

# STRATEGY AND ACTION PLAN 2020 – 2025

## DEVELOPMENT OF EMPLOYABLE HUMAN RESOURCES IN PEJA REGION

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## SUMMARY

The Strategy of human resource development for increase of employability in the Peja Region 2020 – 2025 (referred to as "the Strategy") is a medium-term strategic document accompanied by the Action Plan focused on the Municipality of Peja, with the main inputs of the Local Partnership for Employment in Peja Municipality (LPE) that was developed within the regional project "SEED Step II", but it also includes municipalities of Istog and Klina according to the regional organization of the Employment Office (referred to as "Peja Region") as they possess complementary capacities such as vocational schools, etc. and are in need of inclusion as being the smallest localities with high unemployment rate in the region.

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 as 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 Peja. 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 Employment 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 created as a comprehensive entity, which was created with a decision of the Municipal Assembly of Peja in 2017, with advisory function.

LPE served as a focus group in generating primary data, where its members contributed with available information such as the business register, jobseekers. etc., and in assessing the local labor market situation through the "SWOT" analysis that served as the basis of strategic orientation which is accompanied by student and business research conducted under this Strategy.

Several options have been considered for the implementation of the strategy. Human capacity development option - preparing the labor supply according to the labor market by providing general "soft" or "essential" basic skills with wide applicability, from language knowledge to technical 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 preparation and adoption of the Rules of Procedure and other administrative documents of the 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 increasing employability and employment in the Municipality of Peja / Peja Region.

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 foreign investments.

The Strategy with 3 objectives, 20 measures and 40 activities is detailed in the Action Plan, which is a tool for implementing and monitoring the Strategy and identifies the responsibilities, the time and resources necessary for its implementation, and it is usable for the LPE and all involved and stakeholders. The three objectives of the Strategy and the Action Plan are:

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

Details on measures, activities and other aspects of realization are presented in the Action Plan for the implementation of the Strategy.

Peja Municipal Assembly approved unanimously the Strategy and the Action Plan as inseparable documents in December 27, 2019.

*This document has been translated from Albanian into English, thus Albanian language may prevail.*

## I. PEJA REGION PROFILE

For the needs of this Strategy, the region is defined according to the regional organization of the Employment Agency, where the Peja Employment Office (EO) covers the municipalities of Peja, Istog and Klina. According to this organization, the following is a textual, tabular and graphical overview with most detailed comparative data used on the topic of the Strategy on Human Resources Development for Employment in the Municipality of Peja in general with the involvement of two other municipalities in the region - Istog and Klina.



Peja Region (Wikipedia)

These data include the area 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 Peja Region is located in the northwestern part of Kosovo and, as defined above, includes the municipalities of Peja, Istog and Klina with 199 settlements (3 towns as municipal administrative centers and surrounding rural and mountainous zones organized in local communities), extending to the north- west of the fertile Dukagjini Plain to the heights of the Accursed Mountains that surround Peja and Istog, as well as the Mirusha Waterfalls that is situated between Klina and Malisheva.

The extension of the region is in line with the regional organization of the Employment Agency 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 European integration and cross-border cooperation funds since the Peja, Gjakova and Prizren regions have cross-border character.

## 1.1 Territory and Demography

According to statistical data, the surface of Peja Region, including the municipalities of Peja, Istog and Klina, is estimated to 1364km<sup>2</sup> according to the 2011 census, out of which about 72,224ha (60%) is agricultural land and 48,484ha (40%) forests and pastures, and the rest is urban area - public and private roads and settlements where life functions in cities and villages.

The population of the western region, according to the 2011 census, is 174,232 inhabitants, while in the 2017 the number estimated is increased by 4000 inhabitants (2.3%). In the region there's an obvious internal migration from rural suburbs to urban centers and towards the capital Prishtina, as well as abroad. The number of emigrants from the region outside Kosovo in 2017 tripled from 2011. Equal to the region is the increase in international migration in the municipality of Peja, less than double in Istog and five times higher in Gjakova (Kosovo Agency of Statistics (KAS) 2011, 2017).

According to KAS internal migration occurs for reasons of study, employment, change of residence in the case of marriage, etc. but there are also arrivals to these municipalities from the country and abroad, including the repatriation of locals and the arrival of foreigners for work reasons (in international organizations) as well as for asylum - job opportunities from neighboring countries, etc., however in a smaller scale and without any real or expected impact on local employment.

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

<b>Municipality and settlements</b>	<b>Surf. km<sup>2</sup></b>	<b>Agricultural land / forests, pastures (ha)</b>	<b>International emigration 2011/2017</b>	<b>Population 2011/2017</b>
<b>Peja</b> (95 settlements)	603	31252ha agricultural 25709ha forests, pastures	113 (0.11%) / 300 (0.30%)	96,450/ 98,676
<b>Istog</b> (50 settlements)	453	23,238ha agricultural 20,732ha forests, pastures	46 (0.11%) / 75 (0.18%)	39,289/ 40,026
<b>Klina</b> (54 settlements)	308	17,734ha agricultural 2,043ha forests, pastures	45 (0.11%) / 221 (0.55%)	38,496/ 39,528
<b>3 municipalities</b> <b>199 settlements</b>	<b>1364</b>	<b>72,224ha agricultural</b> <b>48,484ha forests, pastures</b>	<b>204 (0.33%)/ 596</b> <b>(1.03%)</b>	<b>174,233/</b> <b>178230</b>

Source: Population Census Report by Registers 2011 (KAS, March 2012, KAS 2017)

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 and other programs, 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 practices, 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 eLPetro installers, welders, etc. and highly skilled/qualified workers such as engineers, builders, and doctors among others.

This trend is in increase in the 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 National 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 Peja region was 178,230, Gjakova 199,489 and Prizren 288,655 inhabitants, 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).

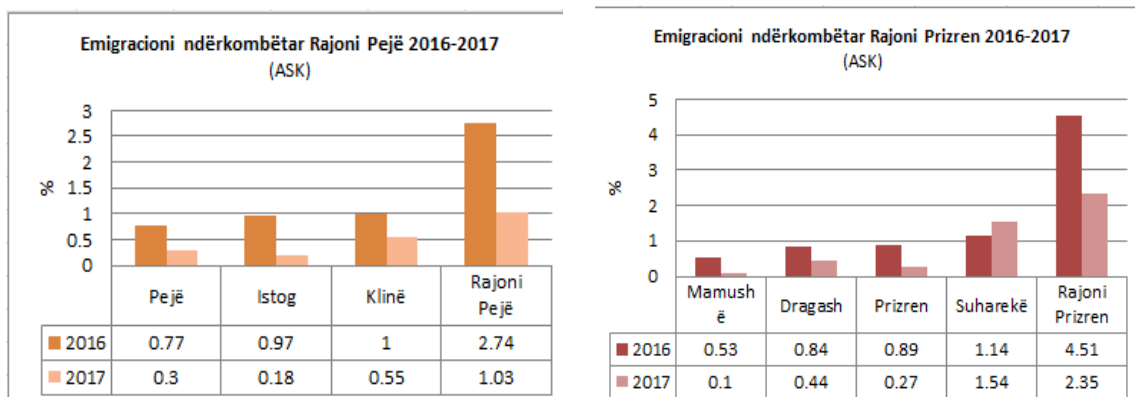
According to the national and international migration data in 2016, the municipalities with the most positive balance were Prishtina (395 persons), Fushkosova (268), Novoberda (70), Graçanica (66) and Junik with a lower number of 12 but a significant indicator of people's preference for living in this 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 Pristina 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: Gnjilan 2166 (2.7%), Ferizaj 2,349 (2.3%), Vushtrri 1,188 (1.85), Mitrovica 1,231 (1.82%), Podujeva 1,167 (1.4%), Pristina 2,117 (1%) and Prizren 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 (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 Peja 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 Peja Region

(ASK, 2016, 2017)

Emigration in Prizreni Region

According to KAS, as in the Peja 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.

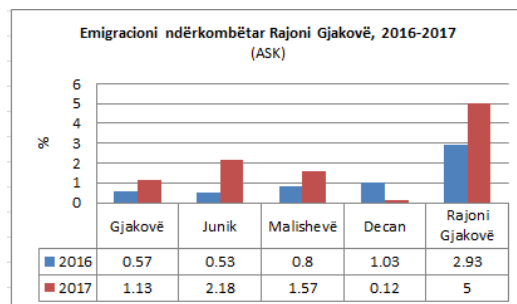


Fig. Emigration in Gjakova Region (ASK, 2016, 2017)

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 Transportation in Peja Region**

Through the municipalities of Peja and Klina goes the highway that connects the region with the capital city and “Adem Jashari” Airport, as well as with Montenegro. The regional road Peja - Mitrovica crosses Istog where the Kosovo Security Force (KSF) regional base is located and the KFOR regional base in Peja. The regional road Peja - Prizren crosses the Municipality of Decan.

In this region there is also railway route Peja - Pristhina passing through Klina from where starts the railway line Klina – Prizren, unfortunately out of function. While drafting this strategy, with a Government decision, a feasibility study has been undergone for the construction of the Dukagjini highway, from Istog to Prizren, which is expected to radically improve road transport in this important socio-economic and regional axis.

The connection of Dukagjini from Istog to Prizren will be done with the Dukagjini highway, which the Government has decided to do, while feasibility studies are undertaken and its realization is expected soon. This highway is expected to facilitate the movement of goods and people, the well-being and development of the Dukagjini area and is expected to affect employment through faster mobility in education and employment in various municipalities in the region.

### **1.4 Cross-border dimension of Peja region**

The western and northern part of the territory of the municipality of Peja, where Rugova is located, extends up to the state border with Montenegro where there are two border crossing points (Active Tower and inactive Cakorri since 1999), while the north-western part of Istog extends up to at the state border with Serbia without any border crossings, whereas Klina is inland. As such, this region has a cross-connection dimension of movement of people and goods, as well as cross-border development with several commercial, environmental and tourism initiatives in the triangle with Albania.

It is worth mentioning that this cross-border area has been awarded the "First Award for Destination Care" for 2013 by the World Travel & Tourism Council for the 192 km three-border mountain trail project “Balkan Peaks” with signalling. This independent project/initiative in the practical sense but with the vision of the Peace Park was implemented in 2012 by the Municipality of Peja with local environmental associations, in partnership with the authorities and associations in the areas included in northern Albania and Montenegro, and were supported by international expertise and donations.

## 1.5 Natural and cultural heritage in Peja Region

### Nature

The geographical features of the region are the *Dukagjini Plain*, the Accursed Mountains and *Mirusha Waterfalls*:

- **The Accursed Mountains National Park (Albanian Alps):** hilly mountain ranges with inhabited villages (Rugova is characterized by massive influx towards the city especially during the winter season, but after the war there is a reduced number of resident inhabitants, not counting visitors and returnees and others with investment in hoteliery. This area is suitable for livestock and tourism, that links in moon shape the Municipalities of Peja and Istog. These mountains extend beyond the triangular border with Albania and Montenegro and are protected areas. This is the second national park declared in Kosovo (December 26, 2012), after the Sharr Mountain, and includes protected areas such as "Decan Pine Forest Park" and natural monuments "Rugova Canyon" and "White Drin River Spring with Waterfall and Radavc Cave";
- **Dukagjini Plain:** is a plain with 3 urban and rural settlements characterized by arable agricultural land with the highest level of irrigation in Kosovo thanks to the watercourses of rivers and the largest river Drini i Bardhe that springs up in Radac and crosses the regions of Peja, Gjakova and Prizren, and after crossing the north of Albania flows into the Adriatic Sea. Thermal water in The Bath of Peja (Banja e Pejes), together with another 30 natural monuments in the region, is an added value for it.
- **Mirusha Waterfalls Regional Park:** a legally protected tourist attraction located in the south-east of Klina municipality and a part of it in the Municipality of Malisheva, consisting of 13 lakes and 12 waterfalls protected by law.

These features are closely linked and complement each other intertwined with tangible and intangible cultural heritage, hospitality tradition, cooking and crafts, cultural objects such as museums, stone houses (*kulla*), etc., and those of the cult with generally educated hard-working people.

The altitude above sea level in large urban centers varies from 357m to 520m, and the highest point in the Peja Region is the Red Stone Peak 2522m. 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 by a warmer climate with around + 3°C compared to Peja Region and the rest of Kosovo. Kosovo has a continental climate influenced by the Mediterranean climate, especially in the Gjakova and Prizren Regions. 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 Red Stone Peak, Hajla Peak (at the foot of which are the cemeteries of martyrs of the 1999 Liberation War), the Rugova Mountains (in Peja Municipality), and the Istog mountains with 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 the area of the city of Peja there are developed crops, orchards, livestock, poultry farms, beekeeping, crafts, production and services.

## **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 region 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 with 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 Peja and Gjakova, such as Bazaars (Carshi), Dukagjini stone houses (kulla), cult objects, hammams, museums, etc. For instance, the bazaar in Peja is in a slow restoration process with private investment funds from the owners of craft and retail shops, now almost completely rebuilt. In 2017, the small streets and the Bazaar Square were paved as part of a reconstruction project supported by the Municipality and European funds. Peja and Gjakova Bazaar shops were completely burned down during the war.

Most of shop owners in those bazaars have limited funding and unfavorable access to bank loans, as well as lack of development funds and municipal or government subsidies, besides the spatial, cadastral and architectural planning in cooperation between the Municipality and the KIPM and the symbolic support in 2013 given to endangered crafts from Peja Municipality. There are other such investments in the region, like the restoration and revitalization of some stone houses (kulla) and mills in Decan and Junik, as well as other ongoing or planned ones (Mills in the villages of Radac and Vrellë, etc.). However, these measures are considered scarce, very costly, slow and of varying quality and documentation.

For instance, some of the popular cultural sites to visit in the region are: Ethnographic Museums, Bazaars and some museum restaurants in the municipalities of Peja and Gjakova, Catholic and Orthodox churches and monasteries, old mosques, tekke mosques in Gjakova and Junik, the Mulliri Museum "Haxhi Zeka" with transformed barn facility, Hammam in Peja, Madrasets, old city residential houses in the region, 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") like the following:

The stone house (kulla) revitalized as a Regional Tourist Center in Junik; the water mills one of which - the "Shabanajve Mulliri" in the center of Decan, has been revitalized as an exhibition

and trade center for traditional costumes, decorations and other crafts, women handicrafts from Decan and the surrounding area; the “Mullini i Bërdynajve” Mill in the village of Radac is revitalized and operates as a water mill, where basic infrastructure preparation for hostel services is made; the “Vrella” Mill was planned to be partially revitalized as "B&B" hostel and to continue its main activity - the traditional grinding of cereals with stones, using the power of a water source. Tumulus cemeteries and old ruins, archaeological sites and ensembles such as Seperanti, Rakoshi, Dresnik, etc., caves like “The Princess Cave”, “The Great Cave” and “Radac Cave” in Peja, those in the village of Dush and Mirusha caves in Klina, many others known by locals, but little explored in The Accursed Mountains and elsewhere in the region.

Therefore the geographical position of Peja region, natural and cultural heritage and its cross-border characteristic 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.

## **II. PROBLEM IDENTIFICATION**

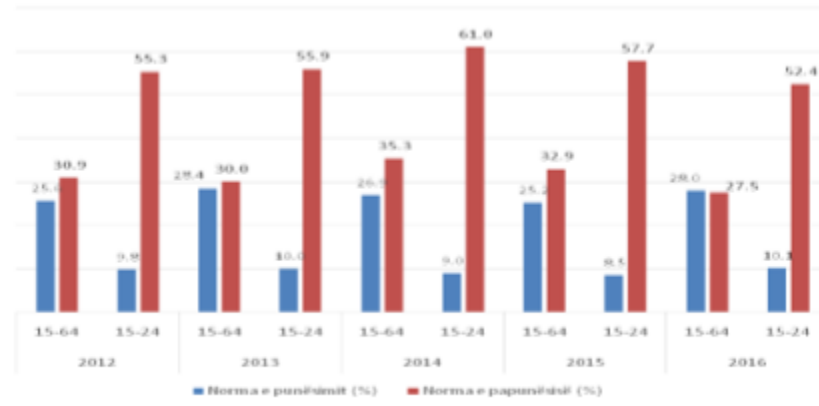
### **2.1 Unemployment in Peja Region**

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 every 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.

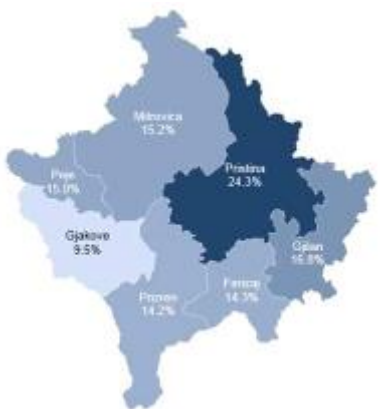
After the war, despite progress in many areas, developmental backlog as a result and cause of, among other things, unemployment is a growing challenge for state institutions; it requires sustainable development policies aimed at enhancing well-being and human security, in particular reducing unemployment, increasing the confidence of the population, living healthy, be well educated, empowered and enriched spiritually and culturally by exploring and achieving individual and collective 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 reflected 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 to date 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.



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 Prizren (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”).

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. To date, there is no unemployment compensation in Kosovo.

Fulfilling its legal function - collecting and reporting data on job seekers and as a member of the Peja Municipality Local Partnership for Employment (LPE), Peja Employment Office (PEO) reported the available statistics on unemployment in Peja Municipality until August 2018. According to these data, there are a total of 14,637 job seekers registered, of which the majority are passive 8,467 (or 58%) and 6,170 (42%) active, as presented in the following table.

No. of <b>aktiv</b> job seekers			No. of <b>pasiv</b> job seekers			Total		
M	F	Total	M	F	Total	M	F	Total
3206	2964	6170	4445	4022	8467	7651	6986	14637

Fig. Number of job seekers registered in PEO until August 2018

These data show that the labor force is quite passive in Peja Municipality, so it must be activated through various coordinated forms, but not limited to, such as disseminating information, counseling, career guidance and reorientation, vocational training, referrals, job search and self-employment. This is subject of Employment Office, Vocational Education Center (VET) and other

stakeholders, including LPE as advisory inclusive body in particular in terms of data gathering, consultation, policy and advocacy work for employment growth in Peja and the region.

PEO provided statistical information on the level of education and demographics of registered active job seekers. About 25% are without education, half less than the national level (of 57% as per INDEP report, 2014), 21% with primary education, and the majority of 33% are with secondary vocational education, much less with gimnasium secondary education (5%), with high education 13% and about 1% master's. These data are presented in the following table.

Job seekers education	Nr.	%	Age group (years)	No. of job seekers
No education	1585	25	18-24	1233 (20%)
Primary school (class I-IX)	1301	21	25-39	3077 (50%)
Secondary vocational education	2065	33	39-54	1385 (22%)
Secondary general (gymnasium)	348	5	Mbi 55	475 (8%)
Bachelor	813	13		
Master	58	1		
<b>Total</b>	<b>6,170</b>			

Fig. Education level and age of active job seekers in Peja (PEO, August 2018)

The demographics (gender, age, and ethnicity) of these job seekers reported by PEO show that men have a slight lead (about 2%) over women job seekers. Regarding age, about 50% of active jobseekers are between 25 - 39 years old, 22% are 39-54 years old, 19% are 18-24 years old and 7% are over 55 years old.

Whereas, the ethnicity of these active job seekers, presented in numbers the following table is: about 84% Albanian, 7.7% Roma, Egiptian, Ashkali (REA), 5% Bosniak, 2.5% undeclared, and in a much smaller percentage are Serbian and Turkish and a Croatian registered job seeker.

Number of active jobseekers by ethnicity in Peja					
Shqiptar	5207	Egjiptas	220	Serb	22
Boshnjak	307	Rom	177	Turk	3
Tjerë	156	Ashkali	77	Kroat	1

Fig. Number of active jobseekers by ethnicity (PEO, August 2018)

The employment offices are responsible for consulting and directing candidates to vocational training programmes, colLPet 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.

It is known that VTC in Peja offers 12 vocational training 3-month courses accredited, 4 of which are recognized in the EU. As part of the data gathering and consultation, inquiry with Employment Office and Vocational Education Centre in Peja Region were made regarding the services provided such as the number of advice and referrals, types of trainings provided,



employer requests for employee profiles - skills, employment mediation, etc. Such information were not presented or in part. Thus it is hoped that data collection and dissemination by these institutions be made in regular bases and available any point in time as a need to be addressed in the future.

### **2.1.1 Workforce analyses in Peja**

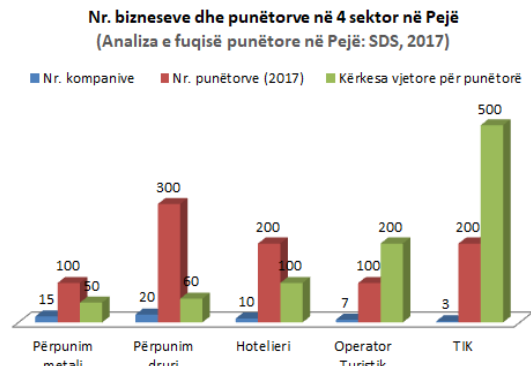
For purposes of this document, the research "Workforce Development Situation Analysis in Peja" focusing in four sectors subject to the "Proskills" program published by Solidar Suisse in 2017 has been considered. The recommendations for change based on these analyses pertaining VET in particular the technical and economic secondary schools in Peja, are supported within here since the subject of market analysis were the sectors developed in these two schools, also VTC especially for the "blacksmith" profile, as there is high market demand. Yet, due to the need for additional personnel for practice/laboratory work, which is not met due to financial limitations imposed by MLSW, it is recommended alternative fund raising with donor agencies, including sector companies (added to the proposal) to secure the payment for such practice work trainer in VTC as well as in the secondary technical school in need as well.

It is known that VTC in Peja offers 12 vocational training 3-month courses accredited, 4 of which are recognized in the EU. The VTC is recommended to work closely with businesses, such as schools and local government. In particular, as it relates to the preparation of the workforce at local level, it is recommended that Municipal Education Department (MED) strengthens strategic cooperation and liaison with businesses, as MED has been "considered proactive yet without a written systematic action strategy" in this regard as the above analyses pointed 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").

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.



The publication "Analysis of labor market needs and skills in Kosovo" published as part of the "Alled III" program supported by the Austrian Development Agency (October, 2019) promotes the educational orientation "STEAM" (science, technology, engineering, arts and mathematics), 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.

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
<b>Engeniering</b>	Mechanical engineering, eLPETronics and energy sector
<b>Agroculture</b>	Agroculture, food processing technology dhe veterinary
<b>Communication technology</b>	Technician of telPEommunication and communication, data base and network professional, as well as software development, internet tech, etc.

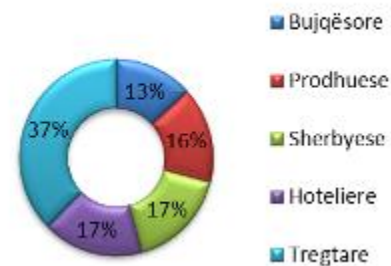
### 2.1.2 The Business Profiles and Challenges in Municipality of Peja

According to the Municipal Business Registry Center (MBRC), the number of businesses in the municipality of Peja has doubled including micro, small and medium-sized enterprises (SMEs): from 1,671 businesses registered with UNMIK in 2000 to 7,961 businesses in 2017, as a result of adding an average of 450 new businesses per year. In parallel with the registration of new businesses, an average of 93 businesses ceased annually during the period 2003-2017, with 94% of them being individual businesses. Reasons for closing these businesses varied from competition, lack of capital investment, high taxes, decrease of purchasing power, etc. However, this center estimates that only half of registered businesses are active, the rest not. They remain registered mostly due to the complicated deregistration procedures as MBRC informed in August 2018 in response of data inquiry for the purpose of this strategy.

These data show that 2/3 of businesses are in urban area (city, suburbs) and 1/3 in rural are (villages, mountain area) with slight increase in tourism and agriculture in rural areas. As we know, without looking at the statistics, the national and local economy is dominated by the commerce industry. This is confirmed by the National Business Registry Center (NBRC) statistics, where more 37% are commercial enterprises, manufacturing, service and hotel companies with 17% each and 13% agriculture. Details of businesses sectors in Peja Municipality based on activity and location are presented in the following table.

Industry	Rural	Urban	Total	%
Agriculture	785	265	1050	13%
Production	433	832	1265	16%
Services	325	996	1321	16.5%
Hoteliery	309	1036	1345	17%
Commerce	810	2170	2980	37%
Total			7961	100%

Bizneset sipas veprimtarisë në Komuna Pejë, 2017



Source: (BRC of Peja Municipality, August 2018)

According to the data, 92% of micro and small business are managed by owners themselves, only 8% have hired managers. This indicates the early evolution of these enterprises which are still organized on a family basis for several reasons, including trust but also as a characteristic of developing enterprises and an attempt of their owners to to reduce costs.

According to the gender of the founders, men is reported to own 88% of SMEs despite slight increase that MBRC observed by 12% in 2017 for some reasons. The centre, considers that incentive policies would increase women participation in business ownership and management. Some of obstacles of permitting women SME ownership as the MBRC encounets presented below.

“lack of property possession by women, lack of access to information and finance oportunities for women business initiatives; lack of experience in business; education level; lack of institutional support, tradition, family and mentality as well as other social and environmental factors.”

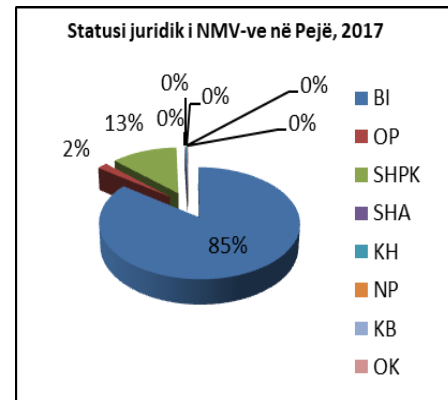
According to Law no. 2005/02-L5 and Law No. 03 / L-031 on Support to SMEs in Kosovo, enterprises are classified by size based on number of employees, as micro enterprises 1-9 employees; small 10-49; medium 50-249; large over 250 workers. The table and graf below show the number of businesses by size and by legal status including individual businesses (BI), general partnership (GP), limited partnership (LP), limited liability company (LLC), joint stock company (JSC), foreign company (FC), agricultural cooperative (AC), as well as publicly owned enterprise (POE).

According to these data, the overwhelming majority (98%) of enterprises in Peja Municipality are micro business, 1.15% small, and less than 1% (0.11% respectively) of medium-sized businesses and only one large business according to declaration on business registration certificate. Data are to be updated and crossceched with other sources such as declaration of

employees in Kosovo Tax Agency (TAK) but TAK is reluctant to provide information considering the privacy of employees and businesses. Other measure could be stimulating periodic disclosure of workforce information on at MBRC by businesses in voluntary bases.

In terms of type, by legal status, the majority (about 85%) of businesses are individual and 15% comprise LLCs and GPs and much lower than 1% by FE, JSC, LP, AC and one POE.

Enterpris size	No. workers	No. compa nies	%	Type of SME (Alb. in brakets)	No.comp anies
Mikro	1 - 9	7858	98%	POE (NP)	1
Small	10 - 49	92	1.15%	AC (KB)	5
Medium	50 - 249	9	0.11%	LP (OK)	6
Big	250 +	1	0.012	JSC (ShA)	10
Total		7961	100%	FC (KH)	21
				GP (OP)	155
				LLC (ShPK)	980
				IB (BI)	6783
				Total	7961



Source: (BRC of Peja Municipality, August 2018)

The role and necessity of networking enterprises to share information, experiences, collaborate, represent and advocate for the needs and interests of this community has been noticed. There is no record of any organization of this community in form of local business associations except individual participation in national networking such as the Producer Club, Kosovo Business Alliance and alike, but lacking a representative organization of the local business community in the sectoral sense and in general in Peja municipality and the Region.

### 2.1.3 Labour needs in Peja Region

As part of the process of identifying needs and strategic planning for the development of this strategy for employable human resources in Peja Region, a survey was conducted on businesses' needs for workforce profiles and skills during an employment fair, which relates to the topic, organized by the University "Haxhi Zeka" in Peja on 15.11.2019. Eight companies in this fair responded to a research questionnaire. They operate in various sectors such as services, finance, trade and production in Peja Municipality, some throughout Kosovo, and a consulting company from Prishtina offering services in the Region (Peja, Istog and Klina).

While this research is not comprehensive and insufficiently representative of the needs of the workforce in the region, it serves as a source for all employment stakeholders and is an added value to this planning process. Therefore, it is suggested to deepen this research as a measure/activity of the action plan for the implementation of the strategy.

The research questionnaire, designed by the consultant (Dritan Shala, HROD) was administered by the Career Orientation Center of the university, containing three questions about the businesses' near future development plans and needs of physical capacities, workforce profiles and skill sets including soft skills. Responses are tabulated below.

<b>Survey Results "Workforce Needs in Peja Region"</b> <small>completed during the work fair organized by "Haxhi Zeka" University, Peja 15.11.2019</small>						
Municipality	Sector	No. employee	3-years dev. Plan	Work profiles sought	Skills	Soft skills in general
Peja	Trade Center	2500	New service points	Merchandise, web developer, sales	Organizational; web application recognition; interpersonal skills	<b>Communication (x3)</b>  Team work  Koordination  Fleksibility  Adaptation  Foreign language (Eng, Ser)
Peja	Production food and non food	150	New factories, machinery manufacturing ind. grocery	Machine operator, maintainer, technician	Operating production lines-PL machine repair; facility and PL maintenance; technical work	
Peja	Finance		Human resources	Economists, accountants, lawyers	Communication, English language, academic knowledge	
Pejë, Kosovë	Finance	200	Service capacities, marketing	Economist	Sales, calculators, analytics	
Pejë	Production hygiene	60	More space	Depotist, production line worker, administration	Team work, speed; ambitious, teamwork, communication; administrative skills, MS Office and communication.	
Pejë	Cultural services	12	Technology	Journalist, manager, coordinator	Innovative writing; project coordination	
Pejë, Kosovë		300	More space	Seller; clerks, cashiers; project management; finance, marketing	Communication, good conduct	
Prishtinë	Consulting services	25		Surveyor	Communication, degree / studies	

The needs assessment of the “soft” skills of current/future employees by the businesses responding to the research, is presented in details on the following page. To enable 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 as the UNDP research identified in its study in 2016.

The research recommended filling the gap of soft skills in the current and future workforce as an important measure of aligning supply with labor market demand, thereby enhancing the potential for employability and employment mobility at home and abroad.

The ratings results according to the Likert scale (1 min to 5 max) of the need for each of the below listed 24 soft skills, ranging from average level (3) from basic skills such as filling forms to the maximum grade (5) for teamwork skills, is shown in the following table, while the mean score for the need of all soft skills resulted 82% (4.1). This assessment indicates a high level of need for soft skills for the workforce in Peja region, thus it supports assessments of local stakeholder (LPE) as well as UNDP recommendations for closing the gap of soft skills which are considered as “essential” for success. The average business ratings for each skill are shown in the following table.

<b>Soft skills recommended by UNDP (2016)</b>	<b>Soft skills assessment by businesses in Peja Region (November 2019)</b>
Good conduct	4.8
Writing, reading and counting	4.3
Medium calculation	4.3
Basic computer use	4.3
Communication in person	4.5
Communication in distance (telephon, letters, e-mail)	4.1
Foreign language	4.1
Creativity and innovation	4.5
Individual and team work	5
Entrepreneurship	3.2
Complex problem solving ability	4.2
Awareness and application of environmental regulations	4.5
Ability to adapt to new equipment, processes or materials	4.5
Filling forms	3.1
Writing short reports	4
Basic market research skills	4.2
Customer behavior, bid preparation, order acceptance and sale	3.7
Basic marketing knowledge including social media application	3.8
Reading specific instructional texts	4.5
Knowledge of and application of sanitary, safety, hygiene, occupational safety and environmental standards	3.4
Basic human, material and financial planning skills	3.2
Developing new ideas/products, applying new methods and tech.	4.3
Career counseling, in particular to women for study opportunities employment in promising industries	3.7
Quality internships	4.3
<b>AVERAGE rating of the importance/need of all soft skills:</b>	<b>4.1 (82%)</b>

#### **2.1.4 Public Opinion on Employment and other Development 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 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 inter-ethnic 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 about executive, legislative, judiciary and the president performance.

*Tabela 1: Nivelet e kënaqshmërisë me institucionet krye ekzekutive, legjislativ dhe gjyqësore në Kosovë*

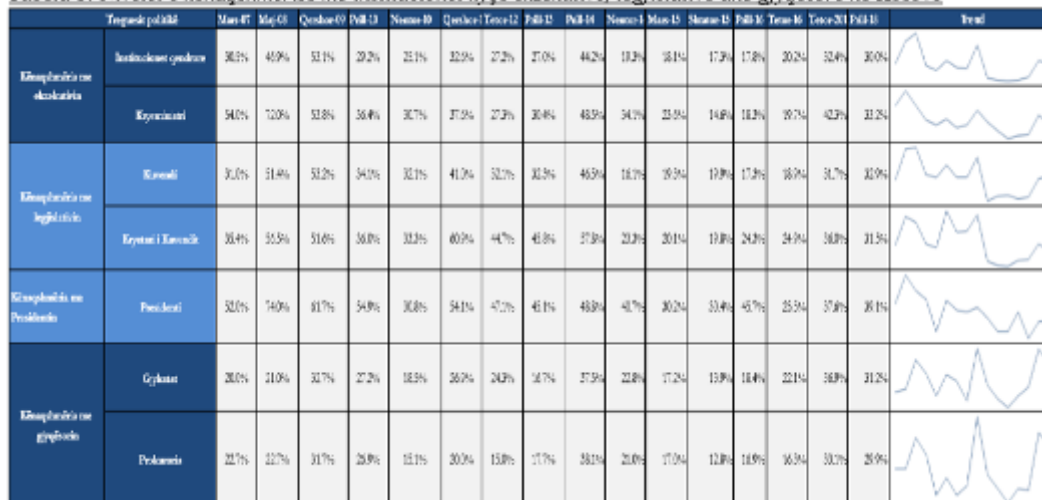


Fig. Satisfaction with main institutions in Kosovo (UNDP, June 2018)

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.

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 Assembly 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.

#### 2.1.5 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 remittances 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 many as three times” Kosovo budget ”(Remittances article, kallxo.com).



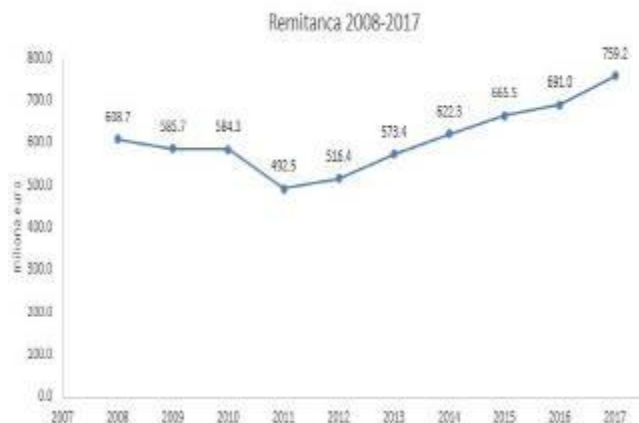


Fig. Level of diaspora remittances in period 2008 – 2017

The level of foreign direct investment (FDI) in Kosovo had its highest peak in 2007 at around €450 million, while they are exponentially decreasing 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 to 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).

## 2.1.6 Socio economic transition and structural change

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.

Servicing, 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, exploitation 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, especially in Peja and throughout Dukagjini 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 neighbouring 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 professional capabilities, profilisation, globalization, the 2008 global economic crisis and other unexpected events that might 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 Yugoslave republics). The Regional Office in Peja covers the western economic region including Peja and 5 neighbouring municipalities. 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 (eg from agricultural to development land) is evident. Many of these enterprises are not privatized yet as a result of property and company transformational JSC 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 and investment government security and a commerce court.

Some of the hoteliery and commercial industry facilities in Peja and the region have made progress and form an important part of the accommodation and service infrastructure along with private ones which started mainly over the last decade in and around urban centers and

rural and mountain areas, in particular in Rugova, Drini i Bardhe area, Istog, Mirusha, etc. The main fish farm and restaurant "Trofta" in Istog have continued its post-privatization investment and served as a model for many small restaurants to cultivate pond fish in the region and serve it to local customers and visitors as an attraction

Big commercial facilities such as the shopping mall in Peja, Istog and Gjakova have been privatized, renovated and revitalized with a range of commercial activities, albeit the one in Peja not in full use of its capacity.

The food industry such as the brewery in Peja, the only one in the region and the first in Kosovo, has also developed with post-privatization investments, with international technology, standards and experience covering the Kosovo market, present in Albania and abroad markets.

Many of the commercial and other facilities through private investment after privatization have been turned into production industries, eg. the dairy factory in Istog which with co-financing with EU funds, is the largest producer of packaged milk in the region and Kosovo with high technology and standards deployed. There are other examples, like the mushroom factory in Klina built on privatized agricultural land, as well as shops as well as some manufacturers such as a limited part of the wood and leather factories constitute one large employer in the region.

Whereas the metal processing industry, construction materials, etc. are also collapsing after privatization, with the exception of the partial revitalization of the Decan armor factory, the brick factory in Gjakova and the brick and wood factories in Peja, most with smaller capacities compared to previous fully operational ones.

### 2.1.7 Tourism and Agribusiness as Strategic Industries in Peja Region

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 of Peja and Istog, the region has an increasing number of visitors which in turn brings employment/self-employment and an input into the local economic chain.



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%.

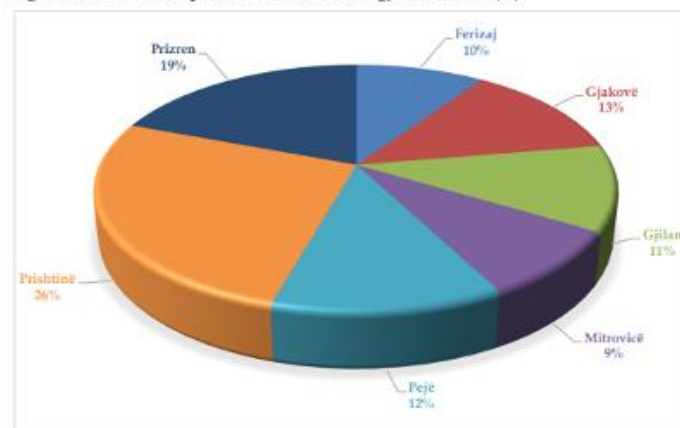
Although the reasons for the drastic decrease in visitor flow to the western region in 2017 are not known, staying longer may be considered a qualitative development as there are two important issues in the tourism industry: attracting and retaining tourists in all seasons, engaging them into recreational 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 Peja Tourism Information Office reports, referring to KSA, tourism in Peja Region recovered rapidly in 2018 where 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 (72,0000m<sup>2</sup>) and one in Gjakova region in Rahovec with a surface of 2ha (20000m<sup>2</sup>). The number of employees by region in the agriculture sector according to KSA and MAFRD is presented in the following chart.

Figura 18: Numri i të punësuarve në bazë të regjioneve, 2016 (%)



Burimi: ASK, përpunuar nga DAESB-MBPZHR

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

## 2.2 Education

The capital 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 accordance 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 receive 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 are emerging offering more choices including information technology, management, administration, security studies, political, international, and other studies.

There is a public university "Haxhi Zeka" in Peja since 2011 offering 5 study programmes as well as a master's degree. This institution started operating in 1960 as the Commercial High School and later was transformed into the Business Administration Faculty as part of then Prishtina University. This university with public and vocational high schools in the region as well as secondary and university schools in Peja aim to prepare youth based on market demands and potentials of the region including tourism as a strategic sector along with agribusiness, light industry and services. There is one private university college in Peja with some bachelor courses.

In addition to general public primary and secondary schools in each municipality (gymnasium with social and scientific guidance), there are vocational secondary schools in the region. In Peja alone there are 6 vocational secondary schools: technical, medical, arts, music, for blind and economics.

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 ranking wages, which was approved in the parliament under an agreement with the education union that stopped the strike. Other sectors of the municipal and central administration, air traffic service, and correctional center in Dubrava have been shorter as well as calls by the education union as some categories have not met their quotient ratings by different occupations addressed to the President not to sign the law so it is expected that the law will be returned to parliament for reconsideration. As the document was being translated into English, the Constitutional Court put an injunction to the law preventing entry into force by the request of Kosovo Ombudsperson as unjust to some groups and as such to be amended.

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 yield 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 Profiles of secondary and high education in Peja Region**

Based on a search on the career portal [www.busulla.com](http://www.busulla.com), developed by MEST for vocational education and training and career counseling in Kosovo, in Municipality of Peja there are 41 3-year secondary education professions, of which 25 (55%) are with professional standards, 14 bachelor's and 6 master's degree programs offered in public and private schools.

### **2.2.1.1 Public Secondary Schools (HS) in Peja Municipality**

Economics HS 'Ali Hadri' - professions: office management, banking and insurance, horticulture (agriculture), hoteliery and tourism, spedicion and logistics, food technology, veterinary technician and agricultural productivity technology. According to Wikipedia, this school offers 8 education profiles: law, food technology, tourism, veterinary, banking and finance, business administration, catering, customs.

Technical HS "Shaban Spahija" - professions: architecture, automecanic, consumer eLPEtrronics, energy, geodesy, computer, eLPEtrical installer, heating & air conditioning installer, water and wuage installer, road traffic, eledctric vehicles, construction, operator of computer directed cars, teLPEommunications and woodworking.

Medical HS in Peja - occupations: Dentistry assistant, general nurse assistant, pediatric nurse assistant, midwife nurse assistant, medical laboratory, dentist technician (in Albanian and Bosnian languages), pharmacy technician (Albanian and Bosnian). The names are according to the school's website <https://shmm-p.weebly.com/drejtmet.html>.

Music HS " Halit Kasapolli " - professions: musical collaborator, instrumental direction (piano, percussion, guitar), wind instruments, instrumental.

Arts HS "Odhise Paskali" - professions: interior design, textile design and clothing, graphics and painting.

Gymnasium "Bedri Pejani" - courses: natural and social sciences, where candidates for higher studies are prepared without which job cannot be secured as by nature both courses are general.

From the above search, in Peja there are 41 secondary education professions, not 46 as listed in the portal where 3 professions are listed twice, and 2 identical courses of medicine are offered in Albanian and Bosnian languages respectively. Rankings of professions in irrelevant schools have also been noted, for example some medical corses at technical school and the like.

### 2.2.1.2 High education schools – bachelor and master studies in Peja Region

Pertaining the region, there are two schools offering bachelor and master programs in Peja.

University “Haxhi Zeka” was established in September 2011 as independent public university. Until then it was a unit of the Faculty of Business Sciences of the University of Prishtina focused in economics and business administration. Currently, the university offers 5 bachelor degree programs (3 years) with following department (faculties): Business; Law; Management in Tourism, Hotelery and Environment; Agribusiness and Faculty of Arts.

The university also offers 5 master's degree programs including business administration in Albanian and Bosnian languages, administrative constitutional, criminal law, accounting and finance, and environmental management.

Dukagjini College is a private high school established in 2006 and it offers 7 bachelor degree programs in its 3 departments and a master's degree program in management and entrepreneurship: Faculty of Economics with 4 departments: Banking, Finance and Accounting; Management and Informatics; Business Administration, and Applied Informatics. Faculty of Law with 2 departments: General Law, and International Relations. Faculty of Biotechnology - Department of Food Biotechnology.

However, there is no doctoral study program due to the new level of development of higher education in the Peja region. Sch education is pursued in Prishtina and abroad mainly in Torana, Europe and the USA.

While searching for data in other municipalities, the career portal (busulla) did not yield any results, the technical operation of this portal may be a matter of concern, so for this strategic planning process we refer to these data which are supplemented by those provided by UNDP as part of the ongoing Kosovo Skills Needs Survey.

### 2.2.1.3 Vocational Schools in Peja Region

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).

#### **Food processing - the following profiles:**

**Food technician:** Peja (Economics High School (HS) Ali Hadri), Klina (Fehmi Agani HS), Gjakova (Kadri Kusari HS), Prizren (Ymer Prizreni HS), Suhareka (VSS Shiroke).

**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).

**TeLPEcommunications:** 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.

**Welders:** Istog (HS Mithat Frashëri), Prizren (HS Mother Teresa), Suhareka (HS Skender Luarasi), missing in Peja municipality.

**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:** Prizren (Prizren Competence Center) - absent in Peja and Gjakova regions.

#### **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 design:** 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:** Prizren (Prizren Competence Center), absent in Peja and Gjakova regions.

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

Missing VET professions in Peja Region - according to UNDP research report on skills need in Kosovo (2016) are presented in the following table in line with respective industries.

INDUSTRY	Missing VET professions in Peja Region
<b>Food processing</b>	Processing of dairy, meat, fruit and vegetables
<b>Telecommunication</b>	Post telephone communication; IT Assistant; IT services
<b>Metalurgy</b>	Prodhues metali, Saldues, Përpunimi i metalit.
<b>Tekstile</b>	Prodhues i veshjeve.
<b>Hoteliery &amp; Tourism</b>	Ndihmës restoranti, Kuzhinier, Ndihmës turizmi, Shërbime të gastronomisë dhe turizmit, Ciceron udhëtimesh, Ndihmës në pikat/zyrat informuese dhe agjencitë turistike, Ndihmës i organizimit të ngjarjeve.
<b>Wood processing</b>	Përpunimi i drurit
<b>General</b>	Nëpunës industrie

## 2.2.2 UNDP Recommendations about Work Skills Gap 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 applicable soft skills.

The problem is about high schools. 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 Trevor 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 meat, 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.

A reflecting session on UNDP findings and recommendations about soft skills gap in Kosovo was analyzed by employment stakeholders - members of Peja Local Partnership for Employment (LPE) during a workshop held on March 14, 2019.

The level of soft skills in Peja municipality, as per the participants experience and perceptions varied from poor (1) to very good (4) in a Likert scale 1 min to 5 max, such as training others to mentor and manage others, individual work, etc. as well as the level of information available to the public and businesses on VET and VTC programs were assessed at poor level, other skills at medium to good, while languages (especially English) was considered to be at very good level.

Results are presented in the "Situation Analysis" section at chapter 3 of this Strategy.

### 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 sphere 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, of engaging in employment of persons with disabilities.

Even if there is employment of people with disabilities, the involvement may be superficial, as is the case with inters, excluding profilised organizations like HndiKos where the leader of Peja office was a diligent woman with physical disabilities (in wealchair), same is the head of the

organisation. 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 suggests, 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":

- **Who?** – Identification of disadvantaged individuals / groups in general or related to a specific sector such as employment and other related;
- **How?** – Analysis 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;
- **What?** – Measures 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. As by law and policies, minimum 30% quota of women in the parliament, reserved seats for Kosovo Serb minority and other examples of underrepresented groups are being empowered, engaged and employed.

At a workshop organized on 14 March 2019, participants - members of Peja 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 or Likert scale 1 min to 5 max).

	Some elements of identity									
Disadvantaged groups	Sex	Ethnicity	Religion	Employment status	Disabilities	Origin	Urban/rural	Sexual orientation	Association	Views
Young people periphery/ rural										
Elderly people										
Women										
Minority										
Other										
* Total:										

**\*The more elements and points of contact between them, the level of social inclusion is lower.**

As 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 Peja. The following table was developed as a condition identification tool but was not used.

Therefore, the following is a review of gender perspective in employment and education in Kosovo by Kosovo Women's Network (2018) with related policy recommendations and a research findings report on employment and education situation of rural youth based on a LENS survey (2018).

### **2.3.1 Gender inclusion in education and empowerment**

The Kosovo Women's Network has conducted a gender analysis in Kosovo in 2018 which calls for the support of government measures in the education and employment sectors based on the results of its gender perspective analysis presented below. The analyses note high level of women inclusion in education system and less in employment. The following is education perspective, followed by the 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 suggested 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 drop-outs.
- 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) <sup>78</sup>			
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	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 suggested as an objective to “[Improve] ‘access to decent work for women of all ages’” through the following 7 actions:

1. **“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"** (p.39-40).

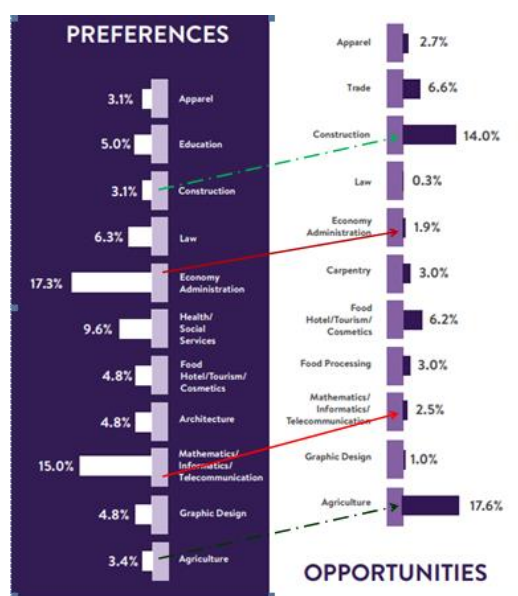
### 2.3.1 Rural Youth Employment Inclusion

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).

Referring to consultation with a group of students from Haxhi Zeka University in Peja (May 2019), 70% of students who have completed vocational education now pursue high education, mostly law. The composition of the study areas of the students participating in the consultation was 64% law, 20% accounting/banking and 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 challenges, 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 professions. 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. The following is a list of study preferences for rural youth and percentage of employment opportunities according to the LENS 2018 study.

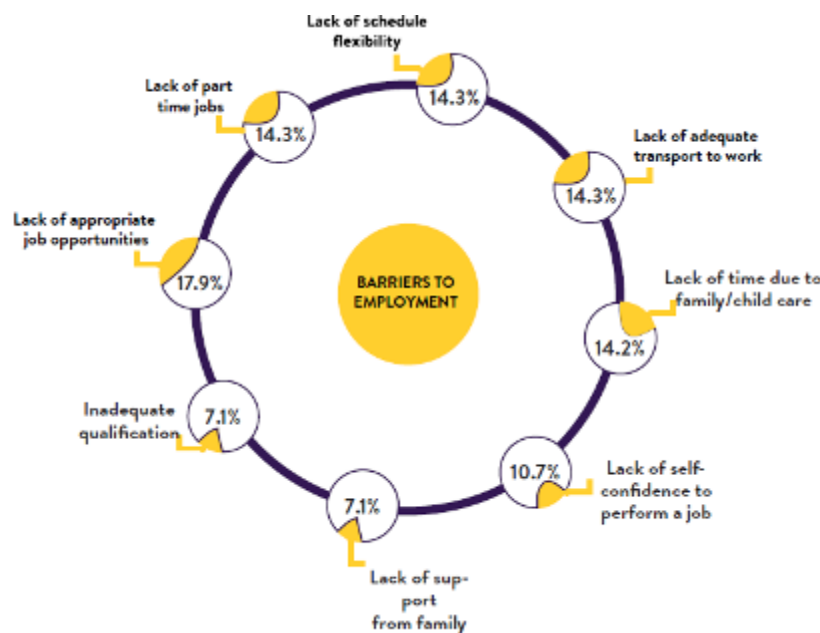


KOSOVO RURAL YOUTH Employment Opportunities, Barriers, and Needs (2018)  
 LENS, Prishtine (Fq. 35)  
<https://www.ngolens.org/wp-content/uploads/2018/12/R/YEO-English-PRINT.pdf>

Therefore, at that meeting, students were encouraged to be vigilant, to understand and follow the labor market trends, where an orientation opportunity is expected from the Center for Career Orientation at the University, the Career Centre in Peja and other institutions such as LPE, Employment Office, media, etc. provide information that can serve secondary and university students for career guidance.

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 perform 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 employment level 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.

### **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 Employment 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 Peja Region**

At the local level, in the Municipality of Peja 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 Peja (PEO)**

The EO has its regional office in Peja and covers the municipalities of Peja, Istog and Klina. 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, collecting 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 PEO is a member of the LPE.

#### **Vocational Training Centers (VTC)**

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 Peja. This center is a member of the LPE.

**Kosovo Chamber of Commerce (KCC) Regional Office in Peja** – is a member of the Local Partnership for Employment in Peja Municipality. The local contribution of KCC to the field of employment is unknown.

#### **Businesses**

According to the Municipal Business Registration Center (MBRC), the number of businesses in the municipality of Peja is increased by 7 times, including micro, small and medium-sized enterprises (SMEs): from 1,671 businesses registered during UNMIK in 2000 to 7,961 businesses in 2017, as a result of adding an average of 450 new businesses per year. Some businesses are LPE members.

#### **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.

#### **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 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.

### **Career Center in Peja (PCC)**

The Career Center in Peja (PCC) was established at the “Shaban Spahija” Technical High School in Peja in 2018 by the Local Education Group as part of Solidar Suisse’s “Proskills” program in 2018. The mission of the PCC is to connect employers, schools and students in Peja 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 PCC are VET students, graduates, adults who dropped out of school, businesses, parents, authorities and the community.

### **Local Partnership for Employment in Peja Municipality (LPE)**

The stakeholders with a wide participation are organized in a non-traditional form in the Local Partnership for Employment of Peja (LPE) which was established with a decision of Peja Municipality Assembly No. 26-2017 from 30.06.2017 and aims to increase employment in the Municipality of Peja. The Council is chaired by the Municipal Assembly Chairperson, consisting of representatives of the Assembly (from the party on power and opposition), Directorates for Education and Development, Employment Office in Peja, KCC Office in Peja, academia (public, private, professional and high schools, and the public university in Peja), businesses and NGOs. The members of the Council met in its constitutive meeting on 28.06.2018 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 Peja 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 Peja.

### **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 counseling 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<sup>th</sup> 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.

**3.3.2 Various programs with impact on employment in Peja and the region**

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.

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 Peja Career Center (PCC) 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 PCC 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 (Information and Communication Technology). In 2019, the profile of auto mechanic and food technology specialist in businesses in Peja will also be tested. It is also a good practice to tailor the curriculum to the needs of the labor market thanks to the training of 26 days in private

companies for practical work teachers. Also, after trying some interventions, this year the CCP aims to develop other good practices such as: monitoring the career development (employment, etc.) of students after completing vocational education in the Municipality of Peja.

As a result of the work of the CCP, the total number of student enrollments in 2018 and 2019 has increased, for example, in 2017 the report "Analysis of the situation for the development of the workforce in Peja", revealed that "in the last two years there were no [students] interested in registering in the metalworking profile ", a small number of woodworking profile, a large number (72 students of which only 4 girls) in the tourism sector, while in ICT the number is satisfactory and increasing (Solidar Suisse 2017, p. 10).

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 Peja and elsewhere in Kosovo. In Peja, among other things, the German organization *Help* helped an artisan shoemaker with providing equipment, as well as various projects in the Gjakova and Prizren regions, including initiatives by women from urban and rural communities.

In the neighboring regions, the Government has taken a decision to establish a US industrial park in Gjakova and a German one in Prizren, which are expected to have positive development effects across Dukagjini plain, since they are currently the only industrial areas here, especially the one in Gjakova located near the airport and the Dukagjini highway. These parks are expected to bring in foreign investment that creates jobs, brings technology and experience from developed countries from the EU and the US.

### **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.

"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. "(Wikipedia)

"**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. **Support for Stakeholders** 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 – LPE, EMPLOYMENT and EDUCATION

The results of the SWOT analysis conducted in the first workshop with LPE members on 28.06.2018, according to thematic groups for identifying the status and needs of the LPE itself as a new entity, as well as those of employment/unemployment are presented separately in the following two tables which served to diagnose the status and needs, where according to 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 and the employment situation in Peja.

##### 4.1 SWOT Analysis - LPE capacity (workshop results, 28 June 2018)

<b><u>Strenghts - LPE</u></b> <ul style="list-style-type: none"><li>• Comprehensive representation of members</li><li>• Determination of cooperation between members and other parties</li><li>• Experiences of members (local) and regional/ EU</li><li>• Institutional Support Municipality, MLSW (employment center)</li><li>• Support from “Syri I Visionit” NGO within the SEED project</li><li>• Establishment of the LPE Coordination Team</li></ul>	<b><u>Weaknesses - LPE</u></b> <ul style="list-style-type: none"><li>• Lack of LPE office, the new coordinating team</li><li>• Lack of work Regulations (including aspects of communication, avoid conflict of interest, periodic meetings, decision making, etc.)</li><li>• Lack of strategy /Action plan</li><li>• Lack of representation of the business community in the LPE</li><li>• Not long-term financial sustainability</li><li>• Determination of participation and contribution of all members (for consideration)</li></ul>
<b><u>Opportunities / activities - LPE</u></b> <ul style="list-style-type: none"><li>• Promotion of professional education profiles for businesses</li><li>• Labor market research</li></ul>	<b><u>Risks - LPE</u></b> <ul style="list-style-type: none"><li>• Lack of database / statistics and market research and employment issues and other related sectors</li></ul>

In addition, through the administration of a questionnaire focusing the LPE members aims to create a picture of the situation of human resources, infrastructure and service quality of each of the stakeholders and their needs and challenges in the services provided by the employment



office, businesses, NGOs, governance, education, etc. In general and in particular- in relation to the impacts on local employability. The questionnaire has character of 360° assesment - so each one evaluates himself and other stakeholders according to experience and perceptions what are expected, and discussions that will be presented on time in the document and will be reflPEted in the measures to be proposed.

Evaluation scale applied was 1 min to 5 max capacity. Results of teh questionnaire on LPE- Peja capacities, 12 responce (70%) from 17 people present in workshop included municipal assambley, MED (Municipal Education Directorate), 1 NGO and three representatives of vocational schools, businesses and the public university in Peja. The questionnaire had 1 self-assessment question of the organization that the participants represented and evaluation questions for 10 other local stakeholders regarding their individual human resources, infrastructure and quality of service capabilities in a generalized way to create an idea of their effectiveness.

<b>LPE members</b>	<b>Human capacities</b>	<b>Phisical capacities</b>	<b>Service capacities</b>	<b>Frequence</b>
Municipal Assembly	3	4	3	1
Employment Office	2	3.2	3	0
Chamber of Commerce	2.6	3	2.6	0
Bizneset	2.4	3	2.5	3
NGOs emoloyment, etj.	3.2	3.2	3.4	1
Vocational high schools	3.1	3.5	3.2	3
Shkollat tjera mesme	3.4	3.5	2.6	0
The Public University	3.5	3.5	3.3	3
Private College	3.25	3.6	2.6	0
Municipal Education Directorate (MED)	3.2	3,4	2.9	1
VET	3	3.3	3	0
<b>Total</b>	<b>2.96</b>	<b>3</b>	<b>2.9</b>	<b>12</b>

**Integrated Results - 360° questionnaire on LPE capacities (March, 2019)**

Based on the integrated results of the questionnaire, in general, the involved LCP members together possess human, physical and service capacities at a level above average (or 60% effectiveness). Individually, the highest rating is for the municipal assembly since only the chairperson made its self-assessment, as the other participants did not list it in the questionnaire with stakeholders and ratings, and therefore the indicator for this category is not representative and isn't included in comparison to the capacities of other stakeholders.

When comparing the average level extremes of each of the three stakeholder capacities (excluding the Assembly), based on respondents' experience and perceptions, as shown in the following table, the Employment Office has the lowest human resources capacity (input) of 2 (or

40%), the lowest level of physical capacities resulted for the Chamber of Commerce and businesses (3% or 60%), while the lowest level of service capacity (output) was rated 2.5 (50%).

The stakeholder with highest human capacities result turned out to be the public university in Peja (“Haxhi Zeka”) rated with 3.5 (70%), the private college with physical capacities of 3.6 (72%) and vocational schools of 3.5 (70%), other secondary and public university.

Whereas, NGOs with a score of 3.4 (68%) have the highest service capacity rating.

If we look at the stakeholders with lower human capacities (inputs) and a higher service effectiveness from this analysis, that turns out to be the Employment Office, and if we take into account the opposite, stakeholders with higher human capacities and a lower service effectiveness, then it’s resulted in high schools and private colleges in Peja, followed by MED and the public university. Whereas the stakeholders with the same input and output (compared to themselves), turned out to be CC (Chamber of Commerce), VTCs and at the similar level businesses, NGOs, vocational schools and public universities.

#### 4.2. SWOT analysis results - Employment in Peja (workshop results, 28 June 2018)

<u>Strenghts</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> <li>• Demography - a young population</li> <li>• Entrepreneurship skills historically (since 1202)</li> <li>• 5 Professional Schools, 2 universities and willingness to contribute to development research</li> <li>• Fiscal policy and business making</li> <li>• Vocational Training Centre</li> </ul>	<ul style="list-style-type: none"> <li>• High unemployment</li> <li>• Professional lack HoReKa</li> <li>• Lack of good practice and quality mentoring (school- businesses), the access of interns to businesses and the stimulation of businesses for this, as well as operational financial support (transport, etc.) for practitioners</li> <li>• Lack of equipment of rooms for work practices</li> <li>• Lack of balance theory – practice</li> <li>• Lack of gender balance – as a profession and employment</li> <li>• Discrimination on a gender and age basis</li> <li>• Employment policies on a non-genuine research basis</li> <li>• Lack of balance need - job requirement</li> </ul>

<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• Draft a strategy for human capacity development and career reorientation in relation to labour market needs</li> <li>• Adapt the curriculum according to market needs</li> <li>• Increase of the quality of products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Low qualification of students and teachers</li> <li>• Lack of corporate social responsibility</li> <li>• Lack of career orientation in educational institutions / quality of service</li> <li>• Lack of technical and financial support for new business ideas that increase employment</li> <li>• Lack of information, statistics and inter-institutional / sectorial cooperation</li> <li>• Lack of business profiles</li> </ul>
	<p><b><u>Risks</u></b></p> <ul style="list-style-type: none"> <li>• Brain/workforce Migration outside of Kosovo</li> </ul>

### 4.3 Analysis of Education in Peja

In a workshop which took place on 14.03.2019 the LPE- Peja analyzed in general the state of education in Peja, in the form of open discussions and reflection on UNDP 2016 research and recommendations in relation of meeting the needs of “soft” skills in 6 industries in Kosovo, as well as the aspect of social inclusion. In addition, a questionnaire was completed for measuring the capacity of local employment stakeholders - members of the LPE- Peja who were present at the meeting on human, infrastructure and financial resources, according to their knowledge and perceptions of the organizations they represent and of other stakeholders. The results in an integrated way are presented below. On this occasion, the consolidated draft of the Strategy was presented, which was distributed to the participants in electronic format before the meeting, as well as the Action Plan with a number of measures presented in tabular format for initial comments at and after the meeting.

In addition, the aspect of short-term and long-term development of the LPE- Peja was considered important enough to be included in the Strategy, including the increase of participation and contribution of businesses, either through the participation of some large and small businesses representing different industries or by representing associations, as an association of a particular sector or businesses in general in the municipality of Peja, beyond the role of the Chamber of Commerce, which did not even attend any of the 3 meetings of the LPE (despite the proposal to be part of the LPE Steering Committee. For this, the meeting co-organizer (NGO “Syri I Visionit” NGO ) shared that despite a lot of time was invested in individually presenting the program and the need for businesses to contribute to the LPE, and also sending 120 e-mails with invitations for this workshop, there were only 18 people present, whereas only the representative from the Municipal Directorate of Economic Development had notified non-participation, without replacement. Regarding the issue of increasing the participation, ownership, loyalty, efficiency, and visibility, it was suggested that administrative and working meetings of the LPE to be held in members' spaces, for example in MED (Municipal

Education Directorates), universities, NGOs, businesses, etc., in order to achieve the objective of opening these institutions to the public, increasing their participation and role in the society.

Municipal Education Directorate (MED) in the municipality of Peja informed that although the PISA international test results for the past year 2014 were not good for many reasons, including curriculum format, quality of work, etc., the achievement on the national test for primary and secondary education was 90% and there is an effort that it grows through quality coordinators and the Education Inspectorate, although the Regional Inspectorate in Peja is limited in number of staff with only 3 inspectors covering the region of 6 municipalities (i.e. 1 inspector for 2 municipalities). According to the factual situation, it results that the number and capacity of quality coordinators are limited too - 1 coordinator per school, as they are full-time teaching professionals and can not be effective in performing the quality control function of the planning and execution of regular classes in the respective school and that they perform this on a voluntary basis since for that scope they have not been released from the assumed obligation of 8 hours of teaching per week. As far as career prospects are concerned, there's a school subject Career orientation. In regards of safety at schools, which is an existing concern for both inside premises and outside ambience, MED reported that there's a decrease of 100 out of 17 cases related to behavior, without referring to the time period.

Regarding teachers' qualification, the MED estimates that around 80% are well-prepared and perform satisfactorily, while 20% may not be at the appropriate level due to insufficient preparation, non-merit employment, as well as the ability to work with the current curriculum that has undergone a drastic reform process where teaching staff is not necessarily prepared to withstand changes and increasing demands that aim an increase of the quality of pre-university education. If you ask teachers, they basically estimate that together with the reform in the curriculum has been added an administrative engagement and they are not sure if this relates to the increase of the quality of teaching, given that now much time should be devoted to long-term and short-term aspects of curriculum planning. In the same time, MED expects a higher score in the PISA 2018 test, as preparations have been made.

In Peja there are 5 high schools of vocational education, which aim to achieve balance between theoretical preparation and practice, some of them with equipment, machinery, labs, greenhouses, etc, but still being quite challenged because in many aspects equipment is not enough, without consumables needed and lack of professionals, especially for practical work with the use of technology in the technical school, etc., as well as the lack of readiness of businesses to accept students for professional practice, except the support and good relations with some large and small enterprises in the tourism/hoteliery sector, which is insufficient too.

A teacher pointed as a challenge the low economic situation and distance, although the distance from the city is not that big, which leads to decrease of the possibility for visits of rural school students to different enterprises, career fairs and other socio-economic activities in the city. In general, but especially in rural areas, there is lack of information about the professions and the prospects of rapid employment through the three-year professional upper secondary education which is offered by the 5 schools of education and professional advancement (EPD) and the three-month professional courses that are offered for free by the Vocational Training Center (VTC) in Peje, based on the referrals of the Regional Employment Office in Peja as part of the Employment Agency within the MESW (Ministry of Employment and Social Welfare).

Besides information, the access to secondary education and EPD courses concentrated in the urban zone of the city of Peja is another challenge for rural students in terms of effectiveness and efficiency. Therefore, it is suggested to provide information, such as presentation of study programs in schools and rural community centers, as well as considering the option of organizing courses in the form of mobile service (like an ambulance that provides mobile services), especially when it comes to soft skills that does not require use of machines and other heavy equipment, but also when those are needed, as much as the conditions permit. This would also be welcomed by businesses in case of on-the-job-training through providing training /consultancy at the place of work, such as soft skills or use the technology available or a new technology/ program.

Detailed education programs are not presented to businesses at their locations, besides at fairs and at the Career Center in Peja (CCP) created in 2018 at the premises of the Technical School, which is considered a liaison mechanism between primary schools, secondary schools and the labor market in Peja. Although it's new and its impact can not be evaluated yet, the Career Center (CCP) was visited by representatives of the University of Prizren to learn from good practice, so it is serving as a good model.

In addition, entrepreneurs are not involved in the learning process, e.g. to be invited for a theory presentation or to offer practical experience on a voluntary basis. As for the involvement of businesses in consultations, whenever such are organized and as to what extent allows the 30% adaptation at the municipal level, they are consulted, says MED, which is, however, in search of strategic partnerships with large manufacturing and service businesses for exchanges of experience and professional practice. The representative from the catering-tourism business emphasized that compared to the practice during his schooling, nowadays very little is made, mentioning 6 months of practice for the waiter profession.

Experts from businesses are particularly needed in leading professional practice in schools where technology is applied such as metal and wood processing, etc., since the vocational schools have a serious lack and difficulties in attracting and retaining skilled work force, e.g. metal processing, etc., for this scope an intervention of the state is necessary through any subsidies allocated by the Government and/or donors to cover engagement as a service provider for (craftsman, regardless of vocational training), organizing professional work in some subjects and vocational education schools in Peja, since full-time and paid employment for teachers performing training on the practical side is not possible, they are in high demand and mainly employed in businesses. Thus, creating opportunities for "craftsman" with at least part-time engagement and market payment would be an intelligent choice and a chance to overcome this lack, as well as avoiding closing of some profiles/programs of vocational education, as is the case with profiling of forestry, agriculture and tourism, where there is a great lack in number and also low quality of students' preparation, for which they risk closing down as profile in secondary/high school education. MED informed that despite the scholarships offered by Peja Municipality with MEST (Ministry of Education, Science and Technology) in the form of subsidy, they failed to attract many candidates for studies in the field of forestry at the School of Economics.

The Director of the School of Arts - a member of LPE and an expert in the field of tourism, mentioned during the break of the meeting that the location of the School of Economics is one of the factors that students do not prefer to attend schooling there, though it's appropriate and necessary for field of agriculture, but for other fields of study should be considered relocating the school or creating a subsidized transport line from city center to the school (about 3km distance) as a measure in attracting and retaining students in this school in the preferred fields of study which are offered there and are important for the local economy, whose strategic orientation, as being also emphasized by the other participants and strategic developmental municipal documents, is tourism and hoteliery, agriculture and raising livestock, handicrafts, as well as other supporting products and services.

The practice of TV promotional spot for increasing female participation in tourism/hoteliery (realized by the "Syri I Visionit" NGO NGO) could be used to promote other profiles in the format of debates/presentation in TV shows and local radio programs, local newspapers, various forums, through NGOs/community centers, schools, etc., in the format of presentations, and spreading information in brochures and evidence of employment by students graduated in these vocational education schools and/or VET (Vocational Training Center).

As a periodic employment activity, on April 8 in the city of Peja, a job fair is organized. It is expected to be confirmed the participation and the impact of this annual periodic event, which is organized in the entire Dukagjini region, and was also held on March 15 in the city of Gjakova where, according to a TV report, 50 businesses attended and about 700 jobs were offered, being much desirable, since the minister of MLSW said, unemployment in the country has reached 30%. This fair and the one in the city of Peja are organized by the Employment Office – MLSW (Ministry of employment and social welfare), with the support of GIZ and the Municipality. While in Prizren, on 16 March, was held Women's Business Fair. Their impact on employment is expected to be soon revealed.

The liaison between schools and businesses and other stakeholders has also been assessed in previous analyses, such as the "Mis-Match" program with secondary vocational education schools, especially the School of Economics, the Hotelieri-Tourism profile, whereby the relevant link between stakeholders and social dialogue was one of the strategic objectives, also mentioned in the Development Strategy of the Municipality of Peja 2013-17 – part of entrepreneurship development, of entrepreneurship and innovation, entrepreneurial environment, and interconnection with other stakeholders in employment and local development, also identified in the Strategy and Action Plan for Youth Employment 2018-2020 of MLSW and one of the strategic objectives of the strategy for developing human resources for employment. It is recommended to consult the education strategy as well.

By many of those attending the discussions, it was considered that the role of the parent is also important for an early career education and orientation and it was suggested to invite representatives of parents' councils to the LPE and to the planning consultations. It was also stressed that both culture and tradition play an important role in education and career orientation, so this should be considered in identifying strategy measures.

While drafting the strategy paper, Kosovo's pre-university education sector, led by its union, was involved in a three-week strike in January 2019 on the categorization under the "pay for work"

principle, which was generally achieved by the law on wages of civil servants which was approved a month later. In addition to salaries, the Trade Union has drawn attention to poor working conditions in the pre-university system by illustrating the low technology application as "still with a chalk and blackboard" despite the stated orientation of government policies and MASHT towards technology and innovation and despite the construction of costly new facilities which are not enough for the teaching process. On the other hand, governance authorities demand higher quality in return for salary raise and working conditions.

Recent developments such as the MEST initiative to introduce inadequate subjects, such as geography, in the curriculum of the Professional School of Arts in Peja, is a deviation from the understanding and the support of the role of this vocational education school, stated its director.

A member of the LPE highlighted, during the workshop, the need to protect the rights of workers and fulfillment of the law and working conditions, as reported by RTK TV channel (25.02.2019) that 27 workers suffered fatal accidents at work in Kosovo during 2018. Of course this fatality does not refer to the education sector, but it is a concern and calls for attention to the aspect of working conditions and safety which is part of the students' preparation curriculum.

According to a TV report (KTV channel, 16.03.2019) referring to some schools in Prishtina, but this should be also the situation in other municipalities, supporting and counseling of students with disabilities in "inclusive schools" is being done on voluntary basis by social sciences students – i.e. without a contract and payment. If this situation is all around in the city of Peja, it is quite worrying that the school system in Kosovo has not yet included in a psychologist. According to a TV report about a psychologist (TV channel Klan), based on his research every third student would seek counseling from the school psychologist for addressing multiple subjects stresses, age-related developments, and consulting about eventual school problems. Also, the lack of a psychologist/pedagogue at school poses a problem, as students under normal circumstances in different times may and need counseling, without mentioning the immediate need to deal with deviant behavior.

The following is a presentation of UNDP soft skills recommendations, as well as a report from "Haxhi Zeka" public University student consultation in Peja.

#### **4.3.1 LPE Reflection on UNDP's "soft" skills Recommendations**

In a more detailed manner, the members of the LPE were stimulated to analyze UNDP recommendations, based on the research report conducted in 2016, in regards of meeting the needs for "soft" skills or as recommended by field experts to be called "essential", in addition to specific and international standards in vocational education in Kosovo.

Although lacking the indicators used in the UNDP research and being reluctant to attribute the percentage rating, the essential skills identified in the following table were discussed one by one and the overall assessment of the LPE- Peja 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 Peja as necessary and welcome. The following table shows the LPE group ratings for each “soft” skill or for a group of “soft” skills by attributing the perceived status rating by “Likert” scale between 1=min (poor) to 5=max (excellent). Some aspects are poorly evaluated such as industry involvement in schooling process and curricula, development of peer-to-peer skills (mentorship), management, individual work, and presentation of training programs by VET and VTCs (Vocational Training Centers) to businesses.

UNDP Recommendations for "Soft" Skills in Kosovo
<ul style="list-style-type: none"> <li>• <b>Conduct</b> (added by experience) =3 (the role of the school psychologist)</li> <li>• <b>Writing, reading, counting, average calculations, writing short reports, filling out forms, etj.</b> = 3</li> <li>• <b>basic computer use</b> =3</li> <li>• <b>communication in-person and distance</b> (phone, letters, email) 2</li> <li>• <b>foreign language</b> = 4</li> <li>• <b>knowledge of sanitary standards, safety, hygiene, protection at work and environmental protection, etc.</b> = 2</li> <li>• <b>teamwork, planning skills</b> (distribution of financial and budget means in some cases, timing= 2</li> <li>• <b>Educational and career counseling at an early stage, especially for women</b> for opportunities in the employment and study areas in the industries with perspective; = 3</li> <li>• <b>Linking schools to companies and adaptation of programs according to needs of the respective industry</b> and increasing the opportunities for professional <b>quality practice</b> in the company - competence center/QAP applying appropriate methods/technologies = 2.5</li> <li>• <b>Develop professional standards</b> for each profession based on specific skills identified for each sector and incorporating international standards (ISCO-08) and general skills =2.5</li> <li>• <b>Developing basic skills for market research, sales, customer behavior, preparation of offers, acceptance of orders and marketing including electronic platform application</b> = 2.5</li> <li>• <b>Developing new ideas/products, application of new methods and technology</b> = 2</li> <li>• <b>Reading specific texts and instructions</b> for the particular profession =3;</li> <li>• <b>Fostering creativity, innovation and entrepreneurship in schools and industry;</b> acheiving a complex of problem solving skills; awareness and respect for environmental regulations; adaptability skills regarding equipment, work processes, new materials =2</li> <li>• <b>Involvement of specialized experts</b> from a relevant industry in the <b>VET trainings</b> = 2.5</li> <li>• <b>Consultation and involvement of industry representatives in curriculum harmonization</b> in alignment with their needs/labor market = 1</li> <li>• <b>Developing skills to teach and guide peer-to-peer,</b> work under supervision, independent work and under pressure caused by tight deadlines =1</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Presentation of AAP curricula to employers,</b> 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 (with the meaning of mobility for companies, whereas in schools/centers are organized fairs, activities, etc.) = 1</li> <li>• <b>QAP should inform employers about the available training</b> and the possibility of</li> </ul>



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 (with the meaning of mobility for companies, whereas in schools/centers are organized fairs, activities, etc.) = 1

*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>*

#### **4.3.2 Students' Opinion on Unemployment**

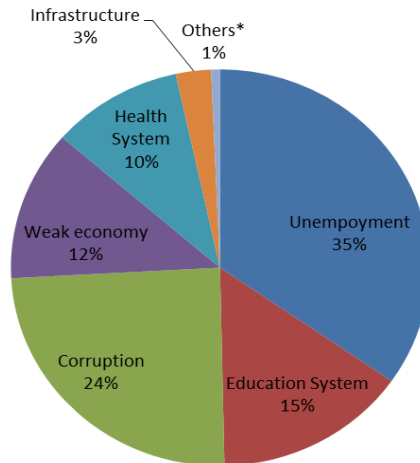
In the process of drafting the "Strategy and Action Plan for the development of human resources for employment 2020-25 in Peja Region", a survey was conducted with students from Peja Region (Municipalities of Peja, Istog, Klina) studying in the public universities - "Haxhi Zeka" University in Peja (in June 2019) and "Fehmi Agani" University in Gjakova (in November 2019).

The survey was conducted through a questionnaire designed by the consultant Dritan Shala (consulting company "HROD") involved by the "Syri i Visionit" NGO within the framework of "SEED II" and administered by representatives of universities members of the Local Partnership for Employment (LPE).

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 Peja Region (Peja, Istog, Klina 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), the presentation organized on May 10 in Peja and the survey conducted at both universities aimed at promoting LPE.

The following are the results of the survey conducted through 18-question questionnaire (open, elective and with a "Likert" rating scale of 1min - 5max), which included 55 students of following origin - 20 from city of Peja, 18 from Istog, 15 from Klina and 2 from Decani.



Major problems in Kosovo according to students from Peja region (2019)

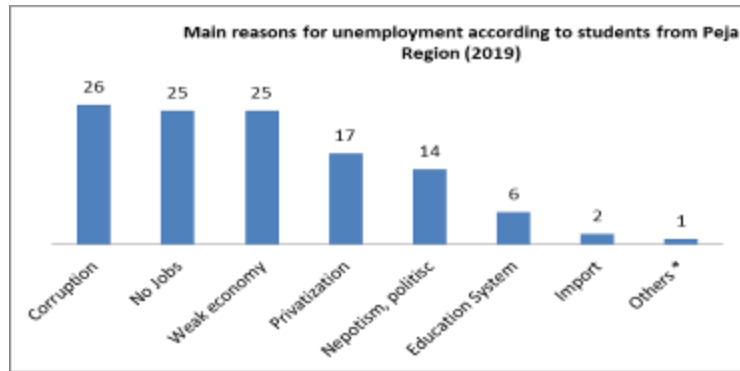
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According to this survey, the top 3 problems in the country are unemployment, corruption and education, then poor economy, and to a lesser extent – health system and infrastructure, as in the graph (above).

Whereas, at a much lower frequency (1 time, represented as "other\*" in the graph) the following problems are randomly listed: bad governance, degradation of institutions, weak rule of law, lack of implementation of labor law, lack of businesses and factories, private sector (unregulated), lack of perspective, employments policies, labor market that is oriented towards public sector, lack of vocational modules, supply doesn't match demand, lack of work experience, competition, "grey" hiring practices, lack of prospects, low wages and lack of foreign investment.

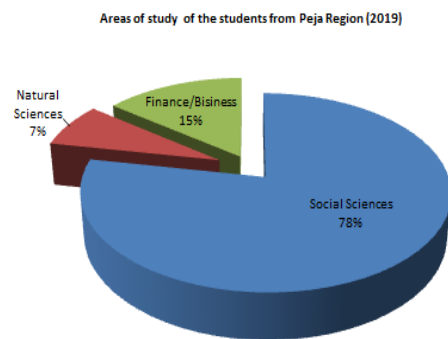
The survey results show that the **main reasons for unemployment** are **corruption, weak economy and lack of jobs**, expressed in equal measure. Less pointed factors are privatization, nepotism and politics intervention in employment, poor quality education and not in line with market demand (expressed as "too many students/graduates in some fields of study" (known as "mass production"), as well as imports.

While at low frequency (only once, presented as "others\*" in the graph), these factors are randomly listed: bad governance, lack of cooperation (municipality-youth), lack of stability, lack of development funds, poverty, lack of scholarships, failure to promote/support university graduates, lack of internships, security and youth emigration.



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

- 73% of students had no career orientation during lower secondary education (grades 8, 9);
- 61% of students had no career orientation during high school (grades 10-12).
- 42% of students did not complete professional practice during university education.
- Students' knowledge regarding vocational education schools in their municipalities was 67%;
- Student had average knowledge (43%) about the role of the Employment Office and VTC in Peja.
- From respondents 60% have graduated from the social/natural sciences gymnasium and 40% vocational schools.
- The composition of the respondents' current fields of study is dominated with **78%** by the social sciences (35% education, 30% legal and 13% language and literature), **15% financial** (9% Accounting/Banking/Finance, 5.5% business administration) **7% natural Science** (5.5% medicine, 2% food technology).  
27% of students who have completed vocational schools pursue undergraduate studies in social sciences, eg. 2 out of 5 medical students pursue a non-medical profession.



This study orientation, compared to labor market demand, is a matter of analysis and action. 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. In a meeting with students of "Haxhi Zeka" University, they were encouraged to be

vigilant, to understand and follow labor market trends. The evaluation of these students for the foreseen measures was evaluated as optimal.

The results of the research on career counseling, internships and education are presented below:

- 84% of the students in the survey were not advised at the university career development office.  
Although they may be aware, a small number of students asked (33% në universitetin “Haxhi Zeka” and 16% in total) were advised at the university Career Center. So the visibility (recognition and presence) and capacities of this center need to be increased.
- 56% of the students hope that after finishing their studies they will find work in their municipality.
- 90% 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 locally in their community, 80% 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.

Only 40% of the students that took part in the survey have completed professional practice during their secondary education and (60%) 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 and the city of Peja 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.

"Extrinsic" factors (external) - 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 intrinsic 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 adding 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 employees' 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 environment and attracting FDI is expected to increase youth employment.

### **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 selPEted 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
<b>Option 1</b> Status quo	+	+++	+	+++	+++
<b>Option 2</b> Harmonization of educational curricula and career (re)orientation in line with labor market demand	+++	++	+++	+++	+
<b>Option 3</b> Entrepreneurship cultivation and subsidizing "start-ups" (new businesses)	+++	++	++	++	++
<b>Option 4</b> 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 Peja (1), paying due attention, in a serious way, to the development of its organizational capacities (2).

### 1. LPE actions to reduce unemployment in Peja Municipality

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 Peja, combined with
- opsiioni harmonizimi i planprogrameve arsimore dhe (ri)orientimi në karrierë sipas tregut të punës, duke përfshirë rekomandimin e UNDP mbi analizën dhe e mungesës së shkathtësive – fuqisë punëtore në gjashtë industri në nivel Ksovës! also refLPEted in the Municipality of Peja, combined with
- the option of cultivating entrepreneurship in schools and other centers such as youth centers, NGOs, innovation/business centers/incubators etc., together with subsidizing start-ups that create employment/self-employment, 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 Local Partnership for Employment in the Municipality of Peja, as a new inclusive and diverse body, should develop its capacities by building human and organizational capacities through training and exchange of experiences with Employment Councils in the Balkan region 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 mid-term and long-term strategy for reducing unemployment in Peja Municipality.

In this way, developing the own LAC 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 Peja Municipality through building on 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 Human Resources Development Strategy for Employment in the Peja Municipality/Peja 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 Plan on HR Development for Employment.
- Promotion of LPE through initiation of cooperation, exchanges and regional projects in the country level between Peja-Gjakova-Prizren LPEs and cross-border/international projects with similar advising in the Balkan region or Europe.

- Identify and meet the needs and quality of employment services for all employment stakeholders through training, exchanges, assistance and performance appraisals.
- Promotion, development and use of good practices and services of career guidance in the Career Center and the Employment Office in Peja.
- Increase of business participation and organization in representative associations in the service and manufacturing sectors in Peja and the region.
- Improving the quality of VET (Vocational Education and Training) programs according to labor market demand and equipping the labor force with basic and compulsory "soft skills" alongside other specific professional ones.
- Equipping the workforce with specific technical skills, as required by employers, and also standardizing and supplementing current VET curricula with missing profiles in city of Peja/Peja Region, according to the labor market.
- Promoting lifelong education and learning, dual, informal and non-formal education.
- Creating and developing new innovative forms and approaches for the development of employable human potentials.
- Early talent identification, career counseling at all education stages.
- Continuation and enhancing of promotional activities and networking, e.g. career orientation and employment fairs as ongoing or periodic successful activities.
- Identifying the needs of large businesses for workforce skills - labor market research and dissemination of information among stakeholders and the general public.
- Integration of disadvantaged groups into career counseling services and the labor market (including women, people with disabilities, rural youth, minorities, aged people, etc.)
- To ensure inclusion in counseling and career orientation based on local/regional labor market.
- Stakeholders engagement and facilitation of social dialogue for human capacity development, including practical work and exchange of expertise to create a sustainable labor market.
- Promotion and facilitation of mobility in counseling, services and employment in Peja Region and abroad, according to the labor market.
- Capacity building 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.
- Promoting volunteerism and social responsibility, as well as advocating for the recognition of volunteer work as necessary work experience for early youth employment.
- To raise public awareness about the opportunities and importance of vocational education and training with the "STEAM" orientation (i.e. English, Science, Technology, Engineering, Arts and Mathematics), although an analysis of the labor market needs and skills in Kosovo (Alled III, October 2019) suggests entrepreneurship rather than arts (hence "STEEM"), for female and male candidates, considered as the fastest job opportunity in and out of the country with vocational/university education.

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.

## V. ACTION PLAN

After a long and comprehensive consultation process with the participation of members of the Local Partnership for Employment of the Municipality of Peja (LPE) and students of the “Hazhi Zeka” University, as well as with representatives of local businesses, throughout the second half of 2018 till the fall of 2019, was drafted the **“Human Resources Strategy and Employment Action Plan 2020 - 2025 in Peja Region”** which set three objectives for impact on employment growth in Peja Municipality and region, including the towns of Istog and Klina, according to the organization of the Employment Agency – MLSW (Ministry of Labour and Social Welfare).

Although the Strategy has been drafted with inputs from the LPE in the city of Peja, it also includes those two smaller municipalities for which there isn't any employment strategy or action plan. Based on the analysis of the market situation and needs have been developed the long-term employability strategy 2020 - 2025 and the action plan for 2020.

**The Strategy objectives are:**

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

According to the analysis of the labor market situation and to good policy-making practices focused on three related areas such as employment, education and social inclusion, through applying of combined SWOT analysis methods with open discussions, refLPEtion and administration of questionnaires that produced primary data from LPE, students and businesses and also based on consulting secondary data such as statistics, research, various reports and sector strategies in the country and in European Union context, HROD consulting company, engaged by the NGO “Syri i Vizionit” under the project SEED II, was engaged to conceptualize, functionalize and develop the initial capacities of the LPE, as well as to facilitate the preparation of the Strategy and this Action Plan.

The 1-year Action Plan for 2020 contains **3 strategic objectives**, with **20 measures** and **40 activities** aimed at impacting on improving the high unemployment situation in the municipality and the region of Peja. 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 Peja is encouraged to allocate 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 ones for employment and social inclusion, etc.

### **Monitoring and follow-up**

Local Employment Council of the Municipality of Peja as the bearer of the Strategy and this Employment Action Plan in the Peja Municipality/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 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 realization time presented in a month/in 3 months (TM). The sequence of measures is random, not ranked.

Peja Municipal Assembly approved unanimously the Strategy and the Action Plan as inseparable documents in December 27, 2019.

The Action Plan as a detailed logical framework is placed in Anex.

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**ANEX**

**ACTION PLAN 2020 for DEVELOPMENT of EMPLOYABLE HUMAN RESOURCES  
in PEJA REGION**