



STRATEGY AND ACTION PLAN 2020 – 2025

DEVELOPMENT OF EMPLOYABLE HUMAN RESOURCES IN GJAKOVA REGION









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- 2 -

Content

SUMMARY	3
I. PROFILE OF GJAKOVA REGION	5
1.1 Territtory and demography of Gjakova Region	6
1.2 Demographic movements - domestic and international migration	7
1.3 Natural and cultural heritage in Gjakova Region	
1.4 Transport and development potential in Gjakova Region	11
1.5 The cross-border dimension of Gjakova Region	
II. PROBLEM IDENTIFICATION	13
2.1 Unemployment in Kosovo	13
2.1.1 Public opinion on employment and other developments in Kosovo	14
2.1.2 Unemployment in Gjakova Region	16
2.1.3 Data from the Employment Office (EO)- Gjakova	
2.1.4 Data from Vocational Education Center Gjakova (VEC)	
2.1.5 Linking education with the labor market - the STEEM approach	21
2.1.6 Businesses need for labour force – a case study	
2.1.7 Survey on the needs of businesses for workforce in Gjakova	
2.1.8 Some economic indicators in Kosovo	
2.1.8.1 Tourism and agribusiness as economic activities	
2.1.8.2 Some programs and potential employment sectors in Gjakova	27
2.1.9 Socio-economic transition, structural change - privatization	29
2.1.10 Profile of businesses in Gjakova Municipality	31
2.2 Education	
2.2.1 Profiles of secondary and high education in Gjakova	
2.2.2 Missing VET professions in Gjakova Region	
2.2.3 UNDP recommendations for work skills in Kosovo	
2.3 Social inclusion	
2.3.1 Rural youth employment inclusion	
2.3.2 Gender inclusion in education and employment	42
III. EMPLOYMENT STAKEHOLDERS and STRATEGIC ORIENTATION	44
3.1 Employment stakeholders in Kosovo	44
3.2 Employment stakeholders in Gjakova Region	46
3.3 Employment strategic orientation	
3.3.1 The action plan on youth employment in Kosovo 2018-2020	48
3.3.2 European Strategy 2020	49
IV. ANALYSES – EMPLOYMENT, EDUCATION, SOCIAL INCLUSION	51
4.1 Results of SWOT analyses - Employment in Gjakova	
4.2 Results of analyses - Education in Gjakova	
4.3 Results of SWOT analyses – Social Inclusion in Gjakova	
4.4 Students' opinion on unemployment in Gjakova	
V. POLICY OPTIONS and RECOMENDATIONS	59
5.1 Identification and review of options	
5.2 Evaluation of options	
5.3 Recommendations	
VI. ACTION PLAN ON HUMAN RESOURCE DEVELOPMENT FOR EMPLOYMENT 2020	
References	
Annex: Action Plan	
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SUMMARY

The Strategy fpr development of employable human resources in Gjakova Region 2020 – 2025 (referred to as "the Strategy") is a medium-term strategic document accompanied by the Action Plan focused on the Municipality of Gjakova, with the main inputs of the Local Partnership for Employment in this municipality (LPE). The strategy was developed in framework of the regional project "SEED Step II", and it includes naigbouring municipalities of Malisheva, Deçan and Junik according to the regional organization of the Employment Agency (referred to as "Gjakova Region") as they possess complementary capacities such as vocational schools, etc. and being smaller localities with high unemployment rates need such policy empowerment.

The strategic planning process began in December 2018 and ended in December 2019. The Strategy document and the Action plan were presented by the LPE to the Gjakova Municipal Assembly which is expected to adopt it and also integrate it into its development policies, as well as to provide implementation support.

The goal of the Strategy is to develop human resources, in addition to other processes, in order to prepare the labor force according to market demand which is expected to increase employment since one of the main reasons for unemployment in Kosovo and the region is the unskilled labor force, or not well oriented, towards the current labor market and trends, opportunities and challenges in the near future.

Meanwhile, the development of human resources is expected to contribute to the enhancement of the quality of business products and services in the region as a major source of employment that is expected to play a role in providing expertise in the teaching process and professional practice, especially for vocational education where equipment, expertise and other resources are required, that the education system does not possess or are limited.

The Strategy is built on 3 main pillars, at the base of which there is (1) an assessment of employment status and needs, including LPE needs as a new consultative entity for consolidation and capacity building for fulfilling the target role - an impact on employment growth in the Municipality of Gjakova. The Strategy was drafted with the assistance of the consultant (HROD) engaged in drafting this strategy by consulting various data related to the topic, in particular (2) the recommendations of UNDP (United Nations Development Program in Kosovo) about completion of skills gap based on the labor market demand survey in 6 major manufacturing and service industries in Kosovo in 2016.

As well as, consulting local and international strategic documents as (3) Kosovo Youth Employment Strategy and Plan 2018-2020 and The European Strategy 2020 that involves employment growth, as well as reports, statistics and other data at local and national level, Kosovo Agency of Statistics, periodic public opinion surveys "Public Pulse" by UNDP, etc.

According to the overall practices of policy making and strategic planning, the document is conceptualized based on international practices for the development of human resources for employment and contribution models of stakeholders in organized forms such as local employment advising or partnerships, on the basis of which the LPE was established as an inclusive entity, by the decision of the Municipal Assembly of Gjakova in 2017, with advisory function and mission to reduce unemployment in Gjakova Municipality.

LPE-Gjakova served as a focus group in generating primary data during 3 workshops and other exchanges in assessing the situation and measures for change. Its members contributed with providing information such as the business register, jobseekers, number and orientation of vocational training, etc., and in assessing the local labor market situation through "SWOT" analysis that served as the basis of strategic orientation, accompanied by a research on the topic with students from all municipalities in the region who study in the city of Gjakova and a number of businesses on the need for workforce implemented in this planning.

Several options have been considered for the implementation of the Strategy. Human capacity development option - preparing the labour supply according to the labor market by providing general "soft" or "essential" basic skills with wide applicability, from language knowledge to technical skills, as recommended by UNDP, etc., in addition to specific knowledge in different profiles with international standards and according to employers' requirements.

In parallel with the drafting of the Strategy was the establishment and, as an integral part of it, is the development of LPE through the presentation of good regional practices linked with the role and functioning of such local entities, issues for successful action, presentation of case studies by LPE activity/of employment partnerships from EU countries and the region, as well as providing training and counseling in the local employment planning process and assistance in the early development of LPE.

Thus, the Strategy and the Action Plan serve for LPE and other stakeholders as a strategic orientation, assessment of achievements and situation, as well as a future planning basis for addressing local challenges to increase employability in the Municipality and region of Gjakova.

This is an orientation with opportunities for uniform administration through the system of vocational education and training, which is considered as the lowest cost and with the highest short-term and long-term impact. This option can be accompanied by other complementary aspects such as entrepreneurship cultivation, self-employment subsidy, attracting foreign investment through public private partnerships (PPPs), as well as the movement of qualified workforce through migration by avoiding "brain drain", attracting and retaining human resources with experience according to regional advantages by offering opportunities and benefiting from the capital and expertise of diaspora and direct foreign investments.

The Strategy with 3 objectives and 20 proposed measures is presented in detail in the Action Plan, which is a tool for implementing and monitoring the Strategy and identifies the responsibilities, time and resources necessary for its implementation and it is usable for the LPE and stakeholders and all involved parties. Three objectives of the Strategy and Action Plan are:

- Development of a human resources management system for employment in Gjakova Region;
- Development of human resources in Gjakova Region;
- Creating a stable and functional labour market in Gjakova Region.

Following are profiles of municipality and region of Gjakova and some socio-economic data, problem identification with some data on unemployment and stakeholders, SWOT methodology and analysis of employment situation, education and social inclusion, options and recommendations. In the Annex is the 2020 Action Plan for the implementation of the Strategy on Human Resources for employment with relevant details.

I. PROFILE OF GJAKOVA REGION

For the needs of this Strategy, the region is defined according to the regional organization of the Employment Agency and the VTC which are situated in the municipality of Gjakova and cover the region with the municipalities of Gjakova, Malisheva, Decan and Junik. According to this organization, the following is a summary of more detailed comparative data used on the topic of the Strategy on Human Resources Development for Employment in Gjakova Municipality, in general, with the involvement of 3 other municipalities in this region.



Gjakova Region (Wikipedia)

These data include the surface and composition of the region's territory, population, demographic movements, with particular emphasis on international migration, socio-economic data, education, transport and cross-border aspects, privatization and employment/unemployment and the labor market as the focus of this Strategy to interconnect depends on and has an impact on the welfare and socio-economic and political stability of the region.

The Gjakova region is located in the western part of Kosovo and, as defined above, includes the municipalities of Gjakova, Malisheva, Deçan and Junik with 175 settlements (4 towns as municipal administrative centers and surrounding rural and mountainous areas organized in villages and local communities) located in the western part of the fertile plain of Dukagjini to the heights of the Nemuna Mountains, in crown shape, on the west of Deçan, Junik and a small part of Gjakova. The region extends to the Mirusha Waterfalls in the municipality of Malisheva, bordered by the towns of Klina, Mamusha and Prizren.

The extension of the region is in line with the regional organization of the Employment Agency and the Gjakova-based Employment Center, and some other local and international institutions, without affecting local self-government independence of municipalities as state regulation in Kosovo is in two levels: local and central, without administrative regions.

However, planning organizations such as this Strategy create favorable preconditions for early regional development in line with European regional development programs also in the context of integration and EU funds for employment and social inclusion and cross-border cooperation under IPA, etc. since the Gjakova Region has a cross-border character as it borders the Republic of Albania.

1.1 Surface and Demography

According to statistical data, the area of Gjakova region including the municipalities of Gjakova, Malisheva, Deçan and Junik is 1,214km2 with 175 settlements (4 urban centers and 171 villages) and 203,055 inhabitants (population estimation 2017). According to the data, there are about 84980 ha of agricultural land and 74,559 ha of forests and pastures in the Gjakova Region, while the rest are urban areas such as roads, residential, administrative, commercial and recreational facilities and spaces.

In the region an internal migration from rural suburbs to urban centers and towards the capital Prishtina is evident, as well as migration abroad. The number of emigrants from the Gjakova Region outside Kosovo in 2017 has doubled since 2011. According to KAS (Kosovo Agency of Statistics) internal migration occurs for reasons of study, employment, change of residence on the occasion of marriage, etc. but that there are also arrivals in these municipalities from the country and abroad, including the repatriation of locals and the arrival of foreigners for work reasons (international organizations), as well as asylum - job opportunities from neighboring countries, etc., however in much smaller scale and without any foreseen impact on local employment.

Data on the constituent municipalities of the region, such as area, type of land, number of settlements, population, international migration according to the 2011 Census estimated in 2017 by KAS, and the number of jobseekers are presented in the following table.

Municipality and settlements	Surf. km²	Land (ha) agricult./fo- rests	Popula- tion 2017	International emigration 2017	Nr. job seekers EO- Gjakova
Gjakova (91 settlements)	587	55,684 / 40,125	96.127	1,069 (1.11%)	5369 (5.6%)
Malisheva (43 settlements)	361	15,917 / 11,506	59.065	903 (1.52%)	2555 (4.3%)
Deçan (37 settlements)	180	8,940/ 19,899	41.876	53 (0.12%)	1996 (4.7%)
Junik (1 settlements)	86	4,439/ 3,029	6.482	138 (2.12%)	472 (7.2%)
4 municipalities 175 settlements	1,214	84,980/ 74,559	203,055	2,163 (1.06%)	10392 (5%)

Source: Population Census Report 2011 (KAS 2012, 2017), Gjakova Employment Office (2018)

Immigration during the first decade of direct international administration of the country after the war, as well as in the period of emergency and reconstruction and with other rehabilitation, educational, developmental, security, diplomatic presence, etc., included a significant number of local staff from guards, drivers, translators to engineers and high profile professionals in various programs with international donations. This had a direct impact on employment growth and indirectly on the economy through the purchase of products and services including rent, etc. This trend is in decline with the reduction of international missions and programs, which

massively reduces employment, while foreign direct investment is lacking for many reasons, despite the rapid business registration process and favorable fiscal policies. It is also caused by the lack of stability, the level of functioning of the judiciary and the protection of investors in court proceedings and with government guaranteed funds, informal economy practicies, high corruption and low transparency according to reports of government and non-governmental institutions, also observed by EU, diplomatic presence such as the US, UK, etc., and international financial institutions like the IMF, development organisations like the World Bank, which measure the level of good governance, the judiciary, free speech, transparency, etc.

In a TV presentation at the end of 2018 focused on high and rising immigration in Albania, a migration expert assessed that mass international migration could have socio-political impact and destabilize the local labor market as a result of "brain migration" which creates a shortage of local workforce since the most developed countries especially those in the European Union, USA, Kanda, etc. are drawing, through work visas low-qualified workers but with specific skills such as mechanical, hydro and electro installers, welders, etc. and highly skilled/qualified workers, such as engineers, builders, and medical doctors among others.

This trend is in increase in Kosovo and also in the region, and as predicted, "the future of work will not belong to college diplomas, but to job skills" (SNBC, February 2019), so a shortage of labor force with job skills can be expected, since those with degrees are many but unnecessary for businesses - job providers who have already begun to identify shortages as welders and other profiles.

1.2 Demographic movements - domestic and international migration

According to the latest population assessment report of the Kosovo Agency of Statistics (KAS), in 2017 it is estimated that the number of inhabitants of the Peja Region was 178,230, Gjakova Region 199,489 and Prizren Region 288,655, while the total population of Kosovo is estimated to have been 1,798,506 inhabitants.

The number of Kosovar emigrants in 2016 was 22,012, in 2017 it was halved to 11,263 mostly legal emigrants. The number of immigrants in Kosovo during 2016 was 13,072 inhabitants, including returnees and asylum seekers in Kosovo with citizenship/residence permit for more than 1 year, while in 2017 the number 5,832 was again lower (Ministry of Internal Affairs, IOM, UNHCR, Municipalities). The motives of emigration according to the report were family reunification, marriage, employment, permanent migration, long-term studies with employment, etc. "Also, during 2017 a significant number migrated seeking asylum" (KAS 2016, 2017).

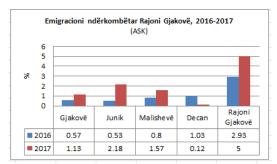
According to the national and international migration data in 2016, the municipalities with the most positive balance were Prishtina (395 persons), Fushkosova (268), Novoberda (70), Gracanica (66) and Junik with a lower number of 12, but a significant indicator of people's preference for living in this new, small and clean municipality as far as the naked eye sees and a glimpse of the environmental data shows.

Also, the national migration balance for the municipality of Prizren is quite positive since 279 residents have migrated from other Kosovo municipalities to this municipality, however there's a negative international migration balance (341 migrants) in 2016 (KAS 2017).

The municipality with the highest positive balance of national migration is Prishtina with 1074 inhabitants who immigrated to this municipality during 2016, as well as Prizren etc. with a high number of international migrants of 679. If assuming only international migration (without considering the number of new arrivals in Kosovo and the balance of national migration) for 2016, municipalities by percentage of population (over 1000) emigrated out of Kosovo in 2016 are: Gjilan 2166 (2.7%), Ferizaj 2,349 (2.3%), Vushtrri 1,188 (1.85), Mitrovica 1,231 (1.82%), Podujeva 1,167 (1.4%), Prishtina 2,117 (1%) and Prizeren 1676 (0.9%) international migrants.

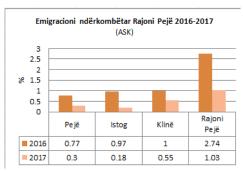
International migration in the regions of Peja, Gjakova and Prizren - compared

In 2016, the highest international emigration rate was in the Prizren Region (4.51%), followed by Gjakova Region (2.93%) and Peja Region (2.74%). Whereas for 2017, the Gjakova Region has the highest emigration (5%) compared to the other two regions (Prizren 2.35% and Peja 1.03%) which marked a decrease in emigration. According to KAS, 2.74% of the population of Gjakova Region emigrated out of Kosovo, while in 2017 emigration was 1.03% or 63% lower compared to the previous year 2016. Details are presented in the following charts.



Emigration in Gjakova Region (ASK, 2016, 2017)

According to KAS, as in the Gjakova Region, the level of international emigration in the Prizren Region is halved from 4.51% of the population of this region as it was in 2016 to 2.35% in the following year 2017. Unlike the two regions mentioned above, the level (5%) of emigration in the Gjakova Region in 2017 increased by 41.4% compared to 2.93% in 2016.



Emigracioni ndërkombëtar Rajoni Prizren 2016-2017 (ASK) 2 1 0 Mamush Raioni Dragash Prizren Suharekë Prizren ■ 2016 0.53 0.84 0.89 1.14 4.51

Emigration in Peja Region

(ASK, 2016, 2017)

Emigration in Prizreni Region

The number of migrants outside Kosovo is shown as a percentage in relation to the population of the municipality/region, without calculating the level of national and international immigration.

1.3 Natural and cultural heritage in Gjakova Region

Nature

The geographical caracteristics of the region are Dukagjini Plain, Bjeshket e Nemuna and Mirusha Waterfalls:

- According to statistics, the Gjakova region has 74,560ha of forests and pastures. A small part of the territory of Gjakova where the Koshare War Memorial Complex is located (proclaimed by law), as well as the mountains in Junik and Decan territories are included in the The Accursed Mountains National (Albanian Alps) which is the second national park in Kosovo (December 26, 2012) after Sharr Mountain National Park. This area is suitable for summertime, animal farming, tourism and recreational sports such as mountain climbing, skiing, camping, etc. These mountains extend beyond the border triangle with Albania and Montenegro and are protected areas on all three sides of the border along which a cross-border mountain trail, accommodation and food project known as the "Balkan Peaks" has been developed.
- Dukagjini Plain: Gjakova Region with 5 municipalities with urban centers and 170 villages constitutes the middle of Dukagjini plain which is characterized by a large surface of arable land of 84,980 ha. Dukagjini has the highest level of irrigation in Kosovo thanks to the water network of streams and rivers such as Erenik, Krena and the largest Drini i Bardhe river that originates in Radac and crosses the Peja Region, passing through Gjakova and Prizren Regions and then through North-East Albania flows into the Adriatic Sea.
- Mirusha Waterfalls Regional Park: a tourist attraction located in the South-East part of the municipality of Klina and a part of Malisheva Municipality, consisting of 13 lakes and 12 waterfalls protected by law.
- City parks "Shkugëza", "Kodra e Çabratit", "Kanioni i Drinit dhe Ura e Fshejt" are some of Gjakova's natural and recreational tourist and sport attractions. The "Artificial Lake Radoniq" located to the North-East of Gjakova on the border with Decan, is a source of drinking water for the city of Gjakova, irrigation of lands and recreational and sport attraction, including fishing in the allowed time. In the towns of Deçan and Junik is "Gjeravica Mountain" which is the highest peak in Kosovo 2656m, and also "Gropa e Erenikut" from where the Erenik river springs and then crosses Junik, Gjakova and flows into the Drini i Bardhë river.
- Rahovec is known for growing vineyards and wine production.

These features are closely connected and complement each other by being intertwined with tangible and intangible cultural heritage, hospitality tradition, cooking and crafts, cultural objects, such as museums towers, etc. and those of the religious cults, with hard-working and generally educated people.

The altitude above sea level in large urban centers varies from 357m to 520m, and the highest point in the Gjakova Region is the Gjeravica peak 2656m. The climatic characteristics of the

region are almost the same as in the whole territory of Dukagjini Plain, except Gjakova, which since the opening of the "Nation Highway" in 2009 is characterized, as well as the Junik Valley, which brings a Mediterranean climate inside the territory with a milder climate, with 2 to 3 ° C warmer than the rest of Dukagjini plain and Kosovo. Relatively high temperatures with an average annual value of 11°C, August and July are the hottest months of the year with temperatures of 21.7°C to 40°C in recent years, while January is the coldest month of the year characterized by temperatures very low below zero.

The region is known for its high density of waters such as rivers, springs, mountain lakes, peaks like the Gjeravica Peak, Koshare Peak (at the foot of which are the cemeteries of martyrs of the 1999 Liberation War), stunning landscapes and pastures, with hilly villages where people live and survive with their livestock in harmony with nature, as well as the arable green fields in the Dukagjini Plain.

All this represents a high potential for the development of agriculture, livestock, agribusiness and agritourism, mountain and rural tourism. In Gjakova region are developed crops, orchards, poultry farms in Gjakova, beekeeping, chestnuts in Decan, wine culture production in Rahovec.

Culture

Part of the mosaic of the region is also the material, historical, archaeological, religious, architectural, ethnological, artisanal cultural heritage, as well as intangible heritage such as hospitality, tradition, history in legends and songs, songs and dances of life and death with respective rituals. In the western economic region where Gjakova, Junik and Decni municipalities are included, are known about 130 objects identified and systemized by Kosovo Institute for the Protection of Monuments (KIPM) in Peja and Gjakova, which are presented on different levels of infrastructure, security, signaling and service. Many are not yet well unexplored and there's no infrastructure to reach them, so currently it's impossible to be exposed to the public, but still representing a high potential for cultural tourism development that requires planning, development and investment.

Since the end of the war in '98-99, international agencies have invested in collaboration with local authorities and private construction companies specialized in conservation, restoration and reconstruction of 16 protected cultural sites in Gjakova and Peja only, such as Bazaars (Carshi), Dukagjini stone houses (kulla), cult objects, hammams, museums, etc. The bazaar in Gjakova is now almost completely rebuilt after it was burned down during the 1999 war, just like the one in Peja. Its revitalized appearance is mostly characterized by small shops, many cafes and restaurants and a few handicrafts that were numerous in the past, while the bazaar in Peja has retained its architecture and activity.

For instance, some of the popular cultural sites to visit in the region are: Ethnographic Museums, Bazaars and some museum restaurants in the municipality of Gjakova, Catholic and Orthodox churches and monasteries, old mosques, tekke mosques in Gjakova and Junik, Madrasets, old city residential houses in the area, old arched bridges in Gjakova, stone houses with fortification walls all over Dukagjini Plain, some of which are converted into family

guesthouses with accommodation and food service, internationally known as "Bed & Breakfast" (formerly "B&B").

The exchanges between the cities of Gjakova and Shkodra are old, that why nowadays they maintain common values of culture and culinary quality.

The cultural aspect is so important to Gjakova that an old artist from the beginning of its development was dedicated to the culture cultivated in society and expressed in theater and other forms.

Therefore the geographical position of Gjakova Region, its natural and cultural heritage and its cross-border caracteristic constitutes a strategic competitive potential for that region in Kosovo and the Balkans, especially for the development of mountain tourism, trade and cultural and professional exchanges, including integrated management of environment, forests, waters, etc. and joint treatment of environmental issues, agriculture, livestock, fishing, etc., a sustainable development in general, all together as preconditions for the welfare and socio-economic and environmental stability of this region.

1.4 Transport and development potential in Gjakova Region

Through the municipality of Gjakova passes the highway that connects Peja Region with Prizren Region, as well as the Gjakova - Klina highway connecting the region with the capital city and the "Adem Jashari" International Airport.

Gjakova and the region connect with the regional road with the town of Tropoja through the border at "Qafe Morina" border point and at "Qafe Prush" point - with Kukës. Across a part of the region passes the Klina - Prizren railway line which is currently out of function. While drafting this strategy, with a Government decision, a feasibility study has been undergone for the construction of the "Dukagjini" Highway, which is planned to connect the municipalities and regions of Peja, Gjakova and Prizren from Istog to Prizren.

This highway is expected to considerably improve the road transport in this important local and regional socio-economic context which is highly depreciated and restricted, to facilitate the movement of goods and people, the well-being and development of the Dukagjini area, which is expected to also affect employment through faster mobility in education and employment in different municipalities of Peja, Gjakova and Prizren regions, according to market supply/demand.

Northeast of the city of Gjakova is the civil airport which was built after World War II and operated until the 1990s as an agricultural airport with a surface of 1.8km long and 30m wide. From 1999 till 2001, the Italian KFOR invested 30 million Euros in repairs and equipment so it was used for the military needs of NATO and humanitarian organizations from September 1999 until December 2013, when it was handed over to the Government of Kosovo.

(Source: http://aeroportigjakoves.com/rreth_nesh/34/historiku/34)

This airport is expected to become the second civilian airport after the one in Pristina, and both, in number and capacity, are expected to impact economic growth and increase in tourism industry.

The population of Gjakova city, as the center of this region, like those of Peja and Prizren, is considered to be artisans, entrepreneurs, builders and good traders, due to its location on the old Adriatic trade routes to the interior of Europe and Asia, since from ancient times involved in good relations and exchanges with nearby centers Peja and Prizren, as well as Shkodra, etc.

The "US Special Economic Zone", announced by Government decision in 2018, is planned to be a 500ha industrial park on the outskirts of Gjakova which together with the airport and other natural and human potentials constitute good economic development opportunities, attraction for diaspora and foreign investors and employment potential in Gjakova municipality and the region.

1.5 The cross-border dimension of Gjakova Region

On the north, east and south part the Gjakova Region is bordered by the municipalities of Peja, Klina, Drenas, Suhareka, Mamusha and Prizren. While on the west it borders with Tropoja and the border with Albania. Gjakova has a special cross-border dimension as it borders Albania with two border points – "Qafe Morine" and "Qafe Prush", with good motor links, cultural exchanges, goods and services and tourist packages shared with Valbona Valley and the Kukes Region – from Tropoja till Shkodra.

The western part of Gjakova Municipality, where Koshare is situated, extends up to the state border with Albania, where the "Qafe Morina" border point is. As such, Gjakova has a cross-border dimension of movement of people and goods, as well as cross-border development with some commercial, tourism initiatives with Albania, e.g. Gjakova - Valbona regional tourist offers.

II. PROBLEM IDENTIFICATION

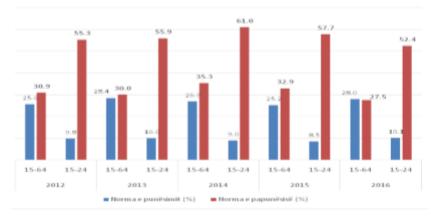
2.1 Unemployment in Kosovo

To understand the employment situation at the local level, we need to know the general picture and refer to data which are available mostly at the national Kosovo level, yet relevant to the locality on various socio-economic issues, including employment.

According to statistics, unemployment in Kosovo varies between 30 - 55% depending on the source of information. However, these are orientation data and refer to declarations in the census, registration of jobseekers in local employment offices of the Employment Agency, which has 7 regional offices in Kosovo as part of MLSW, the labor force survey by the Kosovo Agency of Statistics (KAS), Pension Fund, TAK, etc. Regardless sources of information, it is widely estimated that the number of unemployed in Kosovo is higher than any unemployment statistics.

Unemployment in Kosovo has historically been high, especially after the suppression of autonomy and the massive removal of the workforce from socially owned enterprises and other institutions during the 1990s, following the 1999 war and onwards with an ever-increasing improvement, yet not meeting the needs and aspirations of Kosovo's population and workforce.

High unemployment in Kosovo, in particular among its youth, is a serious socioeconomic concern for the country and with implications at the region, as in 2004 the massive youth response to UNMIK's international administration and local municipalities within the Independent Self-Government Institutions (PISG) and the overall socio-economic situation was called by an official of MCYS a "social bomb" ready to explode any other moment in various forms ranging from protest to mass emigration, risking "brain loss" - thus qualified/eligible workforce leaving the country as it happened with the greatest youth exodus for a short time in years 2014 - 2015.



Burimi: ASK, Anketa e Fuqisë Punëtore 2012-2016

Fig. Statistics on youth employment in Kosovo 2012 – 2016 (KSA, MLSW)

This also poses the risk of losing the first fully educated generation after 1999, for which the World Bank in its 2014 report warns that if it is not integrated, Kosovo risks losing this generation considered as most productive given its formal education in genuine peace and freedom which until 1999 was a parallel system, very limited education system implemented

into "home schools" (out of state education schools) but was nevertheless a strong transitory means of preserving and motivating the majority of population till 1999 liberation and later in February 2008 country's independence.

After the war, despite progress in many areas, developmental backlog as a result and cause of, among other things, unemployment is a growing challenge for state institutions; it requires sustainable development policies aimed at enhancing well-being and human security, in particular reducing unemployment, increasing the confidence of the population, living healthy, be well educated, empowered and enriched spiritually and culturally by exploring and achieving individual and collPetive development potentials in Kosovo while preserving and enriching natural and cultural values and resources without compromising developmental needs of future generations.

The government's response to this situation refLPEted in the Kosovo Youth Strategy 2013-2017 was: "Creating opportunities for youth employment through [formal and informal] training programs and financial support for young entrepreneurs" including development of life skills and employability.

According to MLSW, by the end of 2015 there were 110 thousand jobseekers (Lajmi.Net 2016). According to the current 2018-2020 strategy for increase of youth employment, the youth unemployment trend for group age 15-24 years old remains almost the same todate with a 3% decline from 55.3% in 2012 to 52.2% in 2016 where over 60% were unemployed young women. However, more worrying than unemployment itself is the fact that the 2016 labor force survey referred to in the Strategy states that "nearly one-third of youth (26.5% of boys and 34.2% of girls) were neither employed, nor pursuing education and training, compared to 10.2% level in the European Union", so 10% higher. This minimises future employment prospects of these young people. Pension Fund accounts 42% unemployed in Kosovo (INDEP, 2014).

Therefore, integrating this part of youth into vocational education/training in various jobs according to the market needs would save it from poverty and its effects and increase the chances of employment and welfare by combining measures of information and advice.

2.1.1 Public opinion on employment and other developments in Kosovo

According to the research report "Public Pulse Analysis - Challenges and Perspectives of Youth in Kosovo" published in August 2018 by UNDP, about half of the youth involved in research are pessimistic about Kosovo's future, as a result of 3 major challenges: employment (60%), poverty (49.3%), as well as nepotism and corruption (43%). The more mature ones, 25-35 years old, consider the political situation in the country to be the main problem and as consequence, especially unemployment and economic situation, over half of the young respondents (60%) would consider emigrating from Kosovo in the near future.

This publication is made in annually by the UNDP in Kosovo, initially called "Human Development Report" and last years named "Public Pulse" as an instrument that addresses different aspects of society at various times through public opinion research. Research also deals with the level of youth's satisfaction with education, where ¼ of young people consider that the education they receive is not serving to secure employment. Regarding the challenge of

quality of education, three main reasons they consider are: teacher training (about 40%) as well as the infrastructure and curricula that contribute to this situation in a similar way.

In terms of social inclusion, about 2/3 of Roma are not included in the education system, while the situation of other communities is significantly better as reported by UNDP research. A significant proportion of about 30% of young people think that there is improvement in interethnic relations, while at the same time they think the opposite, considering that the strain will persist for a long time, especially between the majority Albanian population and that of the Kosovo Serb minority with memories of war, especially the last one where the hold is more extended as the impact was massive and affected lives, work, households and everything else. Tackling and overcoming the tense inter-ethnic situation has been suggested through awareness-raising and educational activities, to counter the extremism that young respondents identify three types: the highest being political (64%), followed by nationalist and religious in similar levels (55%), although they estimate that "the security situation in Kosovo is stable".

The youth unemployment rate included in the survey (452 people from all over Kosovo and 82 people in focus groups in Peja, Prizren, Gjilan, Mitrovica, Gracanica, Norther part of Mitrovica and Pristina) is high: 48% of young people surveyed are without jobs out of which over half (56%) of women and 40% of unemployed men. This high figure may be related to the status of students, although few have tried to work to self-finance their studies, as all have reported being funded by relatives, but such work has affected them in the quality of lessons. From the structure of the employees' age, this is confirmed as the majority of the employees (60%) are 25-35 years old who are estimated to have completed bachelor, similar or even master's degree.

Three reasons that made employment difficult in similar rate, over 40%, were "lack of professional qualifications [adequate to job requirements, a situation that is also confirmed by statements in various media discussions, conferences, etc. expressed 10% more at women than at men, mostly at grpup age 25-35 years old, a confirmed hypothesis if we refer to the lack of staff for different profiles, mostly qualified staff with standard vocational education]", "lack of available jobs, corruption and/or nepotism".

However, "23.3% are optimistic about job opportunities, which is the highest value ever recorded in the Public Pulse surveys." published by UNDP in June 2018, is presented in the following table in percentage form and trend chart from 2007 to 2018. Whereas, satisfaction with the performance and credibility of the Kosovo institutions, UNDP "Public Pulse XIV" published in June 2018, is presented in the following table in percentage form and graph showing trends from 2007 to 2018.

Whereas, the UNDP Public Pulse XV was published on 21 February 2019, but was not available online at time of research. The print media reported varying and incomplete data from the presentation of the report. However, if we refer to some media based on the presentation of the latest report, half of the respondents are dissatisfied or very dissatisfied with the political and economic direction of Kosovo.

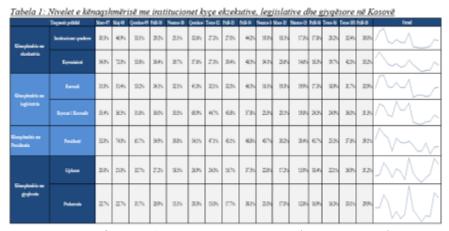


Fig. Satisfaction with main institutions in Kosovo (UNDP, June 2018)

Whereas "satisfaction increased by 6.6% in 2018 for Courts (37.8%) and prosecution (35.3%) compared to October 2017, the highest level ever recorded in the Public Pulse surveys in Kosovo. Regarding the changes in the political course in the country, respondents (34%) showed an increased awareness believing that their vote can change the situation in Kosovo.

The percentage of respondents who estimate that central institutions are working in line with citizens' interests has doubled from 18% in October 2016 to 37.5% in 2018 (Llapi.info). While satisfaction with the president's performance declined by 1% during 2018, while for the prime minister it increased by 2%, while perceptions on the Assambley president's performance increased by 5% (Express Newspaper). As for corruption, "the most corrupt institutions are Customs, KEDS and PAK" as reported by Info.com, though without defining a degree of corruption. In terms of security, "71% of Kosovars feel safe when on the road, which is the highest number since 2013," including about 10% of Kosovo Serbs as per local portal Llapi.info.

2.1.2 Unemployment in Gjakova Region



While the report of a consulting company "MMC Kosova" based on its research in 2017, presents much more optimistic employment situation with only 15.6% unemployed at the country level (Kosovo) which is half less than the statistics of Kosovo government institutions. At the regional level, this survey ranks Gjakova region with the lowest unemployment rate (9.5%), out of the 7 regions shown on this map, followed by Prizeren (14.2%) and Peja with 15%. Other three regions are approximately 15%, while Pristina region shows the highest unemployment rate of 24.3% ("Economic Bulletin", 2018).

However, these figures appear to be far more optimistic than the

statistics of the relevant Kosovo government institutions, as well as the perception and sensitivity of the population, especially considering the massive number of young people entering the labor market each year after high secondary and high education, the highest number of non educated people are unemployed, and to a lesser extent, yet still worrying those

with higher education and secondary education (according to MLSW data), women and those in rural areas.

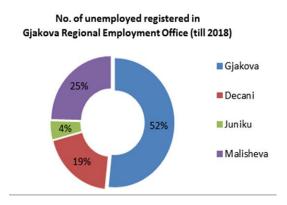
Since there are no unemployment statistics at the local level, reference should be made to the national situation and consider limited local data from Municipal Employment Offices, which are a reliable source of information as long as the unemployed are registered as job seekers in these centers. However, many of the unemployed are not registered in these offices, and even if they are, there is no data on how many are employed later at some point in time as they do not come back reporting to EO for their employment status change due to mainly negligence or a lack of awareness that a data update is important for unemployment statistics, etc.

The employment offices are responsible for consulting and directing candidates to vocational training programmes, collect data and monitor the qualifications offered through Vocational Education Centers (VE) (short 3-months training supported by MLSW) or Vocational High Schools (VT) (3-year schooling supported by MEST) for registered jobseekers. However, at national level, only 8% of VE and VT interns referred or heard about these programs from employment offices, while majority through friends, family, internet, etc. as reported "Vocational Training in Kosovo: Specifics, Relationships and Problems" by the Development Policy Institute (INDEP) in 2014.

Gjakova Employment Office (EO) and VTC have provided data on services offered as number of advice and referrals to the VTC/Employment Agency, types of training provided by referrers, employer requirements for employee profiles, employment mediation, etc. for the entire Gjakova Region.

2.1.3 Data from the Employment Office (EO)- Gjakova

Fulfilling its legal function - collecting and reporting data on job seekers and as a member of the Gjakova Municipality Local Partnership for Employment (LPE), the Gjakova Employment Office (EO) reported the available statistics on unemployment in Gjakova Region 2016- 2018.



Given that Gjakova has the largest population in the region covered by the Gjakova EO, half of the region's unemployed compared to the total number of 4 municipalities together (Gjakova, Malisheva, Decan and Junik - defined by the organization of the Employment Office) are residents of Gjakova municipality, 25% from Malisheva and 25% from Decani and Junik. In terms of gender, the Gjakova Region has 5% more unemployed women than men (55% women), with 58% unemployed women in Decan, 57% in Gjakova and 52% in Malisheva with Junik together.

The following provides detailed data on the Municipality of Gjakova, as well as the region in general, including demographics and education of jobseekers registered with the EO and VTC.

According to Gjakova Employment Office, the number of jobseekers in the municipality of Gjakova doubles from year to year, from 4476 registered jobseekers in 2016. This number is increased by 6% in 2017 and doubled with 13% in 2018, reaching the number of 5431 people. And in the first half of 2019 only, there were 50 jobseekers registered in this office.

There are, of course, many other unregistered jobseekers in the employment office, but this increase in EO registrations comes as a result of increased mobility for employment overseas, according to EO officials, as in the country and abroad vocational school certifications are needed from those provided by the Vocational Training Center, according to the advice and referrals of the EO.

There is the possibility of applying for certifications with different courses, also from persons who are employed but who want to expand their knowledge in certain fields, but this number is in principle considered negligible, as candidates, according to the data that the EO, are pushed to complete 3 month vocational courses for increasing employment opportunities at home and abroad.

The following are some demographic data regarding jobseekers in the municipality of Gjakova, according to the Census, for the period 2016 - 2018, where men make up 56% of the registered unemployed, with a slight educational advantage of 1.5% higher than women. In 2018, there is a 0.5% decrease in registrations without education, while education from elementary to master level of the unemployed is consistent across the three years under review. The highest percentage (42%) is of registered jobseekers in the age group of 25 - 39 years, followed by the age group of 40 - 54 years at 30%, and the age group of young people 15-24 years at 16%.

	Data on unemployed people in Gjakova Municipality by Gjakova Employment Office												
Year	No. unemplyed in Gjakova Muni.	м	F	Education		nder	Age	Ethniciteti	Labour makrket	Referals	No. of transferred unemployed	subvencion, self employment, internships.	Placement mediations
2016	4476 4746 (+ 6%)	2565 2576		No school 3%, Primary 29% Secondary 46 % University 21.6% Master 0.4% No school 3%, Primary 29% Secondary 46 % University 21.6% Master 0.4%	52%	48%	15-24 = 16% 25-39 = 42% 40-54 = 30% 55 + =12%	Albanian 91.2% RAE 8,4%, Bosnjak 0.4%	Hoteliery, tailoring, construction, sales, heirdresing, etj.	1430 1540 (+7%)	92	201	381
2018	5431 (+13%)	3053	2378	No school 2.5% Primary 31% secondary 46 % University 20.5% Master 0.3%	51.50%	48.50%	15-24 = 16% 25-39 = 42% 40-54 = 30% 55 + =12%			1620 (+5%)	24	146	459

Source: Gjakova Employment Office (January, 2019)

According to the data provided, by 2018, the lowest number (12%) of the unemployed in the municipality of Gjakova registered in the EO is of the age group over 55 years. It doesn't mean that it is less of a problem, as this particular age category has been hit at most by the privatization process. As shown in the analysis of the unemployment situation, privatization is one of the factors of the current situation that continues to grow in Gjakova and on national level. Privatization has been largely rejected by Gjakova enterprises with the claim of transforming into a joint stock companies, most of them in a non-functional or limited operation state, some of them based on renting remained assets, while a part of the privatization is already in the process of sale and liquidation.

The privatization and liquidation process of socially-owned enterprises, that have received this status, has been associated with a significant number of unemployed, as believed by some of the parties involved, who seek protection and reintegration into the labor market and who should be considered for career re-orientation measures and training needed to provide services other than what they have done in the past, shorter and simpler activities adjusted to age and psycho-physical condition, e.g. sales preparation, tourist guides, non-formal education, cooking and other services, including crafts, etc. In accordance to market demand.

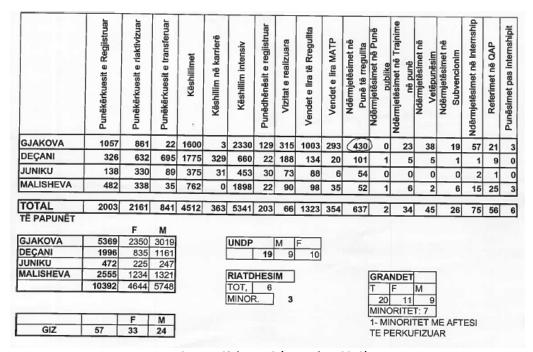
Gjakova Employment Office reports on some annual activities, such as co-organizing the employment fair with the municipality and donors like GIZ, then mediation for seasonal employment in the viticulture industry in the neighboring municipality of Rahovec, increasing the number of referrals from 1430 registered in 2016 to 1620 referrals in 2018.

EO representatives informed in consultation meetings, and with statistical data, that this office plays a role in direct and indirect mediation in on-the-job training, self-employment subsidies in cooperation with the Municipality and other stakeholders, including donors, in professional practices and regular business mediation, rising from 381 cases in 2016 to 460 in 2018.

A small number of job seekers, with a decreasing trend from 92 in 2016 to 24 in 2018, have been transferred to other Employment Offices (7 in Kosovo) due to internal migration, mainly to Pristina, in search of employment and career advancement, while a certain number of registered jobseekers become "passive" since they are considered to have been hired or simply not appeared on an annual basis to confirm unemployment status in the EO.

The number of unemployed from the Gjakova Region by 2018, including the municipalities of Gjakova, Malisheva, Decan and Junik, registered in the Gjakova EO is 10,400 (rounded).

Data on the numbre of registered jobseekers and EO Gjakova services, as career counseling, etc. employer registration, visits, training intermediaries, professional practices, employments, subsidies, donor/grant projects and referrals to VTC, are presented in the following table.



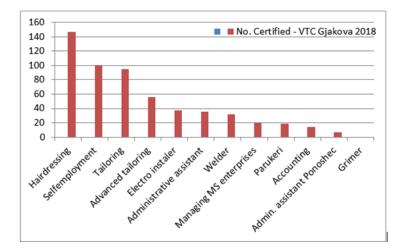
Source: Gjakova EO (December, 2018)

2.1.4 Data from Vocational Education Centre in Gjakova (VEC)

According to the references from the EO, the VEC Gjakova offers 3 months free, vocational training courses in 12 professions, some of which are standardized and recognized in the EU, as representatives of this center say, the number of trainees is increasing due to the need for vocational training to ensure job security for emigration abroad. In 2018, there were 773 people enrolled for such courses, of whom 562 successfully completed and were certified, thus achieving an annual achievement of 73%.

The highest interest was in the hairdressing and tailoring professions, self-employment, on average for the electrician, administrative assistant and welder, and the lowest on micro and small enterprise management training, hairdressing, accounting and administrative assistant.

The following chart shows the number of trainees certified by VEC Gjakova 2018.



Source: Gjakova VEC (Jan, 2019)

Without overlooking the mirror effect where a person/group copies and competes in the same occupation by creating a specific economic activity area, such as restaurants, crafts and shops, other activities, concentrated in a narrow location and for a limited time, as that economic without activity grows, considering the real needs and

opportunities of the labor market and products often associated with loss of economic opportunity, the chart above serves as a kind of labor market orientation understood by the growing demand for vocational training courses of 3 months and even VET for some professions more, for a number on average and for others less or not at all.

According to Gjakova EO, the occupations on highest demand in the labor market for the last three years are: hoteliers, tailors, construction workers, salesmen and hairdressers.

Some demographic data of trainees registered in Gjakova VEC in 2018 are presented below. The majority of 636 (82%) were from urban and rural settlements of Gjakova municipality, the rest from neighboring municipalities Junik, Decan, Malisheva, Peja, Klina, Prizren and the more remote ones such as Fushe Kosove, Gjilan, Stubll, some from the Tetovo region in North Macedonia, as well as from the border region of northern Albania (Tropoja, Has, Krume) and Tirana, as well as from the diaspora from Belgium, Germany, etc.

The gender of trainees was 67% female and 33% male. Their previous education was: 25% primary, 58% secondary, 17% university including some with higher education. The ethnicity of the trainees included 3.4% minorities, 28 trainees were repatriated and 5 with "handicap" psycho-physical conditions, while data on the trainees' age group is not provided.

2.1.5 Linking education with the labor market - the STEEM approach

It is widely accepted that there is a gap between VET profiles and quality and labor market requirements and trends. So there is a discrepancy between supply and demand.

The publication "Analysis of labor market needs and skills in Kosovo", published as part of the "Alled III" program and supported by the Austrian Development Agency (October, 2019), promotes the educational orientation "STEAM" (science, technology, engineering, arts and mathematics). It suggests entrepreneurship instead of the arts, hence the "STEEM" approach, for women and men candidates, considered faster employment opportunity at home and abroad with vocational/high education, given the fact that Kosovo has the youngest population in the Balkan Region and ranks fifth for internet access and technology usage.

This analysis consists of interviews with 300 businesses in Kosovo regarding their needs for workforce profiles recommending vocational education and training with the "STEEM" approach, where priority sectors - job profiles have been identified for each of the 4 areas. Priority sectors are agriculture, food processing, mechanical engineering and energy. The study identified 3 skills needed for a number of occupations required by the labor market, presented in the following table.

Skills	Professions
Engeniering	Mechanical engineering, eLPEtronics and energy sector
Agroculture	Agroculture, food processing technology dhe veterinary
Communication	Technician of teLPEommunication and communication, data base and
technology	network proffesional, as well as software development, internet tech, etc.

2.1.6 Businesses need for labour force – a case study

In consideration is taken the research "Workforce Development Situation Analysis in Peja" focused on the four sectors subject to the "Proskills" program published by "Solidar Suisse" NGO in 2017, which is applicable for the Gjakova region as well. On the other hand, the recommendations for a change based on this analysis regarding VET schools, in particular the technical and economic school in Gjakova, since the market analysis was focused on the sectors covered in these two schools, but also the VEC especially on the "metalworking" profile, as there is high demand, but also due to employment constraints, MLSW has recommended donor fundraising, including (added proposal) sector companies to ensure the trainer's payment for practical job at this center, as well as at the technical school after a similar absence has been identified.

VEC Gjakova offers 12 accredited 3-month training programs, 4 of which are recognized in the EU. The VTC is recommended to work closely with businesses, such as schools and local government.

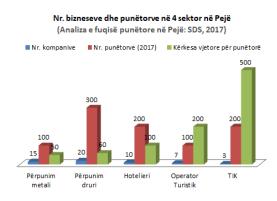
Particularly, since it relates to the training of the workforce, on the local level it is recommended that MED (Municipal Education Directorate) strengthens strategic cooperation and business liaison, as MED it is "considered proactive, but without a written strategy" systematic action in this regard, as the analysis points out.

In the report of this analysis, it is recommended that VET schools adapt the curricula to the extent permitted by up to 20% (respectively 30% allowed by MEST) to labour market needs and in cooperation with relevant sector companies, including professional practice, and conduct awareness raising and counseling campaigns to increase enrollment quantity and quality (as the quality of secondary vocational schools tend to be low, as it has been stated many times that "these schools are attended by students who cannot enroll in gymnasiums"), as well as successful graduation from these schools.

Likewise, to alleviate the problem of providing well-prepared workforce, the suggestion to companies for strategic cooperation with vocational secondary schools and VTC is supported herewith, including internships, exchange of experiences from companies in schools, motivational presentations of companies in schools for their labour and apprenticeship needs

and plans, as well as offering practice into advanced technology that manufacturing and service companies have and implementing genuine mentoring and internship evaluation procedures. According to the above analysis, the common element of the four sectors was that there are a few enterprises from 3-20 per sector, most small businesses, with same minimal salaries of "300€, 500€ average, 1000€ maximal pay, but with different growth prospects of future skilled workers. The following chart elaborated by HROD with data from Solidar Suisse Analysis (2017).

Whereas, in terms of current workers (2017) and annual labor force demand presented in the Solidar Suisse publication (2017), the comparative situation is presented in the following chart showing that the lowest need for workers appears to be in the wood processing sector with 20%, higher need was expected in the metal processing sector and hoteliery with 50% more workers, the touristik operators sector was expected to double, while information technology was expected to have the highest annual employee growth of 250% by 2017.



2.1.7 Survey on labour needs in Gjakova

As part of the process of identifying needs and strategic planning for the development of human resources for employment in the Gjakova Region, a survey was conducted on businesses needs for profiles and skills of the workforce in the municipality of Gjakova as being the largest center of this region. The research was conducted in cooperation with the "Fehmi Agani" University in Gjakova in November 2019 where students of this university conducted a survey with 22 businesses of different industries and sizes in Gjakova.

This research is not comprehensive and may not be sufficiently representative of the needs of the workforce, yet it serves as an easy guide for all employment stakeholders and is an added value to this planning process. Therefore, as a measure/activity of the action plan for the fulfillment of the Strategy, it is suggested to expand and include this research with other businesses in the other 4 municipalities of Gjakova region.

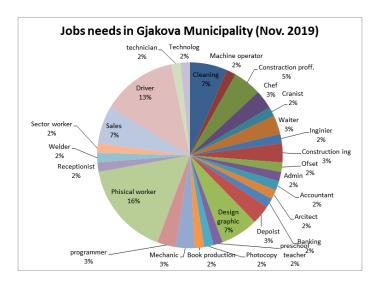
The research questionnaire designed by the hired consultant (Dritan Shala, HROD) was administered by Fehmi Agani University in Gjakova. The questionnaire contained three questions: about the business plan and needs for business development in the near future 3 years, related to capacity building and workforce:

- increasing physical/human/technological capacity, quality/volume, new products, marketing, etc.;
- profiles and skills of the workforce needed to execute development plans;
- "soft" skills needed for the current/future workforce in general.

The answers of the businesses that took part in the survey are set out below, as well as an illustrative graph of the required job profiles in the way these businesses have planned for the next three years.

Business Sectors	Size of biz. (number of workers)	Number of employees	3 years capacity development plan	Professions needed	Skills needed
Construction (27%)					
5 1 11 1 1			Machinery (42%)	worker (16%)	
Production/services	1-10 (36%)	2 – 68			
(23%)		workers	Production/services (21%)	driver (13%)	Knowledge of
Services (9%)	10 - 50 (59%)				relevant fields
Hoteliery, mineral		Total:	Service points (17%)	salesman	and
processing,,	50+ (5%)	~ 500		Graphic design	82% soft skills
poultry, trade,			Physical space (12%)	specialist	needed
transport,				Mechanic	
food processing,			Marketing (4%)	Cleaning workers	
handicrafts,				(7% each one)	
agriculture (4.5%			Workers (4%)		
each one)			. ,	Engineer (5%)	

Occupations in lowest demand, however, in the range of 3% and 2%, are shown in the following chart.



The assessment of the "soft" skills needs of current/future employees requested by these businesses is presented in more detail on the following page. To enable a more meaningful response, the questionnaire included a list of 24 "soft" individual/grouped skills that were identified as missing, alongside the range of specific skills and international standards for different professions in the UNDP research that included 6 important sectors in Kosovo (2016). The research recommended filling the "soft" skills gap in the current workforce and equipping the future workforce with them, as an important measure of harmonizing supply with labor market demand, thereby increasing the potential for employability and mobility for employment in the country and abroad.

The ratings results according to the Liker scale (1 min to 5 max) of the need for each of the below listed 24 soft skills, ranging from the <u>average level (3.3) for basic market research skills</u> to the <u>maximum rating (5) for courtesy/good conduct</u>, is shown in the following table, while the average need assessment for all soft skills together is **4.1 or 82%**.

This assessment demonstrates high levels of the need for soft skills of the workforce in the Gjakova Region, thus it supports the assessments of local stakeholders involved in employment (LPE), as well as UNDP recommendations for closing the gup of soft skills which are considered by field experts as "essential" for success. The average business ratings for each skill and overall are shown in this table.

Soft skills recomendated by UNDP (2016)	Soft skills assesment by businesses (November, 2019)
Good conduct	5
Writing, reading and counting	4.9
Medium calculation	4.7
Basic computer use	4.2
Komunikim në person	4.4
Communication in person	4.1
Communication in distance (telephon, letters, e-mail)	3.4
Foreign language	4.1
Individual and team work	4.8
Entrepreneurship	3.5
Complex problem solving ability	3.9
Awareness and application of environmental regulations	4.3
Ability to adapt to new equipment, processes or materials	4.6
Filling forms	3.7
Writing short reports	3.6
Aftësive bazike hulumtimi tregu	3.3
Basic market research skills	4
Customer behavior, bid preparation, order acceptance and sale	3.8
Reading specific instructional texts	4.5
Knowledge of and application of sanitary, safety, hygiene,	
occupational safety and environmental standards	4.7
Basic human, material and financial planning skills	3.7
Developing new ideas/products, applying new methods and tech.	4.2
Career counseling, in particular to women for study opportunities	
employment in promising industries	4.4
professional practice - quality internships	4.7
AVERAGE rating of the importance/need of all soft skills:	4.1

2.1.8 Some economic indicators of Kosovo

Kosovo's annual GDP growth rate averaged 3.71% from 2006 to 2018, reaching the highest point of 10.90% in the first quarter of 2011 and the lowest level of -4.50% in the first quarter of 2012.

Diaspora revenues increased by 20% from € 608.7 million in 2008 to € 759.2 million in 2017, while 2011 marks the lowest level of € 492.5 million with a linear increase until 2017, considered "as much as three times Kosovo budget" (Remittances article, kallxo.com).

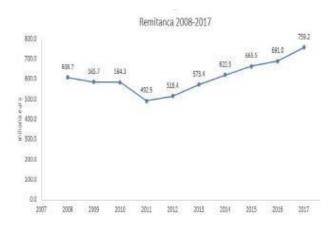


Fig. Level of diaspora remittances in period 2008 – 2017

The level of foreign direct investment (FDI) in Kosovo had its highest peak in 2007 at around €450 million, while they are exponentially decreasing and reaching the lowest level of about €300 million in 2017, or 34% lower than in 2007 (Central Bank of Kosovo).

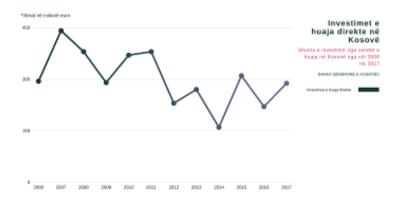


Fig. The level of FDI in Kosovo for period 2006 – 2017 (CBK)

Foreign financial assistance for Kosovo decreased from €462 million in March 2005 to €394.6 million in December 2012. The Consumer Price Index increased from 101.4 in May 2005 to the highest level of 130 in June 2011 followed by a decrease of 43% to 73 (UNDP - Public Pulse, February 2013). While the democratization and economic credibility index in Kosovo is characterized below the arithmetic level. The economic reliability index in 2010 was 0.92, while in 2012 it was 0.82, similar to that of democratization from 0.92 in 2010 to 0.89 in 2012 (UNDP, February, 2013).

2.1.8.1 Tourism and agribusiness as economic activities

Internationalization of Kosovo and its tourist attractions, crafts, food and hospitality, among other things helped by large international administration and military presence as well as media, and several offers of tour operators and international promotion by institutions, associations and businesses (through participation in tourism fairs, etc.) and thanks to some cross-border donor-supported civil society programs, the EU and especially the municipalities, the region has an increasing number of visitors which in turn brings employment/self-employment and an input into the local economic chain.

The following graph shows the number of visitors to the western economic region of Kosovo, of which Gjakova, Decan and Junik municipalities are also part.



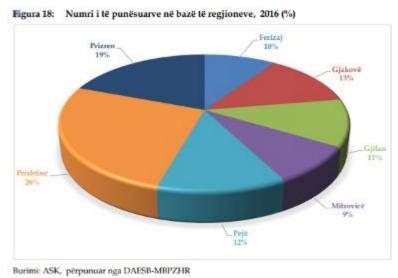
Fig. number of visitors in period 2013 – 2017 (KSA)

According to the Kosovo Statistics Agency (KSA – in Albanian SK), the number of tourists expressed in no. visitors and overnight stays in the western region (dukagjin with the Accursed Mountains mainly Rugova) has increased exponentially since 2013, marking a 3.5-fold increase in 2016, coupled with a drastic 32% decrease of no. of visitors in 2017 and a slight by 17% reduction in overnight stays in the region. Unlike at Kosovo level, no. of visitors in 2017 increased by 38% and no. of nights also increased by 27%. Although the reasons for the drastic decrease in visitor flow to the western region in 2017 are not known, staying longer may be considered a qualitative development as there are two important issues in the tourism industry: attracting and retaining tourists in all seasons, engaging them into recreational and cultural activities for different group ages, children and adults, along with quality accommodation and food services with the facilities and necessary access for people with disabilities.

As Gjakova Tourism Information Office reports, referring to KSA, tourism in Gjakova Region recovered rapidly in 2018, when 75,151 tourists were reported or 23% more than 2017 and stay nights continued to increase by 13% (140,000 nights) compared to the previous year.

According to KAS data published in the "Green Report 2017" by MAFRD, the number of businesses in the agribusiness sector increased by 66% from 2011 to 2016 (from 6,046 businesses in 2011 to 10,024 in 2016), with the Pristina Region leading by 23%, followed by Prizren with 20%, Gjakova 14% and Peja Region with 11%. While the number of employees in the enterprises registered in this sector in 2016, Pristina Region had the highest share of about 26%, Prizren Region ranked second with 19%, Gjakova and Peja Regions in third place with 13% and 12% respectively employed mostly in the food processing, shown in the following chart.

It is worth mentioning that, from the subsidy programs, organic farming was first supported in 2016, although it has high potential, only 3 farmers were supported from a few funding applicants made: two in Peja Region - Istog municipality with a surface of 72ha (72,0000m²) and one in Gjakova region in Rahovec with a surface of 2ha (20000m²). The number of employees by region in the agriculture sector according to KSA and MAFRD (Ministry of Argiculture, Forestry and Rural Development) is presented in the following chart.



Source: KSA, comprised by Ministry of Agriculture, Forestry and Rural Development (MAFRD)

2.1.8.1 Some programs and potential employment sectors in Gjakova

There is a number of initiatives and programs in Kosovo aimed at reducing unemployment through the provision of technical assistance such as project proposal writing — business plans and small financing through grants for start-up business of creatively viable and innovative ideas that bring profit through self-employment and employment of family members and others organized in small manufacturing and service enterprises, as well as development - maturity of these enterprises by increasing the quality and variety of their services and products, many of them are meat processing enterprises, agricultural and livestock products, handicrafts, information and communication technology (ICT), etc.

There are different programs of these strategies, as well as others organized by different development organizations and donors in an independent manner and/or in cooperation with government institutions, NGOs, innovation centers and businesses. These programs are presented in summarized form and as a reference to the harmonization of measures incorporated in this Strategy and Action Plan in order to create synergy of local efforts with national and wider European ones, thus increasing the opportunities and chances for financial support for implementation.

According to the concept paper "Career Orientation and Counseling in VET Schools (Solidar Suisse, etc., April 2018), the three-phase, bottom-up approach of the Peja Career Center (NPC) is defined, a three-phase bottom-up approach in the Gjakova Career Center (GCC) has been defined, in three phases, initially capacity building for the provision of career services, then functional sustainability and institutionalization within the VET system. The PCC is part of the LPE, so the development model, experiences and examples of success can be shared with the LPE in support of its mission. The GCC can provide a good example of the workplace learning module for VET students and the directions represented by the "ProSkills" project, such as woodworking, metalworking, tourism and ICT.

According to an publication made by Kosovo Innovation Center (KIC), the current GIZ (German Development and Cooperation Program) program for technical and financial support of self-employment will last until 2020, etc.

Help is a program of a German aid organization with co-investment grants for small or early development small businesses in Gjakova and elsewhere in Kosovo with various projects in the municipality of Gjakova, including women from urban and rural communities.

The Government has made a decision to create a park - a special US economic zone in Gjakova near the expected airport and Dukagjini Highway.

2.1.9 Socio-economic transition, structural change - privatization

The region is undergoing a socio-economic transition that coincides with the post war state and as such is more complex, with long-term social impact. Centralized state and socially owned economy and planning with a some pre-war private businesses undergoing structural economic change in free market and competition economies, private ownership and bottom-up planning, decentralization and self-governing independence of the regulated and assisted by the Ministry of Local Administration, as well as the independence of state legislative, executive and judicial institutions at all levels in the process of reform and institutional strengthening at the service of the rule of law with the guarantee of all human rights and freedoms, democracy, pluralism and development inter and intra-ethnic reconciliation and peace in the country and the region.

Service sector, manufacturing companies and socially owned cooperatives have been in collapse since 1989 as a result of the suppression of Kosovo's autonomy and the imposing of interrim measures known as "forced measures" on most of these enterprises by dismissal of Albanian

(majority) employees and especially the governing bodies, exploation of stocks, machinery and their capital by the interrim governing bodies established by the Serbian regime, as well as failure to invest and maintain production machinery. During the 1998-99 war in Kosovo, most of the socially owned enterprises were damaged along with private and commercial households in Gjakova and the other municipalities in the region, and Kosovo wide.

While most small and medium-sized private enterprises rebuilt their facilities that had been burned and looted during the war and quickly resumed their former or new business, some have been developing nationally and with a tendency to expand in naigbouring countries and export. In general, they face difficulties, which are characterised by lack of capital, high interest rates on bank loans, new challenges such as small market and competition from imports, low local purchasing power, application of productive and information technology, the workforce professiona capabilities, profilisation, globalization, the 2008 global economic crisis and other unexpected events that may occur.

According to Law 04/L-034, the Privatization Agency of Kosovo manages socially owned enterprises and their assets in Kosovo and such assets abroad (in former Yougoslave republics). The Regional Office in Gjakova covers the western economic. Some companies have begun privatization, others are in liquidation and closure proceedings although slow and long process. Regular and special "spin-off" asset sales and liquidation asset sales these enterprises continue, while 20% of the proceeds go to former eligible employees of these enterprises. Handling of employee claims and creditors will continue until the closure of these enterprises and deregister them from the businesses registry in Kosovo, with the remaining proceeds transferred to the Kosovo budget, though without any specified purpose such as to development fund or similar.

The privatization process has enabled large tracts of agricultural land and socially-owned commercial and manufacturing enterprises to become privately owned, while land fragmentation and change of its destination (e.g. from agricultural to development land) is evident. Many of these enterprises are not privatized yet as a result of property and company transformational claims, lack of property documents and cadastral problems including lack of original plans in Gjakova municipality in particular, change of ownership to municipality and private parties, land consolidation process, lack of a law on restitution of private property confiscated by the state regime during the last century, etc. These assets remain pending privatization despite the Privatization Agency's efforts and as a consequence of the lack of investment and revitalization as well as low employment opportunities and unjust employment practices in the region and country wide and many of the sold assets have not been revitalized due to lack of investment capital.

Facilities belonging to manufacturing, hoteliery and commercial sector have made some progress and nowadays form an important part of manufacturing infrastructure, e.g. the post-privatization revitalization of the "Emin Duraku" plant, as well as accommodation and service facilities like "Pashtriku" Hotel, "Agimi" Shopping Center, the mushroom factory in Klina built on privatized agricultural land, etc.

Whereas the metal processing industry, construction materials, etc. are collapsing even after their privatization, except, the brick factory in Gjakova, the armor factory of the Decan, most with smaller capacities compared to previous times when were fully operational, a part of the Metallurgical Plant (Fonderia) - non-functional, "Deva" gas and chrome plants are privatized and

revitalized. The rest of the plants have been seriously damaged and in litigation over the alleged status of joint stock companies such as Jatex, Virginia, Metallurg (incl.) Ena, Ereniku Industry, one part is privatized as the Liquor Factory - partly revitalized and with various commercial activities, while the winery is still awaiting a court ruling on the status of these enterprises.

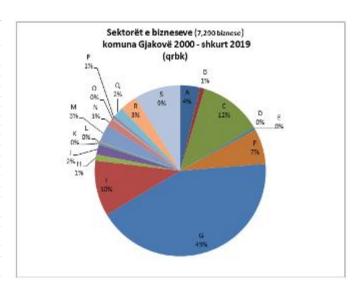
2.1.10 Profile of businesses in Gjakova Municipality

According to the Gjakova Municipality Development Directorate, referring to the Business Registration Center (KBRA), in the municipality of Gjakova between June 2000 and February 2019 there are 7,700 businesses employing 15,512 registered workers at the time of registration (8 workers on average per business), of which 87% (13,550) men and 13% (1,960) women.

Sectors

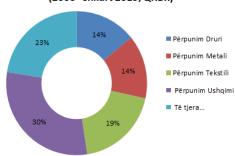
According to the KBRA "NACE 2" categorization, out of 7,290 businesses in the municipality of Gjakova ranked in the following table by sector size they belong to, as well as graphically, are presented in the following 6 groups with sectors of less than 1% such as power supply etc. (0.1%) to the largest sectors, such as wholesale and retail trade, which represent 43% of enterprises.

Sektori	Pershkrimi teksual i sektorit	Nr.	0/0
(kod ↓	sipas NACE 2 (QRBK)	biznes 🖵	bizne 🗸
G	Tregëtia me shumicë dhe pakicë; Riparimi i		
9	mjeteve motorike dhe motoçikletave	3112	42.69%
С	Industria përpunuese	866	11.88%
	Akomodimi dhe shërbimi ushqimor	765	10.49%
S	Aktivitetet e tjera shërbyese	640	8.78%
F	Ndërtimtaria	490	6.72%
Α	Bujqësia, pylltaria, peshkimi	271	3.72%
M	Aktivitetet profesionale, shkencore dhe teknike	243	3.33%
R	Artet, argëtimi dhe rekreacioni	235	3.22%
J	Informimi dhe komunikimi	138	1.89%
Q	Aktivitetet e shëndetit njeriut dhe punë sociale	134	1.84%
N	Shërbimet administrative dhe mbështetëse	103	1.41%
Н	Transporti dhe magazinimi	84	1.15%
В	Minierat dhe gurorët (industria nxjerrëse)	65	0.89%
P	Arsimi	48	0.66%
F	Furnizimi me ujë; kanalizimi, aktivitetet e		
· •	menaxhimit dhe të trajtimit të mbeturinave	31	0.43%
K	Aktivitetet financiare dhe të sigurimit	30	0.41%
0	Administrimi publik dhe mbrojtja; sigurimi		
	social i detyrushëm	15	0.21%
L	Aktivitetet të patundshmërisë	13	0.18%
D	Furnizimi me rrymë, gaze, avull dhe ajër të		
	kondicionuar	7	0.10%



- **Gr.1** The sector with the largest number of businesses is trade (43%).
- **Gr.2** (10 12%) processing industry followed by accommodation and food services.
- **Gr.3** (6 9%) other services sector followed by construction.
- **Gr.4** (3 4%) the agriculture, forestry and fishing sectors; followed by the sector of professional, scientific and technical activities, as well as the entertainment and recreation sector.
- **Gr.5** (1 2%) information and communication, followed by human health and social work activities; administrative and support services; and the transport and storage services sector.
- **Gr.6** (nën 1%) mining and quarrying, followed by education, then utilities (water, sanitation and waste); financial activities and insurance; public administration, compulsory protection and social security; and real estate activities, while the smallest number of businesses in this group are in the "electricity, gas, steam, and air conditioning" sector.

Sektorët e industrisë përpunuese në Gjakovë (2000 - shkurt 2019, QRBK)



According to the Kosovo Business Registration Agency (KBRA), in the period 2000 to February 2019 in Gjakova there were no business sectors "Household Activities as Employers; non-differentiated goods and services, household activities for own use" and "Activities of international troops and organizations".

Chart: The size of Sectors of manufacturing industry in Gjakova (2000 – February, 2019, KBRA)

KBRA has provided detailed data on the number of businesses in different sectors of processing industry which accounts for about 12% (or 866 businesses) of the market in Gjakova municipality. Food processing ranks as the largest sector within this industry (259 businesses), followed by textile (166), metal (124), wood (122) and 195 others, which are shown in the following chart.

Regarding the activity of agricultural enterprises:

- 37 businesses deal with the cultivation of cereals, industrial crops and seeds;
- 33 vegetable crops, horticulture and plant nursery, as well as forest mushroom collection;
- 5 fruit crops, peeled fruit, beverage and spice plants, and
- 1 enterprise deals with the cultivation of other perennial plants (KBRA Municipality of Gjakova).

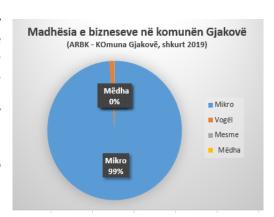
Business Size

However, the ranking of businesses in different industries, as above, does not necessarily reflect the size of enterprises in these sectors. It depends on the number of employees or capital. Therefore, categorizing the size of businesses based on the number of employees at the time of business registration, as a number that certainly is changing according to the developments of enterprises including their increase or decrease.

The available data does not provide information on inactive or closed businesses. According to Law no. 2005/02-L5 and Law No. 03/L-031 on supporting small and medium enterprises, enterprises in Kosovo are classified by size - number of employees, as micro enterprises 1-9 employees; small 10-49; medium 50-249; large over 250 workers.

Based on data available from KBRA - respectively Gjakova municipality, the following table shows the number of businesses by classification based on the number of employees as 7,578 micro businesses (98%), 86 small (1.12%), 7 medium (0.09). %) and 2 large businesses (0.02%) registered by February 2019.

Regarding the challenges businesses face, there is no data.



During the consultations some of them raised the issue of uninterrupted power supply and maintenance of public infrastructure including snow cleaning on the outskirts of the city during the winter. Some 22 businesses are lacking a certain number of employees.

Bisiness	Nr. of	Nr. of	%
size	employees	businesses	70
Micro	1 - 9	7,578	98%
Small	10 - 49	86	1.12%
Medium	50 - 249	7	0.09%
Large	250 +	2	0.02%
Total		7673*	100

2.2 Education

The capital city of Prishtina is frequented by students from other regions and a number of employees working in government administration including ministries and their agencies, customs, courts, security organizations, etc. foreign and international agencies as well as local and foreign consulting, service, and manufacturing businesses. There are many students from the region studying at public universities and private educational institutions that have experienced unimaginable growth, though not always in proportion with the quality of workforce preparation capable of addressing local development challenges, change and local and global problems and in accordanceits with population and its needs.

There is no data on exact number, profiles and degree of specialization among the population. From general knowledge, they vary from primary education where the entire population receives primary and secondary education and less to university and higher education. Traditionally, students in the region mostly study economics, law and medicine, agriculture, social sciences, education, the arts, etc. as there are public vocational high schools such as arts, music, medicine, economics, agriculture, technical and school for blind as well as private schools in Peja and the region. After the war, new fields of study areemerging offering more choices including information technology, management, administration, security studies, political, international, and othe studies.

In the Gjakova region there is one public university "Fehmi Agani" located in the city of Gjakova, initially operating as a high school for preparing teaching staff, established in 1958, and then as Faculty of Education at the University of Prishtina. The independent university "Fehmi Agani" was founded in 2013 with three study profiles: education, linguistics and medicine. There are also two private colleges in the region: "Universum" and "AAB" branches in Gjakova which offer a number of study profiles. These higher education institutions, together with secondary schools, aim to prepare the younger generations according to the market demands and potentials of the region, including tourism as a strategic sector in the region along with agribusiness, light industry and service.

In addition to general public primary and secondary schools in each municipality (gymnasium with social and scientific profile), in the region there are also vocational secondary schools. In

Gjakova alone there are 4 higher vocational secondary schools: technical, medical, economical and music schools and a Career Center. Whereas in Malisheva there is a Competence Center.

While drafting this Strategy, public school employees of all levels from the region and country wide as well as other sectors such as health, miners, and public administration were involved in a strike as a sign of social dissatisfaction with the treatment in terms of working conditions and discrimination, with law rankings wages, which was approved in the parliament under an agreement with the education union that stopped the strike.

The first time the PISA Achievement Test score was applied, it showed poor results as the students were reportedly not prepared for the test format, while the PISA Second Test results from December, 2019 put Kosovo in third place with poorer result.

During the long debate in the media and government and educational institutions, it was highlighted both the appreciation and demand of the Government and the MEST, but also the opinion that education should be supported as much as possible, respected for the role it has played in society during 90s during the successful functioning of the parallel education system in Kosovo and onwards, but it has also been required to increase the quality of education after international achievement indicators such as PISA test etc. did not show satisfactory results. Therefore, all parties expect an increase in educational quality and radical reform of the education system including profiles and adjustment of adequate number of teachers per pupil, working conditions, their preparation for new curricula, continuation of pilot schools, etc.

2.2.1 Secondary and Higher Education Profiles in the Gjakova Region

Based on a search on the career portal www.busulla.com, developed by MEST for vocational education and training and career counseling in Kosovo, in Municipality of Gjakova there are 5 vocational high schools (4 public and 1 private) and 2 gymnasiums with schooling for a total of 28 professions. Stakeholders say that all public vocational school programs are of professional standards. The Busulla Portal and the Municipality of Gjakova do not provide data on these standards.

Economic School (HSE) "Kadri Kusari" -

<u>professions</u>: veterinary technician, food processing technician, accounting, hoteliery, banks and insurance, spedition and logistics, agriculture, law and finance.

Technical School (HSE) "Nexhmedin Nixha"

<u>professions</u>: electrotechnics, construction, road transport, machinery, textiles.

Medical School (HSE) "Hysni Zajmi"-

<u>professions</u>: dental technician, general nurse and pediatric nurse, midwives, medical laboratory technician, physiotherapist, pharmacy technician.

Music School (HSE) "Prenk Jakova" – profession: musical collaborator.

<u>There are two gymnasiums (high schools) in Gjakova municipality: Gjimnasium "Hajdar Dushi"</u> in the city of Gjakova and <u>Gjimnasium</u> "Asllan Berisha" in Fsh. Rogovë with natural and social science profiles.

Private School (HSE) "QAKP Gjon Nikollë Kazazi"-

4 profiles: economics, mechanics, graphic design, agriculture, food technology, and general gymnasium.

The UNDP publication on Workforce Skills Needs in Kosovo (2016) lists the following vocational schools in the Peja, Gjakova and Prizren regions, presenting three regions for broader information and consideration of complementarity exchanges for teachers and students with complementary approaches:

Food processing - the following profiles:

Food technician: Peja ("Ali Hadri" Vocational School), Klina ("Fehmi Agani" School), Gjakova ("Kadri Kusari" School), Prizren ("Ymer Prizreni"), Suhareka ("Shirokë" Vocational School). **Dairy, meat and fruit processing:** only in Prishtina, missing in Peja, Gjakova and Prizren regions.

IT - Workflow Contracting and Customer Support Centers - the following profiles:

Informatics: Istog (HS Mithat Frashëri), Klina (HS Fehmi Agani), Decan (HS Tafil Kasumaj), Prizren (HS 11 March), Peja (Technical HS Shaban Spahija, Deaf school Xheladin Deda), Gjakova (Technical HS Nexhmedin Nixha, and HS Gjon Nikollë Kazazi).

TelPEommunications: Peja (Technical HS Shaban Spahija) and Prizren (HS 11 March).

Post telephone communication; IT assistant; IT services: missing in Peja, Gjakova and Prizren regions.

Metal processing

Metal producers: missing in the region.

Saldues: Welders: Istog (HS Mithat Frashëri), Prizren (HS Mother Teresa), Suhareka (HS Skender Luarasi), mising in Peja and Gjakova municipalities.

Metal processing: Istog (HS. Mithat Frashëri), Klina (HS Fehmi Agani), Prizren (HS 11 March) - missing in Peja and Gjakova municipalities.

Textiles

Clothing manufacturer: missing in Peja, Gjakova and Prizren regions.

Tailors: Peja (HS Shaban Spahija), Gjakova (HS Nexhmedin Nixha), Prizren (HS Mother Teresa), Suhareka (HS Skender Luarasi).

There is at least one accredited private tailoring company (in 2018) that started offering certified tailoring courses in Peja, Prizren and Pristina municipalities.

Textile and clothing design: Peja (HS Ali Hadri), Deçan (HS Tafil Kasumaj), Gjakova (HS Kadri Kusari), absent in Prizren region.

Hoteliery & tourism

Assistant Restaurant: Prizren (Ymer Prizren School) - missing in Peja and Gjakova region.

Chef: missing in Peja, Gjakova and Prizren regions.

Tourism Assistant: Pristina only - absent in Peja, Gjakova and Prizren regions.

Gastronomy and tourism services: only Malisheva Center of Competence (Gjakova region), absent in Peja and Prizren regions.

Travel Guide, Helpdesk/Information Offices and Tourist Agencies, Event Planner: Prizeren (Prizren Competence Center) - absent in Peja and Gjakova aregions.

Wood processing

Woodworking: (Ferizaj only) - absent in Peja, Gjakova and Prizren regions.

Carpenters: Peja (HS Shaban Spahija), Prizren (HS Mother Teresa) - absent in Gjakova region.

Supporting study profiles

Machine mechanic: Peja (HS Spahija), Decan (HS T. Kasumaj), Suhareka (HS S. Luarasi).

Production/processing operator: Istog (HS Mithat Frashëri), Gjakova (HS Nexhmedin Nixha), Klina (HS Fehmi Agani), Suhareka (HS S. Luarasi).

Tool maker: Istog (HS Mithat Frashëri), Suhareka (HS S. Luarasi). – missing in Gjakova Region.

Interior dsign: Peja (Arts HS O. Paskali); Prizren (HS 11th March), missing in Gjakova region.

Graphic design: Peja (Odhise Paskali Arts High School), missing in Gjakova and Prizren regions. **Industry officer:** Prizeren (Prizren Competence Center), absent in Peja and Gjakova regions.

Computer machine operator: Peja (HS Shaban Spahija), missing in Gjakova and Prizren regions.

2.2.2 Missing VET professions in Gjakova Region - according to UNDP research (2016) are presented in the following table:

INDUSTRY	Missing VET professions in Gjakova Region			
Food processing	Processing of dairy, meat, fruit and vegetables			
Telecomunication	Post telephone communication; IT Assistant; IT services; Computer			
	machine operator.			
Metalurgy	Metal Producer, Welder, Metal Processing.			
Tekstile	Textile producer.			
Hoteliery &	Restaurant Assistant, Chef, Tourism Assistant, Hoteliery & Tourism			
Tourism	Services, Travel Guide, Assistant to Information Offices & Tourist			
	Agencies, Event Planning Assistant.			
Wood processing	Wood processing, Carpenters, Tool Manufacturers, Interior Design			
	(Wood Sector), Graphic Design, Industry Assistant.			

2.2.3 UNDP recommendations for complementing work skills in Kosovo

A report, "Global Skills Gap: Student Misunderstandings and Institutional Solutions" estimates that in order to address the global challenge of the workforce skills gap, due to low birth rates and rising population aging in times of rapid technological change, higher education institutions should provide education which besides specific skills equip the future workforce with generally aplicable soft skills.

The problem is about high schools and old untrained employees who cannot be replaced by higher education students, thus partnership is needed, as is happening in many countries, to quickly train this category for tomorrow's jobs. A special role in filling this gap play immigrants. To attract and retain talent in many job sectors, through the EU Student and Research Directive is simplifying migration procedures for researchers, students and trainees of vocational schools and alike (blog.goingglobal.com, December 13, 2018).

General soft skills, or as the teaching expert Trvor Muir values skills such as collaboration, critical thinking, work ethic, 3K (communication, confidentiality and creativity), behavior and time management are "essential" features for success and calls not to be named "soft skills" but "essential skills", as success or failure depends in a great deal on it, so say HR practitioners too. These and other basic-level skills, recommended by UNDP based on the 2016 research, are needed and applicable in all fields, but according to the study focused on included six industries in Kosovo (food and meet, metal and wood processing, textiles, hoteliery and tourism and ICT), as such skills are interdisciplinary by nature and widely applicable, some less other more depending on the specific profession and the role of employees in the enterprise. This set of knowledge includes, but is not limited to:

- Diversification of general skills applicable to all sectors/industries (known as "soft skills" ranging from courtesy, literacy, numeracy, average calculation, short report writing, form filling, basic computer use), in-person and distance communication (telephone, letter, email), foreign language, teamwork, distribution of material and box resources in some cases, etc., combined with sector/industry specific skills according to the knowledge and skills that industry requires (elaborated on by each industry including sanitation, safety, hygiene, occupational and environmental standards, etc.)
- Educational and career counseling at an early stage, especially for women for opportunities in the employment and study areas in the industries with perspective;
 Linking schools to companies and adaptation of programs according to needs of the respective industry and increasing the opportunities for professional quality practice in the company competence center/QAP applying appropriate methods/technologies;
- Develop professional standards for each profession based on specific skills identified for each sector and incorporating international standards (ISCO-08) and general skills applicable in any industry
- Development of new ideas/products, application of new methods and technology.
- Developing basic skills for market research, sales, customer behavior, preparation of offers, acceptance of orders and marketing including electronic platform application.
- Reading specific texts and instructions for a particular profession;
- Fostering creativity, innovation and entrepreneurship in schools and industry; acheiving a complex of problem solving skills; awareness and respect for environmental regulations; adaptability skills regarding equipment, work processes, new materials.
- Involvement of specialized experts from a relevant industry in the VET trainings.
- Consultation and involvement of industry representatives in curriculum harmonization in alignment with their needs/labor market;
- Presentation of AAP curricula to employers, visits, fairs, open days for interested persons
 and on-going by career counseling offices, as well as providing training and certification
 services "at home" to companies and schools /VEC for different age groups, including
 counseling and practical training and orientation/reorientation and career guidance.
- **Developing skills to teach and guide peer-to-peer**, work under supervision, independent work and under pressure caused by tight deadlines, etc.

 VTCs are mainly used for training jobseekers and not for professional development of company employees. That's why QAP should inform employers about the available training and the possibility of providing these trainings in schools [and mobile services in the company, as suggested by the consultant].

Considering these recommendations, the assessment of the situation in the municipality of Gjakova was analyzed by the Gjakova LAC and the results are presented in Section IV "Situation Analysis".

2.3 Social Inclusion

The World Bank (WB) defines social inclusion as integrating the 2 Sustainable Development Goals defined at the UN historic summit 2015 as a sustainable development agenda by 2030 - eradicating poverty and increasing prosperity in an integrated way as "process of improving conditions like the skills, opportunities and dignity of individuals and disadvantaged groups, based on their identity, to participate in society" (World Bank).

The Inequality or disadvantage comes as a result of differences based on one or a group of identities (inherited and/or acquired) such as gender, ethnicity, religion, employment status, disability, origin, in particular for emigrants, origine including urban/rural, sexual orientation, association, views/interpretations, etc. The more elements and intersections between these elements the lower the level of social inclusion is.

Various elements of inclusion are subject to laws, strategies and other thematic and intersectoral plans such as increasing participation of young people, women, minorities or other groups that may be disadvantaged in decision-making, voting, education, employment, representation through associations that promote and advocate the advancement of these groups, political parties, quotas in public sfere personel (legislature, executive and judiciary), and various important security organizations such as police, Kosovo Security Force, etc.

Despite the traditional attribution of some jobs like salesman, secretary, mechanic, waiter, etc. to a particular gender, in Kosovo and at the local level, have begun changing practices in the business community which is also talking about corporate social responsibility and any rare case, mostly in Pristina of engaging persons with disabilities in employment.

Even if there is employment of people with disabilities, the involvement may be superficial, as is the case with inters, excluding profilised organizations like "HandiKos" where the leader of Peja office was a diligent woman with physical disabilities (in a wealchair), same is the head of the organization. Not only that this category is not included in employment, there were reported cases, although isolated, when people with disabilities, mostly physical, are involved in local/central electoral campaigns and are promised jobs, but despite later developments not employed (at least one case in Peja). Among the central and local public institutions, however, there is little involvement of people with disabilities in Kosovo. There is no genuine research into the state of social inclusion and impact of any or some elements at the local circumstances and arrangements.

As WB sugests, Social inclusion is applicable in project, program and policy analysis, and it has to adhere to the instructions by following the rule of making 3 "correct questions":

- <u>Identification</u> of disadvantaged individuals/groups in general or related to a specific sector such as employment and other related;
- <u>Analysis</u> in the form of the matrix of the state of each identity element of
 individuals/groups that can and how contributes to the unfavorable situation;
- <u>Measures</u> and measurable indicators are proposed for increasing "skills, opportunities and dignity" for the participation of a particular disadvantaged group in society.

At the country level, there is the strategy 2017 - 2021 for increasing the inclusion of Roma and Ashkali communities in Kosovo society through measures in education, employment, health and housing. Whereas for other marginalized groups no such document was found.



WORLD BANK GROUP Social, Urban, Rural & Resilience A matrix analysis can be done for different potentially marginalized/disadvantaged groups in Gjakova Region based on one or more elements of their identity related to the employment field and and interrelated as education: young people from rural suburbs, women, minorities (which group), other groups that can be identified, analyzed through identity factors such as gender, ethnicity, religion, employment status, disability, origin in immigrant cases, urban center residence/suburban or rural, sexual orientation, association, worldviews, etc. characteristics. The more intersections between these elements are, the lower the level of social inclusion.

At a workshop organized on 14 March 2019, participants - members of LPE were introduced to the concept, assisted by the following table and asked to identify and evaluate any disadvantaged groups and on what basis their identity and level of exclusion (using "0" rating scale for no; "-" min; "+" average, "++" a lot). Since the participants felt not confident, the analysis was postponed with the proposal to deal with an institution/association focused on more data on social inclusion and to consult any local situation report in the municipality/region of Gjakova. This table was developed as a condition identification too,I but was not used.

	Disa elementesh identiteti									
Grupe pafavorizuara	Gjinia	Etnia	Religjioni	Statusi i punës	Aftësi të kufizuara	Origjina	Urban/ rural	Orientim seksual	Asocimi	Botku
Të rinjtë periferi/ rural										
Moshuarit										
Femrat										
Minoritar										
Tjera										
*Total:										

*The more elements and points of contact between them, the level of social inclusion is lower. The analysis was postponed with the proposal to consult any situation report on the Gjakova Region or of a wider extent.

Therefore, the following is an overview of the employment and education situation of rural youth based on a LENS survey (2018) and a gender perspective review by the Kosovo Women's Network (2018).

2.3.1 Rural youth employment inclusion

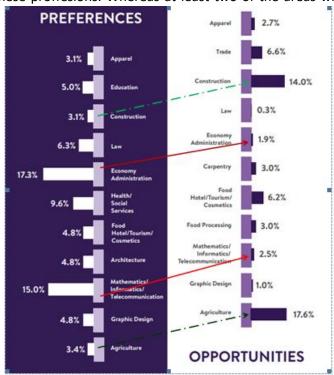
It was pointed out following a consultation with a group of students from "Haxhi Zeka" University in Peja (May 2019) that 70% of students who had completed vocational schools are currently pursuing studies that are irrelevant with their secondary education, most of them being enrolled in legal studies. The composition of the study areas of the students participating in the consultation was 64% law, 20% accounting/banking & finance, 12% business administration and only 1 student (4%) food/agribusiness technology.

Referring to a youth unemployment survey focused only on rural areas - rural youth as a group of the society disadvantaged/not included in employment measures and in difficult socio-economic situation, lack of services, schooling and employment challanges, however with encouraging data at least for some industries with more promising employment opportunities, but career orientation of these young people seem to be largely incompatible with employment prospects with the exception of hoteliery and tourism, which according to this study supply and demand appears to be balanced.

Although the study focuses on the issue of rural youth employment, it is indicative in general. In 2018, based on its research, NGO LENS realized that employment opportunities for rural youth in fields of economics, administration, mathematics, computer science and law are much lower than youth orientation towards these proffesions. Whereas at least two of the areas with the

highest employment opportunities, according to the research, the orientation of rural youth towards agriculture and construction career is extremely low. In economic terms, this is a lost employment opportunity. While somewhat more balanced is the market demand with the offer of these young people in the hoteliery and tourism sector. The following is a list of study preferences for rural youth and percentage of employment opportunities according to the LENS 2018 study.

Therefore, at that meeting, students were encouraged to be vigilant, to understand and



KOSOVO RURAL YOUTH Employment Opportunities, Barriers, and Needs (2018) LENS, Prishtine (Fq. 35)

https://www.ngolens.org/wp-content/uploads/2018/12/RYEO-English-PRINT.pdf

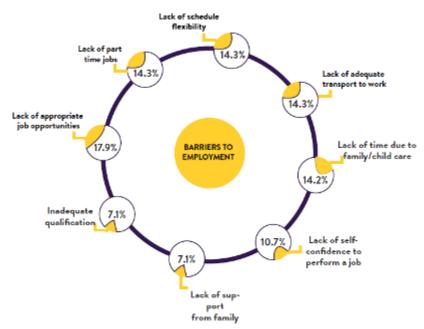
follow the labor market trends, where an orientation opportunity is expected from the Center for Career Orientation at the University, the one for orientation of secondary schools in Gjakova and other institutions such as LCP, Employment Office, media, etc. to provide information that could serve young students and students for career guidance.

It is estimated that about 65% of young people in Kosovo live in rural areas. They face greater barriers to education and employment than urban youth who have better access to education, counseling and employment services that are lacking in the suburbs, estimates LENS (KAS 2018).

According to the data provided by Gjakova Employment Office, as of August 2018, 7.7% of active jobseekers were from the RAE (roma, ashkali, egjiptian) community, 5% Bosniak, 2.5% undeclared, and in a much smaller percentage of Serbian, Turkish and only one Croatian jobseeker.

In addition to distance and challenging access to education, career orientation and employment, "rural youth also face lack of social networking opportunities, lack of employment opportunities [and information], poor public transport and high housing costs in urban areas (Cartmel & Furlong, 2000, p. 2). Research shows that over the long term these barriers lead to social marginalization and the exclusion of rural youth that further reduces their employment opportunities (Cartmel & Furlong, 2002). Therefore, it is very important to reduce the urban-rural divide and increase the linkage between rural areas and economic development" LENS calls on its publication on rural youth employment in Kosovo (2018).

The following chart shows some identified barriers and level of impact (in percentage form) on rural youth unemployment in Kosovo (LENS 2018, p. 33). The biggest obstacle, as many residents say, is the lack of work (18%), then the category with lower contribution (about 14%) is the lack of part-time work, flexible working hours, transportation, lack of time due family/child care. Somewhat at lower level (10%) is considered to be the impact of lack of self-confidence of rural youth to performe a job, while the lowest impact barriers (7%) on rural youth employment are inappropriate qualification and lack of family support.



Also, the low participation in education, especially compulsory primary education, at the rate of 26% of the respondents are from the Roma, Ashkali and Egyptian (RAE) community is alarming and with the lowest employmentlevel of 10% makes youth of this community be marginalized as the LENS 2018 publication warns.

In terms of age group, youth in general and in rural areas, according to this study, appear to have higher employment chances at the age of 18-24, while the number of unemployed women dominates as in other communities.

2.3.2 Gender inclusion in education and employment

The Kosovo Women's Network has conducted in 2018 a gender analysis in the country which calls for the support of government measures in the education and employment sector based on the results of this gender perspective analysis, which is presented below and indicates a high level of women's inclusion in the education system and less involved in employment.

Education domain from gender perspective:

Objective: "Equal access for girls and women to all levels of quality education and vocational education and training (VET) free from discrimination" through 10 sugested following actions:

- 1) "Design and institutionalizing teacher training on undoing socialized gender norms, roles and stereotypes, as well as gendered power relations.
- 2) Promote gender-equal role models in the transition from education to the labour market through curricula and gender parity among teachers (GAP 13).
- 3) Install affirmative measures for hiring men as pre-school teachers and women in higher education institutions.
- 4) Encourage MEST to budget for and employ more psychologists in schools, and enhance their professional capacities in addressing gender-based violence and preventing dropouts.

- 5) Institutionalize and 'provide education (both formal and nonformal), that addresses gender stereotypes, and allows for lifelong learning' (GAP 13) for children at all levels.
- 6) Support development, institutionalization and promotion of more diverse VET programs that address market needs and are tailored to women's particular needs.
- 7) Develop care availability and other affirmative measures that will support women's attendance of vocational and adult education.
- 8) Improve education accessibility for children with disabilities, particularly girls, by allocating resources for personal assistants, accessible transport, accessible buildings and adequate didactical materials.
- 9) Expand pre-school availability in accordance with the EU Barcelona Objectives, including gender relations in the early education curricula [and stimulate increase of attendance (actual 15.5%)].
- 10) Improve data collection regarding educational attendance and attainment, disaggregated by both ethnicity and gender." (p. 34 35)

Employment domain from gender perspective

"In 2015, 18% of women and 17% of men lived in poverty" (p.37). Based on the labour force indicators in 2017 presented at table below (left) by the KWN publication, from gender perspective, it is clear that women are underrepresented in labour market participation and employment, associated with high inactivity and unemployment including youth unemployed and not in employment, education or training (NEET). The same show two tables (right) more men employed through employment offices (EO) and attending Vocational Training Centers (VTC), while occupational segregation goes by "gender roles".

Key Labour Force Indicators (2017) ⁷⁸						
Indicator	Total	Men	Women			
Labour Market Participation	43%	65%	20%			
Employment to population ratio	30%	47%	13%			
Inactivity	57%	34%	80%			
Unemployment	31%	29%	37%			
Youth Unemployment (15-24)	53%	48%	64%			
Youth NEET	27%	24%	31%			

Persons Attending VTC by Gender						
Year	2015	2016	2017			
Women	44%	27%	34%			
Men	56%	73%	66%			
Total	4055	6736	5962			

Persons Who Found Employment through EOs by Gender								
Year	r 2015 2016 2017							
Women	34%	39%	40%					
Men	66%	61%	60%					
Total	3574	4022	3215					

Tables: Kosovo Gender Analyses (2018)

Based on its findings and other policy work, KWN (Kosovo Women's Network) suggested as an objective to "[Improve] access to decent work for women of all ages'" through the following 7 actions:

- "Establish more day care centres for children, the elderly and persons with disabilities, which will
 enhance educational outcomes (and employability of future generations), create new jobs including by
 transforming unpaid work to paid work and relieve women from socially ascribed unpaid care roles so
 that they may seek employment.
- 2. 'Support gender sensitive legislative and public finance reforms, which account for the role of women in the care economy, unpaid labour, unequal gender distribution of family responsibilities, overrepresentation in the informal economy, women in agriculture, and the gender pay gap'. Strongly encourage the government to work closely with WCSOs and draw from Kosovo-specific evidence to amend the Law on Labour and to transpose the [EU] Parental Leave Directive, the Directive on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and, potentially, the work-life balance Directive (if adopted). Then, 'support institutional capacity to deliver on these reforms and policies' (GAP 14).
- 3. **'Support challenges to social norms and attitudes** that hinder women's economic empowerment, including economic and social recognition of unpaid and care work' (GAP 14)
- 4. 'Analyse and address the [...] female workforce in the informal economy' (GAP 14, 6.1)
- 5. Support the Kosovo Agency of Statistics (KAS) in institutionalizing regular gender analysis pertaining to the gender pay gap, which will contribute towards establishing the Gender Equality Index (GAP 6.1). Also support KAS in institutionalizing a regular time-use study, which would reveal information about the informal economy as well as the ways in which women and men spend their time.
- 6. Support EO in furthering capacities to better record reasons why women or men do not secure employment through EO, towards identifying improved approaches.
- **7. Support innovative programs tailored to supporting women's employment"** (Gender Analyses, KWN 2018, p. 39-40).

III. EMPLOYMENT STAKEHOLDERS and STRATEGIC ORIENTATION

Among the stakeholders in the field of employment - namely tackling the problem of high unemployment, we distinguish organizations at local, national and international level.

3.1 Employment Stakeholders at the national level

Addressing the issue of employment in Kosovo includes central government institutions, international organizations, business and civil society. MLSW and MEST are the two main stakeholders of central government in employment matters, especially with the International Labor Organization (ILO) through technical assistance and various projects, the Ministry of Labour and Social Welfare (MLSW) and the Ministry of Education, Science and Technologies (MEST) are the two main stakeholders of central government in employment matters, alongside the International Labor Organization (ILO) through technical assistance for various projects, businesses and civil society organizations that tackle and advocate for employment issues through consulting and advocacy in the formulation of public policies and fiscal arrangements aimed at stimulating/enhancing employment and other related activities, including non-formal education, as well as public and private higher education schools in Pristina and other decentralized regions.

At central and local level, political parties also play an important role through programs on a variety of topics, including employment, which appear in eLPEtoral campaigns, which with the coming to power are expected to turn into laws/amendments of law, public policy, strategies and action plans of central and municipal government.

Ministry of Labour and Social Welfare (MLSW) and Empolyment Agency

As its name shows, the MLSW is a central government institution that deals with employment and social welfare issues at the country level and in accordance with Labor Law No. 03 / L-212 through various general functions like data colLPEting, policymaking and technical and financial support in these two areas, especially on the welfare field, since in Kosovo the unemployed do not receive financial support, but assistance in the form of vocational training, career guidance and employment referral, which is realized through the Employment Agency (EA) as a specialized institution of MLSW established by law no. 04/L-205 that is focused on employment and vocational training issues and consists of headquarters, and at the local/regional level provides services through employment offices (EOs) and vocational training centers (VTCs).

Ministry of Education, Science and Technologies (MEST)

Vocational education and training is regulated by the Law on Vocational Education and Training no. 02/L- 42, 23 February 2006, repealed by Law no. 04/L-032 on Pre-University Education in the Republic of Kosovo, with the exception of the vocational training provisions which remain in force (INDEP 2014).

Government (Office of the Prime Minister) and Ministries

The government initiates policies and laws directly or indirectly aimed at reducing unemployment in the country, which are discussed and approved by the Parliament. In addition to MLSW, other ministries such as the Ministry of Economy and Industry, Ministry of Economic Development, Ministry of Innovation, Ministry of Diaspora, Ministry of Youth, MEST, etc.

contribute to tackling the issue of unemployment through inter-ministerial committees in drafting national laws, policies and strategies, often assisted by international institutions through the provision of expertise, exchange of experience and technical financial support.

International Labour Organisation (ILO)

The ILO operates internationally and is present in Kosovo through various projects which contribute mostly to expertise in policymaking in the field of employment through technical and financial support provided to the government and those projects.

Kosovo Agency of Statistics (KAS) with data it collPEts from various sources and publishes periodically, including the unemployment rate, etc.

Economic Chamber

Chambers of Commerce can serve to identify labor market requirements with the condition that businesses are organized.

Businesses and Civil Society

Private and non-governmental organizations (with a service, manufacturing, consulting profile) play an important role in increasing the employability and competitiveness of the workforce at national and local/regional level with identifying problems and solutions, orienting towards labor market trends, actively participating in policymaking, strategic planning, research, capacity building through training, exchange of experiences, services including information technology in innovation centers, etc. and advocacy of issues of high importance, including employment growth.

For the creation, development and well-being of these individual, small, medium and large companies contribute to a large part of the male and female workforce. According to the Business Registration Agency (KBRA), at the Kosovo level in the first half of 2018, gender participation as individual business owners - usually small, was in the ratio of 1 female to 2 males respectively 30% females - 70% males. Whereas the participation of women in business (as partner or shareholder in large business) during the same period turns out to be 50% lower, respectively around 15%, while males to a greater extent of 85%. At the municipal level there is no data available on businesses (Quarterly Report I and II 2018, KBRA).

Public and private schools

Public and private secondary and high schools, including vocational schools and vocational training and adult education, play an important role at the national and local levels in preparing the workforce needed and also in line with labor market trends. Therefore, they have to orient their programs in order to meet the needs according to the "supply-demand" principle, thereby contributing to reducing unemployment.

3.2 Employment stakeholders in Gjakova Region

At the local level, in the Municipality of Gjakova addressing the employment issue includes stakeholders such as the Employment Office, the Kosovo Chamber of Commerce (KCC) Regional Office, the Vocational Education Center (VTC), schools, businesses, political and other political organizations or those from the civil society.

The Employment Office in Gjakova (EO)

The EO has its regional office in Gjakova and covers the municipalities of Gjakova, Malisheva, Decan and Junik, while in each municipality there are employment offices. By law, local employment offices within the MLSW, are "responsible for consulting and directing candidates to take part in different programs at the training centers, colLPEting data and monitoring the qualifications offered through VTCs for registered jobseekers". According to this definition of the PEO role, this office maintains a record of employer requirements for different profiles and skills and respectively makes referrals to registered jobseekers based on the profiles required by employers. The EO in Gjakova is a member of the LPE.

Vocational Training Centers (VTC)

In the city of Gjakova there is one VTC and it covers all four municipalities of this region. VTC exclusively trains jobseekers registered in employment centers that are oriented towards the labor market needs, through up to 3 months courses organized in 6 vocational training centers, one of which is located in Gjakova. This center is a member of the LPE.

Kosovo Chamber of Commerce (KCC) Regional Office in Gjakova – is a member of the Local Partnership for Employment in Gjakova Municipality.

Businesses

Some of the businesses in Gjakova Municipality are members of the LPE and they contributed to the situation analysis during the workshops that took place, as well as 22 of them contributed by responding to a survey on identifying the needs for workforce and skills needed, including "soft" skills.

Civil Society

Non-governmental organizations play an important role in enhancing the employability and competitiveness of the workforce at national and local/regional levels by identifying problems and solutions, orienting to labor market trends, active participation in policymaking, strategic planning, research, capacity building through training, exchange of experience, services such as information technology in innovation centers, etc., as well as advocacy on different issues including employment. Some NGOs are members of the LPE.

Shkollat publike dhe private

Public and private secondary and high schools, including vocational schools and vocational training and adult education, play an important role at the national and local levels in preparing the workforce needed and in line with labor market trends. Therefore, they have to orient their programs to meet the needs according to the "supply-demand" principle. The public university in Peja and some vocational schools are members of the LPE in Gjakova.

Career Center in Gjakova (GjCC)

The Career Center in Gjakova (GjCC) was established at the "N. Nixha" Technical High School by the Local Education Group as part of Solidar Suisse's "Proskills" program in 2018.

The mission of the GjCC is to connect employers, schools and students in Gjakova municipality through "supporting students in improving career management skills, linking to the labor market, sharing labor market information, education and training, and successful networking

with stakeholders" through supporting and providing services and advising students to make the right career choices and thus increasing employability. Beneficiaries and stakeholders in the GjCC are VET students, graduates, adults who dropped out of school, businesses, parents, authorities and the community.

Local Partnership for Employment in Gjakova Municipality (LPE)

The stakeholders with a wide participation are organized in a non-traditional form in the Local Partnership for Employment of Gjakova (LPE) which was established with a decision of Gjakova Municipality Assembly No 011/01-20668/2017 from 21.09.2017 and aims to increase employment in the Municipality of Gjakova. The Council is chaired by the Municipal Assembly Chairperson, consisting of representatives of the Assembly (from the party on power and opposition), Directorates for Development and Education, Employment Office in Gjakova, KCC Office in Gjakova, academia (public, private, professional and high schools, and the public university in Gjakova), businesses and NGOs.



REPUBLIKA E KOSOVES/ REPUBLIKA KOSOVO/ REPUBLIC OF KOSOVO

KOMUNA E GJAKOVËS

OPŠTINA DJAKOVICA/ MUNICIPALITY OF GJAKOVA



Kuvendi i Komunës së Gjakovës 01 Nr.DM/D1- 2066812017

Datë: 21.09.2017

Kuvendi i Komunës së Gjakovës, në bazë të nenit 12 të Ligjit për Vetëqeverisjen Lokale nr. 03/L-040, në mbledhjen e mbajtur me datë 21.09.2017, pas diskutimit lidhur me pikën e 4-të të rendit të ditës: Shqyrtimi i propozimit për themelimin e Këshillit Lokal për Punësim në Komunën e Gjakovës, e miratoj këtë:

VENDIM

Themelohet Këshilli Lokal për Punësim në Komunën e Gjakovës

Part of the decision for Gjakova LPE establishment

The members of the Council met in its constitutive meeting on 21.12.2018 in the city of Gjakova when its coordination structure was shaped and then initiated the drafting of an immediate action plan for the LPE which includes aspects of organizational, administrative and human resources development to reduce unemployment in the Municipality of Gjakova which is addressed in this document, based on a SWOT analysis of the situation, needs and opportunities regarding the development of the LPE as a new entity and the launch of its activities in order to have impact on the reduction of unemployment in the Municipality of Gjakova.

3.3 Employment Strategic Orientations

Regarding the problem of employment, despite the different levels in different countries, at the European level, there is the European Strategy 2020 which deals with employment, innovation and poverty. At the national level, there is a strategy - Action Plan for Youth Employment.

3.3.1 Action Plan on Youth Employment Growth 2018-2020

The MLSW Action Plan on Youth Employment Growth 2018-2020, together with other governmental, non-governmental and private stakeholders, aims to achieve 4 specific objectives through 30 measures with a budget estimated of € 17,440,104. A summary of the measures in this plan (referred to as the MLSW Employment Plan) is as follows:

Objective 1 - MLSW Employment Plan:

"Increasing the youth access to the labor market by providing quality employment services (counseling, career guidance, internship programs, employment mediation at home and abroad, etc.) and active employment measures."

The 10 measures identified in the plan to achieve this objective include: research of sectors with potential youth employment, analysis of good practice in providing services related to active labor market measures (ALMM) and their adaptation to the country, including professional internships for postgraduates and on the job by providing new job knowledge and general soft skills, salary subsidies; employment mediation, providing opportunities for "circular migration" (implying periodic movements in and out of the country for regular work reasons), promoting the VTC and EO and increasing the number of young people in vocational training provided by VTC, including providing contracted trainings by these centers as demanded by the labor market, recognition of internship and volunteer work as work experience through an amendment of the labor law that is expected to influence youth social inclusion and capacity building which affects solidarity and employability, especially for postgraduates from whom is required documented work experience, as well as training in information and communication technologies.

Objective 2 - MLSW Employment Plan:

"Increasing employment through youth entrepreneurship development and developing existing youth-owned enterprises" through 4 measures identified as providing project proposal training – drafting business and entrepreneurship plans in the VTCs and outside them -in such as youth centers supported by Ministry of Culture, Youth and Sports (MCYS), training for young farmers and providing counceling through the Kosovo Investment and Enterprise Support Agency (KIESA), as well as grants for start-ups.

Objective 3 - MLSW Employment Plan:

"Harmonization of vocational education and training with labor market requirements and provision of career guidance and counseling services".

The 11 measures identified in the plan to achieve this objective include: 3-year periodic sectoral research on curriculum compliance with the labor market, increasing cooperation among

stakeholders in employment especially schools and businesses, improving the labor market information system and adapting VET, drafting, testing and validation of vocational education standards, drafting and implementation of modular curricula in VET and necessary capacities, such as teacher training and preparation of didactic teaching materials in 7 areas of wide application, and periodic review of VET study profiles.

Other aspects are stimulation of studies in deficit areas and the inclusion of women in technical education profiles through public-private scholarship fund. Identification of needs and development of 5^{th} level post secondary qualification programs according to National Qualifications Framework (NQF). Conducting presentations in schools (grades 8-9) on businesses' needs for professional staff and awareness of employment opportunities. This objective also includes increasing the number counseling and career orientation centers and enhancing capacities through the appointment career counselors at school and teacher training on counseling and guidance and providing such services, as well as monitoring the impact on employment of VET graduates, Higher Education Institutions (HEIs).

Objective 4 - MLSW Employment Plan:

"Improving the quality of practical teaching in school and professional practice outside of school"

This objective includes 5 measures including the equipping workshops/laboratories for basic VET practice; again comes the idea of signing cooperation agreements and stimulating businesses to perform quality professional practice in their companies, including training of instructors/mentors in those companies and providing them with Rules of Procedure - Code of Conduct and Occupational Safety for Interns and payment of health insurance as a measure of motivation and safety for them.

3.3.3 European strategy 2020

The Strategy has 3 goals: 1) employment and economic growth; 2) innovation, 3) fighting poverty.

Employment and social innovation program (The Employment and Social Innovation (EaSI) Programme) is a European Commission financial instrument that supports three programs based on the concept of social innovation which has a special focus on youth known as "3Ms":

- Modernization of employment and social policies,
- EU workforce mobility (EURES program), and;
- Microfinance to support creative start-up micro business ideas for disadvantaged groups (economically backward groups, etc.) as well as social entrepreneurship- the development of social enterprises where their main reason is social, not just profit.

According to Wikipedia definition: "Social innovations are new strategies, concepts, ideas and organizations that meet the social needs of various elements that can range from working

conditions and education to community development and health - they expand and strengthen civil society. Social innovation involves processes of social innovations, such as open source methods and techniques, as well as innovations that have a social purpose - such as activism, online volunteering, microcredit or distance learning."

"PROGRESS Employment and Social Solidarity Program" - http://ec.europa.eu/progress under the European Strategy 2020 supports 3 activities:

1. Analysis - gathering evidence that is useful for policymaking, through research and periodicals related to employment. (Other aspects of PROGRESS are the MISSOC comparative database on social protection and inclusion in 31 European countries, comparative data on working conditions in 36 European countries, research on gender equality as a gender-based database of men and women in decision-making positions in 34 European countries and reports on prohibited discrimination of human rights, as well as monitoring the applying of laws and their revision).

2. Mutual learning, awareness and dissemination of information and experiences:

- Identify and transfer the tools needed for early identification of green economy abilities/skills needs that relate to the 3 aspects of sustainable development; social, economic and environmental issues. For more, see "New Skills for Green Jobs: A Case for a More Inclusive Labor Market".
- Evaluation of public employment services (centers) against a standard (good practices in the country/region) and increase effectiveness and efficiency of these services as a result of monitoring the activities aimed at capacity building, such as information, counseling, career guidance, reference, etc., including activities for the drafting individual action plans for job seekers, their profile, especially for young people with disabilities, through information, reorientation, vocational training, etc. and the exchange of good knowledge and expertise in the country/region.
- Mutual learning in social protection and inclusion that supports the three objectives of the European Strategy 2020 and aims at social innovation.
- **3.** <u>Support for Stakeholders</u> as NGOs/networks that serve as sources of information for policymakers and other stakeholders, such as strengthening cross-sectoral access to employment and social policies and other similar activities.

Opportunities for grant support with PROGRESS:

Municipalities, Employment Offices, NGOs, higher education institutions, evaluation experts, etc. from EU countries, EEA, EFTA, and EU candidate/potential candidate countries, in accordance with the general principles and general conditions in the framework agreements concluded with them on their participation in EU programs (http://ec.europa.eu/social/easi).

IV. ANALYSES – EMPLOYMENT, EDUCATION, SOCIAL INCLUSION

The results of the SWOT analysis conducted in the first workshop with LPE members in Gjakova on 21.12.2018, according to the thematic groups for identifying the employment/ unemployment situation using the SWOT model, are identified:

- strengths that are suggested to be used and developed further;
- weaknesses that have been transformed into needs/problems and as such are taken into consideration and contributed to the orientation of the LPE Action Plan;

Together with external, independent and potentially influential factors, to be identified:

- the opportunities that the surrounding environment can offer and should be materialized, whereas;
- possible risks to be foreseen and avoided/managed.

The following are the results of the LPE SWOT analysis on the employment, education and social inclusion situation in Gjakova.

4.1 SWOT Analysis Results - Employment in Gjakova

SWOT Analysis - EMPLOYMENT in Gjakova						
Strenghts Demography - a young population Qualifications Creativity and innovation Use of information technology Developed craftsmanship and entrepreneurship (consultant's input)	 Weaknesses Nepotism, not merit-based employment, etc. Inadequate to labor market qualifications Informal employment (hiring students without contracts, etc.) Lack of career counseling Failure to comply with labor law; Lack of monetary and non-monetary motivation of private sector workers (from discussions) 					
 Opportunities: Council for Public-Private Projects (municipality + businesses) Applying 'dual learning' Applying 10 classes of career orientation instruction, as in schools in Peja 10 ("Syri I Vizionit" NGO) Functionalization of LPE; Investment programs and local and EU grants for employment/self-employment (consultant's input) Mobility - migration of qualified workforce to Pristina and abroad (consultant's input) 	Migration of qualified workforce (with high and low profile skills) abroad and labor market imbalances as a result of attractive higher life security and better employer offers in EU; Nepotism, corruption and the common practice can become socially difficult to repair (completed by the consultant)					

4.2 Results of analyses - Education in Gjakova

In a workshop which took place in Gjakova on 21.12.2018, LPE members analyzed UNDP recommendations in relation of meeting the needs of "soft" skills, or as recommended by experts in the field to be called "essential" in addition to specific skills and in line with the international standards of vocational education in Kosovo.

Although lacking the indicators used in the UNDP, LPE members attributed percentage rating and the essential skills identified in the following table were discussed one by one and the overall assessment of the LPE- Gjakova members is that they agree between average to satisfactory level and consider the recommendations of UNDP for the completion of these skills in the Municipality of Gjakova as necessary and welcome.

The following table shows the LPE group ratings for each "soft" skill or for a group of "soft" skills attributing the perceived situation rating in percentages that are grouped into SWOT analysis, those with higher percentages as strong points and others as weak.

Results from reflection on UNDP recommendations for "soft" skills, Gjakova, 21.12.2019

Strengths:

- Courtesy/ Good conduct: 75%
- Writing, reading, counting: 97% - 99%
- average calculations: 50%
- basic computer use: >50%
- communication in-person and distance (phone, letters, email): >50%
- foreign language: >50%
- Educational and career counseling at an early stage, especially for women for opportunities in the employment and study areas in the industries with perspective: >50%
- Linking schools to companies and adaptation of programs according to needs of the respective industry and increasing the opportunities for professional quality practice in the company - competence center/QAP applying appropriate methods/technologies: >50% [Comment: The quality of internship is far

Weaknesses:

- Involvement of specialized experts from a relevant industry in the VET trainings: >5%
- Consultation and involvement of industry representatives in curriculum harmonization in alignment with their needs/labor market: >5%
- Fostering creativity, innovation and entrepreneurship in schools and industry; acheiving a complex of problem solving skills; awareness and respect for environmental regulations; adaptability skills regarding equipment, work processes, new materials: <10%
- filling out forms: 10%,
- writing short reports: 20%
- Developing basic skills for market research, sales, customer behavior, preparation of offers, acceptance of orders and marketing including electronic platform application: <20%
- Reading specific texts and instructions for the particular profession: <20%
- knowledge of sanitary standards, safety, hygiene, protection at work and environmental protection, etc.:
 <30%
- teamwork, planning skills (distribution of financial and budget means in some cases, timing: <30%
- Developing new ideas/products, application of new methods and technology: <30%
- average calculations: 50%

behind standards!]

 Develop professional standards for each profession based on specific skills identified for each sector and incorporating international standards (ISCO-08) and general skills:>50%

- basic computer use: <50 %
- communication in-person and distance (phone, mail, email): <50%
- foreign language: <50%
- Educational and career counseling at an early stage, especially for women for opportunities in the employment and study areas in the industries with perspective: <50%
- Linking schools to companies and adaptation of programs according to needs of the respective industry and increasing the opportunities for professional quality practice in the company - competence center/QAP applying appropriate methods/technologies: <50% [Comment: The quality of internship is far behind standards!]
- Develop professional standards for each profession based on specific skills identified for each sector and incorporating international standards (ISCO-08) and general skills: <50%
- **Developing skills to teach and guide peer-to-peer**, work under supervision, independent work and under pressure caused by tight deadlines.
- Presentation of AAP curricula to employers, visits, fairs, open days for interested persons and on-going by career counseling offices, as well as providing training and certification services to companies and schools /VEC (Vocational Education Center) for different age groups, including counseling and practical training and orientation/reorientation and career guidance for career/perspective.
- QAP should inform employers about the available training and the possibility of providing
 these trainings in schools [and mobile services in the company, as suggested by the consultant],
 since VEC is mainly used for training jobseekers and not for professional development of
 company employees.

These two last recommendations are dedicated to the Employment Office, VET and VTC, therefore these institutions in particular have to reflect.

Note: UNDP Recommendations for specific skills + basic skills, extracted from the report are printed and placed in the participant's file for referral. The full report can be downloaded here: http://www.ks.undp.org/content/kosovo/en/home/library/poverty/skills-needs-assessment-identifying-employers-needs.html

SWOT Results - SOCIAL INCLUSION in Gjakova , 21.12.2019

Strengths:

- Solidarity, although in regress, including remittances from the diaspora;
- Opportunities offered by vocational training for quick work;
- Young population ready for work;

Weaknesses:

- The social perception that women and minorities only do jobs that require little skills and at home;
- Low education level (9%) of the RAE (roma, ashkali, egjiptian) population;
- Low employment of elderly and disabled persons;
- Perception of the majority that the minority community cannot do jobs that require higher skills. Such perception may also exist in the particular community itself (not tested);
- Lack of interest of some of the unemployed minority for vocational training;
- Limited access to career counseling and vocational training services for part of the unemployed (majority and minority population) due to living in the suburbs or far from the city (rural areas);
- Low access to informal networking that may affect employment growth of the Roma minority (in terms of access to information, etc.);
- *Discrimination of the Roma minority in the labor market, although contested during the discussion by participants by providing examples of ethnically and gender balanced inclusion in grants, employment in the public sector. Yet, examples of minority involvement from the business were missing.

Opportunities:

Grants and counseling programs at local and national level for reintegration, employment/selfemployment

Risks:

 Migration of potential workforce to Pristina, other cities or abroad, including minority community.

^{*} Consideration of the Roma minority in the labor market - this issue is outlined in the Strategy and Action Plan 2017 - 2021 to increase the inclusion of Roma and Ashkali communities in Kosovo society, while the local situation remains to be explored. In addition to data on the ethnic and gender balanced numbers of recipients of repatriation, employment/self-employment subsidies provided by Gjakova municipality and international organizations (UNDP, GIZ, IOM mentioned in the meeting), the Employment Office may provide important information regarding demographics and education of jobseekers, vocational education trainings and employment mediations in which they are involved (data in Employment Office section).

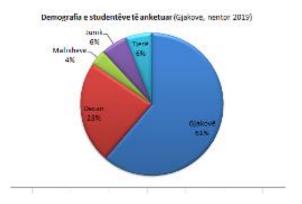
4.4 Students' opinion on unemployment in Gjakova

In the process of drafting the "Strategy and Action Plan for the development of human resources for employment 2020-25 in Peja Region", in November 2019 a survey was conducted with students from the public university "Fehmi Agani" and the private colleges "AAB" and "Universum" – branches in the city of Gjakova.

The survey aimed to involve students of these universities of regional character in expressing opinions about the most tangible issues in the country, possible reasons for unemployment as one of the main problems and their experience in professional practice, career orientation, knowledge on the role of vocational education and training institutions and the employment office in the Gjakova Region (Gjakova, Deçan, Junik, Malisheva municipalities). In addition, the survey also included assessing professional confidence and mobility readiness for employment at home and abroad.

Since the universities mentioned above are members of the Local Partnership for Employment (LPE) - Gjakova, the survey conducted at both universities aimed at promoting LPE.

The survey was conducted through an 18-question questionnaire, designed by consultant Dritan Shala (consulting company "HROD") engaged by the NGO "Syri i Vizionit" within "SEED II" and administered by representatives of the three universities. The number of respondents in three regional schools of the Gjakova municipality was 168 students. Their origin was mostly from the municipality of Gjakova (61%), others from the Gjakova Region that includes the municipalities of Gjakova, Decan, Junik and Malisheva (according to the organization of the Employment Office and VTC in Gjakova). Student involvement from these municipalities is presented in the following percentage chart.



The following are the results of the survey conducted through 18-question questionnaire (open, elective and with a "Likert" rating scale of 1min - 5max) administered separately by the staff of the three universities. The focus of the research was on second, third and fourth-year students as it was assumed that the probability of exposure to internships and career orientation of the employment effort was higher, however, even the 1-st year students were included. "Universum" College conducted the survey on intranet, while the other two universities administered the questionnaire in printed form.

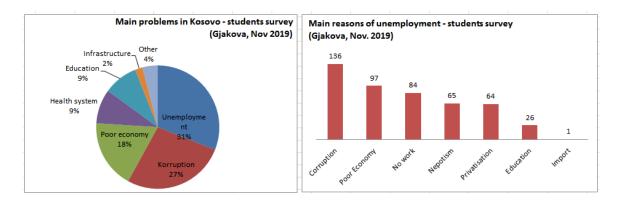
The questionnaire responces from students of the "Universum" and "AAB" colleges were fully included, and from those of the "Fehmi Agani" University in Gjakova was selected a representative sample of all fields of study with balanced student involvement from the constituent municipalities of the Gjakova Region (Gjakova, Decani, Junik and Malisheva).

Survey Results

The following data shows the number, demographics and the highest frequency of student responses in the Gjakova region resulting in unemployment, and the main reason for unemployment was identified corruption.

	Nr. of		Top problems	Main reason for
Name of institution	respondents	Students' origin		unemployment
"Fehmi Agani" University	75	40% Gjakova/ 60% region	Unemployment (88%)	Corruption (88%)
"AAB" College	35	90% Gjakova/ 10 region	Unemployment (94%)	Corruption (77%)
"Universum" College	58	70% Gjakova/ 30% region	Unemployment (85%)	Corruption (75%)
3 universities in Gjakova	168	66% Gjakova/ 34% region	Unemployment (90%)	Corruption (80%)

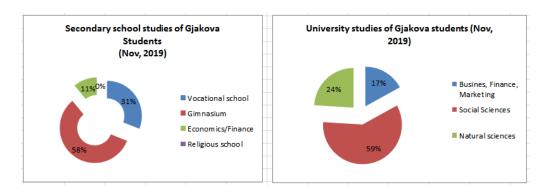
The three main problems according to students in Gjakova were unemployment with a frequency of 148 times, **corruption** (128) and **poor economy** (88), followed by health system (44) and education (42). Less pronounced was the problem of infrastructure (8) and others* such as lack of municipal - youth cooperation. These problems are presented in the following graph in percentage form.



As expected, unemployment is one of the crucial problems of Kosovar society, including Gjakova Region, which was confirmed by the charts above, and the main possible causes of this problem according to the respondents were **corruption**, **poor economy and lack of jobs**, followed by nepotism and privatization, less education and much less (1 times) imports. The frequency of these reasons for unemployment is listed in the chart above (right).

The following are theintegrated results in % format for each of the research topics/questions:

- 52% e of students had no career orientation during lower secondary education.
- 57% of students had no career orientation during high school education.
- 70% of students had no career orientation during university education.
- Students' knowledge regarding vocational education schools in their municipalities was 70%;
- Students had average knowledge (40%) about the role of the Employment Office and VTC in Gjakova.
- Approximately 60% of respondets had graduated natural or social sciences gymnasium and 40% vocational schools (Economics, Medicine, Technology and Agriculture), shown in the following graph (left).
- The composition of the respondents' study areas is presented in the following chart (right):
 - **60% social sciences** (Education, Legal Studies, Ablanian Language and Literature, English and German Languages, and Political Studies);
 - 24% natural sciences (Medicine and Computer sciences);
 - **17% economics** (Accounting/Banking/Finance, Business Administration, Management, Marketing).



When comparing the three groups of study areas, according to the research data, there is a discrepancy between orientation towards natural sciences (about 60%) in high school and university, with social sciences dominating and only 24% for natural sciences, but orientation towards economics grows by 6% from the secondary to university level. This study orientation, compared to labor market demand, is a matter of analysis and action.

Seperatly, referring to a survey on rural youth unemployment (though generally indicative) made in 2018 by NGO "LENS", employment opportunities in sectors such as economics, administration, mathematics and computer science and law are much lower than orientation of young people in these areas. Whereas at least two of the areas with the highest employment opportunities, according to that survey, the orientation of rural youth towards agriculture and construction is extremely low, which in economic terms is a lost employment opportunity. Much more balanced is the market demand with the supply of youth in the tourism/hoteliery sector.

Meanwhile, students and young proffesionals were encouraged to follow the labor market trends and adapt vocational education and training programs and appropriate career orientation for the domestic and foreign market.

- 70% of the students in the survey were not advised at the university career development office.
 - Although they may be aware, only 1/3 of students asked were advised. So the visibility (recognition and presence) and capacities of the career centers in these high education institutions need to be increased.
- 57% of the students hope that after finishing their sutied they will find work in their municipality.
- 77% think that vocational education is a faster job opportunity, however they chose to pursue studies either while being not employed) or with a preference for advancement.
- In case they are not employed localy in their community, 73% of the students would look for job in another region or in Pristina.
- In case they don't find job in Kosovo, 72% of the students would look for job abroad.
- Respondents think that after completing their studies they will be prepared at the level of 74% for labor market requirements in Kosovo and at the level of 70% for market demands outside Kosovo.
- There is no data on the extent and quality of counseling in lower and upper secondary schools.
- 83% of the students that didn't take part in the survey have completed professional practice during their secondary education and 70% at university.
 So the issue of lack of professional practice seems to be a problem in the future employment of these students, which is also mentioned in the reasons of unemployment due to professional practice and lack of general work experience.

Therefore, the issue of professional practice/internships at school and with business remains to be addressed by the stakeholders involved in the educational process through an expected contribution of the LPE. Work experience is a matter that starts with career counseling on aspects of writing job application letters, CVs, effective communication, public presentations, interview preparation and other soft skills that increase employability potential alongside knowledge and professional technical experience.

Regarding the lack of work experience as an issue raised by students during the discussion, they were suggested to engage in volunteer work and non-governmental organizations in their field and others on and off campus, where through various activities they have the opportunity to build capacities and refer to them as experience in their early applications during or after the completion of studies, as with the increasing social responsibility of businesses in Kosovo and the region, such experience will be increasingly appreciated.

V. POLICY OPSIONS and RECOMENDATIONS

The objective of this policy intervention is to correct the government's failure to create employment conditions and reduce the negative impacts of youth unemployment in Kosovo, in general, and locally - in the municipality of Gjakova in particular. That issue is partly, but significantly, a result of the existing supply-demand mismatch in labor market. To achieve this objective, this policy document outlines two policy options: direct, contracted services, and subsidies. In order to achieve this objective, this policy document outlines two policy options: direct services, contracted services and subsidies.

Direct services consist in adaptation of educational programs and vocational training schools to fields of study and a set/number of skills needed in relation to labor market demand, through formal and non-formal education. Non-formal education can be organized by contracting through competitive grant schemes arranged with NGOs, businesses, etc.

The direct services option also includes cultivating entrepreneurship, as part of the formal education system, continuation of improving the business environment, promotion combined with attracting foreign direct investment.

5.1 Identify and draft options to address a problem

Option 1- status quo

Negative decision making - no action taken, "hands crossed", as a result of the status quo, the situation is expected to deteriorate from other independent internal and/or external factors of the state policy-making factor.

"Intrinsic" factor (internal) - are the possible actions/eventual inactions taken by the youth themselves, such as:

to pursue emigration abroad in search of work, welfare or take advantage of the bigger opportunity for practice, specialization and employment in the host country in the short term, until the situation in the country of origin changes, or to decide on long-term settlement in the host country with the potential to contribute to the promotion and development of the country through research and publications, including policy suggestions, exchange of experience, networking, or in the sense of accumulating and disseminating scientific information on various social, economic, cultural, integration topics, etc., or;

- to investi in studies, practice or specialization in terms of time and money (using limited savings, loans or scholarships at home and abroad), including volunteering in professional associations etc. in the country, through which opportunities are created for capacity building for life and professional skills, including mobility and networking at home and abroad, work on small projects, etc. as a form of preparation and waiting until the most favorable employment and welfare conditions in the country are created.

<u>"Extrinsic" factors (external)</u> - are different activities and programs in the process or which can be developed by third parties, such as NGOs, businesses, donors, etc., that may have effect on employment growth regardless of and without policy making/state strategy. The intrisic factor of investing in time has been a determining factor in my advanced professional development/specialization, life skills, and increased employability, as an example from real life. On the other side, positive decision-making brings an effect on changing the current situation. Below are identified 3 possibilities in combination with relevant actions and expectations.

Option 2 – Harmonization of educational curricula and career (re)orientation in line with labor market demand

Harmonization of educational curricula with labor market requirements according to the balanced "supply-demand" principle, informing young people about market demands through career guidance and counseling services in schools, employment centers, vocational education centers, and increasing the quality across all levels of the formal education chain, including vocational education and training (VET) and non-formal education using different forms of direct and indirect service delivery through community/youth centers and NGOs operating in related fields (education, employment, development, gender issues), with inclusion of youth from urban and remote rural areas, minorities and women, since the last ones constitute a higher proportion of the unemployed among youth.

According to a study made by UNDP in 2016, it is suggested that 6 economic sectors in Kosovo should meet ISO standards, as well as a range of closely professional competencies for each industry in consideration (food and meat processing, metal processing, wood processing, textile, tourism and IT) by including the additing of some curricula and in vocational education in particular, and it's also suggested to equip students/trainees, including aged people, also needed is professional development at work and necessary professional practices in enterprises that are equipped with cross-sectoral knowledge, including communication, planning and source allocation, communication, teamwork, basic math, some statistics, computers, knowledge of hygiene issues, occupational and environmental safety, foreign languages, acquaintance with new technology in process and expected to be applied in these sectors, etc.

One of the new programs suggested is in the textile sector as education program for tailors, which will include a larger number of workers, especially women and will also be linked to the attraction of foreign direct investment (FDI). In addition, it is requires (re)orientation and preparation through formal and informal education of the future workforce, suggested to be obtained through education, as well as rapid training and professional practice in enterprises with advanced processes and equipment, based on labor market demand at home and abroad, all these recommended in the UNDP study on employes' skills and needs, as an adjustment and precondition for structural change from massive economy of increased import towards increased production and exports, as suggested and assisted by various USAID programs.

Improving the business and investment environment with suitable favourable conditions and fiscal policy it is expected to attract FDI which increases youth employment and knowledge and technology transfer besides investments and expertise.

Option 3 – Entrepreneurship cultivation and subsidizing "start-ups" (new businesses)

Stimulating self-employment and employment in the private sector, in addition to the other options (2,3), through cultivation of entrepreneurial spirit and skills, providing financial advisory and symbolic financial stimulation, through subsidies, to materialize authentic, innovative and creative business ideas (start-ups) that focus on social and environmental aspects through direct and indirect services - competitive outsourcing to service providers such as NGOs, businesses that have been more efficient at implementing than direct administration by being decentralized at the regional or local level, more creative, closer to beneficiaries and problems, and more sensitive to potential solutions.

In kind stimulation of existing start-ups and SMEs as rewards - prestige/credibility aspect in enhancing employment of qualified youth — both women and man, including people with disabilities who are capable to work, especially in areas that are challenged economically/backward with higher unemployment.

Option 4 - Improving the business environment, attracting Foreign Direct Investment (FDI) and skilled labor mobility

As a result of USAID's Business Environment Improvement Program (BEEP), many municipalities increased their service performance, and the gap between the backward and the more advanced ones has been greatly reduced. In the publication "Economic Growth", USAID estimates that Kosovo is creating a more favorable business environment thanks to their assistance, where in 2017 the country has improved by 30% in the World Bank ranking "Doing Business" (from 60 to 40), as well as from 13th to 10th place for "Start a new Business".

Among other measures, the focus was also on enhancing employment and workforce skills through different programs. However, the unemployment trend is not changing; poverty and development challenges are rising according to the same assessment.

According to a report of the Group for Legal and Political Studies (2017), besides the interest in extracting natural resources such as minerals, investing in energy, infrastructure, telecommunications, etc. that are profitable, the young workforce in Kosovo is quite attractive since the population at average is young.

It is well known that FDI is usually oriented towards countries rich in natural resources and sector activities that require a large labor force to reduce costs in the countries of origin, with favorable taxes, favourable laws and softer control, often taking advantage of the overall fragile institutional, economic, legal, political situation of underdeveloped/developing countries.

Therefore, Kosovo should materialize all the competitive advantages in defining an education curricula to ensure skilled and employable workforce for the current manufacturing and service enterprises in the country and increasing FDI, after scored a drastic dropping of 4 times from 2007 to 2009, 2012 and 2014, while employment has remained static despite the increase in municipal performance indicators (BEEP program), but accompanied by an increase in the corruption perception index for the period 2010-2014, as presented by the report on Kosovo's FDI potential. Employment stakeholders should also consider the benefits of the option/need of skilled workforce mobility in relation to domestic and overseas market demands, in terms of competitive local/national and international advantages.

5.2 Evaluation of options

To evaluate the proposed options for reducing youth unemployment in Kosovo, 5 criteria are selected where sustainability matters most, after that costs, efficiency, beneficiary involvement, and the short-term impact of each policy are listed. Since at this stage the cost cannot be known in exact numbers, the indicators "+" = low, "++" = average, "+++" = high were used measurement unit of indicator criteria.

Options	Criterion 1 Sability	Criterion 2 Cost	Criterion 3 Efficacy	Criterion 4 Involve- ment	Criterion 5 Short-term impact
Option 1 Status quo	+	+++	+	+++	+++
Option 2 Harmonization of educational curricula and career (re)orientation in line with labor market demand	+++	++	+++	+++	+
Option 3 Entrepreneurship cultivation and subsidizing "start-ups" (new businesses)	+++	++	++	++	++
Option 4 Improving the business environment, attracting Foreign Direct Investment (FDI) and skilled labor mobility	++	++	++	+	+++

Based on the identification of the problem, the needs and the analysis of possible solutions, it is recommended that the LPE focuses on the realization of the above described options for reducing the unemployment in the Municipality of Gjakova (1), paying due attention, in a serious way, to the development of its organizational capacities (2).

1. LEC actions to reduce unemployment in Gjakova Region

Based on the analysis of the options with 5 evaluation criteria, it is recommended to combine options with greater consistency in implementation, lower cost, higher efficiency, higher involvement of beneficiaries and short-term impact:

- The option about harmonization of educational curricula and career (re)orientation in line with labor market demand, including the UNDP recommendation on the analysis and skills shortage - workforce in six industries at national level in the Municipality of Gjakova, combined with
- the option of cultivating entrepreneurship in schools and other centers such as youth centers, NGOs, innovation/business centers/incubators etc., toghether with subsidizing start-ups that create employment/self-employment, d working in parallel on
- the option of improving the business environment and attracting foreign direct investment (FDI), especially in manufacturing industries, through Public Private Partnerships and other forms, e.g. establishing industrial zones etc., but also including outsourced services to clients, and also
- to consider the mobility of skilled workforce in line with domestic and overseas market demands, in terms of local/national/international competitive advantages.

2. Development of LPE human and organizational capacities

As assessed in the workshop analysis, the LPE in the Municipality of Gjakova, as a new inclusive and diverse body, should develop its capacities by building human and organizational capacities through training and exchange of experiences with LPEs in Kosovo, the Balkans and EU, to focus on development of administrative capacities including personnel for the functioning of the LPE Secretariat, drafting the Rules of Procedure, ensure infrastructural capacities such as office space, meetings, working and communication equipment (computer, etc.), and work for financial sustainability in the long run, for promotion and research, planning, implementing, policymaking and advocacy capacities.

With having the capacities built and the necessary technical and financial support, LPE should conduct needs research and adapt to labor market trends, through the preparation of a midterm and long-term strategy for reducing unemployment in Municipality of Gjakova.

In this way, developing LPE capacity (including stakeholders), as well as providing knowledge and services to the beneficiaries — unemployed directly or indirectly make LPE a reference point in the policy making and implementation of employment strategies and plans linked with it, e.g. education etc., willing to take coordinated action to meet the above options, but not limited to, in collaboration with stakeholders through projects that can be financed under the SEED program in short and long term (after the project is completed) of other local donations, including municipal funding, subsidies from business, Government, local and international donors.

5.3 Recommendations

Presented below is a set of recommendations based on analysis presented in this document.

The stakeholders should work closely for the development and efficient functioning of the Local Partnership for Employment in Gjakova Municipality through building human, administrative, organizational and logistical capacity of this inclusive entity, with advisory mandate and mission focused on unemployment reduction, which was established in 2017 and operationalized in mid-2018 when the development of the Strategy for Development of Employable Human resources in the Municipality of Gjakova Municipality and Region began.

- To cultivate long-term loyal cooperation between LPE members and other local/regional stakeholders in planning and implementation of the Strategy and the Action Plan.
- To promotion LPE through initiation of cooperation, exchanges and regional projects in the country level among other LPEs/employment stakeholders and cross-border/ international projects in the Balkans and Europe.
- To identify and meet the needs and quality of employment services for all employment stakeholders through training, exchanges, assistance and performance appraisals.
- To promote, development and use of good practices and services of career guidance in the Career Center and the Employment Office.
- To improve the quality of VET (Vocational Education and Training) programs according to labor market demand and equipping the labor force with "soft skills" alongside other specific professional ones.

- To equip the workforce with specific technical skills, as required by employers, and also standardizing and supplementing current VET curricula with missing profiles in municipality of Gjakova and the region according to the labor market needs.
- To promote lifelong education and learning, dual, informal and non-formal education.
- To create and developing new innovative forms and approaches for the development of employable human potentials.
- To identifify early talent and provide career counseling at all education stages.
- To continue and enhance promotional activities and networking, e.g. career orientation and employment fairs as ongoing or periodic successful activities.
- To identify the needs of large businesses for workforce skills labor market research and dissemination of information among stakeholders and the general public.
- To include disadvantaged groups into career counseling services and labor market (including women, people with disabilities, rural youth, minorities, aged people, etc.)
- Stakeholders' engagement and facilitation of social dialogue for human capacity development, including practical work and exchange of expertise to create a sustainable labor market.
- Promote and facilitate mobility in counseling, services and employment in Peja Region and abroad, according to the labor market.
- Build capacities for rural youth, women and other disadvantaged groups through technical and financial assistance for self-employment and social enterprises ideas addressing social and environmental aspects beyond the profits and serve sustainable development in the region.
- Promote volunteerism and social responsibility, as well as advocating for the recognition of volunteer work as necessary work experience for early youth employment.
- Raise public awareness about the opportunities and importance of vocational education and training with the "STEEM" orientation.
- Identify, promote and implement other good practices aiding the aim of Gjakova LPE.

These recommendations have been translated into the measures and activities foreseen in the short-term Action Plan for 2020 and the long-term 2020-2025, elaborated below.

VI. ACTION PLAN 2020 for IMPLEMENTATION of the STRATEGY for DEVELOPMENT of EMPLOYABLE HUMAN RESOURCES in GJAKOVA REGION 2020-2025

After a long and comprehensive consultation process that began on December, 2018 with the participation of members of the Local Partnership for Employment (LPE) in the Municipality of Gjakova established in 2017 as an advisory inclusive body regarding employment, by the Gjakova Assembley which is made of the municipal authorities, the Employment Office, Vocational Training Centre, local vocational and high schools, Chember of Commerce, Businesses and NGOs.

Gjakova LPE members worked jointly during three workshops heald in Gjakova on needs assessment, measures and activities which formed the bases for this strategy and action plan.

In November 2019 the "Strategy for Development of Employable Human Resources in Gjakova Region 2020 - 2025" was compleated, aiming the increase of employability in Gjakova Municipality. Although the Strategy has been drafted mainly with inputs from the Gjakova Municipality LPE, it also includes three neigbouring municipalities od Decan, Junik and Malisheva which do not have employment policy in place. Based on the market needs analysis was developed the long-term 2020 - 2025 strategy and Action Plan 2020 deriving from the strategy.

The strategic objectives of the strategy and action plan are:

- Development of human resources management system for employment in Gjakova Region;
- Development of a human resources for employment in Gjakova Region;
- Creating a stable and functional labour market in Gjakova Region.

The Action Plan

The strategy and action plan was developed following good practice on policy-making by analysing labor market situation focused on three interelated areas of employment, education and social inclusion by applying SWOT analysis, open discussions, refection and administration of questionnaires that produced primary data from LPE, students and businesses, as well as consulting secondary data such as statistics, subject matter research such as UNDP periodic public opinion and labour skills gup in Kosovo (2016) reports, various reports and sector strategies in the country and in the EU context.

The local consulting firm Human Resources and Organisational Development (HROD) was contracted by NGO "Syri i Vizionit", in framework of the regional SEED II project implemented by Wolkshilfe funded by Austrian Development Cooperation. HROD facilitated the development of and drafted the Strategy and this Action Plan, as two unseprable documents, in close collaboration and inputs of members of Gjakova LPE.

The Action Plan for 2020 contains **3 strategic objectives**, with **20 measures** and **35 activities** aimed at increase of employability situation in the municipality and the region of Gjakova. The plan envisions short-term (that can be realized within 1 year) and long-term (2-5 years) activities that by nature require longer implementation time and/or resources, expertise and necessary inter-institutional arrangements.

Financing the Action Plan

The cost for the implementation of the short-term plan will be calculated during implementation after the LPE identifies priority activities under this plan that can be financed on the basis of local and international grant applications through project proposals with detailed actions and costs for such activities.

The Municipality of Gjakova is encouraged to alocate an annual budget for the implementation of the 1-year plan and to apply in partnership with the LPE for funding from the Government and donors in the country and the EU such as IPA cross-border funds, the employment and social inclusion funds, etc.

Monitoring and follow-up

LPE Gjakova as the bearer of the HR Strategy and this Employment Action Plan in the Gjakova Municipality/ Gjakova Region will monitor the implementation of the activities and measures envisaged in the plan and will evaluate them quarterly and at the end of period 1 based on the performance indicators set out in the plan for each activity/measure.

LPE will review, evaluate and adjust actions during implementation, and the evaluation at the end of 2020 will serve as the beginning of a new strategic planning cycle. The following is the short-term Action Plan for 2020 containing the objectives, measures and activities adopted by the LPE, the overall LPE responsibilities, the success indicators and the implementation time presented in 3-month (TM) periods.

It is expected that the Gjakova Municipal Assembly will adopt the Strategy and the Plan as unsperable documents useful to all parties including the Municipality in sectoral and other development policies, other LPE members, the Government and donor community.

The Plan is drafted in the form of a detailed logical framework with the strategic objectives, measures and activities for each objective, timing and responsibile bodies for implementation.

This document has been translated from Albanian into English with incremental improvements during translation by HROD. In case of discrepancies, Albanian version may prevail.

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Annex

ACTION PLAN 2020 for IMPLEMENTATION of the STRATEGY for DEVELOPMENT of EMPLOYABLE HUMAN RESOURCES in GJAKOVA REGION 2020-2025