

## CASE FOUR


# Improved Skills Development for Better Youth Employability in Kosovo<sup>1</sup>

*The Enhancing Youth Employment (EYE) project*



May 2016

**EYE** Enhancing Youth  
Employment

 Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

 **HELVETAS**  
Swiss Intercooperation

Management  
Development  
Associates **MDA**

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<sup>1</sup> This case is based on an ongoing intervention of the EYE project.

# 1. Analysis of the skills provision system

Kosovo has the youngest population in Europe. Young women and men under 25 years old make up 49% of the population. Of these, 20% are between 15 and 24 years,<sup>2</sup> comprising about 30% of the working-age population. With enhanced skills, young women and men looking for their first jobs are better prepared for a smooth transition from school to work.

Yet Kosovo faces serious challenges in integrating youths into the local labour market – young Kosovars are twice as likely as other adults to be unemployed.<sup>3</sup> Young women and minorities displayed the worst employment outcomes in the labour market. In 2014, among those aged 15-24 years and in the labour force, 61.0% were unemployed. Unemployment was higher among young women (71.7%) than young men (56.2%).<sup>4</sup> In addition, young people went through very long transition period from school to work. It took about ten years for young males to transition from school to work in Kosovo, while in Macedonia it took four to five years, and in developed countries this was an average of about 1.4 years.<sup>5</sup>

The Kosovo Enhancing Youth Employment (EYE) project, funded by the Swiss Agency for Development and Cooperation (SDC), supports employment opportunities of young women and men by facilitating their transition from school to work. The project addresses three sides of labour markets by focusing on relevant and feasible sectors (such as ICT and agro-processing): skills development meeting the demands of employers; improvement of job matching services; and job creation through better private sector investment. The first phase of the project runs from June 2012 to December 2016.

Prior to the intervention by the project, the skills provision system in Kosovo was underperforming. The low quality of skills provided by the training and education system **did not adequately meet the requirements of employers and therefore undermined growth and creation of jobs.** The challenge was particularly evident in vocational schools, short-term training courses and university education. The skills market system had a large oversupply of outdated and low technical skills. Apart from quality, skills provided were often not relevant to labour market needs. Vocational Education and Training (VET) schools in particular provided courses on outdated subjects that employers could not use.

The analysis of the skills provision system by the EYE project revealed that **the key problem was lack of effective mechanisms/platforms for dialogue between private**

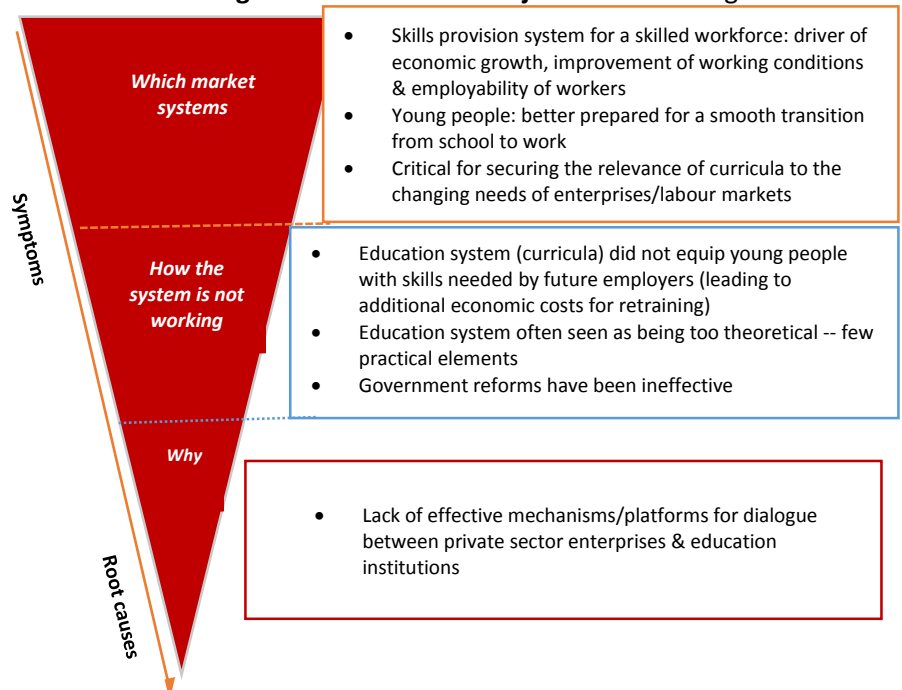


Figure 1: symptoms & root causes

<sup>2</sup> Statistical Office of Kosovo (SOK), Labour Force Survey (2009)

<sup>3</sup> The unemployment rate of Kosovars less than 25 years of age is 73%, compared to 41.9% for adults 25-54 years of age.

<sup>4</sup> Results of the Kosovo 2014 Labour Force Survey

[https://ask.rks-gov.net/ENG/labour-market/publications/doc\\_download/1314-results-of-the-kosovo-2014-labour-force-survey](https://ask.rks-gov.net/ENG/labour-market/publications/doc_download/1314-results-of-the-kosovo-2014-labour-force-survey)

<sup>5</sup> World Bank. 2008. *Youth in Jeopardy: Being Young, Unemployed and Poor in Kosovo*. Washington D.C.

**sector enterprises and education institutions.** There were little/no opportunities for private sector enterprises of diverse sizes to be involved in decision-making regarding curricula development and training. There were also few good case examples from countries with similar context to be used as reference in Kosovo. In other words, there was little communication between public and private sectors. In terms of perceptions/capacity of the public sector, there was scepticism towards private sector involvement in education. Policy makers lacked proper labour market information system. In terms of private sector capacity and awareness, there was low organisation level, little knowledge of appropriate dialogue mechanisms and information systems, and weak advocacy capacity and understanding of the importance of investing in human resource.

**2. Strategy and vision**

The focus of EYE’s strategy was making the education system, particularly the development of curricula, works better – that is, ‘produce’ a workforce which would meet the needs of future employers to enhance their competitiveness in the labour market. For this, improving private sector inclusion/advocacy in curricula development was the aim of the intervention. The vision was a **functioning education system where effective mechanisms exist that support public-private dialogue on curricula content and methods, and allow both sides to engage in discussions about appropriate training outcomes.** It was about creating new and sustainable mechanisms for dialogue. It was not about just revising curricula; this was a secondary objective.

Since the main constraint for underperformance was identified to be communication/consultation between both private sector enterprises and education institutions, EYE decided to intervene in defining the mandate and model of consultative mechanism (‘Industrial Board’) and formalising it at the education institutions (e.g. university faculties). **Improved communication and dialogue mechanism meant better interactions between private sector enterprises and education institutions.** The private sector would be able to advocate regarding its skills needs, whereas education institution would uptake private sector’s recommendations. The effective communication would influence better/relevant skills for young women and men, which, in turn, would increase their opportunities to find job in the labour market.

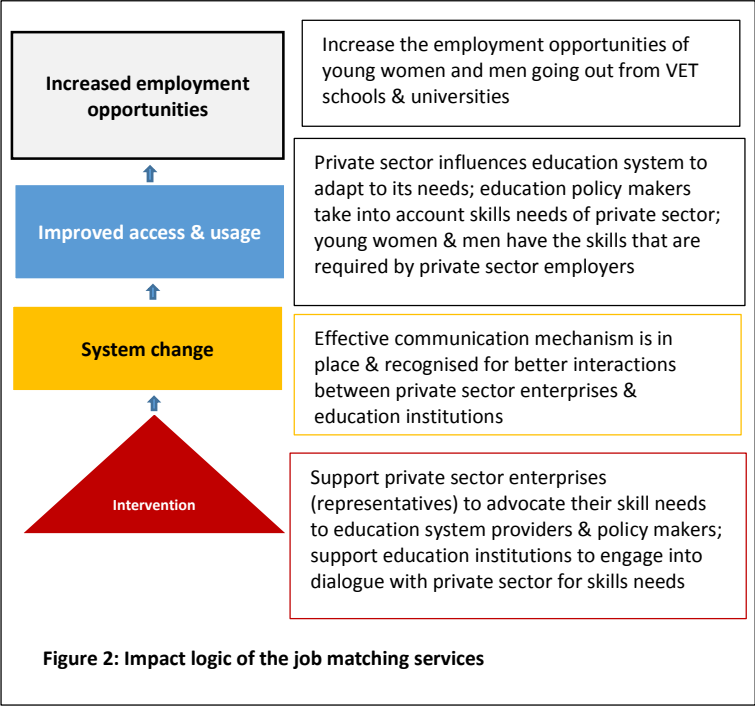


Figure 2: Impact logic of the job matching services

In setting the strategic vision, the project looked forward and thought through how the skills system would work better in future along the different functions. For example, for private sector advocacy and organisation, the project through consultants and the ICT business membership association of private enterprises, [STIKK](#), provided support in capacitating and increasing the awareness of members/their representatives. The project envisaged that this would be done by private sector enterprises (their representatives) through membership fees. Advocacy capacity also included identification, prioritisation and engagement of relevant education institutions.

The project would have more prominent (but temporary) role in initially facilitating the linkages and dialogue between private sector enterprises and education institutions (e.g. supporting public

universities in identifying suitable model for Industrial Board based on existing local and international practices). The formalisation of dialogue and communication mechanism through clear legal basis would ensure the functioning of the mechanism (e.g. holding at least two meetings a year).

### 3. Implementation

The project identified that that the skills system was a pluralistic system:

- Different types of training providers (public/private – formal/non-formal)
- Different roles/functions and players (government vs private sector)
- The system also differs by subsector (e.g. ICT often offers advanced trainings licensed by Microsoft; agriculture is more informal and embedded, private health relies a lot on formal schools, construction is much about on the job training or apprenticeships etc.)

Therefore, the project had to carefully assess which market players had incentives to support or to block change. It considered not just the existing alignment of key market functions and players, but how they could work more efficiently in the future, based on their incentives and capacities.

The facilitation of the project could be summarised in the following three areas:

#### 1. Understanding the demands and building the capacity of private sector enterprises

This included gathering and processing information for use before approaching education institutions. The project conducted a Skills Gap Analysis training for private sector enterprises and consultants/service providers. This was done by identifying growth-oriented subsectors, such as ICT and agro-processing, in which private sector enterprises had high demand for qualified workforce. The project entered into partnership agreement with STIKK. The analysis was important as it helped private sector players to understand the potentials and constraints of addressing acute skill shortages and setting the basis for their advocacy. The project also explored possibilities to raise awareness through media campaign.

#### 2. Identifying and approaching/engaging education institutions

EYE entered into a partnership agreement with universities and VET schools for public-private dialogue. The project supported the education institutions in formalising the Industrial Board concept by involving consultants to identify good practices in other countries and clarifying the legal advice on organisational statutes.

The support provided to education institutions was so far in formalising existence and operation of communication mechanism/Industrial Board in order to advise the institutions on needed curricula changes based on private sector needs. The project provided support via international consultancy in choosing suitable models. After the model was chosen, the project supported development of operational regulation of the Industrial Board.

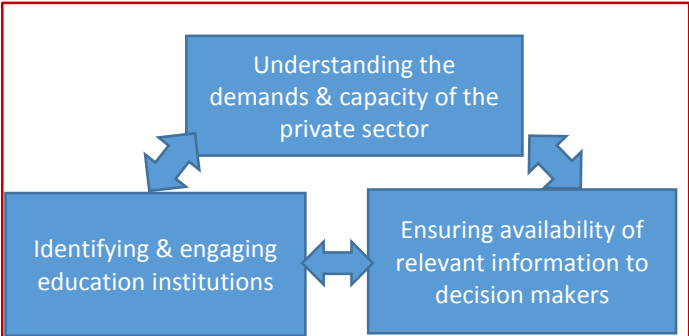


Figure 3: Main areas of project support

#### 3. Supporting the Ministry of Education to establish an Education Management Information System (EMIS)

EYE partnered with UNDP as implementer of improving an Education Management Information System (EMIS). EMIS was the missing link of the labour market information system, which would provide labour supply statistics to the skill providers and Industrial Boards. The Ministry of Education

together with UNDP, through a consultancy firm, reviewed the legislation and developed the administrative regulation that would make information feeding mandatory for higher education institutions.

## 4. Results

In January 2015, the regulation for the establishment of the Industrial Board was approved by the Senate of the University of Pristina management. The management of the University sent the recommendation to its 16 academic units to establish Industrial Boards. Five Industrial Boards at the University of Pristina academic units (Agriculture, Education, Philology, Construction and Economic) and two Industrial Boards at the University of Haxhi Zeka (Agribusiness and Tourism academic units) were successfully established.

The project was successful in stimulating behavioural change of the universities toward the private sector. The project also managed to increase private sector enterprises' awareness of the importance in skills advocacy. A total of 27 private companies, four public companies, and 13 business associations are now part of the Industrial Boards.

While the project facilitated one specific formal model (i.e. Industrial Board), it was not clear if this would also be the right/suitable model for others, in particular VET schools. At the end of 2015, the project commissioned a study in order to identify an appropriate model of consultative mechanism for VET schools, which is expected to provide evidence based solutions for piloting during 2016.

The launching of the EMIS was delayed by six months; this is expected to happen by the second half of 2016.

## 5. Lessons

- **Advocacy as an end or a means**

It is not the number of new curricula (ends) that matters, but the mechanisms (means) created for public and private sector to engage on curricula development and ownership of local players over these mechanisms. This had implications for how the project acted:

- Focusing on process rather than outputs
- Facilitative action rather than direct provision of solutions
- Minimising own inputs and demanding for co-investment of partners etc.

- **Complexity of the skills systems**

It took time for the project to have a better understanding of the complex and pluralistic/sector specific skills systems. This also meant that designing and facilitating solutions by finding the right partners was time-consuming.

- **Working in aid-intensive context and the benefits of regional knowledge sharing**

The skills systems had one of the highest donor involvement with direct delivery. This swamped the facilitative role of EYE, requiring extensive time to develop viable business models and to negotiate partnerships. Emerging experiences from other similar projects (mainly in the Western Balkans) offered different strategies of coping with distortions from direct delivery projects/donors:

- Influencing how project partners make use of available donor money (e.g. the MarketMakers project in Bosnia and Herzegovina)
- Influencing donor spending behaviour (e.g. the experience of the EYE project in the training provision system)
- Finding a niche area to intervene in (e.g. the experience of the RisiAlbania project in the agro-processing sector).