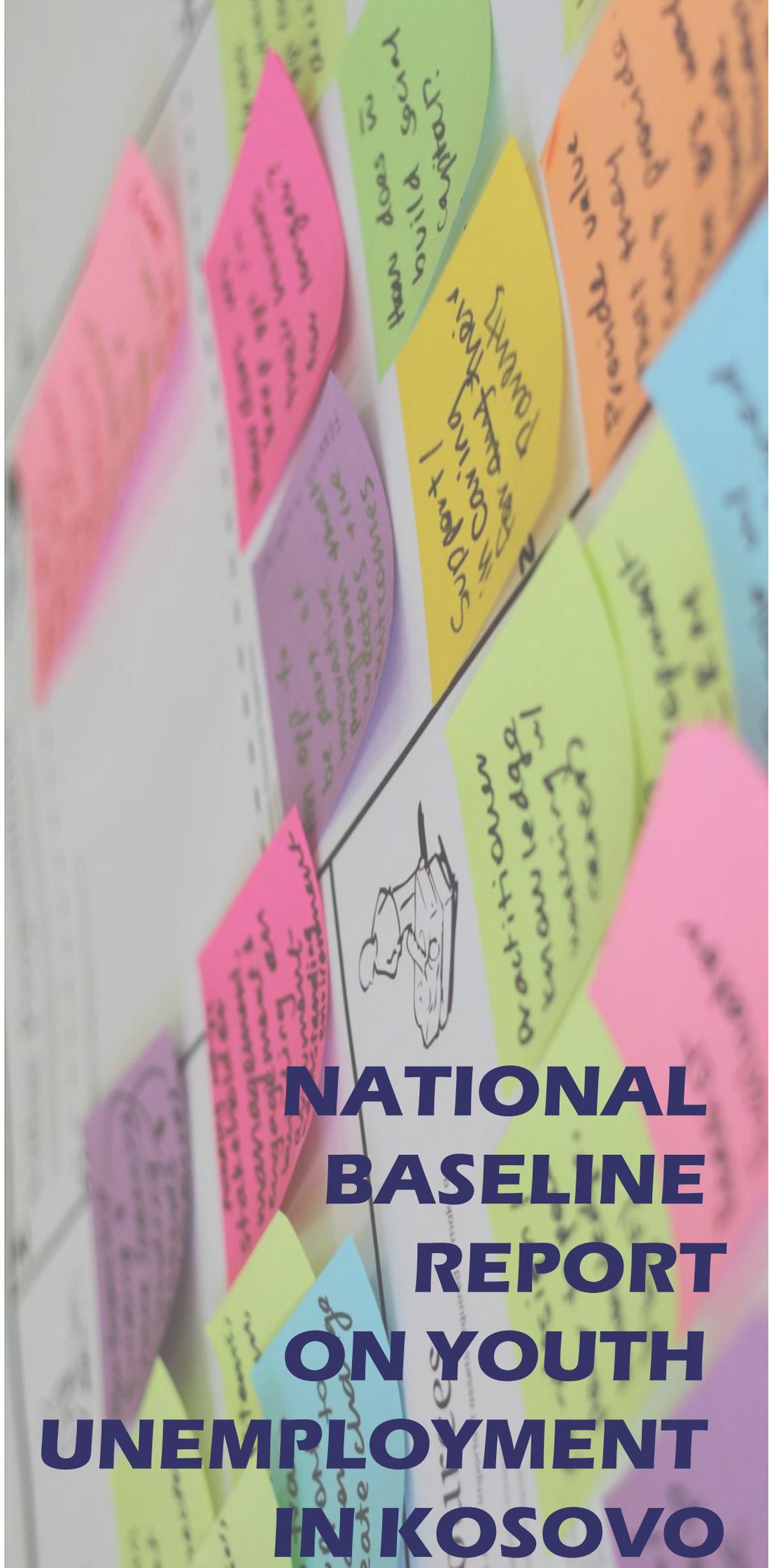
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# NATIONAL BASELINE REPORT ON YOUTH UNEMPLOYMENT IN KOSOVO



# NATIONAL BASELINE REPORT

## Kosovo

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Regional CSO platform advocating social innovation under employment policies that guarantees security for youth at risks

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# ABBREVIATIONS

KAS	Kosovo Agency of Statistics
AKB	Alliance of Kosovar Businesses
MLSW	Ministry of Labour and Social Welfare
MTI	Ministry of Trade and Industry
PES	Public employment services
VTC	Vocational Training centres
LFS	Labour Force Survey
MCYS	Ministry of Culture, Youth and Sport
CBK	Central Bank of Kosovo
CSO	Civil Society Organizations
NQA	National Qualification Authority
OJT	On Job Training
NGO	Non-Governmental Organization
UNDP	United Nations Development Program
ALMM/P	Active Labour Market Measures/Programs
LYAC	Local Youth Action Council
KIESA	Kosovo Investment and Enterprise Support Agency
JMS	Job Matching Services
EA	Employment Agency

# 1. INTRODUCTION

This research was implemented as part of the project: “Regional CSO platform advocating social innovation under social and employment policies that guarantees security for youth in 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. Project aimed to strengthen the regional cooperation, representativeness and political participation for advocating 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. Data for this research was collected across Kosovo, over the period of February through June 2015. Research focused on the national context and on identifying specific issues with youth unemployment. Furthermore the regional action will identify models of good practice in encouraging youth employment of young people, and their use potential in the countries of implementation. Finally, research should propose a set of recommendations that will serve advocacy for the implementation of the best models of social innovation that encourage youth employment. When we talk about young people, we mean the population between 15 and 30 years of age. We are aware however, that this is a very heterogeneous group, with a variety of needs, conditions and opportunities for growth and development. Therefore, we were particularly interested to examine what are the youth groups that may be at risk of exclusion from the hiring process, with lack of opportunities for development compared to their peers.

The survey in each of the partner countries took into account national specificities, maintaining its regional context. Partners mutually coordinated their activities with a certain amount of flexibility that included individual approach to every problem. The research is qualitative in nature, an approach intended to understand the causes of unemployment, rather than to focus on the otherwise available statistical data that enabled us to see the extent of this phenomenon. The initial desk research analysed available records about youth employment, including legal and strategic documents addressing this issue.

The research period was February 2015-June 2015. We conducted qualitative research on the factors that influence employability of young people in Kosovo, focusing on identifying and understanding marginalized groups. The aim was to identify groups of young people that are prone to or victims of social marginalization on the job market.

Moreover, the aim of the partnership in this action was to review the experience throughout the region and provide recommendations and suggestions to lower youth unemployment. It is assumed that in each of the partner countries, solutions



and models that encourage youth employment are applied, through institutions or independent organizations. This study should identify said actions, in order to make them visible and accessible to all.

To conclude, the first stage in the implementation of the action will result in the publication of seven independent national reports, such as this one you are reading; followed by a summary presentation of national reports in the form of the regional review of the situation containing specific representations of social innovation from the entire region of the Western Balkans and Turkey, as well as thematic reports related to the influence of volunteerism and new media, on youth employment. Europe 2020.

Nadamo se da će glas mladih i ostalih ispitanih koji su učestvovali u ovoj studiji na pravi način biti predstavljen i da će rezultati našeg istraživanja dati još jedan doprinos u pokušaju nalaženja konstruktivnih pristupa rješavanju problema nezaposlenosti mladih.

## 2. DOCUMENT ANALYSIS

The main question of the research was: What influences employability of young people in Kosovo?

The aim was to identify the groups of young people that are prone to or victims of social marginalization on the job market; understand their behaviour and their approach on employment searching, identify the market demands on youth work skill and the needs for further harmonization, as well as understand the national legal and institutional framework related to youth employment.

The research included analysis of policy documents and strategies by relevant institutions including Ministry of Youth Culture and Sports, Ministry of Labour and Social Welfare, Ministry of Trade and Industry, Ministry of Education and Min. of Finance as well as the Prime minister's office.

This was done with the purpose of understanding country's policy framework and strategic planning for youth employment

Besides the national policies and strategies on youth employment, other factors that we analysed during this research are:

Youth skills and background

Youth access and behaviour towards the job market was analysed, with emphasis on profile of unemployed youth, including their educational background, place of residence and ethnic background and the correlation with their unemployment, in order to identify groups at risk of marginalization. Findings of market researches were used also to get information on job market demands. Labour force surveys and furthermore interviews were used to understand the attitude of youth with regards to the access they have to the job market and issues they face. Similarly, small and medium enterprises were asked about their hiring practices, as well as about their needs and requirements from the youth labour force.

Services that foster youth employability in line with needs employers' and of youth.

Services that foster youth employment were also part of our research, in order to understand their coordination with the needs of employers' from the job market and youth's needs for employment. Governmental and non-governmental services of business incubation, or that facilitate the access to finance were identified and analysed with the purpose of understanding the type(s) of service they provide.

## 2.1 National strategies and policies for youth employment

According to the Governmental Programs, the Government's medium term priorities are aggregated into five pillars as follows:

- Economic Development, Employment and Social Welfare
- Rule of Law;
- Education, Science, Culture and Youth development;
- European agenda and foreign policy;
- Modern health.

Implying that employment is one of the top priorities of Kosovo's government, the main intervention area is to support small and medium enterprises, as well as to attract investments, reducing bureaucracy, subsidizing enterprises with potential for export, operationalizing previously established free trade zones, and fight against informal economy.

In addition, the establishment of an Employment and Development Fund was set a priority of the Government of Kosovo, which, similarly to other policies, aims at contributing to the overall economic growth by creating new jobs and improving access to finance with favourable conditions, targeting first young entrepreneurs and women, as well as small and medium enterprises and corporations. The establishment of this fund is yet to happen.

Several institutions tackle youth empowerment and their development to economic sustainability. Since youth development has been set as a priority and the government recognize youth as potential for economic growth, their engagement through self-employment programs is incorporated in several government institutions and programs. The following ministries deal directly with youth employment and empowerment of youth in society:

- Ministry of Labour and Social Welfare
- Ministry of Culture, Youth and Sport
- Ministry of Trade and Industry

## 2.1.1 Ministry of Labour and Social Welfare

The Ministry of Labour and Social Welfare (MLSW) is responsible for planning, designing and implementing the active labour market policies, aimed to increase the level of employment, provide vocational training and encourage self-employment with the final aim to reduce poverty in Kosovo and to increase the welfare of all citizens. However, MLSW does not have a particular target on youth employment specifically.

Laws in force:

The law for registration and records of the unemployed and jobseekers regulates the methods, procedures, conditions of registration, recording of unemployed and jobseekers at the Regional Employment Centres in the territory of Republic of Kosovo. This law, also, regulates employment intermediation, professional orientation and educational activity aiming to increase employment.

The law is composed by 19 articles, which define responsibilities of the ministry, including keeping regular record for unemployed, and their unemployment status.

Law on labour is compiled with the aim of establishing a comprehensive functional and sustainable legal basis on employment relationship. The law defines and regulates the rights and obligations deriving from an employment relationship, applicable for employees and employers in both private and public sector in Republic of Kosovo.

Articles of the Law regulate the general provisions, the establishment of employment relationship, systematization of employees in working posts; the working hours; breaks and absences from work; occupational protection and safety; salary and benefits of employees; procedures for the exercise of rights deriving from employment relationship; employees and employers organizations; punitive provisions; provisional and final provisions.

Research shows that although article 49 of the Labour Law of the Republic of Kosovo states that, "employed women have the right of 12 months of maternity leave" (23), the current compensation formula is a key factor which is significantly challenging its implementation.

This compensation system obligates the employer to pay 70% of the basic salary of the employee; as such, it is causing major problems. Consequently, employers are trying to find ways to avoid the payment of this compensation, which on the other hand is affecting women in Kosovo.

Studies have suggested that employers have discriminated against women who are pregnant or of childbearing age, such as through discrimination in hiring, the use of short-term contracts, double contracts, and illegal employment. While young women express concern of clear marginalization for this reason, employers feel that



the law discriminates against them by placing greater financial burden on them. In addition to paying 70% of the person's salary, they must pay for a temporary replacement.

### Sectorial Strategy 2014-2020

This strategy is a continuation of the 2009-2013 strategy, which addressed citizens' needs and the internal reforms required to improve the service. Similar to the previous strategy, MLSW has foreseen the compilation of a strategy for the period 2014-2020 and the action plan for 2014-2016.

Taking in consideration the Employment Strategy 2010- 2012; Vocational Training Strategy 2012 - 2014, The Strategy for Decentralization of Social Services 2013-2017; National Youth Strategy 2013-2017 as well as the Strategic Development Plan 2012-2014, the sectorial strategy is composed of these strategic objectives:

- Employment increase, skill development and well established labour market
- Increase social welfare by increasing and improving the quality of social and family service delivery, with special focus on vulnerable groups
- Development of a sustainable pension system and strengthening institutional capacity for the realization of rights to benefits and better services for pensioners and war categories
- Strengthen the role of social partners in the development of socio-economic policy of the country, improving the working conditions of workers and the reduction of informal employment.

The strategy also provides a summary of the needs assessment and situation analysis on context of politics and political mandate, macroeconomic context (growth prospect 2014-2016), institutional context and legal framework. It also includes the assessment needs and challenges that have an impact in the ministry's work, such as the high rate of unemployment and poor results of the development of human resources and multiple needs for social protection.

### New law on the National Employment Agency

Kosovo has a newly adopted law, LAW NO. 04/L-205 ON THE EMPLOYMENT AGENCY OF THE REPUBLIC OF KOSOVO, which regulates the establishment, organization, functions, duties, responsibilities and funding of the Employment Agency of the Republic of Kosovo. This law is applicable since 1 January 2015, nevertheless the agency is not yet operational and in waiting for functionalization by the Kosovo government.

Divisions of Ministry of Labour and social Welfare (MLSW), which are to be transferred to the internal organizational structure of the Agency, are: Division for Monitoring and Coordination of the employment offices; Division for Vocational Training; Employment offices; and Regional Vocational Training Centres. The agency will also be responsible for monitoring of non-public employment service providers which will be licensed by the MLSW.

Agency for Employment will be organized as an independent body within the MLSW, with the status of legal person under the Law on State Administration. Organi-

zational structure and internal systematization will be defined by the regulation, which should be proposed by the Ministry and approved by the Government.

The creation of this agency is expected to contribute to the provision of quality employment services and enhancement of employment services in a national level. The agency is planned to foster collaboration with other relevant stakeholders at national and local level.

The law on the EA will permit the employment agency to generate revenues through activities in the VTC as well as through selling of products manufactured at the VTCs. Revenues generated through these activities will be used for the purchase of training materials and the purchase of services from other providers. This opportunity should provide grounds for financial sustainability of VTCs.

Nevertheless, the agency has not been functionalized so far and the law itself does not present any major changes in the organization of labour and employment services. How the agency is organized will depend on the regulation drafted by the ministry and approved by the government, and will determine the effect of this law on public employment services.

## 2.1.2 Ministry of Culture, Youth and Sport

The Ministry of Culture, Youth and Sport develops programs to identify and addresses the needs of youngsters, Within MCYS, there are four departments: Department of Culture, Youth, Sports and Heritage.

The department of Youth serves to all youth, including youth out of schools, illiterate youth, unemployed youth, repatriated refugee youth, deviants, and youth with poor access to sanitary and health facilities, and youth from minorities.

The ministry is responsible for coordination with other administrative departments, municipalities, international and governmental agencies and with NGOs aiming to advance and develop coherent and efficient implementation of youth policies and resources concerning youth. It is also responsible for programs of regional and international exchange, healthcare and education, justice for the underage as well as advancing human and youth rights.

MYCS provides financial and other means of support for the youth sector in Kosovo, it also provides them information about available services and programs for their assistance.

Relevant laws:

Law on empowerment of youth and youth participation aims to promote and reaf-



firm continued participation of youth in the decision making process, without any difference and exclusion, in the development of a democratic society, in order to improve the quality of life of youth and their social status.

The scope of this law includes the basic responsibilities for strengthening youth sector in Kosovo and for supporting the participation of youth in decision-making. The law also regulates responsibilities of the institutions of central and local government to young people and youth organizations in relevant areas, voluntary work and informal education of young people as well as instruction for the licensing of youth centres.

The articles of the law define the responsibilities of the youth, central government bodies and municipal bodies, it set path for the Central Youth Action Council, local youth councils. It includes: Administrative Directives on Youth Centre Licensing, A.D. on volunteer work, A.D. on informal education of youth; Participation of young people in sectional policies, the voluntary work of youth, informal education, normative acts of youth organizations, evidence, cooperation, transitional provisions and the entry into force.

Strategy: Kosovo Strategy for Youth 2013-2017 and Action plan 2013-2015 -It aims the improvement of the situation of the youth in the society, including all relevant governmental and non-governmental institutions, organizations and service providers for research and fulfilment of the needs of youth and finding mechanisms for its participation in decision-making processes, in Kosovo.

The Strategy and Action Plan are based on some principles, which include the principle of legitimacy, participation, equal treatment, common attitude/share of experiences and responsibilities, the right of information and compilation of strategy based on evidence. KSYAP (Kosovo Strategy for Youth and Action Plan) supports the different inter-institutional and inter-sector policies (common activities for youth support, which constitutes the vital part of life in Kosovo and majority of state population) dedicated to youth development, for youth advancement in Kosovo.

The youth strategy includes the law of youth participation, the non-formal education, employment and entrepreneurship, education and health promotion, human security, social integration/voluntarism/sports/culture and recreation and their strategic objectives.

#### LYAC – Local Youth Action Council

In 2009, the Assembly of Kosovo recognized youth activism as a cornerstone for the development of youth by passing the Law on Youth. This founding document was adopted with the goal of improving the quality of life of youth and their social status and promoting participation of youth in the decision making process.

The law on youth gives the legal basis for establishment of Local Youth Action Councils that allow the participation of youth in local and central levels and defines the relationship between LYAC's and municipal authorities. This Law defines the municipality's obligation in regards to LYAC. LYAC are recognized by MCYS and are expected to be collaborators in matters of shaping youth related policies. The Ministry also issued an Administrative Order in 2010, through which LYAC is given

a central role in creating a common vision for youth in different municipalities by preparing action plans and cooperating with other youth organizations (Article 10.1, AI 9/2010 For Responsibilities and Procedures of the Establishment and Functioning of Youth Action Councils in Kosovo).

LYAC operate under the rights granted by the legal framework for youth participation and have some responsibilities and obligations to youth and municipal authorities. LYAC's should continuously represent the youth perspective through meetings with relevant municipal officials and participate in municipal meetings. This way, they regularly contribute toward the work on the municipalities. In addition, this is not limited to youth only as it refers to all policy issues from the perspective of the youth.

LYAC's participate in public meetings, public budget hearings, consultative committees, Municipal Community Safety Council (MCSC) meetings, policy and finance committees and Municipal Assembly. LYAC can cooperate with the Assembly through CYAC (Central Youth Action Council), which is responsible for representation of the voice of youth organizations in front of the government. They highlight issues related to youth across Kosovo to central level institutions.

## 2.1.3 Ministry of Trade and Industry

Ministry of Trade and Industry has focused their policies in the creation and stimulating conditions for promoting the private sector development, particularly for developing small and medium enterprises. In these policies and strategies, the tendency for the development of manufacturing sector is dominant, in order encourage the country's internal production.

KIESA, Kosovo Investment and Enterprise Support Agency is among the agencies that operate under the MTI. KIESA is responsible for protection and promotion of investments, supporting the implementation of public policies and programs for micro, small and medium enterprises and developing of policies related to the establishment and development of economic zones.

KIESA gives insights in the investment opportunities, among which on Information and Communication Technology, agribusiness (food processing and packaging), mining and energy in Kosovo, textile and leather, wood processing, tourism etc. The agency supports young entrepreneurs through several activities: start-up grants, entrepreneurship promotion, business internships, etc.



## 2.1.4 Prime Minister's Office

Prime Minister's Office plays a major role in strategic planning, initiating laws and policies as well as on ensuring their implementation.

Relevant legislation:

Action Plan on the Implementation of the Strategy for the Integration of Roma, Ashkali and Egyptian Communities, 2009-2015. – Drafted by the office of the Prime Minister of Kosovo, through a process which involved all line ministries, executive agencies, non-governmental organizations and in particular organizations representing the Roma, Ashkali and Egyptian communities. Local and international organizations, working in the areas of social services and employment orientation and facilitation and protection of human rights, were also involved

Roma, Ashkali and Egyptians in Kosovo still face discrimination and are the groups with the highest unemployment rate and highest poverty rate. Companies or institutions which were set up or reorganized in the last years such as Kosovo Police Service (KPS), Kosovo Electric Company (KEK), Post and Telecommunication Kosovo (PTK), Kosovo Railroad, Kosovo Transport, Pristina Airport employ nearly 20.000 persons; however only ca. 0.5% of the employees are Roma, Ashkali and Egyptians.

In addition to unemployment, individuals from these communities also struggle with the lowest education level and poor living conditions, a considerable part of them lack registration and documents. Roma, Ashkali and Egyptian women also face discrimination based on both gender and ethnicity.

## 3. FIELD RESEARCH

### Field information on youth access to the job market

The high unemployment rate amongst young people is recognized to be partially the result of the limited absorption capacity of the country's labour market, but also results of low employability of young people that enters a market from formal education system.

**Job availability** - In the focus groups with young unemployed, it was said that the economic situation and the country's slow economic growth do not offer many job opportunities; therefore currently in Kosovo in any profession it is difficult to find a job. Unemployed youth, unanimously stated that they feel, in any new job opening, the employer's first choice is to employ a family member rather than individuals qualified for said positions. In the public sector or a private sector the first choice for decision makers is to employ a family member or relative, and this because jobs are rare in Kosovo and everyone was someone close seeking for a job? The Private sector representatives on the other hand knowledge the fact than most of the employment are made in the family cycle or by recommendations but according to them the reasons for employing family member is not necessarily the obligation toward family but rather a better choice of finding trusted employees with needed qualifications and skilled.

Despite the large unemployment rate in the Kosovo, the representatives of private businesses during interviews and focus groups stated that finding employees remains difficult and costly. "Low skilled workers are easy to employ because it's easier to hire them but also easy to replace in case they do not fit or perform well. But when it comes to positions that require particular skills or high qualifications, then it is more difficult to find suitable employees" A.M. Respondents complain that they need to bear additional costs as for any highly qualified position, companies must plan for the probation period and on-job trainings before being able to engage new employees at work. SMEs also raised concerns about the overall lack of qualifications among youth entering the labour market; which represents a significant barrier for them. Business representatives reported that new vacancies are often unable to be filled by youth due to lack of skill or preparation. As a consequence, it was shown that the high unemployment rate amongst young people is partly the result of the limited absorption capacity of the labour market but also largely impacted by the low employability of young people entering the labour market after having formal education.

**Hiring practices and requirements** - Youngsters who have completed their educa-

tion and want to enter the labour market, face their first obstacle when they have to meet required qualification for job positions. Usually, the private sector hiring practices require superior qualifications and long years of experience besides professional diplomas. These criteria are seen as impossible to meet by young people, and prevent them the possibility to create work experience. According to focus group discussions with young unemployed, all companies want to hire highly experienced and qualified employees, regardless whether or not they may be needed to perform for certain positions. "Even when I apply for the position of the cashier at the supermarket, I am required to speak English, know more than one computer program and so on. It does not make much sense, I am communicative and hard working person, I know my way around a computer and could perform well, even if I can't make nice power point presentations and can't speak foreign languages. Besides, I need a chance to prove myself, to gain experience and to start earning." X.X.

These hiring practices by employers which exclude less or inexperienced youth and seek mainly experienced employees implies also having to pay higher salaries, something that private sector is not ready to provide. This situation also contributes to longer times needed to fill up a job position and discouraging of candidates.

For young unemployed people gaining experience is a major issue, young people often find themselves in a paradoxical situation where they are not hired because they lack work experience and they lack job experience because they are not hired. Employers are not ready to hire young people because they view youth as inexperienced and because the general high employment rate allows them to hire experienced and well-qualified employee with ease. One respondent in the focus group with young unemployed said " I am willing to work for free in order to gain experience, I am constantly looking for possibilities for internships and similar opportunities" but the fact remain that there are very limited internship opportunities provided. The public sector provides more practical work and internship opportunities the number of candidates that they can manage is quite limited.

The private sector representatives expressed their concern about difficulties in finding qualified persons due to the fact that the educational system does not provide field experience to prepare youth for work. "Academic background or experience written on CV does not tell much as both are not trusted to ensure quality of work."

One of the respondents from the business community told us how they have been using a different approach, as they've noticed that oftentimes it was more convenient for them to recruit an inexperienced person for a high skilled vacancy than an academically qualified one, as the latter is unprepared for work. "Schools don't teach them how to apply theory in practice, I think that the educational system must be blamed" the representative of private business also said "These students often enter the job market without experience, and sometimes with wrong perceptions, and wrong attitude for work"

According to responses from private sector representatives, the following are the major reasons why it is difficult for the private sector to find employees:

1. Mismatch between the skills obtained in the educational system and the skills required in the job market.
2. Lack of practical experience.
3. Lack of personal motivation for work.

Participants of the focus groups from the private sector stated that in Kosovo “quantity wins over quality”, especially when it comes to labour force. According to their responses, the young labour workers are inexperienced, and their attitude and lack of work ethic is keeping them away from the job market, to quote one of the respondents “It’s like they’ve seen a pool on TV and now they pretend to know how to swim”

When private sector representatives in the focus group were asked to identify the types of skills and attributes that employers are looking for in the candidate, the participants identified the following:

- Interpersonal skills.
- Prior work experience with good references from previous employer.
- Flexibility to adapt to organization culture.
- Reliability of employees.
- Technical competences are expected to be developed and learned also on the job; therefore, it is often not considered as key skill for employment, it is more important that the person shows a good personality and fits for the position. One of the participant in the focus groups with business sector mentioned that “businesses do not seek the most qualified employee but rather the employee that best fits for the organization”

Responses from private sector where different based on the industry, private companies which offer positions that require higher qualifications i.e. information and communication technology (ICT), stated that they often consider youngsters as their first choice of hiring, despite their lack of experience, since they show more interest in these positions, and can adapt easier to the company culture. The fact that youth do not have the needed qualification, for some of companies that can be considered more established is not a barrier in hiring them, as they are used to the concept of investing in the professional development of their staff. One of the points in which all representatives of private sector in our focus group agreed upon is that youth is the best workforce resource for businesses since they are motivated and ready to learn, making it easier to adapt to the work culture and they learn easily.

#### Internship and Work Experience:

The respondent from young unemployed focus groups not only mentioned that there is little internship opportunity but according to them the internship concept is being misused by the private sector, and internship practices are actually not provide an opportunity to gain experience but are just a mean of providing free



labour for companies. As discussed in the focus young, youth believe than many companies are providing young people internship positions but actually treat them as full time workers and do not provide an environment where youngsters can attain skills and profit from their working experience. Majority of participants stated that they would consider internship positions as a means to enhance their employability. They also agreed that interns should be given tasks and responsibilities but also granted the opportunity to gain experience, to prevent misuse of interns and internships.

For the private sector, the internship is offered more as an integrated part of recruitment, and usually after finishing the internship, companies hire the best intern for full time job. In the focus groups discussions, the representatives of private sector explained than private sector do not engage regularly in the internship programs as there is also cost for internship offering and sometime intern are not disciplined and can cause inconvenience for regular business operations, one respondent said what "There is a low mentality in our society, intern want to know what business in earning, are judging our business conduct, and we don't want that in our working environment". The representatives of business sector however mentions cased then internship was given as part of donor project and interns were paid by donor project, which according to them is support for business and support for young people seeking employment, and these project supported internship should be provided more in the future.

The representative of LYCA, in the focus groups mentions another ways than young can get practical experience, through a voluntary work, LYAC provide a possibility for youth to engage in volunteer work and gain experience, but the importance of volunteering as mean of gaining work experience is not recognized widely by unemployed youngsters, but also by the private sector. According to LYAC representatives if the public and private sector cannot provide internship and practice work experience for youths, young people as alternative can gain experience from the volunteer work.

#### Hiring practices

The unemployed youngsters mentioned in focus group discussions that, the hiring practices in the public and private sector are such that don't offer a competitive environment in which young people could compete according to their qualification and skills but the employment is based on corruption or family relationship preferences. In the private sector, a common practice, as reported by the participants in the focus groups with young unemployed, is that the employers usually fill their vacant position by hiring their family members or hiring people they already know. To secure a job at private sector sometimes qualifications and working experienced are not important, most of the participants felt like their application or CV most likely will not be even looked upon. According to unemployed

people in focus group discussions, job vacancies sometime are only for promotional matters and private owners hire people based on their interest and without trying to find the most qualified person. Hiring Practices in the public sector according to response from young unemployed representatives are even worse, all the participants of focus groups said that being hired at public sector is impossible unless you have political ties, which could work in your favor. It was also stated that there are also only few job vacancies in the government sector therefore youths find only some employment opportunities in the private sector.

#### Self-employment:

In the focus group discussion with young unemployed, the participants said that they were aware than finding a job in the Kosovo is difficult therefore an option of opening a business is more realistic and should be considered by all unemployed youths. However, the participants assess than operating a business in Kosovo is very challenging. Factors considered being a barrier for opening a business as a self-employment measure are:

- The corrupted conduct of tax administration, the pressure they put on small and weak businesses.
- Uncertainty that it will secure a stable job for them.
- Unfair competition by bigger companies.
- Low buying power of consumers.
- Administrative difficulties for operating a business, opening a business are easy, but reporting to tax administration is complicated and problematic.
- Closing a business in administrative records is very difficult; government will intentionally leave your business active for unknown reasons. To quote a respondent: " people who owned a business once, will never open a business again"

From the focus group discussion it was concluded that opening a business is more likely to occur after some years of job experience in the market as an employee. "I should get a job first and get experience when I can open a business on my own" was said by one of the respondents. In the interviews with the unemployed, there was a general opinion than young people should first try to get a job and gain experience before opening a job, and opening a business is seen as a non-favouring option mainly because opening a business is seen as difficult task.

Representatives of VTC also think that young people should focus more on entrepreneurship and self-employment, the VTC offers training modules were valuable from which new small business could be opened, and according to representatives of VTC youth entrepreneurial spirit should be encouraged, so that individuals can identify business opportunities and be able to generate employment by themselves.

#### Poor Labour Market Information:

Many young people in their early choice of career lack the information about work opportunities, leading to poor choices about their careers and education. Al-



though there are many reports on labour market in Kosovo, for example Labour Market demand survey AKB, these reports fail to serve as career guidance for youngsters then they decide about their future career (Focus Group with youth Organisations). According to the representatives of VTC, People with a university degree are also prone to marginalization in the job market, while the market fails to provide jobs for their set of skills and qualifications and as long as they neglect jobs with lower skill and qualification requirements. Individuals who have a degree from the university continue their "diploma hunt" in pursuing master level studies for more academic qualification, although inexperienced with work and the job market.

Another problem mentioned by businesses in relation to youth employment, is their unwillingness to work in professions that are not attractive to them, such as industries which require unqualified workforce in cleaning, construction, babysitter etc. Youth tend to stay away from these professions and search for jobs, which are considered higher end, such as office jobs and managerial positions. The previous unskilled jobs are considered by youth if and only after they fail to be employed in their desired positions and reach an older age (more than 30). "Everyone wants to be a manager" and "everyone wants to work in front of computer" was said in the focus group with business sector. For the business sector, massive orientation toward universities and the diploma "hunt", is a wrong choice for young people, because there are more jobs in the low or middle skills area, and market demands more skill based qualification than university diplomas and formal education.

## ACTIVE YOUTH AND SOCIAL PARTICIPATION:

LYAC- Local youth action centres are youth structures operating under the Law on Empowerment and Participation of Youth, also engaged in youth activities for employment of youth, there are plenty examples of successful career paths what started at youth centres and now have progressed successfully in careers, this according to discussions from a focus groups with the representative of LYCA Centres. Youth Centres also serve as meeting point for other organizations and provide assistance for youth, thus becoming a great potential resource centre where youth could get informed on job market and work opportunities. LYAC also provide job vacancy information by posting job vacancies at LYCA centres or trying to facilitate job matching directly with business community.

As direct employment support for youths, LYAC provide training, which is usually computer training, CV preparation or soft skills training. In addition to the training provided, the other activities organized at centres are very important for employment, the following are some important activities organized at centres what help employment:

- Networking
- Information sharing for other donor projects
- Organizing study visits in Kosovo or abroad
- Training
- Practical experience ( volunteer work)

Among the most difficult challenges LYAC face is their sustainability and lack of active participation of their constituents, causing them to lose their capacities due to constant movement and change of their members. According to representatives of youth, this is mainly due to lack of incentives for active participation of youth, as well as due to lack of financial stability of organizations.

#### LOW INCOME - Families

According to young unemployed, to be qualified and gain experience needed for a labour market, one must have a financial resources to support this career path, "one cannot work for free for months just to get working experience because it cannot afford to do so", considering the poverty in Kosovo and low salaries for low skill positions, " If young people engage in low paid work, then they will not be able to progress in career and professional development as they will not be able to attend training or other professional development practices" it was said in the focus groups discussion with young unemployed.

According to responses from interviews with representatives of VTC, the low-income families are mostly marginalized as they lack the opportunity to seek education and training necessary for the job market. The distance to reach VTC represents an obstacle for low income members, as traveling costs to attend vocational training are not affordable to them. For a limited period, mobile training centres have been providing trainings as solution for this category; their lifespan was shortened due to lack of donors or governmental support. Limited availability of financial resources also keeps individuals from self-employment or other business initiatives.

According to representatives of Public employment services ( PES) Unemployed people from families living in extreme poverty, which are benefiting from the social assistance scheme, and which are represented as unskilled, have barriers to engage in any social activity and often remain socially excluded. This category can also not afford any cost in the attending training programs at vocational training centres. Being solely dependent on social assistance, this category hesitates to engage in the labour market, fearing temporary and unstable employment, which would put them at risk of not receiving these benefits from the social assistance scheme.

### RURAL AREAS: Distance to Work

The private sector representatives said in interviews that in addition to the qualifications of employees, the private sector is also interested in ensuring a cheap paid workforce, and according to interviews with private sector representatives, this sometimes means concentrating employment in business sites nearby. One respondent from the business private sector mentioned that his company employed a dozen of employees from the same village and transported them to the farm, and business wise it turned out to be cheaper than employing from the local area near the factory. But as discussed in the interview this is only due to the need for mass employment otherwise it would be better to employ people who live in near communities. Concentration of businesses in the cities and town centres leads to concentration of jobs in urban areas. And as one interviewed person from a business sector mentioned, workers in private and service sector need to work longer hours and stay late, causing difficulties to travel if employees live in more distant locations.

Representatives of Public Employments services mentioned in the interview the distance to work affects rural area and their employability in the labour market. As per PES representatives, the low paying salaries of the private sector make working unaffordable for people living in distant rural areas, who require transportation costs to reach town centres where jobs are most likely available. In addition to the costs, they face also the difficulty of available means of transportation for several jobs such as retail businesses which work late hours. Moreover, people living in distant rural areas are often deprived from attending vocational training provided by VTC.

### Marginalized groups

- Single moms and other women, women are often marginalized due to cultural norms related to gender roles within family and society, e.g. the expectation that women should take care of housework, children and the elderly, or the perception that certain types of jobs are not suitable for women. The interviews with PES, respondents said what women are less

The representatives of business sector, however, reported what the maternity leave law in very hard to implement and was designed more for public service employment, and doesn't not take into consideration the conditions that private businesses operate and the difficulties in implementing this law, the representatives of the business sector in the focus groups said " I had a female employer which for three years gave birth to three children, and for period of three years, most of the time she was in maternity on sick leave, and after this period she quit the job, and this is the investment that my business cannot handle". Article 49 of the labour law of the Republic of Kosovo states that, "employed women have the right of 12 months of maternity leave".

However, this article on the contrary had a discriminatory effect on the employment of women. Employers feel that the law places a financial burden on them as it is usual to use short-term contracts, double contracts, and illegal employment.

- Roma, Ashkali and Egyptian (RAE) community, these three communities have high level of illiteracy, and are not actively using services of PES, there are needs for intervention at their respective communities to work in basic skills, and literacy improvement. The business sector representatives, don't see ethnicity as a problem from their point of view, businesses are interested in qualified and low labour work force, their interest is primary in their business results and don't share preferences based on ethnicity. In contrary, minority ethnic groups are found to be more favoured for employment as they represent a source of low paid work force and sometimes are more motivated for work. These categories have a lower educational level and a higher unemployment rate in country, these groups can be hired for lower salary compared to other groups.

But the business representatives also mentions fact that general public perception toward ethnic groups influences their decision regarding hiring of ethnic communities, one respondent in the focus groups said "the fact is that people are racist at some point, and if these people are our customers then they force us to employ people of their choice", for example Turkish customers require that our workers are Turkish or at least speak Turkish, and we must comply with their requirements. Another participant in the focus group said that Albanians usually don't want to work with RAE community, this is a problem and they don't want to work with them, our mentality doesn't accept this, working with minority group is perceived like under appreciating their role in the company. However, this applies to low level salaries as mentions in the focus group "if there is a high salary I think Albanians can work with everyone" They close their eye, for high salary"

- People with disabilities - companies are failing to create a feasible and accessible environment where people with physical disabilities could work. PES offices cooperate with organizations which work with these categories like "Handikos" and in case the job vacancy is available for these category then usually PES cooperate with local organization to find candidates. From the business sector point of view, the employment of people with disabilities is still in the voluntary basis and seen as humanitarian task, when people with disabilities are employee (usually, one employee per company) they don't expect work results but keep the employee as part of their social responsibility. In the focus group with Business sector representatives one participants stated that "mostly our employees work overtime, and to change the schedule just for them is hard" recognizing difficulties in employing people with disabilities and their accessibility to working place. In regards to obligations what companies have for employing people with disabilities, business sector representatives in the focus group said what they must take care for the business first, and if government want to foster employment of people with disabilities then they must provide incentive for such employment.



The business sector also identified that there is a negative public opinion regarding hiring of people with disabilities, other employees can reject the idea to work together with people with disabilities. “I suppose, here we need to break the taboo. The entrepreneurship need to say that we are who decide with whom employee will be collegiums. We hired one person with Down syndrome to prepare and serve us coffees. It’s normal that others employees were skeptics about, it and first they rejected the idea, but, his presence in the organization brought more positive results”, said one of the participants from the focus groups with the private sector.

## SECTION 2

# SERVICES THAT FOSTER YOUTH EMPLOYABILITY IN LINE WITH THE NEEDS OF EMPLOYERS AND YOUTHS

Until the end of 2014 there were 274.487 persons registered as jobseekers within the Kosovo public employment services (PES). PES operates under the direct supervision of Ministry of Labour, but with the establishment of national employment agency these structures will be under the agencies' competences. In Kosovo there are 7 Regional (Public) Employment Centres, 23 Municipal Employment Offices, and 8 Vocational Training Centres aiming to provide several services for jobseekers, including the registration of jobseekers, job search assistance, counselling, vocational training and the implementation of various active labour market programmers (ALMPs).

Cumulating of vacancies during 2013 in the Kosovo public employment services (PES) was 6980. Referring to the number of persons who registered as unemployed, the number of acquired vacancies results in a vacancy-registration-rate (VRR) of 2.6% in 2013, while it was about 3.5% in 2011. Within a 12-month period, there was one vacancy available for about 38 unemployed (27 in 2012). In 2014, a total of 4667 job placements were made by PES which represents a placement rate of 5.6%.

In total 3419 unemployed entered in training during 2014, distributed in 30 profiles of Vocational Training Centres. Compared to 2013 the number of participants in Vocational Training is increased by 2.1 %, if we look at the total number of registered job seekers and the vocational training provided, the activation rate (AR) is about 1.26%.

Employment through Public employment services (PES)

According to representatives of POS and private sector, Employment offices are still not considered as the primary address of job searching for the people of Kosovo. The majority of unemployed people register at Public employment offices (PEO) come to PEO only after an unsuccessful individual effort to find a job in the labour market. Since, majority of registered unemployed are low skilled and long term unemployed, lead to a general perception that PEOs are a source of unqualified candidates, which then makes these offices not preferable by the private companies who are searching for experienced and qualified employees.

The current main use of public employment offices remains recording unemployment status as a precondition for attending vocational training, and benefiting from social aids. We could conclude from the focus groups with unemployed youth who are following vocational training, that almost every one of them has registered in employment offices because it was a precondition to attend training at vocational centres. Other groups registered as unemployed are driven by the motive of benefiting from social assistance scheme. The number of families receiving social assistance in 2014 was 29,538 from which 12,095 are belong to the 2nd category. On this category falls any family with a member capable to work (which must be registered as unemployed at the Employment Office) and with at least one child under five years old or that are in the care of an orphan under the age of fifteen. In order to benefit from social assistance scheme the practice is to register all adult family members of a household as unemployed!

According to interviews conducted with POS, the following are considered to be the reason why these offices are unable to operate as efficient job matching institution:

- Large number of registered unemployed people in comparison to job vacancies and job matching possibilities contributing to a general belief that these offices do not provide possibilities for employment.
- The structure of registered unemployed, mostly are low skilled and unqualified, also creating a reputation of ineffectiveness for these offices in terms of finding qualified employees.
- Unstable and temporary employment through PES; cases of unfair contract termination, not paying regular salaries, not protecting employees at worksite, and so on have also contributed to the belief that employment offices do not represent good employment opportunities rather, provide with quick and short term workforce for low quality companies.
- Formal registration of unemployed for social benefits and other social assistance schemes. Since the considerable number of registered unemployed has a primary focus of benefiting from social assistance scheme, they are not focused on finding a job and would rather refuse a job offer if not convinced that the job is sustainable and provides equal if not more stability than their social assistance.
- Limited services provided by the employment offices. The employment offices offer services for unemployed and employers, these services include, registration and record keeping of unemployed, career orientation, mediation in employment, implementing active labour market measures, training proposals etc. Their duties and responsibilities are within written job responsibilities, and these offices are strictly limited by these duties and cannot respond to other employment services that might be needed.
- Low quality of services provided by employment offices; there are 182 officials serving 83,323 registered unemployed with an average ratio of 456:1 limiting and leading to poor and ineffective services.

- Unawareness of private and public sector institutions for services provided by public employment office
- Unavailability of job vacancy information; employment offices become aware of vacancies from companies that contact them or vice versa, through market research of PES Offices.
- PES Offices are also limited on channels of communication with the unemployed, currently using exclusively message boards to publish job announcements
- Uninformed Private and Public employers; employers are not informed about the services provided by PES, remaining unaware of the benefits of using PES services, such as lowering hiring cost, receiving employment advised by PES career advisors, etc.
- Lack of cooperation with public sector; the public sector could engage in promoting PES to third parties such as government contractors, as well as increase cooperation with PES when hiring for public positions. The employment offices representatives in the interviews have mentions examples on how local government institutions have referred third party contractors to employ their labour through POS for public work, and this has increased the employment thought POS, however these cases are individual based and there is no procedure or practice that government institution must follow on promoting employment through POS then dealing with third party contractors of other partners. The representatives from POS also suggested that public sector can prioritize candidates than are priority registered at employment offices then hiring for public positions.

Accordingly to business representatives at focus Groups, employment offices are not favoured by private sector as primary source of hiring as these offices are only providing list of job seekers as reference and these lists are bulk and not sorted to represent any prior evaluation of candidates. Businesses what requested assistance from employment offices had to do their own recruiting procedures like job interviews, representatives of private sector believe than people registered at employment offices are those with low skills and long term unemployed therefore considered as low quality candidates.

Larger private companies believe than they can engage more successfully in recruitment without any help and assistance from employment offices. As per low skill employees companies look to employ people who live in the vicinity of the business location, for example a apple farm employees villagers from near village, or supermarket employees people from local area. One reason why companies are hiring based on location is because low skills are low paid jobs and employees cannot afford transport if they don't live nearby.

#### Provision of vocational training

Most of vocational trainings for skill enhancement is provided from Vocational Training Centres, currently there are 8 training centres in the main cities of Republic of Kosovo, operating under the MLSW. Their main tasks are to identify training needs amongst unemployed people and provide modular training for skill enhancement. In order to be eligible for the training programs offered by these



centres, individuals are required to be registered as unemployed at the Employment Offices. These VET centres are providing free vocational training courses for around 30 occupational profiles. The level of attendance during the years is considered low considering the level of unemployment and the high rates of people that are searching for jobs.

#### Interviews with VTC:

As there are only 8 vocational training centres in Kosovo, they provide different training services in different regions, based on a previous and somewhat out-dated assessment of needs by the MLSW. Thus it is common for candidates to have to travel to attend their training, for some areas the traveling distance to VTC takes up to 50 minutes. Previously and for a short period of time an attempt to operate with open mobile training centre was implemented, Prishtina VTC opened mobile centres in Gračanica and Podujeva as part of donor project. Although successful, at the end of support from the donors these mobile training centres were closed.

VTC issues two kinds of certifications after the completion of the training, a certification which is accredited by the NQA and a non-accredited training certification. Centres also provide certification for recognition of prior learned skills.

The VTC work in close cooperation with Employment offices most recently through an electronic information system connect the two offices and automatically exchange data between two parties. The list of candidates registered for a vocational training is generated by employment offices and candidates upon availability of trainings are called by VTC centres, after completion of training data is recorded and transferred electronically to employment offices.

Based on the opinions of the interviews, the cooperation between private sector as job provider and VTC needs improvement, there is also need for more cooperation to be established for effectiveness of VTC in preparing candidates for employment, to gain the trust of private sector and thus increase the use of these services. The cooperation with private sector and VTC needs to start from early stage when candidates are selected to attend vocational training, in order to respond accordingly to the requests of the employers for skilled workforce.

At the industry level, cooperation with business association is not in a good level, mainly because of uneasiness of the association to establish a long term partnership; usually they come with ad-hock requests for trained employees, not willing to be involved in joining efforts for workforce development. Workforce development requires long term preparation and businesses need to plan prior on how to secure qualified employees, there are only few examples of private businesses which express their needs to VTC in advance and request a list of potential employee with appropriate qualifications. According to VTC representatives there is strong unwillingness of Private sector to work together in cooperate with VTC. As a factor contributing to lack of coordination between VTC and private sectors, was the tendency of the private sector to always hire lowest paid employees.

The private sector companies which are operating on government contracts for example are not committed to long term development and are not ready in invest in their staff development. The representatives of TVC believe that to some point

is the private sector fault for not increasing cooperation between VTC and private sector.

The focus Groups with business representatives, it is agreed that the cooperation in the industry sector is weak, and as per focus groups representatives When it comes to the private sectors business association and business chamber of commerce, the interest of private companies is poorly represented and there is no strong lobby force by the private sector, with the exception of representatives of the ICT industry.

According to discussion in the focus groups with business representatives, the cooperation between private sector and government is very important for increasing employment but governmental programs and their promised support remains unimplemented. They remain hopeful for the future while criticizing the current lack of support and cooperation between the business sector and governmental institutions. The participants talked about a project between the private sector and ministry for the establishment of centres for professional development which would help overcome the mismatch of skills and requirements by the job market. However, as described by the participants, these projects remain only written on paper.

#### Employment Thought Business start-up and Business support

There are several initiatives and donor projects aiming to support and encourage entrepreneurship and self-employment initiatives, these programs are very important taking into the account the current economic situation and high unemployment rate. With current high-unemployed rate, self-employment stands a better chance before finding a vacant job on today's labour market.

The main business support initiatives in Kosovo, offering technical and financial support for start-ups and entrepreneurs are: Young Entrepreneurs Program (YEP), KOSVET 6, Development of Vocational and in-company Training Schemes and Development of Entrepreneurship skills, Centre for Entrepreneurship and Executive Development CEED, SPARK, EBRD. These Business support services were donor driven, although, recently new local structures emerged, in both funding and management. The new structures include the MTI's incubation initiative, the Innovation Centre in Gjakova, the ICK business incubator for ICT Start-ups, the business angle ventures represented by Encouraging Young Entrepreneurs (EYE), MDA Foundation and Business Start Up centre Kosovo (BSCK). During a period 2009-2013 according to a report from MTI, at least 4.000 companies and entrepreneurs have emerged from Start-up support activities (Start-up Businesses and Business Support Services for Start-ups in Kosovo, 2013, MTI)

The business Support services provided by these organization focus mainly on providing: training on entrepreneurship and business plan writing, mentoring and coaching, consultancy , financial support, grant scheme, low interest rate loans, business networking etc. However since they are donor driven initiatives, their in-



intervention ends with the ending of the project, meaning that these initiatives are short term and there is no follow up on their results.

Based on the responses from interviews conducted with representatives of Business Support Organizations, these organization usually aim to include the marginalized groups in their interventions; they set a target regarding participation of women, minority groups and other marginalized groups. These projects are not necessarily implemented in coordination with government organization or other local groups. As per interviews the reason why these projects sometime don't cooperate with other organization is because not always government organizations are helpful and provide fruitful cooperation. Many business projects which started by donor initiatives and where planned to be sustainable after finishing the project, have actually failed when support stopped.

Regardless the number of initiatives to create business incubators across the country, there are only few operational incubators which again are not sustainable and depend of donor support. MTI launched a project to build three business incubators and transfer them to municipality, which deteriorated as the municipalities did not possess financial or human resources to continue operations of the business incubators (BI). Currently BI premises are being rented out as workspace. The BI space in Gjilan is rented out to private companies, whereas municipality departments and different NGOs now occupy BI premises in Deçan. The BI in Shtime has seized all operations.

Some successful incubators are: Innovation Centre for ICT Start-ups in Prishtina, MDA Foundation, innovation Centre initiative by MTI and Municipality of Gjakova.

In the study, stakeholders, expressed reservations concerning the efficiency of these programs as sometimes these business support programs do not offer a sustainability solution to employment. Examples of business start-ups which started will the donor support and operated only for as long as they were subsidized, were mentioned.

The other issue raised for discussion was the efficiency of business support program based on the amount of grant, held as non-sufficient by youth. In the focus groups with LYAC representatives and private sector representatives, it was mentioned examples of small grants (1,000-3,000 Euro) which are provided as a support for a new business. These grants are considered not to be helping much as the cost for starting a business is higher. Some of the participant saw these grants only as monetary support for individual gain but with no effect of long-term employment and business generation.

Participants agreed that the needs for support vary based on the industry sector, for example, small grant can be reasonable and significant for agriculture and agribusiness, and so the amount of grant should be carefully planned and be based on the sector and the profitability of that particular business sector.

Different stakeholders (Business community, Unemployed, Business support Organization, LYCA) share the opinion that government business support projects, in particular the one by the ministry of agriculture (in total amount of 43 millions) are being misused and distributed among rich beneficiaries who have political or other ties, whereas young and people in need are not supported by these large scale funds. The participants state that their trust in fairness of government projects is low and many people do not bother to apply for support as they believe that only political ties or large and corrupted businesses will profit from governmental grants and support.

Stakeholders listed these factors to consider for successful business support programs:

- Better screen the participants and select participants which have better chances of success
- Carefully determine business sectors in which support is made available, support sectors based on regional specifications.
- Support community in need, young people and those in poverty line.
- Better design amount of grants to cover the start-up and investment needed and provide follow-up activities to ensure sustainability of businesses.
- Provide grants combined with training, mentoring and monitoring.
- More transparent and merit-based distribution of grants.
- Involve youth centres on the process of grant distribution, who having worked closely with youth, can assist on business support projects.

Focus Group with SMEs

From the private business sector point of view, in the focus groups discussions participants discussed self-employment and shared the same idea, that entrepreneurship is important for employment of young people but they also expressed their criticism towards projects that support new entrepreneurs but which fail to provide long term employment and support companies which do not seem to have long lasting operations. All the participants in the focus groups represented companies that have been operating for longer periods and therefore shared the opinion that their companies provide long term employment as opposed to start-ups, which so far have shown to have limited life spans. According to them, support for well established businesses would be more efficient and promises more in terms of employment opportunities, however they feel that government and donor projects are not supporting established businesses regardless of their records of durable operation and success.

Participants from the private sector focus groups also discussed cases when donors/government support new companies through grants and then these companies are competing in an unfair market, damaging the already established businesses.

- According to the participants, the cooperation between private sector and government is very important for increasing employment but governmental programs and their long promised support remains unimplemented. They remain hopeful for the future while criticizing the current lack of support and coopera-

tion between the business sector and governmental institutions. The participants talked about a project between the private sector and ministry for the establishment of centres for professional development which would help overcome the mismatch of skills and requirements by the job market. However, as described by the participants, these projects remain only written on paper.

- When it comes to the private sector business association and business chamber of commerce, the interest of private companies is poorly represented and there is no strong lobby force by the private sector, with the exception of representatives of the ICT industry.

#### Youth organizations and employment support

Youth centres are facilitating many different activities and the employment is only one of the current topics they are dealing with, but not exclusively and therefore are not specialized in providing employment services. In the focus Groups with representative of LYAC, One of the participants described the work of youth centres as: "we do everything, and when you do everything you can't be good at all the things you do". But as unemployment is major problem in Kosovo, youth centres are also directing their focus on employment issues, representatives of Youth NGOs think that the role of youth organizations should be increased in the future, as they can successfully facilitate employment activities for youth, whether through training, career orientation or simply by informing youth on how to enhance their employability.

Trainings provided at youth centres are not lacking but focus group participants expressed their concern for period after the training, because the market demand for labour is weak and despite the training provided, it is difficult to reach an impact with the limitation of the small number of job offers. One of the participant states: "We have progressed very well with Information technology and most of the youth are very good at using computers but these skills are not providing jobs for them."

#### Job matching service: Job Portals

In Kosovo there are more than 12 job portals operating as private businesses and offering a number of services mainly just for finding and publishing job vacancies, recently three job portals have introduced other services like career advices, training opportunities, CV writing guides etc. Due to the fact that internet penetration in Kosovo is biggest in the region with 76.6%, almost the same as in developed countries, the online job portals are growing and are expected to be an important tool for job matching.

Based on the study conducted by EYE Kosovo on 2015, the basic structure of the available job matching services, includes the following: 35% of them specialized only on job advertising, 7% providing only recruitment and selection, whereas others provide mixed services on relatively equal distribution. Most of the job portals (86%) provide their services on regular basis, while others provide them per request of the clients, primarily recruitment and selection services. Geographical coverage of services is national, and four with international outreach to Germany, Albania, Macedonia, Serbia and Czech Republic.

Majority of job portals initiated as start-up business with little or no investment cost, or even as hobby but have experienced a major growth and are now self-sustainably businesses. The opening of job portals has increased the publication of online job vacancies and also contributed to the awareness of private sector for using online services for job matching.

Online job portals however, are not able to provide estimate their market share for specific service they provide. This fact could indicate poor analytical capacities and practices of providers which would enable them to define the market share, and use this data to plan their business strategy or for future targeting of specific unemployed groups such a marginalized youth groups.

Online job portals have no cooperation with public employment offices, for the following reasons: 3 job portals identified that no cooperation exists due to resistance of PES, 5 of them identified that they have no interest in cooperation with PES, 4 identified that there is formal cooperation, only one of them cooperates closely with employment offices. (EYE, Kosovo)

Important aspect of development of Job matching services market in Kosovo is the institutional framework for provision of these services, which is currently in the process of developing/ reforming. Up to now, the private providers of Job matching services, just as any other online portal are not subject to any legal regulation and every private company can engage in this activity by registering as business entity.

New Law No. 04/L-205 ON THE EMPLOYMENT AGENCY OF THE REPUBLIC OF KOSOVO adopted in December 2013, Defines the role of private JMS providers in the market and how their work will be regulated. The key aspects are the following:

- Licensing of non-public employment service providers, shall be conducted by the Ministry of Labour and Social Welfare
- Monitoring of the work of non-public employment service providers shall be carried out by the Agency - Licensing non-public providers of employment services shall be regulated with sublegal act issued by the Ministry
- Legal act or administrative order for licensing and monitoring is still in early phase of its preparation
- All private JMS service providers will have to be licensed

These stipulations of the new law clearly indicate that cooperation between EARK and private sector will be established as in developed countries and that the role of private JMS providers in the labour market is recognized.

## CONCLUSIONS AND RECOMMENDATIONS:

1) Mismatch between demand and supply: There is a skill mismatch between demand and supply in Kosovo's labour market, according to employers, despite the high unemployment rate, there is a lack of candidates with proper knowledge and experience that correspond with market needs. On other hand, unemployed individuals lack the opportunity to gain working experience as the education system does not provide opportunity for internship or any kind of job experience. Employers are more interested on interpersonal skills, then on technical skills. The education system and trainings are technically oriented, young people are often technically prepared but lack the necessary employability skills. Stakeholders in the research identified a mismatch between the education and training outcomes and the skills demanded by the labour market.

- Recommendations: Introduction of Dual training system which combines work and learning with the aim to obtain vocational qualifications within the education system or VET for employed and unemployed people. Trainings need to take place both at a company and at vocational centres in tandem. Business sector should participate more actively in the learning process and VET should adapt more to the demands of businesses and industry and the specific needs of companies. The dual system should intend to close ties between employers and VET providers'. Kosovo should adopt the dual system for training and education based on the best practices from successful counties like Germany, Switzerland, Austria and Denmark.

3) Lack of labour market information: The lack of information regarding career choices, job opportunities, and courses available has brought a wave of vicissitudes leading to confusion for both the young and older generations. New labour market entrants are failing to grasp and become informed on the opportunities available to them, particularly in the form of internships and/or volunteering that could potentially lead to a job. Recommendations: To set up a career centre at secondary school system and university with special consultants advising the students. To proliferate information related to job and/or internship opportunities among students and prepare them for the selection procedures. To help the students with future choices in specialization/orientation. These career centres can guide youngsters to make better-informed decisions about future career, including the selection of academic/vocational programs, a decision to complete high school, and an optimal combination of education and work. The Career Centre should develop partnerships with the private sector in order to provide the students with quality internships, or with private employment service providers to enrich the information offered to students.

- Recommendations: Facilitate the creation of comprehensive; real-time labour market information systems that can help market participants and market makers balance the supply and demand for skills.
- Recommendations: Leverage the roles of labour market intermediaries by creating a favourable regulatory environment for their operation, and helping them provide career guidance and training as well as access to jobs.

4) Lack of working experience: There is lack of practical experience that is not by the current educational system. Respondents among the business community stated that it is better to recruit an inexperienced person for a high skilled vacancy than an academically qualified one, as the latter is unprepared and schools do not teach them how to apply theory to practice. These students often enter the job market without experience and sometimes with “wrong” knowledge and the “wrong” attitude gained at university and/or other forms of schooling. Those unemployed also hesitate to accept internship opportunities given by the private sector as many companies provide internship positions but actually treat those accepted as full time free workers and do not provide an environment where practitioners can attain skills and profit from such a working experience.

Conditions faced by those unemployed in the labour market are unfavourable to younger individuals as there is a habit to hire only experienced and highly qualified candidates. Employers are not ready to hire young people because they view youth as synonymous with inexperience and also because the general high employment rate allows them to hire experienced and well-qualified employees with ease. Additionally, there are negative stereotypes that promote the discourse of youth as inexperienced and a less worthy employee.

- Recommendations: Promote youth employment through internship opportunities. An internship offers young people valuable work experience and helps enhance their professional skills, while allowing prospective employers to see the contribution a young person can make to their organization’s success. Well-designed internship programs must promote mutually beneficial propositions for both parties involved—practitioners and employers. Guidelines on effective internship process should be produced for both the unemployed and employers to ensure that qualitative internship is provided.

- Recommendations: Reduce age discrimination towards youth by providing financial incentives to firms for hiring young workers. The program should target mostly disadvantaged youth – 16 to 24 years old – looking for employment that have no previous job experience in the formal sector and are attending elementary or high school. The incentive given to employers to hire young people and give them a opportunity for first work practice, this would fight the belief that employers perceive youth as inexperienced and immature. Negative stereotypes such as these often take a big toll on youth.

- Recommendation: Undertake legislative measurements to protect intern rights. These include the signing of a tripartite contract between employer, intern and VT providers, install limits to the duration of internships, a mandatory break between two successive internships in the same position, stipulate a monthly payment, etc.

2) Refusal to work in low level positions: Youngsters that are more qualified hesitate to enter the job market unless they are applying for higher-level positions. According to employers, there are perceptions that low skilled positions are considered embarrassing and young individuals will not accept to work in those positions unless they remain unemployed for several years and have no other options. The current salary level also results in a low motivation of youth to work in certain mid and/or low-level job positions.

- Recommendations: Youth unemployment will only be effectively addressed if the young themselves also undergo some culture/attitude/perception change from a job finding orientation to a career building orientation. It is important that youngsters develop a culture of patience to remain in jobs as they continue to search for better jobs and promotions, even if the job that they are engaged in does not match their expectations.

5) Youth engagement in social activities: Youth organizations can increase the employability of youth, providing networking opportunities, information on jobs, grant opportunities, and skills trainings. There is a low level of youth voluntary work engagement, and also the voluntary work is not acknowledged as working experience by the private sector.

Recommendations:

- Law on empowerment of youth recognizes voluntary work as work experience. However, voluntary work is not seen as working experience by the private sector when hiring. Youth centres should do more in promoting voluntary work and also be able to document work experience rather than just the time spend as volunteer. Documenting voluntary experience should include skills gained, training completed and successful accomplishments.

- Empowering of youth organizations for the provision of employment services: Youth organisations, through the provision of non-formal educational activities (such as community service projects, voluntary work) or formal trainings, can address a lack of experience and skills, and thereby boosting young people's employability. Furthermore, youth organizations can provide additional skills to those gained through the formal education system, such as job interview skills, CV preparation, organizational culture, teamwork, and creative thinking and communications skills. Youth organisations can also play a significant role in helping young people to be better prepared for the labour market through the provision of career guidance, job matching and mediation services. These services can be provided in partnership with public employment services, vocational training centres, donor projects and other organisations, in order to maximise the impact and sharing of resources.

6) Entrepreneurship and self-employment:

Entrepreneurship is a realistic choice of increasing employment for Kosovo. However, to foster entrepreneurship there must be an improvement in the business enabling environment, promotion of entrepreneurship programs, and entrepreneurship learning.

Recommendations:

- Entrepreneurship promotion - Entrepreneurship promotion programs by the

Ministry of Trade and Industry and other government bodies or the donor organizations, should cooperate with the POS, VTC and youth Centres. Entrepreneurship education is to be embedded in the educational system and formal or informal training curricula.

- Carefully determine business sectors in which support is made available, support sectors based on regional specifications.
- Better design amount of grants to cover the start-up and investment needed and provide follow-up activities to ensure sustainability of businesses.
- Provide grants combined with training, mentoring and monitoring.
- More transparent and merit-based distribution of grants.
- Involve youth centres on the process of grant distribution, who having worked closely with youth, can assist on business support projects; and the PES and VTC.

#### 7) Employment Service Providers and vocational training centres:

Employment offices and vocational training centres in Kosovo are still not considered as the primary point of contact for job seekers in Kosovo. The priority should be given to PES and vocational training centres to increase their role in the employment of youth people.

Recommendations:

- Partnership between the POS, VTC and private employment and training agencies. There are examples of practices by EU countries for partnership and cooperation between the PES and the private employment agencies. The partnership agreements can include exchange or supply of information on vacancies, as well as the outsourcing of certain services and measures for vulnerable groups.
- Increase the quality of vocational training and capacities of VTC to meet the accreditation standards and validation for more vocational training modules. The standards applied for accreditation must be compatible with those of the Europe Union.
- Increase the number of training and modules provided by VTC. The easy access to VCT should be made available by either operating a remote training for selected modules or by transport provision.
- Increase the cooperation between VTC and employers, employers can contribute with their own training and other resources, and improve the alignment of training with their own specific job requirements.
- POS and VTC should make an online presence by building their web pages and updating information for wider public use.
- The POS should provide HR consultancy services to employers with regards to job specification, matching of job positions and qualifications needs by employee potency.
- As foreseen in the law on the Employment Agency, VTC's need to be able to generate their income by sale of products produced at VTC's and act more independent in regard to responding to market needs.
- VTC should incorporate soft skill modules as part of all modules, aside from technical training, the unemployed should learn skills than increase their social employability skills.



- Government of Kosovo needs to functionalize the Employment Agency and take responsibilities as per Law on the Employment Agency of Republic of Kosovo.
- Promotion campaigns to raise awareness among the general public about the importance of vocational education and training.

#### 8) Marginalized Groups:

Low skilled and unqualified youngsters, who due to the economic situation have limited access to trainings or job opportunities, remain socially excluded and dependent on social assistance schemes. Communities living in under developed areas (villages) need to travel for work and cannot bare the traveling cost.

People with disabilities are not supported by the business sector in regards to employment; there is an absence of incentives given by the government of other institutions to the private sector to employ people with disabilities. The business sector also lacks the understanding, on how people with disabilities can be productively engaged in workplace

Single moms and other women, are often marginalized due to cultural norms related to gender roles within family and society, e.g. the expectation that women should take care of housework, children and the elderly, or the perception that certain types of jobs are not suitable for women.

Roma, Ashkali and Egyptian (RAE) communities having a high level of illiteracy, and are usually living in the poverty.

## RECOMMENDATIONS:

- Public employment services (PES) and vocational training centres (VTC) should have separate departments (services) that serve marginalized groups and should work with other organizations targeting marginalized groups in particular.
- Promote labour market inclusion of disadvantaged youth through targeted active labour market measures, by introducing new special programs for marginalized groups, (including but not limited to low skilled and unqualified youth, people with disabilities, RAE community, single mother and women in general) The programs for relevant vulnerable groups must include the provision of employability and training plans, job and career counselling services, various aptitude tests, vocational assessment tests, and wage subsidies.
- Duplicate the existing model of social business Incubators introduced in the Municipality of Mitrovica, by DRC (Danish refugee council) for the Roma, Ashkali and Egyptian (RAE) communities. The social business Incubators should be established as Public-Private Partnerships (PPP) with the local and central government on vocational trainings and other services offered by the Incubator.
- Implementation of existing strategies and legislation targeting vulnerable groups. partial implementation of government strategies such as, Kosovo Strategy for Youth 2013-2015 and Action plan 2013-2015, Sectorial Strategy 2014-2020, Strategy for the Integration of Roma, Ashkali and Egyptian Communities, 2009-2015.

# 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.

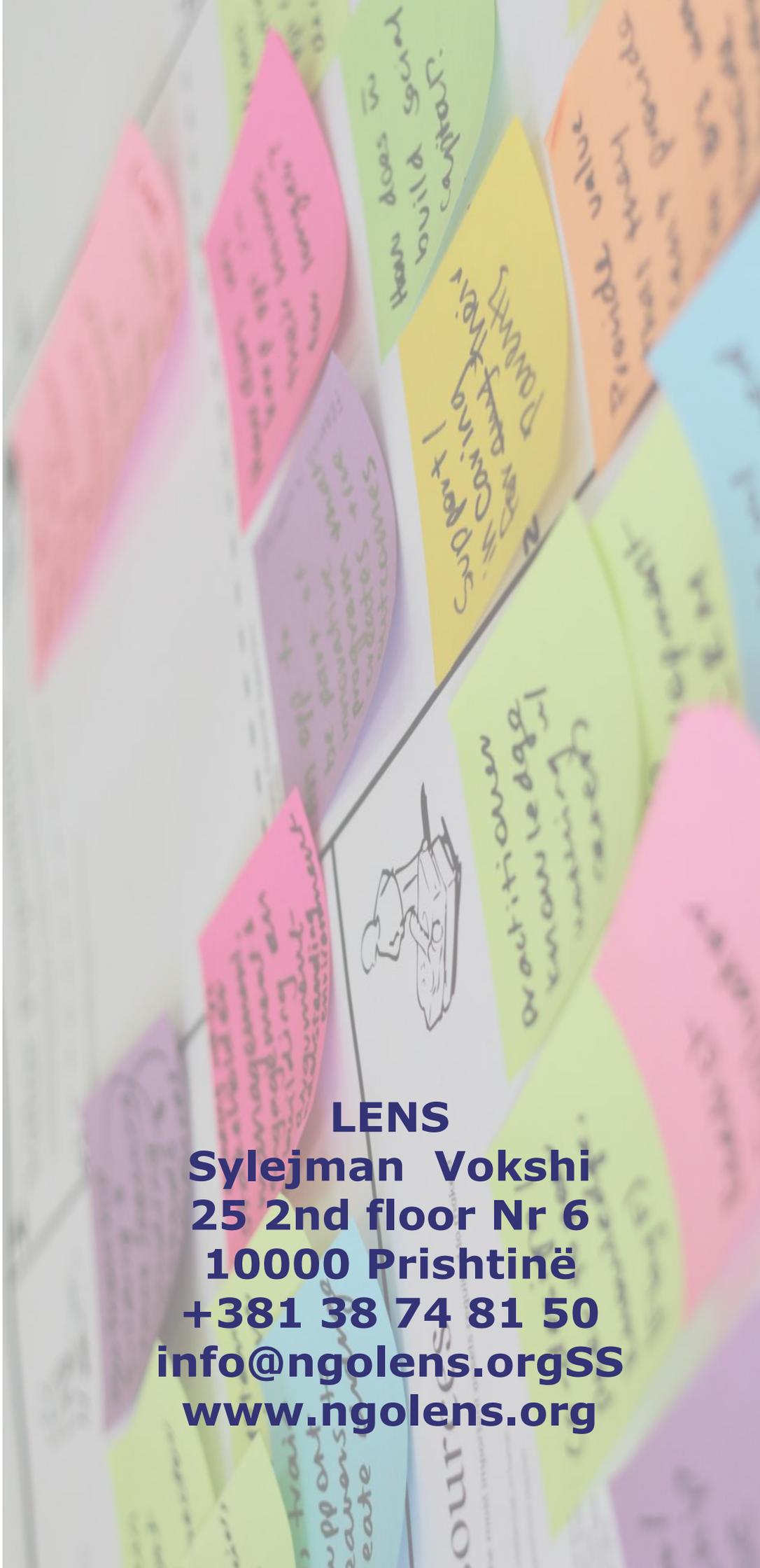
## LEAD APPLICANT



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