



STUDY ON  
**YOUTH  
EMPLOYMENT**  
IN  
**KOSOVO\***

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\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

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## LABOUR MARKET DATA-METHODOLOGY NOTE

All labour market data in the RCC ESAP Youth Employment Study, Kosovo\* Annex are for the 15-24 age bracket for youth and the 15-64 age bracket for the general population, unless it is specifically indicated that the data presented is for a different age group. The source of data is indicated in notes to the individual figures; where the source is indicated as the [RCC ESAP Observatory](#), the data is from the Kosovo\* Agency of Statistics (LFS data), the Employment Agency of the Republic of Kosovo\* or EUROSTAT, unless specifically indicated otherwise under the figure and/or at the RCC ESAP Observatory.

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# Abstract

This Chapter outlines the nature and challenges of the youth labour market in Kosovo\*, among which the lack of job opportunities, weaknesses in the education system, widespread skill mismatches and skill gaps, lack of work experience of vocational education and training (VET) school and university graduates and lack of information about job vacancies have been identified as key factors holding back the integration of young people into the labour market. The Kosovo\* youth labour market is characterised by high level of youth unemployment, large gender gaps in labour market participation and employment, high levels of disadvantage among low and medium educated young people, and a high share of temporary jobs creating a precarious situation for young people. It analyses existing youth employment measures that have been adopted by the government, showing that many existing measures are relevant to the creation of a Youth Guarantee, but need in some respects to be refocused on youth, scaled up, and appropriately financed. The Annex has mapped the main dimensions of the 'neither in employment, nor in education

or training' (NEET) phenomenon and made suggestions how policies towards NEETs could be improved. It has also identified the capacity issues in the main agencies that are responsible for implementation of youth employment policies and made some recommendations about what should be done to ameliorate the identified deficiencies. A comprehensive set of labour market policy measures has been outlined, building on European Union (EU) policy approaches to the Western Balkans and policy recommendations. A roadmap has been developed, tailored to local circumstances, to implement a Youth Guarantee in Kosovo\* to ensure that no young person is left without a job, or a place in education or training for more than four months after leaving school or university. While this roadmap is an important analytical input, this roadmap cannot replace or prejudice the Youth Guarantee Implementation Plan for Kosovo\*. The implementation of a Kosovo\* Youth Guarantee would make a large contribution to eliminating social exclusion experienced by many young people living in Kosovo\* today and in the future.



# 1 INTRODUCTION

Over the last two decades the economy of Kosovo\* has been through a long process of transition to a private market economy as well as process of post-conflict reconstruction and development. In the process of privatisation, many of the links between the education system and the business sector were depleted or destroyed. This has led to the curriculum in the vocational education system to become outdated, along with the skills provided to young people who face a difficult entry to the labour market. The economy has grown strongly over the last decade at an average rate of 3.6% per annum, raising its total per capita GDP from 8.3% of the EU-28 average in 2011 to 12.2% in 2018.<sup>1</sup> Nevertheless, living standards are low and the capacity of the government to provide public services is weak. Many people have emigrated to more developed economies and the supply of remittances is high, amounting to as much as 15.8% of GDP.<sup>2</sup> This provides a support to the economy, but much of the revenue is spent on imported consumer goods rather than on developing the domestic economy. The economy has limited capacity to generate jobs, and employment has grown at just 2.5% per annum from 2012-2019.<sup>3</sup> As elsewhere, this may change in the future as the digital revolution takes place diminishing the importance of distance in international trade

especially for services (Brynjolfsson and McAfee, 2014); it may also displace jobs and worsen the jobs crisis in all economies (Susskind, 2020). In this context, many young people find it hard to access the labour market and youth labour market policy is an urgent issue that needs to be better addressed.

Among a total of 1.8 million inhabitants in Kosovo\*, 1.2 million (66%) or about two thirds of them are in the working population aged from 15 to 64. Unusually, a large proportion (60%) of the working population is economically inactive.<sup>4</sup> This high inactivity rate has a large component of gender bias, with 78.5% of the female working population being inactive compared to just 41.1% of the male population (Q3 2020 data). The labour market participation rate<sup>5</sup> is very low, at just 40%, from which 24.6% are unemployed. Among women the participation rate is 21.5%, while among men it is 58.9%, indicating that the extremely low participation of women in the labour market is the key driver of the overall low participation rate. Consequently, significant gender differences in the Kosovo\* labour market are reflected also in the employment rate where the latter is only 14.4% for working age females compared to 46.2% for males (Q3 2020 data).

1 Eurostat online data. Real GDP growth rate average for 2009-2019.

2 Data from World Bank Development Indicators database. Kosovo\* has the 13th highest inflow of remittances in proportion to GDP in the world, out of 221 economies for which data was available in 2019. For comparison the average remittance inflow in Central Europe & the Baltics accounted for just 2.1% of GDP, and an average of 9.7% for the Western Balkan economies as a whole (including Kosovo\*).

3 Author's calculation from Kosovo\* Agency for Statistics online data

4 See Kosovo\* Agency for Statistics (KAS) online data; based on the Labour Force Survey, Q3 2020

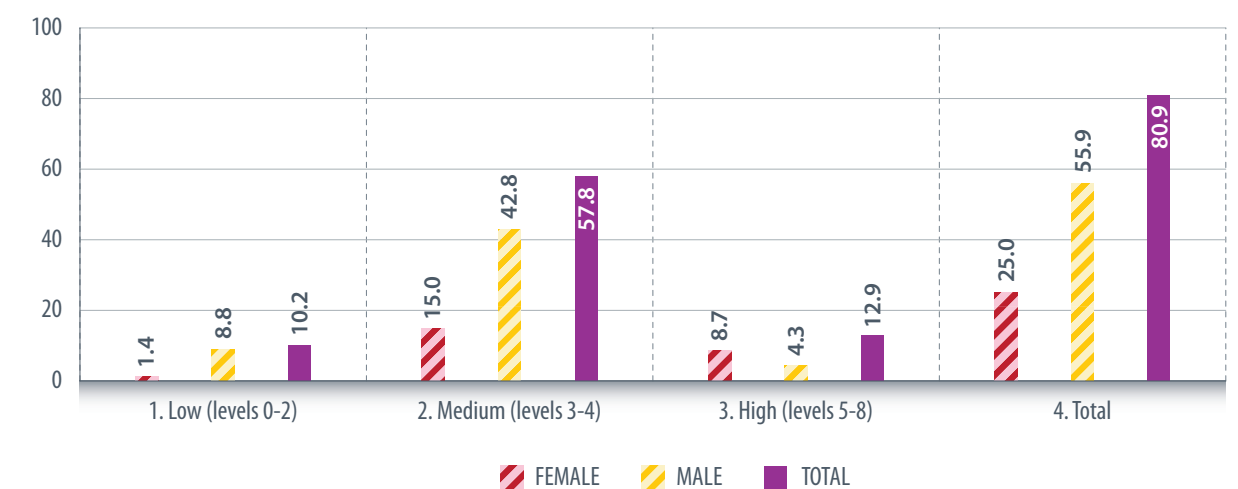
5 The participation rate (or activity rate) is the proportion of the working age population who are in work or actively seeking work.

## 1.1 Youth in the labour market

Kosovo\* has a youthful population where the average age is 30.2 years old<sup>6</sup>. Almost one fifth (17.8%) of the population is aged between 15 and 24 years, and over one quarter (25.8%) is aged between 15 and 29 years.<sup>7</sup> On the one hand this is an advantage, since it means that there is a large number of young people available to support the economy; on the other hand, the lack of jobs available for these young people may engender social and political costs. In the second quarter of 2019, the youth labour force, either in work or seeking work, was 80,900 young people in the 15-24 age group, of whom 55,900 were young men and 25,000 young women (see Figure 1). Most of

these had a medium level of education having completed upper secondary schooling. Some 41,200 of these young people had jobs, while 39,700 were unemployed. Three quarters of the employed youth (75.2%) had a medium level of education and had not attended university; unemployed youth had a similar profile with two thirds (67.5%) having a medium educational level. The unemployed youth are most likely those who have attended VET school and are unable to find work with the skills they had available to them; pupils who graduate from grammar schools (gymnasia) are most likely to continue their studies at university. Of the other unemployed youth, 15.2% had a low level of education (primary or less) and 17.3% had a tertiary education.

**Figure 1: Labour force 15-24 age group by gender and educational level, Kosovo\* 2019 Q2 (thousands)**

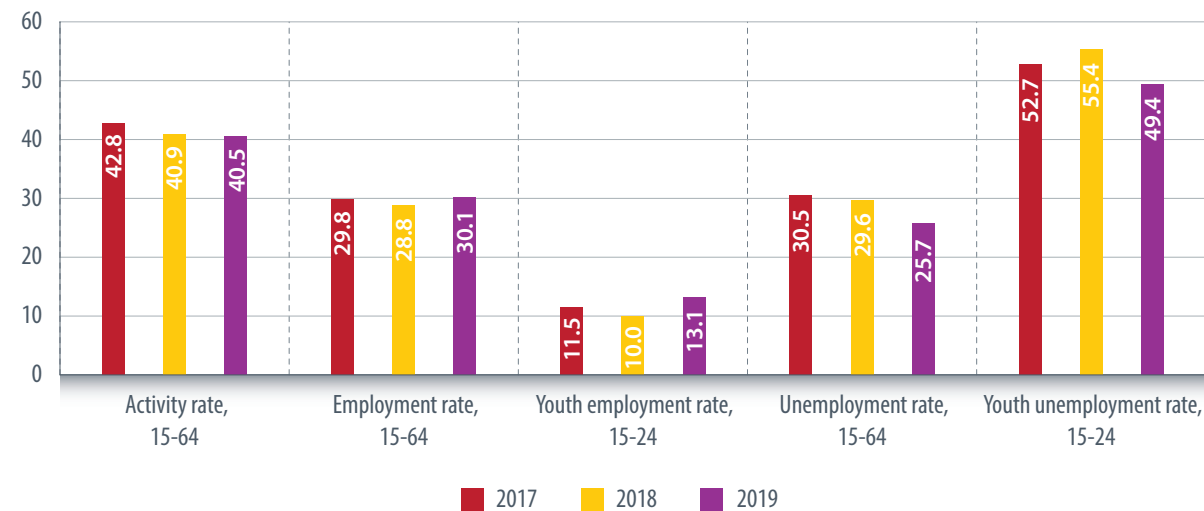


Source: World Bank Jobs Gateway in Southeastern Europe, online data

6 Statistical Yearbook of the Republic of Kosovo\* 2020: <https://ask.rks-gov.net/media/5629/vjetari-final-2020-per-web.pdf>

7 Eurostat data on population, authors' calculation.

**Figure 2: Labour market performance indicators, Kosovo\* 2017-2019 (%)**



Source: [Observatory on employment in the Western Balkans](#), RCC's ESAP 2 project

The labour force participation rate (the activity rate) of all employees has fallen in recent years and by 2019 it was 40.5% (see Figure 2). However, there is a large gender difference in the activity rate with 30.1% of young men being active compared to just 14.1% of young women (see Figure A1 in the appendix). This gender difference is most pronounced among those with low or medium education; it disappears among highly educated young people. It is also noticeable that highly educated youth are very active in the labour market with an activity rate of 62.5%, while the activity rate of the medium educated is 32.9% and of the low educated is just 6.1%. For young people the activity rate was just 22.5% (see Figure A1). The labour market inactivity of less well educated young people implies that many will miss out on job opportunities and work experience, which may diminish their job prospects in the future should they wish to participate in the labour market at a later stage in their life course.

The youth employment rate changed little over the three years from 2017-2019, remaining at

a very low level of just over one in ten of the 15-24 age group in the labour force; in 2019 it was 13.1%, far below the overall employment rate. The employment rate for young men is far higher than for young women; in the second quarter of 2019 it was 18.2% for men and 5.8% for women (see Figure A2). Just as with the activity rate, the gender differences are concentrated among the low and medium educated. The highly educated had an employment rate twice as high as the medium educated (31.0% versus 15.3%), while hardly any low educated young people had a job, with an employment rate of just 1.8%.

The youth unemployment rate is extremely high with around one half of the age group in the labour force being unemployed. The unemployment rate is higher among young women (60.3%) than young men (44.1%).<sup>8</sup> Moreover, long-term unemployment is common; more than one third (37.4%) of 15-19 year olds and almost two thirds (60.0%) of 20-24 year olds had been unemployed for more than 12 months.<sup>9</sup> The youth unemployment rate is

8 Data from Kosovo\* Agency for Statistics, online data from Labour Force Survey, 2019.

9 Kosovo\* Labour Force Survey, 2019, Table 2.6

## 2020 DATA UPDATE (Q3 LFS data)

In Q3 of 2020, labour force participation rate declined to 40% from 41.9% in the same quarter of 2019, but increased when compared to Q2 of 2020 (33.2%). In Q3 of 2020, the unemployment rate stood at 24.6% (down from 27.2% in Q2 of 2020 ), practically unchanged from 24.5% in Q3 2019, while the employment rate in Q3 of 2020 was 30.1%, up from 24.1% in Q2 of 2020.

Youth unemployment in Q3 of 2020 stood at 46.9% (compared to 49.4% in 2019). The gender-based trends are reflected among young people as well, unemployment among young men (40.8%) was substantially lower than unemployment of young women (61%). In Q3 of 2020, more than one third (37.7%) of youth between 15 to 24 years old were neither in employment nor in education or training (NEET), this is an increase when compared to 2019 data, when the NEET rate was 32.7%.

high for two main reasons: firstly the labour market provides few job opportunities, and secondly the education system fails to prepare young people with appropriate skills for entry into the labour market. The high unemployment rate and the lack of quality education have pushed young people to leave the economy in large numbers. Figure A3 shows that there is little gender variation in unemployment rates for highly educated young people, at 50.5% overall, while the medium educated had an unemployment rate of 53.7% (higher for women than for men) and the low educated had an unemployment rate of 70.2% (again, higher for women than for men).

According to the Council of the European Union, youth unemployment and limited access to education and training can have a scarring effect, increasing the risk of future unemployment, reducing future earnings and increasing the risk of poverty (Council of the European Union, 2020). Furthermore, in Kosovo\*, research conducted by the Ministry of Culture, Youth and Sport (2019) shows that unemployment is more prevalent among

young people with poor parents with a low level of education from rural areas.

University graduates have as difficult an entry to the labour market as other young people. While the unemployment rate of all graduates in the labour market was 19%, that of recent graduates who had graduated from university within the previous three years of the survey was 49% (Gashi and Bartlett, 2016). Key challenges facing university graduates include the limited cooperation between universities and employers, lack of career guidance support, lack of prior work experience opportunities and employers' dissatisfaction with the relevant skills of university graduates. In consequence, even those graduates who did manage to find a job were often employed in a job whose requirements were below their skill level, a problem that affected as many as 53% of recent university graduates (Gashi and Bartlett, 2016: 50).

Relatively few young people are self-employed, either as entrepreneurs in the sense of setting up a business as an entrepreneur capable of creating jobs for others or in the more traditional

role of craftsperson, working on their own account as a sole trader or a farmer. The highest share of self-employment is found among the less educated and medium educated young men, of whom 12.8% and 9.7% respectively are self-employed; however, there are virtually no young women with low or medium education who have set up as self-employed. Among the highly educated youth, only 5.9% of employees are self-employed, possibly working mostly as entrepreneurs, with only minor gender differences. Youth employment policies should therefore strive to encourage more young people into self-employment and entrepreneurship.

Young people are adversely affected by temporary employment, with about four out of every five young people having a temporary job (see Figures A6). This phenomenon is broadly based with little difference between education levels or gender, with the exception of less educated young women, only half of whom have a temporary job. Relatively few young people work on a part-time basis, with only about one in twenty having a part-time job, with little variation across education level or gender (see Figure A5). The only exception is for people with a low level of education, of whom about one in ten have a part-time job. This all suggests that youth employment policy should seek to support a greater proportion of young people into permanent job positions, given the exceptionally high incidence of precarious temporary contracts among this group of workers.

## 1.2 The impact of COVID-19

The economy of Kosovo\* plunged into recession in 2020 due to the Covid-19 pandemic-related lockdown and travel restrictions. Based on quarterly data for 2020, the provisional estimate of annual GDP contraction is 3.9%<sup>10</sup>. The key drivers of recession were severely contracting exports and investment, which dropped by 29.4% and 18.8%, respectively<sup>11</sup>.

In line with declining economic activity, job growth was negative in Kosovo\* in 2020. Notwithstanding employment losses, the simultaneous decline in labour force participation, combined with policy measures to safeguard jobs, limited the increase in the unemployment rates.

In March and April 2020, a Fiscal Emergency Package was adopted to reduce the effects of the COVID-19 emergency on the economy. The Package provides for a monthly payment of €130 for people registered as unemployed at the Employment Agency, who are in difficult social conditions and who are not already beneficiaries of social assistance payments; this measure was not only for young people but for all people which are registered as unemployed in Employment Office.<sup>12</sup>

It seems likely that this measure may have led to an increase in registered jobseekers at the employment office. Data from the Employment Agency show a substantial increase in the number of registered unemployed youth in 2020, from 7,150 in January, 2020 to 23,790 in April, 2021 with most of the increase coming in the second quarter of the year; by December,



<sup>10</sup> EC 2021 report, [https://ec.europa.eu/info/sites/default/files/economy-finance/tp048\\_en.pdf](https://ec.europa.eu/info/sites/default/files/economy-finance/tp048_en.pdf)

<sup>11</sup> EC 2021 report, [https://ec.europa.eu/info/sites/default/files/economy-finance/tp048\\_en.pdf](https://ec.europa.eu/info/sites/default/files/economy-finance/tp048_en.pdf)

<sup>12</sup> See RCC Employment Observatory Public Policy Tracker: <https://www.esap.online/observatory/measures/3/socio-economic-measures-for-the-coronavirus-crisis-in-kosovo>

2020 the numbers had fallen to 17,986.<sup>13</sup> According to the Labour Force Survey there were 36,400 unemployed youth in the third quarter of 2020.<sup>14</sup> Comparing this to the 17,000 unemployment registrations in Q3 of 2020, it can be seen that only about 48% of young people register with the Employment Agency. This suggests that young people would be willing to engage with the public employment services, given the right incentives, but otherwise feel that these services do not have much to offer them. For this reason, the prospect of an improved and targeted activation programme through the introduction of a future Kosovo\* Youth Guarantee could offer the required incentive to ensure the more regular registration of currently unregistered young people who are out of employment, education and training. During COVID-19 pandemic, youth unemployment shot up from 46.4% in Q1 to 54.1% in Q2 but fell back to 46.9% in Q3.<sup>15</sup> Thus, it appears that the first wave of the COVID-19 pandemic was particularly hard on young people, and easing of restrictions during the summer months led to a V-shaped recovery. The proportion of young people not in employment, education or training (NEET) increased from 29% in Q1 to 36.1% in Q2, increasing further thereafter to 37.7% in Q3.<sup>16</sup> Thus, the COVID-19 crisis was particularly harsh for the NEET population who did not benefit from the seasonal recovery.



<sup>13</sup> Regional Cooperation Council Employment Observatory database.

<sup>14</sup> Kosovo\* Agency for Statistics, Labour Force Survey Q3 2020, Table 2.2.

<sup>15</sup> Kosovo\* Agency for Statistics, online data.

<sup>16</sup> Kosovo\* Agency for Statistics, online data.

<sup>17</sup> See RCC Employment Observatory Public Policy Tracker: <https://www.esap.online/observatory/measures/3/socio-economic-measures-for-the-coronavirus-crisis-in-kosovo>

<sup>18</sup> [https://mf.rks-gov.net/desk/inc/media/FEC082F0-53E1-46B9-BC9B-5F23C29920CE.pdf?fbclid=IwAR2c6uVrwnmK8WtMFk-NO-eNLCi4Heol25BQoP\\_Ydmq-wc131NTAfH2XVv6Q](https://mf.rks-gov.net/desk/inc/media/FEC082F0-53E1-46B9-BC9B-5F23C29920CE.pdf?fbclid=IwAR2c6uVrwnmK8WtMFk-NO-eNLCi4Heol25BQoP_Ydmq-wc131NTAfH2XVv6Q)

<sup>19</sup> The policy foresees as a protection measure for youth exploitation that companies will benefit only if they do not use such program to substitute the existing employees with the new interns.

The Emergency Package also provided a wage subsidy for companies that hire new workers on a labour contract of one year or more in the amount of EURO 130 per worker per month for the first two months of employment.<sup>17</sup> This could be further developed and scaled up under a Kosovo\* Youth Guarantee.

In addition, in August, 2020 Kosovo\* adopted an extended program of support, the Programme of Economic Recovery<sup>18</sup> with the goal to contribute to economic recovery and stabilization. As part of this Programme, EURO 67 million (Measure 3) is planned for employment measures, with a specific focus on groups of workers with a lower probability of finding employment during the crisis, including young people. Youth is also targeted in Measure 7 of the Programme where EURO 5 million fund will offer support for youth employment.

Considering youth as the most precious potential, the government acknowledges that this category has been disproportionately hit by the pandemic and therefore needs to be supported in order to increase youth activity rate. Economic support is planned to be distributed during 24 months and consists of: *a) granting EURO 30 million for innovative start-ups created by youth (with one single initiative being funded up to EURO 10,000 ); b) disbursing EURO 8 million to cover half of the financial cost for companies that engage young people for internships for 12-month period.*<sup>19</sup>



## 1.3 Key challenges facing the youth labour market

The weakness of the labour market and the high level of inactivity among young people and the working population in general pose numerous challenges to policymakers in Kosovo\*. Among the greatest challenges are lack of jobs available for young people, lack of comprehensive support for youth entrepreneurship and self-employment, high gender disparities in the labour market, as well as problems of skills mismatch and skill gaps in the labour market. In this section we identify some of these key challenges which will inform the development of a Road Map of policies and improve the situation of young people in Kosovo\*.

### 1.3.1 Lack of jobs

As indicated in the introduction, despite a relatively strong growth performance of the economy, the number of jobs in Kosovo\* has grown rather slowly over the last decade. In 2019 Q2, Kosovo\* generated 16,600 new jobs (year on year), with jobs created in industry and agriculture, but fell in the service sector – “other services,” in particular<sup>20</sup>.

Part of the challenge for youth employment is the deficiency of labour demand in relation to labour supply. Raising the demand for labour especially for young people would therefore seem to be an essential component of youth employment policies. Various approaches can be taken to increase the demand for labour. This may include a number of measures to stimulate



<sup>20</sup> World Bank and wiiw: Western Balkans Labour Market Trends 2020

<sup>21</sup> Kosovo\* currently has three incubator centres: Innovation Center Kosovo,\* UNICEF Innovations Lab Kosovo,\* and Innovation Center Gjakova (see Rovčanin, 2019).

domestic entrepreneurship, reduce the costs of doing business and attract foreign investment; however, these policies go beyond the scope of youth employment policies as such. More direct intervention in the labour market could involve the use of wage subsidies, at least up to the level of the minimum wage for young people, currently standing at EURO 130 per month. This would incentivise employers to take on young workers whose productivity is below this level. Recent research has shown that increasing the minimum wage would reduce the demand for labour (World Bank, 2020). By inference, effectively removing the minimum wage constraint for eligible employers of young people through a targeted youth wage subsidy should increase the demand for labour.

### 1.3.2 Barriers to youth entrepreneurship

Although micro and small enterprises make up the bulk of businesses in Kosovo\*, they have difficulty in developing into medium sized companies. A key problem is that commercial banks do not finance start-ups during their first 6–12 months of operations and have almost stopped servicing microenterprises (World Bank, 2018). An additional constraint is the limited scope of support and advisory services, especially the shortage of incubation space and the limited support for growth-oriented start-ups (Lajqi et al., 2019).<sup>21</sup>

### 1.3.3 Weak educational system especially in VET programmes

The educational system in Kosovo\* is relatively weak. Despite expenditure on education of 4.5% of GDP (similar to the EU average), performance of students is under par by international comparisons. The Organisation for Economic Co-operation and Development's (OECD) Programme for International Student Assessment (PISA) tests carried out in 2018 show that 15 year olds in Kosovo\* perform least well in the Western Balkans, with scores in Reading standing at 353, Mathematics 366, and Science 365 compared to Western Balkans averages of 402, 414 and 421 respectively. A major cause of poor educational performance is lack of teaching materials. As many as 86% of pupils in Kosovo\* are taught in schools where the lack of educational materials poses a severe hindrance to learning (OECD 2019), while poor physical infrastructure is holding back 47% of pupils. Consequently, Kosovo\* has the worst performance in the region on PISA tests, with 78% reaching below level 2 for reading skills, compared to an average of just 23% in the OECD countries. Moreover, about one tenth of young people also leave school early, failing to progress beyond compulsory education level to upper secondary education; in 2018 some 9.6% of the population aged 18-24 were early school leavers with, at most, lower secondary education. The education system is therefore failing to equip school leavers with the requisite skills required by a modern labour market.

High quality education and the availability of appropriate training can contribute to youth employment by providing young people with the suitable skills demanded by employers. Currently, more than four-fifths of the



<sup>22</sup> Data for 2019 q2 from World Bank/WiiW Jobs Gateway for Southeastern Europe online data

<sup>23</sup> Data from Enterprise Surveys 2019, World Bank: Western Balkans Labour Market Trends 2020

unemployed young people have low or medium level of education.<sup>22</sup> This is a major concern for the government, as these young people might choose to emigrate to EU countries, if no job opportunity is offered to them. In addition, more than half (54%) of young people in Kosovo\* are often unable to work in their chosen profession (FES 2020). Only just over one quarter (27%) of young employees work in their chosen profession, indicating a high level of mismatch between labour force qualifications and labour market needs. Women have a higher tendency to work in their profession than men (FES 2020). Employers' experience substantial skill gaps, with especially among young people and new entrants to the labour market (World Bank, 2019: 10).

### 1.3.4 Lack of work experience

Quality education should provide opportunities for early exposure to the labour market in order to mitigate the lack of work experience. This can be done through internships or apprenticeships. Internships are available for young people in both the private and public sector. However, these opportunities are only for a limited duration, meaning that after the internship ends, the young person risks becoming unemployed. Internships are mostly held in the public sector; private employers have difficulty finding qualified candidates as the education system does not adequately prepare students for the work environment with appropriate skills.

In Kosovo\* about 44%<sup>23</sup> of firms report that inadequately educated workforce constrains them from offering internships/apprenticeships to young people, thus keeping youth in a vicious circle of not getting more work experience

and further decreasing their opportunities for future employment. An academic background or experience written in the CV is not sufficient for employers. Respondents from the business community say that it has often been more convenient for them to recruit an inexperienced person for a vacancy than a qualified school leaver or university graduate, as the latter are typically unprepared for the job.

According to the Skills Towards Employment and Productivity (STEP) Survey conducted in Kosovo\* (World Bank, 2019a), skill and experience gaps were among the major labour constraints reported by firms respective to potential growth. In this WB study, 40% and 50% of firms reported that general education does not adequately prepare students for the workplace – either in terms of up-to-date knowledge or soft skills (World Bank, 2019a)<sup>24</sup>. Similarly, survey data from a 2019<sup>25</sup> survey of 744 businesses operating in the seven geographical regions of Kosovo\* highlight that among companies that hired employees over the last three years, around a third report they faced difficulties in the recruitment of appropriate candidates. Companies were particularly likely to report difficulties in hiring craft and related trade workers, plant and machine operators, and assemblers, services and sales workers, and professionals. Lack of experience is the top reason cited for difficulties in hiring across occupational groups. This is closely followed by a lack of skills in most occupations. Shortage of qualified specialists in marketing, sales, and design makes it harder to compete in export markets, where new product development and placement are vital. Firms distrust the education and VET systems to train people with

the required skills. Hiring is mostly informal and connections based – close to two thirds of firms reported recruiting from informal channels, for professional/ technical jobs. The second most popular hiring channel is making job offers to experienced people from other firms. Only 17 percent of firms reported being in regular contact with educational/technical institutions to hire professional/technical staff, and only 7 percent in the case of non-technical staff.<sup>26</sup>

### 1.3.5 Lack of information on job vacancies

One of the challenges to increasing youth employment relates to the need to increase information about job vacancies and also the capacity to manage effectively information about job vacancies.

Young people lack information from their educational institutions about labour market opportunities, and are not well served by career guidance services. One of the reasons for this is lack of cooperation between educational institutions and private business sector. Therefore, schools and universities should work more closely with the business sector, so that young people are prepared for a faster transition to the labour market when they complete their education.

A survey of companies in Kosovo\* highlighted that companies in Kosovo\* hire mainly through recommendations and family connections. Companies who have hired through public announcements have stated that they have published the vacancy announcement on company premises (52%), newspapers (15%),

24 <https://openknowledge.worldbank.org/bitstream/handle/10986/31720/Kosovo-Skills-Towards-Employment.pdf?sequence=4&isAllowed=y>

25 Employment-and-Labour-Market-Analysis-ENG.pdf (yesforkosovo.org)

26 <https://openknowledge.worldbank.org/bitstream/handle/10986/27173/ACS21442-WP-PUBLIC-ADD-SERIES-KosovoJDWEB.pdf?sequence=1&isAllowed=y>

job portals (47%), radio/TV (28%), social media networks (75%), and employment offices (14%). Social media networks continue to be an important tool to be used to announce vacancies. This is a result of the high use of internet among youth in Kosovo\* and high use of social media networks. As a result, companies use these networks to announce new vacancies as they know that they might receive the desired audience. Job portals are also important as they are published online and job seekers check those websites.<sup>27</sup> Another

factor contributing to the information on job opportunities not reaching youth is that some employers do not have recruitment resources dedicated to hiring employees, therefore they tend to rely on informal channels as their tool to fill vacancies<sup>28</sup>. This practise can reduce the circulation of information on job vacancies and can make youth more vulnerable compared to adults, who may find jobs via informal channels easier due to their greater professional and personal networks.

27 <https://yesforkosovo.org/wp-content/uploads/2020/06/Employment-and-Labour-Market-Analysis-ENG.pdf>

28 Job Creation and Demand for Skills in Kosovo\*: What Can We Learn from Job Portal Data? 2020







financial support through the provision of grants to start a business; (iv) mission and counselling to manage the business for a certain period. The participants are required to compete for the grant based on the business plan submission, and the winner receives financial support in the form of start-up grant of up to €10,000 with the candidate participation of at least 20% of the amount provided by the measure. At the same time, a winner may benefit from mentoring and counselling for 6 months.

6. **Public Works** are offered to registered unemployed with the priority given to those who are in middle and high risk to become long-term unemployed. The measure is implemented in the cooperation with municipalities and public enterprises for the projects aiming to maintain and rehabilitate municipal and public spaces.

The total budget allocated for employment and vocational training services for 2019 year is EURO 8 million, which is a 110% increase compared to 2018.<sup>39</sup> A recent study published by GIZ (2019)<sup>40</sup> shows that most schemes are focused on entrepreneurship and skills-related trainings. The Table 2 shows the structure of ALMP measures and beneficiaries provided by the employment offices:

Vocational Training Centres (VTC) which provide professional training services on practical knowledge and skills for unemployed and jobseekers in order to better match the labour market needs are part of the EARK. Currently, there are 7 VTCs across Kosovo\* that offer training services for 30 different professions.<sup>41</sup>

**Table 2: Beneficiaries and structure of ALMP measures**

Programmes	2015	2016	2017	% 2017	2018	% 2018	2019	% 2019
Internship	188	434	728	8%	1,101	12.7%	2,705	23.4%
On-the-job training	281	951	478	5%	493	5.7%	420	3.6%
Self-employment	49	54	35	0.4%	390	4.5%	214	1.9%
Wage subsidy	498	474	713	8%	336	3.9%	445	3.9%
Vocational training	4,055	6,736	5,979	68%	5,497	63.2%	6,603	57.2%
Out of which at VTCs	3,811	6,641	5,612		5,300		6,281	
Combined – at VTC and enterprise	244	95	367		197		322	
TOTAL implemented	6,936	7,687	8,806	100%	8,694	100%	11,536	100%

Source: EARK (as cited in GIZ, 2019)

<sup>39</sup> <https://yesforkosovo.org/wp-content/uploads/2020/06/Employment-and-Labour-Market-Analysis-ENG.pdf>

<sup>40</sup> See also: <https://yesforkosovo.org/wp-content/uploads/2019/12/Report-ENG.pdf>

<sup>41</sup> <https://apr.krs.gov.net/Content/TrainingCenters/Index>

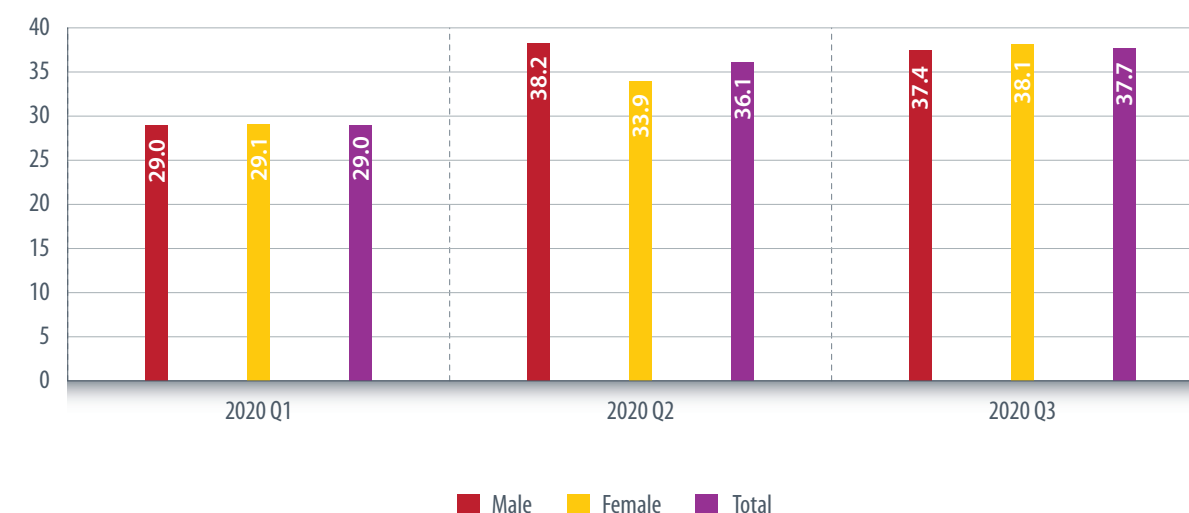
## 3 MAPPING THE SITUATION OF NEETs

Kosovo\* has a high proportion of young people who are neither in employment, nor in education and training (NEETs) who are often unwilling to accept a position offered to them because of their societal values and high reservation wage associated with the receipt of remittances from abroad. In 2019, the proportion of NEETs in the 15-24 age group (the NEET rate) was 37.7%.<sup>42</sup> This picture has not changed much over time, and from 2015-2019 there was an annual average of 107,000 NEETs, reaching 110,000 in 2019. Such a large number of young people who are detached from the education system and the labour market is

concerning, since they may eventually become unemployable and remain unemployed on a long-term basis having not acquired the skills needed to ensure their sustainable integration into the labour market.

In 2020, the proportion of NEETs was similar among young women and young men, exhibiting a greater gender neutrality than in the case of the activity rate and unemployment rate (see Figure 3).<sup>43</sup> This may indicate that the greater inactivity and unemployment of young women (as seen in Figures A1 and A3) is offset by their greater uptake of educational opportunities.<sup>44</sup> The NEET rate is higher among

**Figure 3: NEET rate 2020 by quarter, Kosovo\* (%)**



Source: [Observatory on employment in the Western Balkans](#), RCC's ESAP 2 project

<sup>42</sup> It should be noted that the NEET rate is lower than the overall inactivity rate since many young people attend education institutions and are therefore not "out of education or training".

<sup>43</sup> Data from Kosovo\* Agency for Statistics, online data from Labour Force Survey.

<sup>44</sup> In 2019 there were 4,459 female students registered to study at public universities in Kosovo\* and 2,928 male students (KAS, 2019, Table 13.1)



those with medium level of educational attainment compared to those with low or high educational levels. This point will be explored in more detailed further below in this section. Interviews conducted with NEETs found that, due to limited job opportunities, many aim to move abroad (typically to Germany) since they believe they are unlikely to find a job in Kosovo\*. One young person (NEET) stated:

*“...my only way right now is just to get out of here, if you don’t have family members, friends or people you know that have positions anywhere in government you would not have a good chance to get a job in your profession. I spent four years in the University to be a teacher, and what I get is to work in a supermarket for €200 8h-11h a day and 6 days a week. I think it is absurd”.*

As indicated above, there are many early school leavers in Kosovo\*, comprising about one tenth of the youth cohort. These young people have left school at or before the end of compulsory education at around the age of 15. In the second quarter of 2019, there were 117,200 young people with a low level of education, meaning that they had left the education system after the end of primary education or before.<sup>45</sup> Given that there were 110,000 NEETs in 2019 it is likely that most were young people with a low level of education.

### 3.1 Proposals to modify the design and delivery of policies to integrate non-registered NEETs

NEETs are among the vulnerable groups in the Kosovo\* sectoral strategy for labour and social welfare. The Action Plan on Youth Employment has included the NEET rate as an indicator for measuring the degree of access of youth to labour market opportunities. Nevertheless, stronger efforts to integrate non-registered NEETs in the labour market to reduce the high level of youth unemployment would be appropriate.

Schools and private businesses should collaborate to provide training and apprenticeships, as well as voluntary work in specific fields. More attention should be given to young people from disadvantaged families and ethnic minorities, since those groups are more likely to become unemployed. In addition, raising awareness about available opportunities may enable young NEETs to begin to engage in education or training.

Targeted programmes for different NEET age groups should be developed such as for those aged 15-19, 19-24, and 25-29. For the 15-19 age group, special one-to-one counselling and remedial training programmes should provide participants with basic employability competences, job search skills and address other issues which may be preventing them from accessing the labour market such as housing difficulties, transport difficulties and other aspects of material and social well-being. This may involve collaboration and coordination

between the Centres for Social Work and the Employment Agency. For the 19-24 age group who have graduated from VET school, short-term booster training courses should be provided in skills that are required by the labour market in partnership with employers and vocational training centres. For the 25-29 age group, careers advice and job-search counselling services should be provided by the Employment Agency and as well as business start-up advice and loans for those with a viable business plan.

### 3.2 Tailored outreach mechanisms to identify and assist the most vulnerable NEET groups

The development of a future Youth Guarantee programme in Kosovo\* is predicated on an ability to identify and reach the group of unregistered NEETs and encourage them to register with the Employment Agency so that they can benefit from the envisioned Kosovo\* Youth Guarantee. One of the government’s priorities is to promote employment among young people and the Employment Agency has made “Increasing the effectiveness of active labour market measures and employment services” one of its main objectives in the 2019-2021 employment policy. Youth employment measures are intended to become more “client-centred” and sensitive to the preferences and needs of young people to enhance their effectiveness. Measures should also be aligned with international best practice and incorporate design features that have been shown to be effective in youth development

programmes globally. Lessons should be drawn from international experience especially that in the EU (Santos-Brien, 2018). For unregistered NEETs, dedicated youth outreach workers can be trained and deployed to identify and inform the marginalised youth, building up relationships with them over time. Mobile Employment Agency units can be deployed, especially in remote rural areas. For marginal ethnic groups such as Roma, a mediator service can be especially important to engage with displaced and marginalised young people. Young women who have children but wish to re-engage with the labour market are another group that should be offered enhanced support by the public employment service, in coordination with women’s associations and NGOs and local community groups. Youth organisations have an especially significant role to play in providing information to unregistered NEETs, since they have already established channels of modern communication suitable to young people’s communication habits (for example, attractive interactive web pages, social networks and electronic information systems). All this will require moving beyond a narrow focus on enhancing skills and employability and instead adopting a more comprehensive “whole person” approach that also fosters peer-to-peer engagement and age-appropriate communication. This “how” often matters more than the “what”. Sound monitoring and evaluation of the measures is also important.

## 4 CAPACITIES TO IMPLEMENT YOUTH EMPLOYMENT PROGRAMMES

The main institution engaged in the provision of policy measures to improve the situation of youth on the Kosovo\* labour market is the Employment Agency which provides job search services, active labour market measures including vocational training through seven Vocational Training Centres. Making employment interventions sensitive to the needs of young people requires quality staff. Hence, improving employment outcomes for young people will be contingent on adequate recruitment and staff development to ensure they are in tune with young people's realities (World Bank, 2020).

### 4.1 The Employment Agency

The role of the Employment Agency, which operates under the MLSW, is to implement employment and vocational training policies and to record and report labour market data. The Employment Agency focuses directly on young jobseekers and offers them vocational training through its training centres and it also serves as a bridge between jobseekers and employers. The Employment Agency has local

Employment Centres located in all municipalities and 7 Vocational Training Centres located in the main regions of Kosovo\*.<sup>46</sup>

In 2018, young people in the 15-24 age group made up about 20% of all registered unemployed and 23% of participants in other active labour market programmes (ALMPs).<sup>47</sup> This suggests that young people are an important target group for the Employment Agency. However, more could be done for this age group to support young people's transition to employment. For example, the Employment Agency can develop a better understanding of young people and design its services and measures through a youth lens. Promoting employment requires a policy mix to strengthen the demand for workers (a strong business environment and adequate sectoral policies), the quality of labour supply (education, health, and an enabling environment to work), and adequate policies to facilitate matching between labour supply and demand. This is where relevant ministries, Employment Agency and other service providers can play an important role, fostering young people's transition to work through targeted support measures. MEST and MLSW can cooperate better in order to identify the sectors that have potential in the future as well as prepare young people through appropriate vocational training courses.

46 Prishtina, Prizren, Peja, Mitrovica, Ferizaj, Gjilan, and Gjakove

47 Data based on RCC ESAP internal collection of PES data

## 5 A ROAD MAP FOR YOUTH EMPLOYMENT IN KOSOVO\*

Youth employment policies have been developed in Kosovo\* on a piecemeal basis, with different Strategies developed by a variety of Ministries and other government institutions. Experience from the EU and around the world identifies a number of essential components of effective policies in this field. These are summarised in Box 1:

### Box 1: Essential components of effective youth employment policies

- Joined-up policies involving multi-agency work
- Job creation: Wage subsidies for businesses who employ young people
- Youth entrepreneurship programmes
- Self-employment incentives
- Training programmes for inactive and unskilled youth
- Apprenticeships and work-based training
- Developing the digital skills of young people
- Career guidance, information and networking
- Outreach programmes to NEETs
- Building the capacity of public employment services
- Monitoring and evaluation

Several of these policies have already been partially implemented in Kosovo\* as identified in section 2 above. There remain several gaps that need to be filled to enable a coordinated and coherent policy approach to addressing the youth employment problem. These could best be addressed by implementing a Youth Guarantee along the lines that has been suggested by the European Commission for the EU member states, with appropriate modifications taking into account Kosovo\*'s level of development and extent of progress in the EU accession process.

This section presents the roadmap for Youth Guarantee in Kosovo\*, and while this roadmap is an important analytical input, this roadmap cannot replace or prejudice the Kosovo\* Youth Guarantee Implementation Plan.

### 5.1 A Youth Guarantee for Kosovo\*

The Youth Study Comparative Chapter presents key elements of the EU Youth Guarantee, including recommendations on phases and stages stemming from the Council of the European Union 2020 and the European Commission's Economic and Investment Plan, 2020, respectively (for full details, please consult the Comparative Chapter). Thus, while this section of the Annex for Kosovo\* may contain some repetitive material to the Comparative





### 5.2.4 Stage 3: Pilot Phase

An initial pilot programme should be designed and implemented to test the measures that have been planned for the newly registered NEETs who have been identified through the outreach programme in a selected number of local authority areas (cities/towns/municipalities). The participants in the pilot Youth Guarantee should be given individual career management plans by dedicated and trained officers of the EARK. These plans will contain information about opportunities for employment, education or training, with specific offers for each individual participant. The effectiveness of the pilot phase should be assessed through carefully designed evaluation studies to identify which measures work best for NEETs and which do not. This would inform an adaptation of the Youth Guarantee in preparation for its full roll-out and implementation. The Youth Guarantee should then be (re)designed on the basis of the evidence gathered, and in a final stage, stage 4 rolled out to the entire economy.

### 5.2.5 Stage 4: Full Rollout

On the basis of the findings from the evaluation study of the pilot phase of the Youth Guarantee, the package of measures should be adjusted to take into account those measures that have proved to be most effective and relevant to the needs of different NEET groups. These should be entered into a modified Youth Guarantee, which will be rolled out to cover the entire economy.

## 5.3 Youth Guarantee- Thematic, Policy Phases, according the Council recommendation of 30 October 2020

### 5.3.1 Phase 1: Mapping

The public employment services should further develop mapping systems, early warning and tracking capabilities to identify young people at risk of unemployment or inactivity. Research should be carried out to identify the different needs of the various categories of young people, including those already at school, early school leavers without a job or inactive, graduates from secondary school level who face difficulties entering the labour market as first-time jobseekers and those who are either long-term unemployed or inactive but would like to work, and university graduates who do not have a job, especially young women graduates without work or who would like to start their own business but face financial or other barriers to doing so.

Cooperation with institutions working with young people, such as Centres of Social Work, schools and universities, youth organisations and NGOs that operate within the youth sector would be essential in order to inform and encourage young people to register with the EARK as soon as possible after they complete schooling or graduating from university, or if they are in a NEET situation

In order to implement the Youth Guarantee, the EARK will need to forge more intensive partnerships with the business sector, youth organisations, Centres for Social Work, local

self-government authorities, and private job agencies. EARK should collaborate with NGOs and businesses to maximise effective identification of needs of the labour market. Businesses should also be involved in the design of youth employment policies, as they can define labour market demands and could hire the unemployed youth and NEETs.

### 5.3.2. Phase 2: Outreach

In order to get an offer of employment, continued education, apprenticeship or traineeship with the Kosovo\* Youth Guarantee scheme, a young person among the eligible categories should be obliged to register with the EARK, and some young people would require additional assistance from social services and NGOs prior to registration with the Employment Agency. The capacity of the EARK to reach out to encourage greater numbers of young people to register for the Kosovo\* Youth Guarantee will need to be further developed. Outreach programmes should be developed for the hard-to reach NEETs. These may be young people with low skills who have only completed primary compulsory education, or youth from marginalized groups. An Outreach Strategy should be developed to identify the best way to involve partnerships between the social services, employment services, community groups and youth NGOs to reach out to marginalised NEET groups.

### 5.3.3. Phase 3: Preparation

This phase should include the development of new activation measures including preventative measures to tackle early leaving from education and training by disadvantaged youth, strengthening of the existing measures, and development of more intensive measures of

active employment policy for less advantaged young people such as NEETs with low and medium levels of education.

The Youth Guarantee should ensure that all young people are supported by EARK to access the labour market through the provision of high quality public employment services, including labour market information on vacancies and improved career counselling and guidance services, as well as tools for independent career management. Prevention measures to tackle early leaving from education and training by disadvantaged youth should be designed and implemented. For more advantaged young people, such as graduates from school or university, job referral procedures and career counselling and mentoring are already available and should be strengthened. For less advantaged young people such as NEETs, more intensive measures of active employment policy should be provided, as well as opportunities for further education and skills development. Additional interventions should address young people's preferences and personal development needs, for instance through age-appropriate communication, peer-to-peer learning, positive adult-youth relationships, and support to goal management.

After registering with EARK, all eligible young people in the target group should be provided with information and basic career counselling by a Youth Guarantee Counsellor. An initial career counselling session would aim to identify the specific needs of the client, their employability, interests and competences. This would lead to an agreement on the client's employment targets and follow-up activities, including the type of offer that would provide the best match to the identified needs. The counsellor should check the job search skills of the client and agree an individual plan to improve their skills. For those who have completed profiling and are ready for employment, appropriate support will

be provided including the creation of a high-quality CV and a profile in relevant job portals providing job referrals to employers who are partnered to the Kosovo\* Youth Guarantee. Young people enrolled on the Kosovo\* Youth Guarantee should be provided with information on possibilities and opportunities for training, education or realisation of their business ideas. After three months of unemployment, another round of career counselling should be provided which would involve checking the effectiveness of the activities already carried out, and checking the job or training application documents including the profiles in the job portal. A further agreement on activities to be carried out under the Kosovo\* Youth Guarantee should be drawn up after an intensive set of job-search or training/apprenticeship application activities have been agreed. Such activities should comprise intensified career counselling, the creation of new employment objectives and intensified job search activities, and inclusion in a group workshop on career management skills provided by EARK. In this phase, the measures of the Youth Guarantee would introduce a greater focus on opportunities for education and training that are available, with the aim to increase the client's employability. Training should be adjusted to specific target groups and individual needs in connection with the needs of employers who are partnered with the Kosovo\* Youth Guarantee. Job referral should be continued as well as other methods of presentation to employers.

After four months of unemployment and/or after conclusion of different forms of training the client should be offered a more intensive service and additional measures of support within the Kosovo\* Youth Guarantee scheme. The intensified services should include in-depth career counselling and/or enrolment in a group learning the career management skills provided by specialised private consultants or companies.

The measures would also include more intensive incentives for employers (e.g., employment subsidies, co-financed traineeship in certain sectors, mentoring schemes) to encourage them to provide a suitable offer of employment or training to eligible young people from the various target groups. Young jobseekers should also be provided with a similar set of incentives to join start up their own individual business or join together to start up a cooperative business.

### 5.3.4 Phase 4: Offer

Young people can be assisted into work by a mix of youth labour market measures that may include regular employment, subsidised employment which offers income and work experience, support for entrepreneurial start-ups, specific training for the needs of the labour market, or paid apprenticeships within specific businesses. For these offers to be successful, it is crucial that they are implemented with a good understanding of the key target groups and should adopt a youth-centred approach addressing specific barriers to employment in local labour markets.

#### 5.3.4.1 Employment including self-employment

##### *Creating jobs*

In order to bring the most disadvantaged youth and NEETs into the labour market, job creation schemes should be based on wage subsidies for private sector employers of young jobseekers registered with EARK with only primary education qualifications or less, or are secondary VET school graduates. The wage subsidy should be a flat rate subsidy equivalent to the minimum wage of €130 per month, thus eliminating the distorting effect of minimum wages on the demand for labour. The subsidy would increase the demand for youth labour.

This measure has already been introduced as a short-term response to the COVID-19 emergency but should become a permanent feature of youth employment policy to create jobs for disadvantaged young people. The two-month limit on the job subsidy should be extended significantly, to at least a one year period. Other parallel measures including promoting entrepreneurship and reducing the costs of doing business in general, targeted towards youth entrepreneurs should also be designed and implemented.

#### **Providing entrepreneurial and self-employment opportunities**

The creativity and innovativeness of young people should be supported by a combination of measures including incubator services and financial support to innovative youth entrepreneurs.<sup>49</sup> It should build upon the measures introduced through the Kosovo\* Skills Vision 2020, the Youth Strategy 2013-2020 and the Private Sector Development Strategy 2018-2022. Business incubators for youth entrepreneurs should be established as not-for-profit social enterprises, with a focus on young women, NEETs and marginalised groups. Young entrepreneur networks should be developed, including for young women and marginalised youth. Youth entrepreneurship programmes should be developed and supported by training and mentoring by professional entrepreneurs, in partnership with the Employment Agency, chambers of commerce and employer associations.

Start-up grants and loans should be provided to young entrepreneurs to set up new private businesses, cooperatives and social enterprises. These should be backed up with targeted business advisory services and training and

mentoring support. The relevant authorities should engage with the European Bank for Reconstruction and Development (EBRD) to finance programmes for youth entrepreneurship through micro-loans, financial support for vocational skills development and business advice in line with the EBRD Economic Inclusion Strategy.<sup>50</sup> The Western Balkan Enterprise Development and Innovation Facility<sup>51</sup> (WB EDIF) should be engaged to provide support, advisory services, and low-cost finance for youth enterprise start-ups. The IPA III funding should be used to support the introduction of the Youth Guarantee. In addition, IPA III funding can finance employment creation and entrepreneurship programmes. Moreover, of relevance is the Western Balkan Investment Framework (WBIF) in the context of funding opportunities.

#### **Enabling self-employment**

Self-employment of young crafts persons as sole proprietors should also be supported through start up grants and mentoring support and training.

#### 5.3.4.2 Apprenticeship and work-based learning

Kosovo\* has 59 VET schools for 15-18 year olds within the upper-secondary level of education (ISCED 3), attended by about 56% of students. VET secondary schools in Kosovo\* offer two main types of work-based learning programmes: work-based learning in VET schools' own workshops, and professional practice in enterprises. Part of public expenditure on education should be reallocated to the provision of better equipment and teaching materials in vocational schools (VET schools),

<sup>49</sup> See Shiroka-Pula et al. (2018)

<sup>50</sup> See: <https://www.ebrd.com/what-we-do/projects-and-sectors/economic-inclusion.html>

<sup>51</sup> See: <http://www.wbedif.eu/about-wbedif/>



whose graduates have the most difficulty in entering the labour market. Furthermore, the Kosovo\* Education Strategic Plan (2017-21) focuses on improving the relevance of VET school programmes to labour market needs, the development of a VET specific core curriculum, the provision of high-quality work experience and professional practice. However, according to the Strategy for Professional Practice in Kosovo\* (2013-2020) many VET students do not participate in work-based learning and VET programmes are not designed through genuine working partnerships between VET schools and employers.<sup>52</sup>

Therefore, VET schools should be supported to partner with the business sector to develop work-based training programmes for secondary school students.<sup>53</sup> The quality of professional practice outside school should be enhanced by developing partnerships between employers and vocational schools. This should be designed to introduce work-based training schemes through which VET students spend part of the course in practical training in a business environment (so-called “dual education”). In this way students will gain work experience while still at school and will learn practical skills relevant to the labour market. Work-experience placements should be supported through subsidies to employers. At the same time, and in parallel, the quality of education provision at VET schools should be improved, including through provision of adequate teaching materials, broadband infrastructure and up-to-date computer equipment for practical instruction. This is particularly important since the PISA 2018 study demonstrated that a lack of teaching materials and infrastructure and equipment is holding back learning opportunities for a large

52 MEST (2104) Strategy for Improvement of Professional Practice in Kosovo\*, 2013-2020, p. 12

53 These measures should be coordinated with the MEST, MLSW, the Agency for Vocational Education and Training and Adult Education (AVETAE) and the Council for Vocational Education and Training and Adult Education (CVETAE) and employers' associations and chambers of commerce.

54 Provision of broadband internet connections to all schools is an aim of the Kosovo\* Education Strategic Plan 2017-2021.

proportion of school pupils in Kosovo\*.

A graduate apprenticeship programmes should be fully supported by partnerships between universities the business sector and through business-university collaboration agreements to ensure the quality of the training and work experience that is provided. The current unpaid internship programme should be converted to fully financed graduate apprenticeship programme. The programme should be designed for eligible companies who employ more than 50 workers, with finance provided through an apprenticeship levy on such companies.

#### 5.3.4.3 Traineeship

Training sessions of short duration should be provided to NEETs for immediate labour market integration including digital and green skills, entrepreneurial skills and career management skills. These can be provided by the specialised VET schools (called Centres of Competences - in Building and Construction, and in Commerce, Administration and Trade) which operate under responsibility of MEST and Municipal Directorates for Education, as well as by other training providers in the private sector. Pathways for reintegration of NEETs into education and training should be developed, including second chance education programmes for early leavers from education and training and low-skilled young people.

#### Digital agenda

More investment in digital learning infrastructure and technology should be made in schools and tertiary education institutions.<sup>54</sup> The measures envisaged in the existing

Information Technology Strategy should be further developed and scaled up. Relevant authorities should engage with the EU's Digital Agenda for the Western Balkans<sup>55</sup> to provide Digital Opportunity Traineeships to students and young people and to provide NEETs with training in digital skills. The EU Code Week should be further promoted to young people in Kosovo\*.

### 5.3.5 Youth Guarantee-crosscutting enablers

Effective use of the three cross-cutting enablers is key for successfully implementing the Youth Guarantee scheme and achieving the delivery of quality offers to young people.

#### 5.3.5.1 Mobilising partnerships

Policies to address youth employment have a cross-cutting nature and should be designed and implemented jointly by governmental institutions at all levels, the private sector, the business sector, NGOs and youth associations. In order to implement the Youth Guarantee, government ministries and agencies (EARK) will need to forge more intensive partnerships with the business sector, youth organisations, municipalities, and private job agencies, and new partnerships will need to be developed. Effective cooperation and integration with social partners, representatives of young people's association and youth clubs, Centres for Social Work, and the Employment Agency will be crucial for successful implementation of the Kosovo\* Youth Guarantee. The Employment Agency (EARK) needs to establish effective communication with schools and other providers of training and education. Intensive cooperation with employers is also vitally

55 See: [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_18\\_4242](https://ec.europa.eu/commission/presscorner/detail/en/IP_18_4242)

important. Therefore, formal partnerships should be developed with employers who are willing to offer jobs, work-experience training opportunities and apprenticeships to young people within the framework of the Kosovo\* Youth Guarantee. Partnered employers will benefit from public subsidies but will also be regulated to ensure that the jobs they offer are decent high quality jobs and that their training provision and apprenticeship schemes offer added value to each involved young person's human capital.

#### 5.3.5.2 Improving the data collection and monitoring of schemes

Monitoring and evaluation: All youth labour market measures and employment programmes implemented by EARK, other institutions and special programmes for NEETs including outreach programmes should be regularly monitored and evaluated. The Youth Guarantee implementation plan should be regularly monitored by a working group in which representatives of all sectors responsible for the Kosovo\* Youth Guarantee implementation would participate. The providers of the measures should report to the working group on a regular basis on the implementation of the measures under the Kosovo\* Youth Guarantee scheme.

#### 5.3.5.3 Making full and optimal use of funds

Kosovo\* needs to dedicate adequate own resources to the implementation of the policy measures put forward under the Youth Guarantee. The EU funding through IPA III can support the introduction of the Youth Guarantee, in line with the European Commission Economic and Investment Plan for the Western Balkans, Flagship 10, Youth Guarantee.



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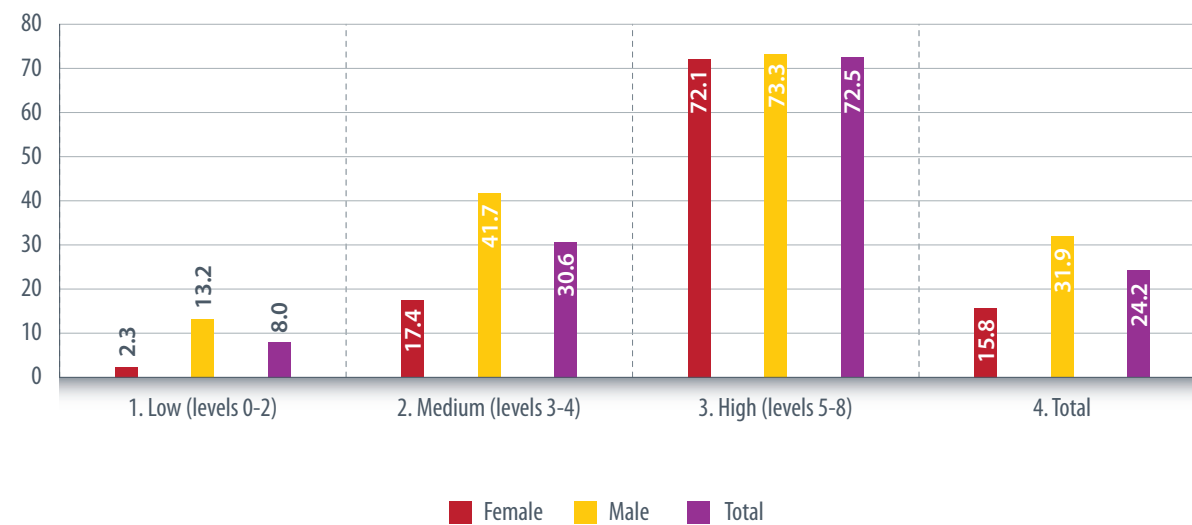
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## 7 APPENDIX

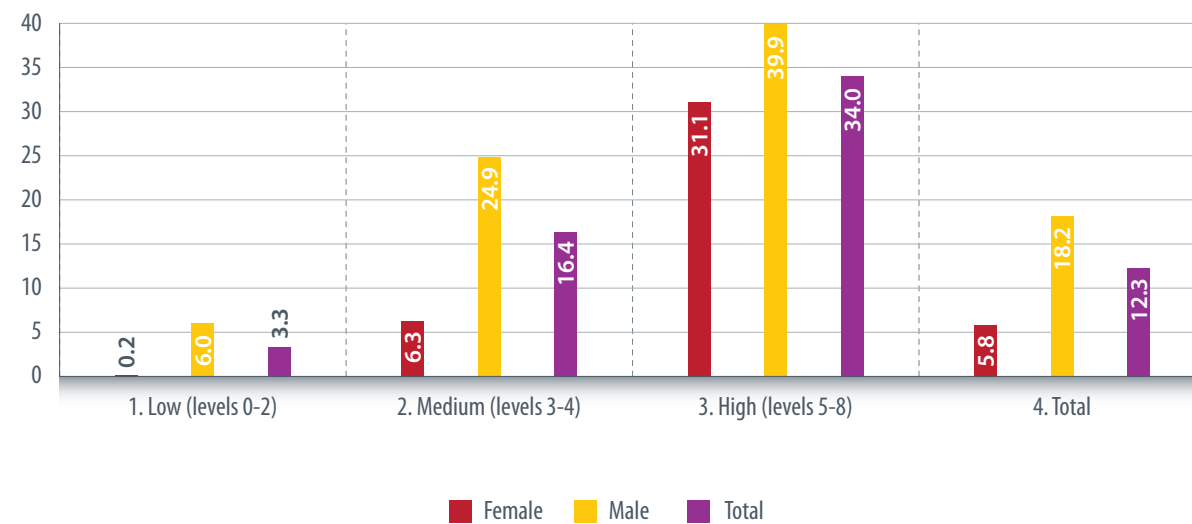
This appendix shows the main labour market performance indicators for 15-24 age group in Kosovo\* in the second quarter of 2019. The Figures are constructed from data in the World Bank/WiiW Jobs Gateway for Southeastern Europe online database.

**Figure A1: Labour force participation rate by gender and educational level, 15-24 year olds, Kosovo\* 2019 Q2 (%)**



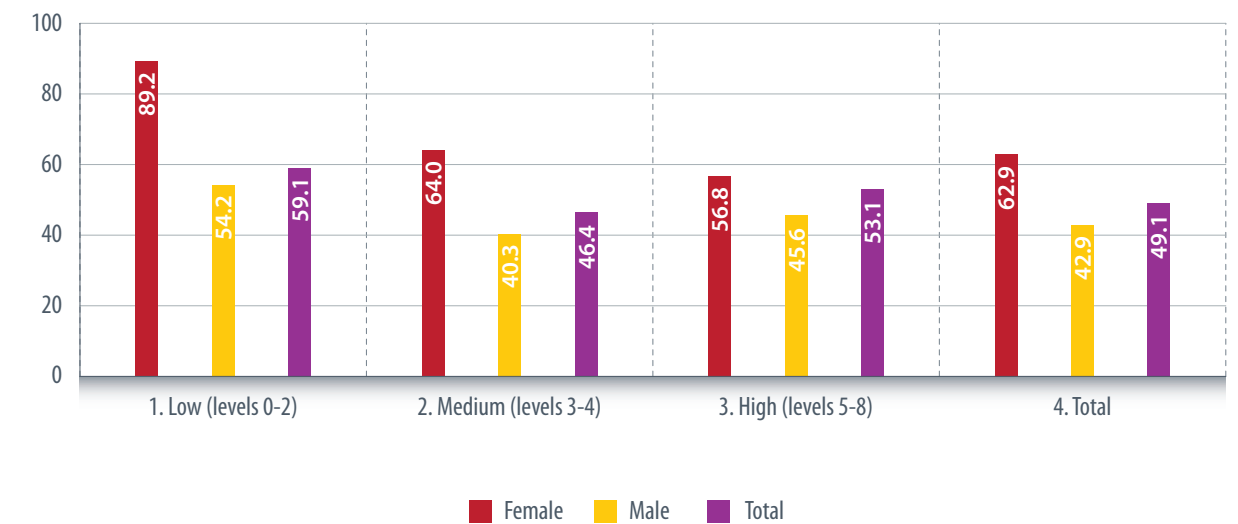
Source: World Bank/WiiW Jobs Gateway in Southeastern Europe online database

**Figure A2: Employment rate by gender and educational level, 15-24 year olds, Kosovo\* 2019 Q2 (%)**



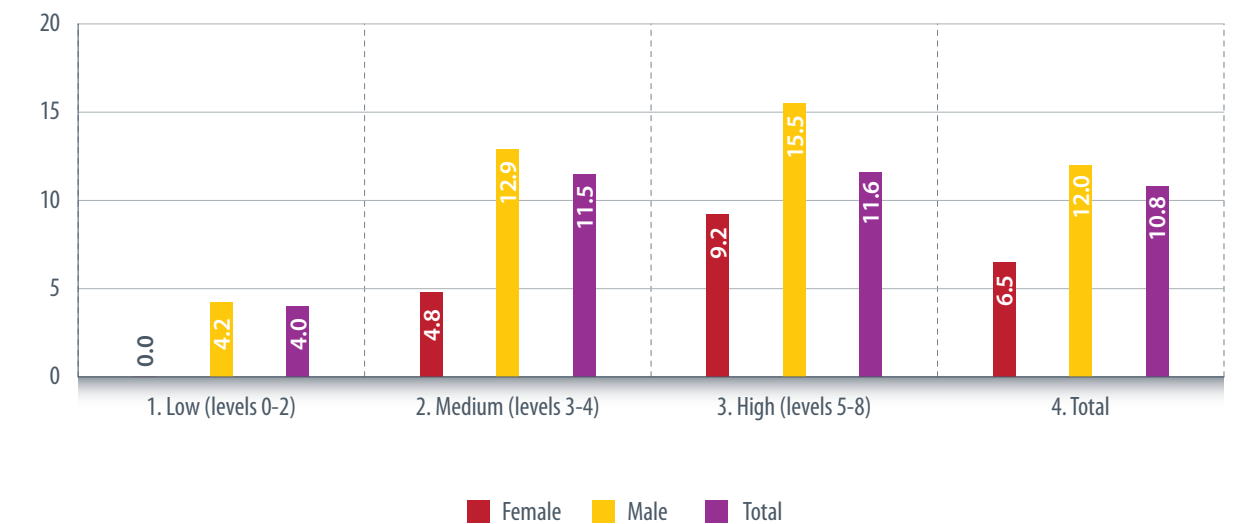
Source: World Bank/WiiW Jobs Gateway in Southeastern Europe online database

**Figure A3: Unemployment rate by gender and educational level, 15-24 year olds, Kosovo\*, 2019 Q2 (%)**



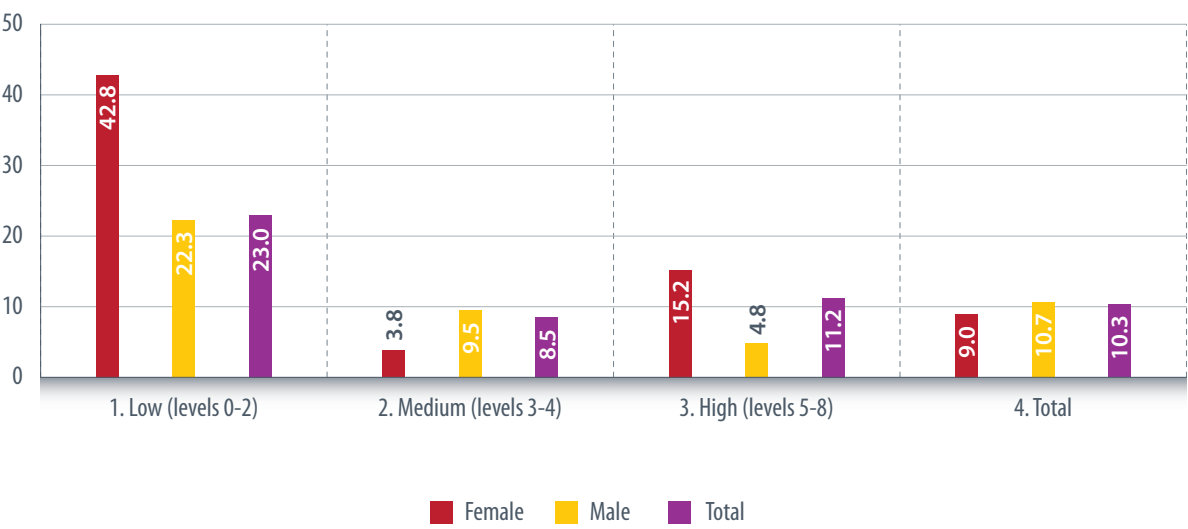
Source: World Bank/WiiW Jobs Gateway in Southeastern Europe online database

**Figure A4: Self-employment share in total employment by gender and educational level, 15-24 year olds, Kosovo\*, 2019 Q2 (%)**



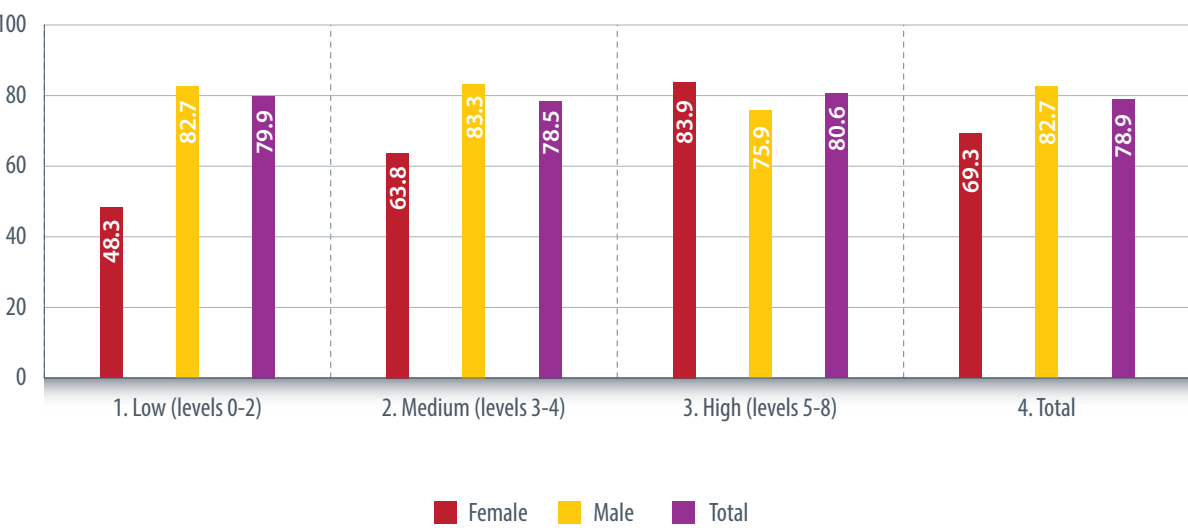
Source: World Bank/WiiW Jobs Gateway in Southeastern Europe online database

Figure A5: Part-time employment share in total employment, 15-24 age group, Kosovo\*, 2019 Q2 (%)



Source: World Bank/WiiW Jobs Gateway in Southeastern Europe online database

Figure A6: Temporary employment share in total employment, 15-24 age group, Kosovo\*, 2019 q2 (%)



Source: World Bank/WiiW Jobs Gateway in Southeastern Europe online database



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