Short analysis on youth employment in Kosovo

ACTIVE YOUTH FOR SUSTAINABLE DEVELOPMENT
Content

Introduction .............................................................................................................................................. 4
Public opinion poll on employment and economic development ................................................... 6
The position of young people in the labor market .............................................................................. 10
Support measures to increase youth employment ............................................................................ 12
Policies that improve the position of young people in the labor market ......................................... 15
Good practices for the integration of young people into the labor market ..................................... 16
Recommendations ................................................................................................................................ 17
Introduction

Kosovo remains one of the countries with the youngest population in Europe. The average age of the population is 30.2 years old, with young people under the age of 25 making up about 47.3% of the population. Labor market conditions in Kosovo remain difficult, especially for young people. During the period 2017-2020, the employment rate remained below 30%.

Kosovo remains one of the countries with the highest unemployment rate in the region, with a 25% unemployment rate. Unemployment among young people is extremely high, with about half of young people having no chance of finding a job after finishing school. Usually, the main factors pushing young people to migrate is the lack of employment opportunities. Kosovo is sharing the same fate with the countries in the region in terms of intensified migration of young and educated people.

Official migration statistics compiled by the Kosovo Agency of Statistics provide data on both population outflows and inflows. The balance of these movements is constantly negative. After the peak in 2015, when over 74,000 people migrated, two years of mitigation of this trend followed. Following that, the migration flow intensified again with negative balance of over 21,000 persons and almost 29,000 respectively in 2018 and 2019. In any case, during the 2015-2019 period Kosovo recorded a negative migration balance of over 120,000 people.

Results of a WFD study on youth migration in Kosovo¹, show that the total cost of education of people leaving Kosovo in a year, depending on the educational structure, varies from just over 180 million to almost 205 million Euros. Every employable individual who migrates from Kosovo takes away on average of 17,000 Euros per year in potential future annual GDP that could have been realized if economic flows had enabled their productive employment, which means an annual loss in potential Gross Domestic Production worth around 519 million Euros.

The COVID-19 pandemic has further hampered employment opportunities in general in most sectors, which consequently negatively affected the employment of young people and their socio-economic situation. While in the first year of the COVID-19 pandemic outbreak there was a total shutdown of the economy, in the following years the situation started to improve as we began to adapt to the "new normal". Government financial packages distributed in the early years were necessary to mitigate the economic consequences for citizens and businesses.

This brief analysis aims to do public opinion poll of citizens regarding their socio-economic situation caused by the COVID-19 pandemic, their willingness to migrate abroad in case they would have a job offer, on the factors that affect the low unemployment rate among young

people in Kosovo, as well as where they see the potential for country’s economic development. The public opinion poll was conducted through a representative sample at the national level, which included 1,065 people surveyed from 5 through 18 March 2022.

Statistical data related to employment, training, internships and the possibility of migration of young people abroad were also analyzed. The data show that during 2020 the situation has deteriorated in terms of youth employment compared to the previous year. Finally, some opportunities were offered for young people to more easily access the labor market, especially by taking advantage of the active labor market measures implemented by state agencies.
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Public opinion poll on employment and economic development

D4D conducted the public opinion poll through a representative sample at the national level, from 05 through 18 March 2022, to obtain their opinion on youth employment. 1,065 persons participated in the survey, of whom 49.7% were women and 50.3% were men.

1. In case of an opportunity of employment abroad, would you take it?

   ![Diagram 1](image1)

   **Diagram 1. Willingness to work abroad**

   In terms of willingness to work abroad, over half of the surveyed citizens are willing to work abroad if given the opportunity. Of these, 39.3% would accept to work abroad regardless of the type of job, while 12.5% stated that they would accept to work abroad only in their profession. The number of those who are not interested in working abroad is 43.4%, while 4.8% were unable to answer.

2. What do you consider are the key factors to consider in employing a young person in Kosovo?

   ![Diagram 2](image2)

   **Diagram 2. Factors affecting youth employment in Kosovo**

   Citizens' confidence in the employment of young people in Kosovo on the basis of meritocracy is very low. Of the total number of surveyed citizens, only 25% think that
employment is done on the basis of meritocracy, respectively that adequate education and vocational training are taken into account. The greatest confidence in merit-based employment is among the youngest age groups, between 18 and 34 years of age. The two main factors for youth employment in Kosovo, according to surveyed citizens are family ties (75%) and party affiliation (65%). The other two options that are less listed but that affect employment are corruption of those responsible for recruitment (28%) and gender (23%).

Diagram 3. Factors taken into account for accepting a job offer

The main factor that is taken into account when considering an offer of employment, according to the surveyed citizens is the level of salary, where 46% have chosen this factor as the most important. The second factor is the work environment with 18.2%, while the working hours and the duration of the contract is represented with 11.4% respectively with 11.2%. Work in the field of education and experience (8.1%), as well as respect from management (3.6%) are two of the least selected options among the factors listed in our question regarding the consideration of job offers. The biggest differences in terms of gender are in two factors, the working hours and the duration of the contract. For women, working hours are more important than for men, and women would accept shorter-term contracts than men. In other factors the gender differences are very small.
Youth employment in Kosovo remains low, and the difficulties of finding a job among young people are huge. Among the reasons listed by the surveyed citizens for difficulties of young people to find a job are the lack of offers in the labor market (55%), then nepotism (51%), lack of work experience (37%), lack of commitment of young people to work (30%), and lack of adequate qualification compared to market needs (26%). Unlike other age groups, the younger age groups of 18 to 24 have listed lack of work experience as the difficulty in finding a job.

Diagram 5. The impact of the pandemic on the socio-economic situation
The negative impact of the COVID-19 pandemic on the socio-economic situation seems to have been great in Kosovo. Half of the surveyed citizens stated that their economic situation has deteriorated as a result of the pandemic (50%), while for the other 12.5% there has been a significant deterioration. For about a quarter of them, the COVID-19 pandemic had no impact (25.%). For some others, the pandemic has improved their socio-economic situation. For 9.4% their situation has improved, while for another 1.7% it has significantly improved and all of them are employed in the private sector.

Diagram 6. The potential for economic development

In terms of where the citizens of Kosovo see the greatest potential for development of the country's economy, the growth of domestic production for export purposes is seen as the best opportunity (36.2%), followed by the development of industry (31.7% ). Investments from abroad are seen as an opportunity for economic development by a quarter of respondents, while building the capacity to provide services abroad is seen as a good opportunity by only 6.7% of respondents and it is most prevalent in the age group 35 to 44, while those over 65 see the increase of domestic production for export as the option with greatest potential.
The position of young people in the labor market

Although Kosovar youth are perceived as the asset of the country, it is utilized very little. According to the latest 2011 census, young people make up almost one-fifth of the total population. This asset has long remained untapped: in 2020 almost half of young people (49.1%) aged 15-24 were unemployed and only 11.4% were employed.

Although the participation rate in higher education has increased, the percentage of young people not engaged in employment, education or training (NEET) is high. The percentage of population aged 30–34 with higher education is increasing, from 9.3% in 2012 to 20.9% in 2018. A greater improvement is observed in women, whose share increased from 6.5% in 2012 to 20.8% in 2018, compared to that of men with 12.1% in 2012 and 20.9% in 2018. In 2020, four in ten young people aged 15-29 were in NEET (40.4%); which is structurally higher compared to the EU and Croatia average (13.7% and 14.6%, respectively), and more than four times the rate in Slovenia (9.2%). This shows a very challenging transition in the labor market for young people. Young girls are more likely to fall into the NEET category - a five percentage point gap among young people aged 15-29.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th></th>
<th>2019</th>
<th></th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>M</td>
<td>W</td>
<td>Total</td>
<td>M</td>
<td>W</td>
</tr>
<tr>
<td>Unemployment rate 15-24</td>
<td>55.4</td>
<td>51.5</td>
<td>64.7</td>
<td>49.4</td>
<td>44.1</td>
<td>60.3</td>
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<tr>
<td>Employment rate 15-24</td>
<td>10.0</td>
<td>14.6</td>
<td>4.9</td>
<td>13.1</td>
<td>18.6</td>
<td>7.1</td>
</tr>
<tr>
<td>NEET rate 15-24</td>
<td>30.1</td>
<td>30.2</td>
<td>30.0</td>
<td>32.7</td>
<td>31.4</td>
<td>34.2</td>
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<tr>
<td>NEET rate 15-29</td>
<td>37.3</td>
<td>34.4</td>
<td>40.6</td>
<td>39.9</td>
<td>35.6</td>
<td>44.8</td>
</tr>
</tbody>
</table>

Source: KAS, LFS for Kosovo, Eurostat for EU, Croatia and Slovenia: https://ec.europa.eu/eurostat/databrowser/view/LFSI_EMP_A_custom_1333449/default/table?lang=en

Table 1: The position of young people in the labor market

Lack of jobs is one of the main reasons for young people's plans to migrate. Finding a job in Kosovo is not easy, especially for those who do not have strong networks. According to a
study conducted in early 2018, commissioned by the Friedrich-Ebert-Stiftung\(^2\), 34% of Kosovar youth expressed a strong or very strong desire to move to another country for more than six months. Most were looking to move for a short-and mid-term period ranging from six months (37%) to two years (34%). A large group of young people (44%) who said they would like to leave the country, stated that they were invited or had the support of individuals living in their desired destination country, suggesting that the existence of a Kosovar diaspora who have already migrated to a host country contributes significantly to the future migration to the country in question. Evidence for a higher prevalence of emigration among young people has also been described in a recent analysis by Leitner\(^3\): using the group approach and micro data of the Labor Force Survey for Kosovo (2016–2018), Leitner found that the period from 2016 to 2018 is characterized by significant net emigration, which is estimated at about 53,000 people in total. With over 20,000 people, net emigration was the highest among the youngest groups, especially those in early twenties to early thirties (i.e. age groups 15–19 and 20–24) between 2016 and 2018 . An important driver behind this model is the poor situation of the youth labor market, especially the extremely high youth unemployment rate and the poor employment prospects in the future. Conversely, there was net immigration between the two older age groups, particularly the second oldest group of people in their mid-thirties to early forties (i.e., the 30–34 age group) between 2016 and 2018.


Support measures to increase youth employment

Young people’s access to public employment services is growing in absolute and relative terms. The data presented in Table 2 show that compared to 2018, the number of young people participating in ALMM and vocational training has increased by about one thousand. While young people make up about one-fifth of the unemployed, their representation amongst vocational trainees is about 40% and about 30% among the beneficiaries of Active Labor Market Measures (ALMM). In 2019, almost 30% of young people benefited from vocational training or ALMM, but due to the increase in the number of registered unemployed in 2020 (from 12,709 in 2019 to 28,130 in 2020), coverage with ALMM and training in 2020 decreased to 72%.

In 2020/21, 54% of students in upper secondary education were studying in VET schools. While VET schools aim to prepare young people for the real world of work, the evidence shows that VET students lack opportunities to develop practical skills in the workplace. The monitoring report of the Action Plan for Youth Employment 2018-2020 has reported a progress regarding activities aimed at harmonizing education and vocational training with the labor market demand (36 new professional standards have been adopted, where labor standards have been approved for 64% of VET school study profiles However, the challenge remains with placement of VET students: in the period January-June 2018, only 366 VET students (out of 40,000) were placed in enterprises for internship purposes.

The mismatch of education with the needs of the labor market is an urgent challenge for Kosovo and undermines the prospects of young people in the labor market. A 2017 survey found that only one in three individuals reported that their current or most recent job was related to their main field of study. According to fields of study, the lowest percentage of individuals working in their field of study was found in general programs (8%), followed by physical sciences (15%) and mathematics and statistics (27%). The highest percentage of individuals working in their field of study was found in teacher’s training and education (76%), health and well-being (62%) and life sciences (51%). 66.2% of individuals were asked why their current or most recent job was not related to their field of study. The vast majority of them (91.9%) indicated that there were no jobs available in their field of study. World Bank STEP Survey, which was conducted in 2016/17, found that 23% of workers considered themselves over-educated and 11% under-educated, while most individuals with post-

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secondary, non-tertiary education considered their level of education as very low compared to what was required by labor market in Kosovo.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of young people registered in EARK</td>
<td>18,741</td>
<td>12,709</td>
<td>28,130</td>
</tr>
<tr>
<td>Percentage of young people in the total number of registered unemployed</td>
<td>19.5%</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>Number of young people benefiting from ALMM and vocational training at EARK</td>
<td>2,719</td>
<td>3,806</td>
<td>3,573</td>
</tr>
<tr>
<td>Number of young people benefiting from vocational training</td>
<td>2,033</td>
<td>2,522</td>
<td>1,300</td>
</tr>
<tr>
<td>Number of young people benefiting from ALMM</td>
<td>686</td>
<td>1,284</td>
<td>2,273</td>
</tr>
<tr>
<td>Coverage of young people enrolled in EARK with ALMM and training</td>
<td>14.5%</td>
<td>29.9%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Percentage of young people among the beneficiaries of vocational training</td>
<td>37%</td>
<td>38.2%</td>
<td>37.8%</td>
</tr>
<tr>
<td>The share of young people among ALMM beneficiaries</td>
<td>22.8%</td>
<td>27.8%</td>
<td>40.4%</td>
</tr>
</tbody>
</table>


Table 2: Youth participation in ALMM and vocational training

The new government in Kosovo has taken steps to orient young talents in areas of public interest and in line with the needs of the labor market. The government has allocated 2 million Euros for training and employment in IT measure 1.5 of the Economic Recovery Package. This measure aims to financially support students through scholarships, as well as training young people for employment in the field of Information Technology. One million Euros were allocated to subsidize scholarships for girls in the field of STEM (Science, Technology, Engineering and Mathematics) and one million Euros will be used to train young IT graduates.

As reported in the Economic Reform Program 2022-2024, the Youth Guarantee Working Group (YGTT) is drafting the Youth Guarantee Implementation Plan (YGIP) and system delivery is underway. The process is being supported by the ILO and the ETF. By March/April 2022, the YGIP draft will be shared with the EC/ILO/ETF for technical feedback. By August 2022, YGIP will be finalized and delivered. As part of this process, the preparation of the statistical profile of new NEETs in Kosovo has already started based on available data produced by the Statistics Agency. Also, the review of youth employment policies is underway and the government plans to expand active labor market measures for
the long-term unemployed, youth, women, people with disabilities during 2022. Implementation of the Youth Guarantee is scheduled to begin in 2023.
Policies that improve the position of young people in the labor market

The high rate of youth employment is addressed in some government policies. Economic Reform programs 2021-2023 aim to improve and expand public employment services and increase the employment of long-term unemployed youth, women and other vulnerable groups. ERP 2021-2023 aims that by 2021, 34% of EARK ALMM beneficiaries will be young people. This target was exceeded in 2020, accounting for 40.4% of ALMM beneficiaries, but only 13% of training beneficiaries (Table 2). The MLSW Sectoral Strategy has also had the improvement of the position of Kosovar youth in the labor market, but it is in the last year of implementation.

Kosovo has developed a specific action plan aimed at increasing young people employment. The Action Plan covered the period 2018-2020 aiming to increase access to the labor market through the provision of quality and timely public services of employment and vocational education and training, increase the coverage of young people within ALMM, access to entrepreneurship opportunities and supporting business development support, and youth-owned businesses. The disadvantaged position of young people was intended to be improved with a specific Action Plan for Youth Employment 2018-2020. As a cross-sectoral document, the Action Plan aimed to improve the entry of young people into the labor market, by increasing access to ALMM, improving the quality of education and vocational training, entrepreneurial opportunities, business support for businesses owned by young people and youth’s engagement in the agricultural sector. Monitoring the implementation of this action plan published in 2020 revealed that despite the increase in support for young people in most of the interventions, the target indicators were not achieved. The youth employment rate in 2020 was projected to reach 15% while VET data show that it increased by only 1.3 percentage points (11.4% in 2020). Similarly, the target for NEET for 2020 was 20% and in 2020 it was 31.5% a decrease of 1.4 percentage points from 2018. Some progress has been made on access to ALMM implemented by the Employment Agency: in 2019, where young people accounted for 38.2% of vocational training beneficiaries and 27.8% of ALMMs, significantly higher than their representation among the unemployed registered.

The impact of efforts to increase youth employment remains weak. In 2020 there was a monitoring of 2018-2020 (MLSW, 2021) and while progress was reported in the implementation of activities, limited progress was made in achieving the target indicators. The employment rate for 2020 was projected to reach 15% while VET data show that it increased by only 1.3 percentage points (11.4% in 2020). Similarly, the target for NEET for 2020 was 20% and in 2020 was 31.5% a decrease of 1.4 percentage points from 2018.

The Government has launched the process of development of the Employment Strategy, a cross-sectoral policy document to unite efforts by relevant institutions to increase the employment perspective. The Youth Guarantee is scheduled to take effect in 2023, for which high expectations have been set.
**Good practices for the integration of young people into the labor market**

The good news is the change in active labor market programs aimed specifically at Kosovar youth. Negotiations are currently underway for the implementation of youth schemes in Kosovo, which is similar to the EU "Youth Guarantee" scheme, possibly under the IPA 2022 program. According to the Youth Guarantee scheme, all young people under the age of 30 must receive a good quality offer of employment, continuing education, internships or training within a period of four months after losing their job or completing their formal education. Given the very high youth unemployment rate in Kosovo, initiatives such as the Youth Guarantee are much needed.

There is a need for better monitoring of the labor market in Kosovo, mainly in terms of forecasting labor market needs for skills in different sectors and identifying lists of deficient professions. Although several pilot initiatives for EU-funded projects are being discussed in this field (e.g. plans to produce a labor market barometer and/or skills barometer), it is far from the professions and skills that are known to be lacking due to labor force migration.

Supporting young people through active measures that are in line with their needs and interests and in measures that offer greater opportunities to find a job. A recent ALMP assessment⁶ found that the employment rate at the time of the survey (six months or more after the end of the scheme) ranged between 41% among the beneficiaries of on-the-job training, 50.7% among the beneficiaries of wage subsides, and 43.4% among interns. These findings may indicate that employers use ALMP to employ the registered unemployed as a relatively cheap workforce.

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Recommendations

- Provide professional counseling and career education services for every young person during schooling. Through the provision of this service, young people could be better prepared and in time for the challenges that await them and could be better oriented to make the right career choice. These services should be provided by professional officials starting from the central level employment offices as well as by professionals hired by the Ministry of Education.

- Development of a national plan for certain sectors where dual education or vocational education followed by internships could be offered. Sectors as well as the opportunities of the private sector should be identified to engage these young people in practice during their education. Such a development will increase the likelihood of young people being employed.

- Continued support through active labor market measures targeting only young people as this measure has had success in the past. Given the negative impact of the pandemic on the employment sector, the measures should be adapted to the reality on the ground and should increase the duration of support for businesses employing young people and also those of young people.

- Financial and non-financial support for young people who have ideas and want to start up their own business. Any idea that comes with a business plan and is positively evaluated by a professional committee should be supported. The opportunity to benefit from this measure should be open throughout the year and supported by the state budget.

- Through the national youth activation program, every young person should be engaged in either work, education, or training. This program funded by the state budget, identifies young people who have been inactivated by the labor market and they are offered a package-offer that includes the opportunity of training, internship, further education or employment.
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Zhvillimi ekonomik -- Aspekte sociologjike -- Kosovë
Të rinjtë -- Punësimi -- Tregu i punës


Aleph [000102278]
The Democracy for Development (D4D) Institute was established in April 2010 by a group of analysts were increasingly worried that the state-building exercise had neglected democracy.

D4D’s vision is to promote an active and educated citizenry that participates fully in the public space and utilizes the public arena of representation and decision-making to deliberate and build consensus over resource allocation that is efficient, smart, long-term, and that brings about equitable development.

D4D influences specific policy, promotes a cross-sectorial approach to problem solving, and tackles the institutional routine of decision making by recommending incremental improvements and operates with maximum effectiveness in order to fully promote Kosovo’s stabilization and democratic development.

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