

Youth Employment in Rural Albania: A Theoretical Approach

Manuela Mece, Dr.

Albanian University/Tirana, Albania

doi: 10.19044/esj.2016.v12n10p340 [URL:http://dx.doi.org/10.19044/esj.2016.v12n10p340](http://dx.doi.org/10.19044/esj.2016.v12n10p340)

Abstract

Employment plays a central role in the social integration of young people. Young people in rural areas are the future of agriculture and other rural industries, but often lack the guidance and support necessary to fully contribute to the development of their communities, thereby fuelling the vicious cycle of rural underdevelopment and poverty. This study aims to gain a better understanding of the youth employment challenges faced in rural areas by bringing together in group discussions with stakeholders (farmers, entrepreneurs in rural areas, associations, etc.). The conclusions from this assignment will feed to a baseline analysis of youth involvement in rural labour market and skills development required and will identify areas where rural development programs can be targeted to increase their contribution to employment creation. This will also suggest formulation of policy recommendations on stimulating new sources of employment, and the conditions for success in stimulating employment in rural areas. The proposed methodology was developed through Desktop Research and direct interviews with focus groups.

Keywords: Youth employment, rural Albania, challenges

Introduction

Issues of employment in general and rural employment in particular are vital to the economic wellbeing of any economy, especially for a developing economy such as the novice market economy of Albania. Employment should be at the forefront of economic policy for countries like Albania that have the reduction poverty on the focus of its sustainable development. Making the youth employment a priority of sustainable development ensures inclusion of a vital part of the labour force that shall be the productive force of tomorrow. Inclusion of youth into the labour force and the labour market increases the utilization of the available labour force as well as increase economic productivity. In the context of Albania, youth

still makes up 25% of the population, and Albania is recognized as having a young population. In addition, almost half of youth resides in rural areas thus their livelihoods and prospective in the labour force is linked to these areas.

Research objectives

This study aims to present an outline of youth employment in rural Albania, exploring current situation, as well as identifying potential challenges. Goals and objectives of the study include:

- Review existing national and international research regarding youth employment, with a particular focus on the rural areas by using and analyzing available statistical data on the magnitude, depth and structure of the rural economy/ employment in Albania.
- Bring together in group discussions with stakeholders (farmers, entrepreneurs in rural areas, associations, etc.) to gain a better understanding of the employment challenges faced in rural areas.
- Suggest formulation of policy recommendations on stimulating new sources of employment, and the conditions for success in stimulating employment in rural areas.

Approach and methodology

The organizing framework for this research is the idea of the ‘opportunity space’, or the ‘spatial and temporal distribution of the universe of more or less viable options that a young person may exploit as she/he attempts to establish an independent life. [The opportunity space of] a situated young person is a function of: global, national and regional factors including institutions, policy and demand; place; and social and cultural norms.’ (Sumberg *et al.* 2012, 5).

The analysis is focused primarily on perceptions or attitudinal data, complemented by profile of the community or place with its key social, economic and political characteristics.

The study also includes attitudinal evidence from urban respondents, of how the opportunity spaces afforded by rural and relevant urban contexts are compared by young people in their assessment of their prospects, and the criteria they consider most vital in drawing those comparisons.

The analysis for this study was conducted against this backdrop of concerns about the prospects for youth unemployment, smallholder agriculture, poverty and livelihoods in rural Albania.

The assumptions on which the research was based were that:

- People’s aspirations are modulated within their ‘opportunity space’, giving rise to expectations that reflect what is possible within their geographical, socioeconomic and policy context, and given their own

qualities and characteristics; people are rational agents, making sense of their own realities in line with their desires and ambitions.

- Recent adjustments to higher food prices over the past half-decade or more is likely to have made small holder food farming relatively more attractive compared to other sectors.
- Young people from rural backgrounds should be drawn more to farming than in the recent past; as part of this, both their own and their parents' aspirations should reflect a relative rise in the status of farming compared to the recent past. However, constraints on access to land and credit may mean this fails to translate into smallholder farming.

The 'opportunity space' in which people find themselves is directly and closely conditioned by group and individual socioeconomic status, levels of economic development, and public policies that support education and skills development among youngsters, and/or invest in particular sectors for an employment boost.

The sites and interviewed participants were not selected specifically because of the scope they offered for comparative analysis across different opportunity spaces with respect to agriculture, but to provide broader bases for comparison across regions. Nearly 50 people participated in the primary data collection by interviewing and/or focus groups, including young people, their parents, and key informants from local actors implementing youth programs.

More specifically the proposed methodology was developed through:

1. Desktop Research: review of researches, policy papers, reports from various sources such as ETF, UN, USAID, World Bank, IFAD, IDS, ILO, ISS, academic literature, government strategies, etc. to identify informality causes in the labour market, dreams and aspirations of youngsters living in rural areas, models of re-entering the labour market through training and in-job formation, strategies, policies, and existing gaps to better understand and identify the issues in this matter.
2. Direct interviews with farmers of different ages from 4 regions, Kukes, Peshkopi, Vlore and Lezhe. Semi structured questions were used in discussions group for the field visits.

Period: 30 October to November 30, 2015. Length of the discussion meetings: 60-90 min.

Theoretical approach: Youth and skills

The need to develop young people's skills for work has become urgent for governments around the world facing the long-term consequences of the financial crises and the challenges posed by increasingly knowledge-based economies.

The key role of skills in fostering prosperity is evident worldwide: countries that have invested wisely in skills training have made considerable progress in equitable development – Republic of Korea in 30 years moved from poor to a wealthy country mainly due to investing in skills development. Such investment could also help to protect countries from the impact of economic downturns and lift large numbers of people out of poverty. While countries require a skilled workforce to thrive, skills do not automatically lead to jobs and growth. Skills development needs to be part of comprehensive integrated strategy for growth that improves the lives of all. However there is no answer to what should come first whether creating jobs or developing skills; both need to be pursued in a coherent, integrated manner.

Many countries are still drawing up natural development plans that pay insufficient attention to the vital role of skills for the development of their economy and society. Planning and provision of skills are often fragmentary and poorly coordinated with labour market demands and national development priorities. Thus fore institutions neglect the need to improve skills of disadvantaged youth living in marginalized communities which is reflected in a lack of attention to developing skills in the informal sector and a failure to include marginalized youth in the planning process.

Usually the most important funders for skills development programs are Governments. But their support becomes most effective when complemented by funding from by the private sector and aid donors. Government and donors should ensure that all young people achieve main skills first and foremost by focusing on good quality education until lower secondary level, and also providing a second chance for those who have already lacked it during their life course. The private sector can play a further role in supporting work-based learning (in the form of internship or apprenticeship) beyond the classroom.

To a large degree, young people's ability to find appropriate jobs for their skills or education depends on the growth of the economy and the distribution of wealth. However, if they miss the right skills young people have less chances to get jobs that pays them enough to live and support a family. The rate of economic growth and the way that benefits of growth are shared is closely connected with skills development.

The actual reality for many countries is economic slowdown, and in this context youth unemployment has increasingly become a global and national policy priority a fact that has sometimes focused attention on the need to develop young people's skills.

The crucial next step is to put effective skills development policies in motion to focus on the needs of the disadvantaged. The interaction between education, skills and growth is not straightforward not least because it can

operate in both directions: a better skilled workforce that can contribute to a country's growth, while growing economies can invest more in education and training. The evidence from developed countries is clear that investing in education and skills pays the dividend.

Even where national strategies do refer to skills development the overarching objective is commonly to improve productivity and growth rather than the employment conditions of the poor.

Additionally, while many skills strategies emphasize the importance of equity, particularly gender equality, as an objective in broader discussions of access to skills development training and employability, few countries set explicit targets.

Most government policies, particularly national development strategies largely view skills development in relation to the demands of formal sector employment. Although many policies encourage entrepreneurial and management skills to promote self-employment, it is not always clear whether such objectives are explicitly targeted at the informal sector so they may not reach disadvantaged young people.

Disadvantages consist of geographic location, social and cultural barriers, fees whether official or unofficial, that disproportionately affect youth from poor families, preventing them from enrolling and continuing with secondary education. If policy measures to remove this obstacles (fees) are not targeted to reach the disadvantaged, they can favour the non-poor.

Given the scale of training required to help disadvantaged young people get work that pays a decent wage, more and better-targeted funding is needed. Decision who pays for each aspect of education and training are complex because of the wide range of skills programs and providers. Governments and donors need to ensure that all young people acquire at least foundation skills, so the first priorities for education spending are early childhood care and education and primary and lower secondary education.

The private sector also has a role to play, particularly as employers are the beneficiaries of a skilled workforce, training funds made up of contributions from industries and aid donors have helped extend skills development to some vulnerable young people, but far more could be done. The private sector can also help fill training gaps by using foundations to finance programs that are beyond the reach of governments and donors. Governments need to take responsibility for coordinating finance from the various sources, including donors and the private sector and ensuring that it is directed at achieving national goals for equitable development through a more coherent approach to tackling the different dimensions of disadvantage.

The situation of Youngsters in Rural Albanian:

As expected, rural areas are tremendously involved in agriculture (Table 1). There is a perceptible lack of other economic activities thus the number of people engaged (formally or informally employed) in non-agricultural activities in rural areas is quite limited, which once again reinforces the idea of lack of economic diversification. The issue at hand is two-fold. On one hand, lack of diverse economic activity and economic opportunity limits the need for skill acquisition or skill diversification. On the other hand, lack of skill in the labour force limits economic activity, resulting in a classical coordination failure. Whereas rural areas are mainly directed towards agriculture, urban areas are mainly directed towards services and industry. Economic activity also shows gender differences and very limited participation of women in other activities besides agriculture. Lack of participation in paid employment and in activities that have higher pays such as industry, where women's participation is quite limited also has repercussions in terms of social security and old age pensions for women. In return, this puts them at higher risk of economic difficulties and dependency.

	AGRICULTURE + FISHING	INDUSTRY			SERVICES		Total Employment
	Agriculture	Manufacturing	Construction	Mining and quarrying & Electricity, Gas and Water supply	Market Services	Non-market Services	
Total Albania	529,573	71,509	92,612	20,563	231,932	170,222	1,116,410
Male	242,811	40,279	85,924	15,408	153,567	88,165	626,152
Female	286,761	31,230	6,688	5,155	78,365	82,057	490,257
Total Urban	37,587	54,624	58,182	12,942	176,002	135,554	474,892
Male	18,251	28,196	51,806	8,824	110,863	65,840	283,781
Female	19,336	26,428	6,377	4,118	65,139	69,714	191,111
Total Rural	491,986	16,885	34,429	7,620	55,930	34,668	641,518
Male	224,560	12,083	34,118	6,583	42,703	22,324	342,372
Female	267,426	4,802	312	1,037	13,226	12,344	299,146

Table 1: Economic Activity by Sex in Rural Areas Source: INSTAT; 2012 LFS

Furthermore, the labour force in rural areas heavily relies on farm work (Figure 1). The majority of workers in rural areas are farm worker. The number of non-farm workers is quite low in rural areas. This goes to show that economic activity lacks diversification in these areas and there is need for increased rural non-farm activities. Heavy reliance in farm work may also impede demand for education and human capital accumulation, which on the other hand may reinforce activities in farm work. As a result, the need for rural non-farm activity arises, both as a way of risk diversification and demand for different skills.

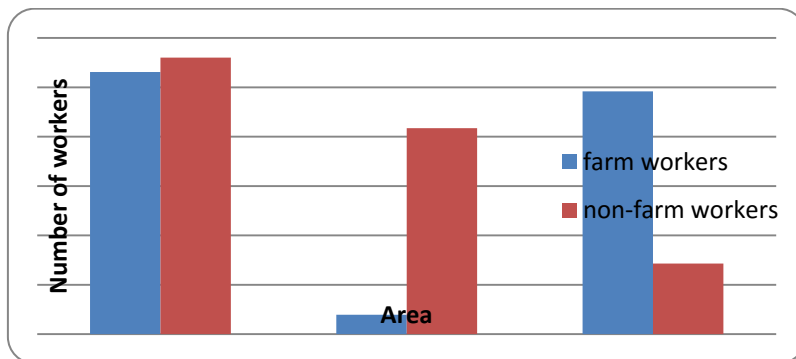


Figure 1: Farm/Non-farm workers by area Source: INSTAT; 2012 LFS

Although male and female farm workers are quite comparable in number in the rural areas (224,639 male and 267,098 female), there is large difference between men and women in terms of non-farm labour in the rural areas (Figure 2). These differences are indicative of lack of economic opportunities for women (even more than for rural population in general), therefore continuously trapping them into unpaid labour. Consequently they limit women’s opportunities for advancement and channelling into paid labour as well as the potential of the labour force for the rural areas. Lack of economic opportunities of women in rural areas affects social and economic development.

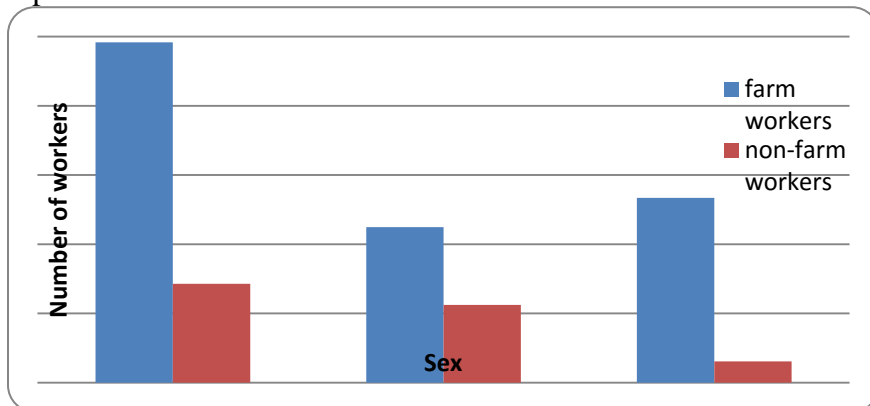


Figure 2: Farm/Non-farm workers by sex rural areas Source: INSTAT; 2012 LFS

Youth has the most vulnerable position in the labour market not solely in Albania, but also elsewhere in the world. In the aftermath of the financial crisis, youth employment rate are quite low and unemployment rates are quite high in the European Union. Likewise, compared to other groups of the population, youth in Albania also have the highest unemployment rates, and lowest labour force participation and unemployment rates. For reasons explained throughout the report, we proceed immediately with youth labour market indicators in the rural areas.

Youth labour force participation in rural areas seems more volatile than the national average. In the five year period between 2007 and 2012, youth labour force participation has decreased between 2007 and 2008, increased between 2008 and 2009, decreased again between 2009 and 2010, increased between 2010 and 2011, and decreased between 2011 and 2012 to lower levels than 2007. Youth labour force participation in 2012 is 58.0% featuring young female labour force participation consistently lower than male. This may in part be due to the fact that both have experienced a decline in employment between 2011 and 2012 as has the national average.

Findings from the interviews

Opinions about the aspirations of young people and attitudes toward farming were collected using focus group discussion and interview checklist topics covering the following issues:

1. Views on the work prospects of young people in the communities
 - i. What do young people & their parents think about their work prospects?
 - ii. What are the risks and opportunities associated with different options and choices?
2. Present day occupations
 - i. What work are young people taking up these days?
 - ii. How does it differ from their parents'? Why?
3. Reliability of farming
 - i. How reliable is farming / agriculture / agrifood work?
 - ii. What other factors are shaping people's aspirations, and in turn their expectations?
4. Policies and agriculture

Many young Albanians would like to flee from their country. This is not because they don't love their country, but because they see no employment (and livelihood) perspective. The economic development of the country seems more as a residual rather than prosperous, although many domestic and foreign experts, donors and others are trying over 20 past years to present a sustainable economic development model.

Opinions gathered from focus groups varied to a great deal from the dominant activity of the community, the size of the population, migrating trends in the last 20 years, vicinity with markets, the agriculture land conditions (legal and physical), the importance of the crop planted by farmers, knowledge for managing the farm and so on.

Farmers in Diber presented the agriculture work as a second option for their young children whereas their education was highlighted as a priority. The vicinity of the University (in Peshkopia) may satisfy this aspiration pronounced by parents and children at the same importance.

The last 3-4 years farmers have seen a more intrinsic value of their agriculture produce due to bigger investments, a more structured marketing offer and some agro processing businesses established in the region. These developments have enlarged the role of agriculture in people's livelihoods and triggered their interest. This is doubled with the lack of employment opportunities in the region and the descending trend of seasonal migration to Macedonia.

However, people in Diber have traditionally shown a great interest in education and this trend continues to dominate the aspiration of parents.

Farmers in Kukes considered their children's education a way out of survival mode – living in rural Kukes. This region has experienced a massive migration movements towards EU countries and the trend is overlooking people's dreams. Kukes has had also a branch of Tirana University which was shut down once the new government took office in 2013 as per reform in education quality. Having the university close to their living place was a potential combination of gaining a degree (back up for escaping from the village and maybe the country) but also working and getting an interest in agriculture that similarly (but in smaller pace) to Diber was experiencing a rise in diversity, product quality and market offer. Almost no one wants his child to have "only" one skill - though he/she would have better chances for employment. The one that can financially afford to send his children to college does so. Otherwise, the parent considers himself a failure, after leaving his child in poverty. The only losers are those who haven't got a university degree, despite the low value that it has. Often these are young people from rural areas or in general young people from the poorest strata. Farmers in Vlore (all women) were involved mainly with of land activities. This background shaped their opinion for their children aspiration –leaving the village at any cost. They expressed their inability in imposing their choice for children's future. In fact youngsters of this region (Vlore) behave more under peer pressure than family trend.

That said, successful rural businesses established by returned migrants can be a motivating exemplary for youngsters. Women farmers were counting on that.

Conclusion

Government institutions in Albania which play an important role in the functioning, regulation and development of the rural areas should orient their support to the rural labour market as an important mechanism for the allocation of labour, resources and income generation in both demand and supply forces across the various economic activities in the country.

Given the high percentage of rural people in subsistence farming and their high involvement in unpaid labour or inactivity, statistical measures

need to be revisited as to capture what they are supposed to capture. There is confusion on what basic labour market indicators are capturing, which also makes comparisons very difficult between urban and rural areas or districts. Consequently labour market statistics need to be revisited or alternative measures such as underemployment should be provided to capture the reality of the situation in rural areas.

There is a pronounced low rate of labour force participation and employment for rural youth and this group is in a particularly vulnerable position in the labour market. Several institutions and government agencies should disclose their political stance and measures to channel rural youth into skills acquiring, opportunities for start ups enhancement and vocational training offer in growing sectors or rural non-farm, or non-farm activities. Early provision of training and skill acquisition may be a first step into moving youth away from unpaid farm work. A clear strategy or rural development and employment provision for rural areas is needed in order to direct youth towards growing activities that require or will require work force in the future.

Public policies, disseminated by the local level as well, can improve the attitude of young people toward small holder farming and/or the wider agro-food system by offering solutions through PPP models.

Agriculture is and will remain the predominant activity in rural areas but their (agriculture businesses) formal involvement in the agriculture industry is far behind. Regardless its positive trend of growing this industry is organized mostly in the form of a small scale mainly for family farming. This fact among other prerequisites has caused a limited economic diversity in rural areas. The substantial reliance of rural areas in family farming and predominantly land based activities may not sustain economic growth or development in rural areas for the future. The agriculture will continue its steady growth, despite the declining share in the economy and its still-low level of productivity reacting to the local and some international demand. From this perspective agriculture will continue to provide moderate potential for new jobs with its underlying challenge to upgrade the existing activities. However, in order to support rural non-farm activities, which may foster rural employment in a better skills enhanced status, and also serve strategic needs of country's development more efforts are required by government and international actors.

Following the above logic of development Albania should support the transformation of the agricultural sector into a competitive sector of the economy, aiming to achieve by 2020 productivity levels similar with the other recent members of the European Union.

As per employment opportunities for rural youth the National Employment Service, as the main governmental agency in charge with

employment services in the country, currently does not provide its full services in the rural areas of Albania. Agriculture and other businesses operating in the rural areas find it difficult to hire local workers capable of matching the skills required for their jobs while the labour market appears to not include adequate mechanisms for job information dissemination. NES, but not only needs to address the pressure of businesses for more qualified workforce in the rural areas, which are some how deprived from VET services, currently provided almost exclusively in the urban areas of the country. International actors along with government institutions can assist initiatives to identify the most effective way to provide vocational training and education for rural people particularly for rural youth. An important task of these initiatives should be the skills match with business needs not only for the very present rural activities.

References:

Who Wants to Farm? Youth Aspirations, Opportunities and Rising Food Prices – Levy, J. Hossain, N. March 2014, IDS WORKING PAPER Volume 2014 No 439

Gender Sensitivity Report on Skills Gap in the Agro-processing, ICT and Tourism Sectors in Albania – Mece, M. Bashllari, A. Nano, D. <http://risialbania.al/work/gender-sensitivity-report-on-skills-gap-in-the-agro-processing-ict-and-tourism-sectors-in-albania/> *Policies and Programmes for older persons in Albania* WBReport of a Fact-Finding Mission October 2011

Pension System in Albania http://www.sociale.gov.al/files/news_files/Dokumenti_i_Pensioneve_Ang *Labour Market Study* - Miluka, J. RisiAlbania - Project Document 2013 – 2017, Annex 8;

Rural Labour Market - Miluka, J. Ciko, I UNDP – Project Document 2013
Gender position Paper - Dolly Wittberger, RisiAlbania - Project Document 2013 – 2017, Annex 5;

National Study on Rural Labor Market - Ref: UNDP/Addressing Social Inclusion through Vocational Education and Training, ILO, Ministry of Social Welfare and Youth;

Strategy of Rural Development 2014 – 2020, Ministry of Agriculture;

Draft Programi i Zhvillimit Rural 2011-2013, Në kuadër të Instrumentit të Ndihmës Para-Hyrës (IPA), Ministry of Agriculture;

ICT Skills-Gap Analysis, Kosovo, November 2013;

Sector Skills Needs Analysis in Albania, 2012- Rama, L. Matja, R.;

Baseline Survey of Public VET Providers in Albania, 2014- GIZ, ETF;

Travel & Tourism Economic Impact 2014 Albania – World Travel and Tourism Council

Feasibility Study Expansion of Post-Secondary Vocational Education and Training in Albania - Werner Heitmann, ILO, EU IPA 2010 project;
Law Nr.8872, Dated 29.3.2002 for Vocational Education and Training in the Republic of Albania;
Decision of Council of Ministers nr. 565 date 27.6.2013for MES Quota at the Universities 2013-2014;
Decision of Council of Ministers nr. 744, date 5.9.2013 for Quota for Professional Master and Master of Sciences at the Universities 2013-2014;
Policy Transfer or Policy Learning: Interactions Between International and National Skills Development Approaches For Policy Making the Case of Albania – Sidita Dibra, Shyqyri Llaci & Jorida Tabaku, Faculty of Economy, University of Tirana;
Skills and Tools to the Cultural Heritage and Cultural Tourism Management -Network for Post Graduate Masters in Cultural Heritage and Tourism Management in Balkan Countries (CHTMBAL);
Introduction of the new ILO Labor Statistics Standards: Implications for the New Jobs and Skills Strategy 2014-2020 - ILO, EU IPA 2010 project;
Employment and Skills Strategy 2014-2020 - Ministry of Social Welfare and Youth;
Plani i Aksionit për Punësimin e të Rinjve 2010-2013 – ILO;
Mapping of VET educational policies and practices for social inclusion and social cohesion in the Western Balkans, Turkey and Israel. Country report: Albania– ETF;
Understanding and analyzing vocational education and training systems – An introduction – e+i, SDC;