

What can the Albanian government do to effectively combat youth unemployment?

Arlinda Ymeraj

EUROPEAN UNIVERSITY OF TIRANA

arlinda.ymeraj@uet.edu.al

Abstract

Youth unemployment in Albania continues to be critical, despite improvements during the last years. According to INSTAT (INSTAT, 2021) youth unemployment in December 2020 was 21.7%, 0.3 % higher than a years ago. Young graduates are the ones who suffer the highest levels of unemployment. The same report, while analyzing the unemployment rate by educational level, showed that about 14.4% of young people with secondary education and 12.3% of young people with higher education, are unemployed¹.

The more progress advances, the more its contradictions are identified. Economic growth produces wealth, but it fails to secure jobs to everyone. By far, free market economy enhances a variety of unlimited opportunities, but it leads to hardships and inequalities, as well. The un-finished debate on “globalization” and its impact on markets, seems to hide the changes that have occurred on social relations sphere, which affect the people’s social welfare.

The generation of 21st Century is challenged by a new social conflict. Whilst in the yesterday’s era, the conflict was between those below and above the threshold of income, in the present society, the conflict is “from outside to inside”, in other words, the conflict between inclusion and exclusion.

In the today society, especially after Covid, youth unemployment appears a global challenge. Access to jobs can bolster self-esteem and produce benefits for societies beyond incomes.

¹ INSTAT, Anketa tremujore e forcave të punës, March 2021.

Programs that support employment for at-risk populations, including youth, can consider the ways in which jobs affect peoples' attitudes, values, and behaviors and contribute to improved relations between groups. Arguably, in countries with high youth unemployment, like Albania, targeted training programs as well as empowerment of entrepreneurship through financial incentives, have the potential to be designed to strengthen self-esteem, which can lead to greater community involvement and reduced inequality and exclusion.

The paper "What can the Albanian government do to effectively combat youth unemployment" advances the argument of effectiveness of employment policies, which must support initiatives that originate from young people themselves. The best entrepreneurship practices from Shkodra and Vlora, two important regions of Albania are elaborated in depth to provide necessary evidence, thanks to a research, supported by OSCE mission in Albania, Extra Budgetary project "Promoting regional inter-municipal co-operation and dialogue for self-employment of women and youth".

The paper is composed of four sections in addition to introduction and conclusions. Section 1 explores in depth features of local employment policies and their impact on socio and economic performance of Shkodra and Vlora. Section 2 describes the methodology of the assessment. Section 3 analyses in depth best practices, while section 4 emphasizes key findings, which provides inputs to comparative analysis, as a basis for the identification of conclusions. Of value is the view point of entrepreneurs from Shkodra and Vlora counties, man and women, who in extremely difficult conditions work hard and produce values for themselves and the entire communities, proving that it is possible to build a future anywhere in Albania, no matter of circumstances.

Key words: *unemployment, youth unemployment, social responsibility, active labour market policies.*

Introduction

Shkoder County (Qarku I Shkodres) is a county in north-western Albania, with the capital in Shkoder. The county spans 3,562 square kilometres and had a population of 197,177 people as of 2021, January², which has decreased constantly during the last five years. The county borders on the counties of Lezhe, Kukes and the country of Montenegro. The county consists of 5 municipalities, including Fushe-Arrez, Malesi e Madhe, Puke, Shkoder and Vau i Dejes.

In the contrary, Vlora County (Qarku I Vlores) is a southwestern administrative unit which spans 2,706 square kilometres and had a population of 187,675

² National Institute of Statistics, <http://www.instat.gov.al/al/temat/treguesit-demografik%C3%AB-dhe-social%C3%AB/popullsia/#tab2>

inhabitants in the same period³, slightly higher than five years ago. The county consists of 7 municipalities including Selenice, Himare, Delvine, Sarande, Ksamil, Konispol and Vlore, which is the centre of the region.

Both regions own sufficient natural resources, land and assets to develop different types of economic activities. While Shkodra region poses resources to develop mainly agriculture, Vlora region can successfully invest into fishing and its related industries. Despite the tradition, wealth of natural resources as well as human capacities, both target regions struggle against high poverty rates. Poverty and disparities are spread in the two regions with 13 to 14 percent⁴ of population in Shkodra and Vlora who live in a dire reality due to material poverty, deprivation and social exclusion.

Rate of unemployment in Shkodra and Vlora is extremely high, especially in Vlora (28 percent or twice as high as the average level)⁵. Across the last decade, the profile of unemployed people has dramatically changed, especially in Shkodra. The proportion of 45+ unemployed almost tripled in 2019 compared to 2006⁶.

While unemployment profile by age group in Shkodra and Vlora in 2019 follows the national trend, unlikely youth unemployment is higher than the national rate, respectively by almost 30 percent in Vlora and 25 percent in Shkodra⁷ Long term unemployment is also critical in both districts. In addition, almost 50 percent of unemployed people in both districts face difficulties to access employment services due to the lack of education (50 percent of them have finished compulsory education).

The analysis of the data presented here clearly bring evidence on scarce economic opportunities that challenge everyday life of citizens, no matter of their place of residence. Limited labour market opportunities on one hand, lack of appropriate professional education on the other hand impede unemployed people, especially the discouraged ones to get a job and afford a decent standard of life. In addition, neither employment services nor municipalities can invest to encourage self-employment and entrepreneurship, especially among young people, whilst local government lacks capacities, knowledge and resources to exercise its “duty-bearers” functions

Section 1: Employment promotion policies and their results

The Employment Promotion Law of the Republic of Albania (Law Nr. 7995 of 20.9.1995, as amended in 1999, 2002 and 2006) mandates the National

³ Ibid.

⁴ INSTAT, Living Standard Measurement Survey, 2011

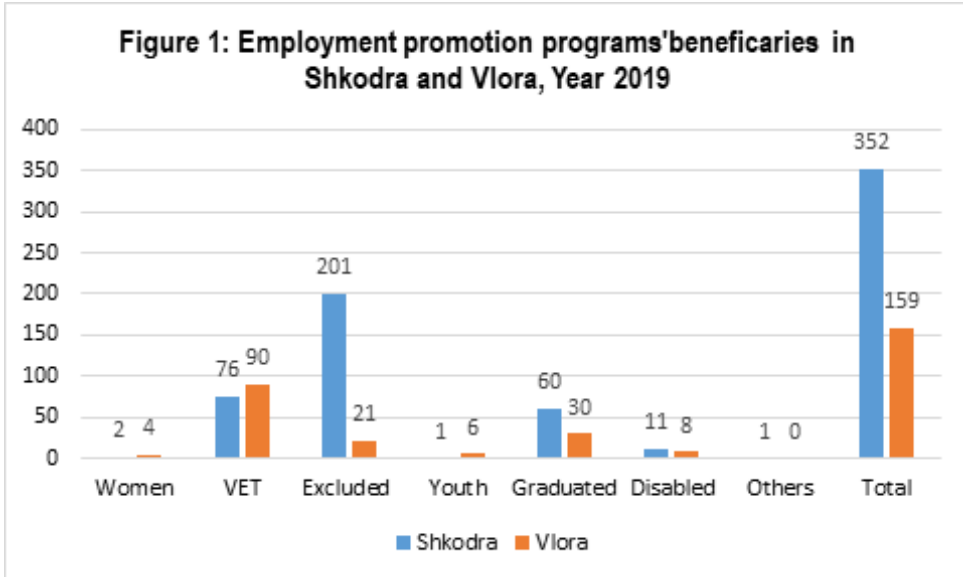
⁵ Ibid.

⁶ Labour Market Bulletin (2019), National Employment Service.

⁷ Ibid.

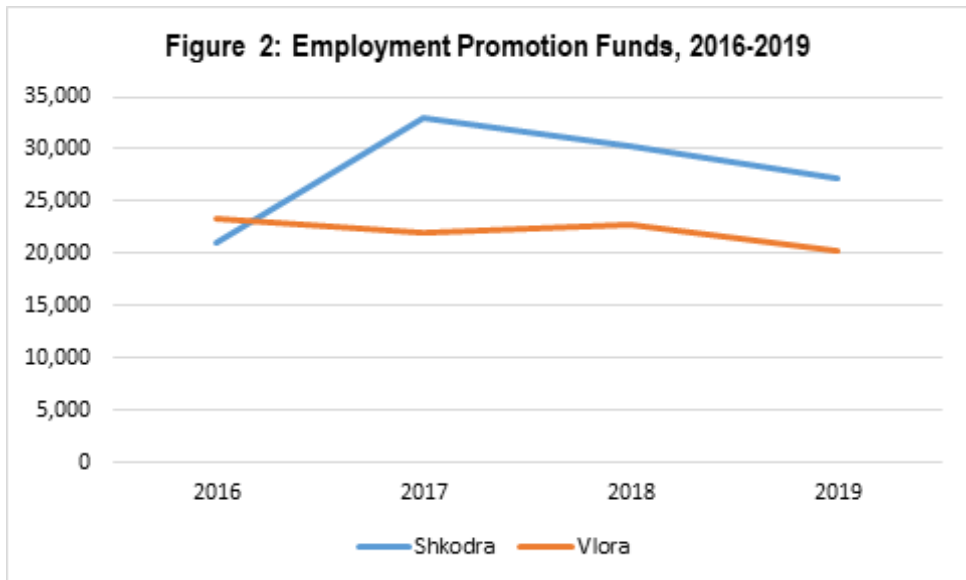
Employment Service to implement employment promotion programmes aimed at promoting sustainable employment of unemployed persons. 6 employment promotion programmes to date are under implementation.

According to the data from Employment offices in Shkodra and Vlora, the beneficiaries of the existing employment promotion programs (figure 1) are mainly those from excluded groups like poor people or Roma, those who try to increase their professional skills through on the job training and young people who are recently graduated.



Source: Administrative data of Employment Office in Shkodra and Vlora, April 2020

The main financial source for the support of employment promotion fund is the National Employment Service through Central Public budget. As figure 2 shows, funds in Vlora has remained almost the same, while funds in Shkodra peaked in 2017 and later dropped although not at the level of 2016.



Source: Administrative data of Employment Office in Shkodra and Vlora, April 2020

It is noticed that there is no any financial incentive to encourage entrepreneurship or self-employment neither in Vlora nor in Shkodra. Although Employment Offices provides some support to business and entrepreneurship development, this support is limited to the coverage of some labour cost for a limited period.

In fully compatibility with the law on the “Promotion of Employment” as well as on the “The National Employment and Skills Strategy 2014-2020”, professional education is also reinforced, demonstrated by the high number of courses and client’s demand. Although traditional vocational and professional courses like foreign languages, programming, electrical maintenance and toursim are still among the most requested, new courses are also available like Business development and managemet, agriculture development, farm management etc. All courses are offered free of charge, while the accomplishment of educational obligations is officially certified.

Funds are secured by the National Employment Service. The number of requests is higher than the center’s capacities. Centres are equipped with modern and appropriate infrastructure to ensure the provision of updated and comprehensive professional education.

Besides National Employment Service, neither Municipality nor Civil Society have capacities to deal with unemployment. Although municipality, within the context of Territory reform exercises more competences, especially in poverty and unemployment reduction, the lack of funds and professional capacities impede municipality to exercise them.

Vlora region has also missed donors support regarding Employment promotion projects, while in Shkodra, UNDP in collaboration with National Employment Service has supported the project “Essere”, 2016–2018 through a fund of 4 million euro. This project, despite its importance, does not address employment promotion policies. It aims to economically empower Roma and Egyptians, to promote their social inclusion.

Nevertheless, people in Vlora and Shkora, no matter of their age or professional background, try hard and undertake risks in order to initiate and establish sustainable economic activities. Some of the most pertinent best experiences are elaborated in depth in Section 3.

Employment and self-employment policies in rural areas are harmonized with the capacity building of farmers to encourage agricultural development in the country. The public support schemes every year reach with information up to 20% of the farmers and agribusinesses⁸.

Data from various surveys show that in Albania there is a reduction of the skills of the agricultural labour force due to ageing, migration and lack of opportunities for education and training of new entrants. Only 3% of the farm holders have university education and 37% have upper secondary or tertiary education, while the remaining 63% have lower secondary⁹, primary or no education. About one-third of the farm holders have agricultural education background. These are likely to be the older farmers, who have accomplished agricultural vocational high schools in the past.

The farming is labour intensive, with low levels of technological advancement. A high share of farms has obsolete mechanisation, inadequate agricultural buildings and storage facilities. The low capital intensity of production is resulting in low productivity, relatively high production costs, low quality, losses and low profitability.

Unemployment and low incomes to actual poverty levels are characteristic features of the rural mountainous areas of Albania. Farmers are struggling with accessing markets, fierce competition and growing demands for quality. In response to such situation, the Ministry of Agriculture, Rural Development and Water Administration (MARDWA) has prepared a Cross- Sector Strategy for Agriculture and Rural Development (ISARD) targeted at supporting sustainable and inclusive growth. The German Government and the Danish Government are supporting the Albanian Government with implementing this Strategy.

Joint German-Danish project for support to agriculture and rural economic development in disadvantaged mountainous areas (SARED), which is implemented in 2014–2018 period aims at development of value chains in six rural mountain regions: Shkodra, Kukes, Dibër, Korce, Berat and Elbasan. It addresses the four

⁸ GIZ Evaluation report, 2018.

⁹ Ministry of Agriculture and Rural development, 2018

most important value chains in these regions, namely small livestock, fruit trees and nuts, medicinal and aromatic plants, and rural tourism. Project activities include technical assistance for strengthening of the selected value chains and support for on-farm and off-farm diversification of economic activities, promotion of public private dialogue and investment support. Total budget of the project is EUR 13.6 million, of which EUR 6.5 million investment facility.

“From the field to the table” is the overarching approach of the SARED programme, jointly implemented by MARDWA and the “Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)” on behalf of the German Government, and co-funded by the Danish government. Numerous studies describe the underutilised agricultural resources, especially in the mountainous regions of Albania. At present farmers’ production is to a large extent subsistence-oriented, because of missing well-structured value chains that would enable their access to markets. SARED (01.06.2014 – 31.05.2018) supports the development of four of the most important value chains in the rural mountainous areas, namely Small livestock, Fruit trees and nuts, Medicinal and aromatic plants and Rural tourism.

According to Shkodra Extension Service, farmers receive support of different types, notably:

- a. Full financing without payment of individual project presented by farmers,
- b. Partial financing without payment of individual projects presented by farmers,
- c. Initial investments financing,
- d. Counselling,
- e. Professional capacity building of farmers.

Unfortunately, such project has not yet implemented in Vlora region. Despite that, the ATTC in Vlora supports through modest financial support as well as counselling and capacity building farmers. Of attention is the cooperation with farmers to help them obtain interest loans. Over years, farmers of different type have been supported by the state programs.

There is an overall intention to support farmers in all the regions of Albania due to the importance that this sector has for the country. Like in urban areas, there are success stories even in the rural economy. Some of the most pertinent best experiences are further elaborated in Section 4.

Apart from legislation, programs and projects, existing data on the rate of unemployment and other related information reveal the following as the most critical issues that hamper the success of programs aimed at employment promotion and entrepreneurship in rural areas. Despite the government’s attention to the reduction of unemployment, in urban and rural areas, it remains a critical problem.

While “unemployment” is strongly addressed in the core National Strategies like NSDI, Economic and Business development and ISARD, Local Government very rarely is an active stakeholder. On the other side, although Territory Reform transfer more functions at local level, this is not associated with the financial decentralization of revenues at local level. The lack of harmonization and cooperation at local level negatively affect the effectiveness of programs. Very often, there are double standard positions and feedback regarding the role of municipality. Most likely, it is fuelled by political contradictions and different lobbying interests, which play a considerable role, in such a critical battle like “Unemployment”.

Section 2: Methodology

The method employed is a combination of systematic and meticulous desk review of all available documents (primary sources) and a set of face to face interviews (secondary sources). Face to face interviews are developed with four stakeholders’ groups, respectively with public Officials in charge of Employment and Business Development Policies and Programs, in charge of Agriculture and Rural Development Policies and Programs, in charge of Donor’s fund aimed at the economic and agriculture development of Shkodra and Vlora and Private Business/Entrepreneurs/Farmers in Shkodra and Vlora.

The overarching approach is developed alongside the analysis at donors level, municipality and household levels. The last level of analysis served to map “good practices” and identifying their strengths, weaknesses as well as market risks and opportunities, to finally extract common areas of interest and cross cutting strategies, leading to shared lessons learned.

Section 3: Comparative analysis of best practices

In this section, some of the most successful experiences of urban and rural economy in Shkodra and Vlora are described, while entrepreneurs’ challenges are analysed in depth to design comparative findings as well as drawn conclusions.

3.1. Agricultural and Livestock “Veçëku Farm” is established by Hasanaj family and is managed by Gjovalin Hasanaj, the oldest son of the family. The farm started as a small family business in 2009, while in 2013 it was officially registered into the National Business Center. The farm is in the village of Hot, the municipality of Malesi e Madhe. The main activity of the farm is based on the collection of milk from other surrounding villages such as, Rapshe, Tamare,

Bajze, etc and the production of different types of cheese and other types of dairy products, which are distributed in Shkodra, Tirana and other cities' markets. The farm's manager is also involved into the marketing and selling of the products. The farm occupies the family's land of about 2000 m², whilst only the dwelling is 250 m². The farm collects about 800 litres of sheep and cow milk per day from about 40 small farmers. Although there are no authentic big farms, the collection from small farmers is firmly based on all quality standards.

With an initial investment of €35,000 partially covered by family savings of €20,000 and partially from a project, supported by Dutch association, PUM, the investment into technology (water furniture), purchasing of some basic equipment and capacity building of staff were covered. Family savings were used to cover operational cost of farm functioning. The farm has obtained moderated support from other donor-based projects thanks to the submission of well-developed business plans. Around 50% of total investments across years has been supported by donors-based projects.

Fixed cost of production is calculated at about €7,500–8,000 per year, while variable cost depends on the quantity of the milk collected. However, the farm ensures net profits of €0,8 per one unit of production or €64 per day (the farm produces on average 80 kg of dairy productions). On average, annual net profits are calculated at € 20,000. They are mainly used to further extend the production, to ensure the maintenance of quality standards, for marketing, networking and capacity building of suppliers.

Dairy products are sold in Tirana and Shkodra restaurants (50%), touristic places of North and North east (30%) and the rest, locally. With the construction of the roads, Malesia e Madhe and the surrounding areas attract the attention of visitors, Albanians and foreigners alike, whose number has increased during the last five years. The farm has long term contracts with some luxury restaurants in Tirana, which are furnished every week with fresh dairy products.

The farm produces white goat cheese, cottage cheese, butter and five types of yellow cheese (each of them is prepared with different types of species, notably nuts, blueberries, sesame, sage and spicy). The competitive advantage of the farm stands on the quality of the yellow cheese, which is particular and not yet usual in the country. The farm produces 80 kg dairy products per day. In addition:

- 4 family members are engaged in full time basis and 1 seasonal employee.
- 40 families are financially supported into a sustainable way.
- Sustainable way of community development. “Veleçiku farm” has clear expansion strategies, which will impact on the increase of the number of employees in farm and will encourage the suppliers to multiply the number of livestock, therefore affecting directly the increase of local revenues.

- A modest quantity of cheese is exported in Holland.
- “Veleşiku mark” is promoted into European fair of Cheese in Holland.

3.2. Cultivation and selling of medicinal plants, Pjetroschan is established by Gjovalin Popaj in 2012, in Malësi e madhe/VERLIN. The farmer initially was mainly occupied with planting/production of medicinal plants such as sage, oregano, helichrysum, also called by locals “mak” or “curry plant”. The farmer owns 300 acres of land as property and 400 other acres of land in use.

Later, a joint venture with an Albanian American company was established, to build a distillation factory, to further elaborate helichrysum plant, whose market demand is very high for the time being. While the farmer has provided 300 acres of land free of charge to the investment company, the company is taking care of capital investment and technology. Helichrysum serves as a primarily raw material for skin beauty products. .

300 acres of land are used to build a business thanks to the initial investment of Euro 580,000 as well as the annual operational cost of Euro114,000. The net profit depends on the plant. Sage initially was very profitable, but in the last 2-3 years the price has decreased almost to the production cost. In addition, sage requires special drying processes, therefore there is an additional cost of drying. This is the reason why many farmers shifted to other plants. For the time being helichrysum is on high demand. The farmer has signed a 7-year contract for this plant. The selling price is All 150 per 1 kilo of fresh plant. They are harvested by harvesting machines. There is no operational cost because there is no drying cost, it is used fresh. The net profit for 1 hectare seem to be at €3,700. The “Pjetroschan Farm” is composed of 400 acres or 40 hectares planted with this plant, with a net profit of €148,000.

The farmer has obtained some modest financial support from AZHBR and SARED, however they support a limited list of medicinal plants. “Pjetroschan Farm” has been the biggest supplier of medicinal plants in Albania.

In short time, the farm achieved:

- A new and valuable entrepreneurship idea is developed, with strong potentials to build a value chain, perhaps an industry.
- Natural resources are used properly.
- 30 to 40 almost permanent employees are employed, with the average salary of €12 per working day.
- Good opportunity to impact on community development.

3.3. Lujz Group Cooperative is established by Xheladin Zekaj in 2010, in Malësi e madhe/Upper Koplik, thanks to 25 families that have joined their land, capital and

working equipment, to cultivate Medicinal Plants. The group uses 150 hectares to cultivate Medicinal Plants such as Lavender, Sage, Thyme, Helichrysum (recently), laurel, oregano, and try to market some wild plants, but cultivated plants are preferred the most.

Due to the high number of cultivators, that have joined land and their forces, the group enjoys competitive advantage of price as well as of quality. In addition, the group has the biggest market share due to the considerable quantity of the products the group can deliver. The group manages to sell with a price of €1,5 to 2 higher than individual cultivators. The joint investment has allowed to create a collection centre for the medicinal plants as well as a drying centre, which was created as a pilot project. The drying centre is composed of silos, with a surface of around 700m², which has an initial high cost, about €2 - €2,5. The drying area is greatly expanded because there are about 150 drying racks that create very good drying conditions, for large amounts of plants, while the quality of drying is also very good.

The drying process is important and specific. The medicinal plants are harvested twice a year, in summer and autumn. Even those harvested in summer must be carefully dried. The ones harvested in autumn must imperatively be well dried. Drying affects the quality of the plant.

The strongest advantage of the group is the ability to dictate the price in the market due to the high quantity of production of a good quality, supported by the size of land.

Despite the group's efforts, the group has not yet been able to sell directly, only through intermediary companies. The group is thinking to shift to Helichrysum, which is highly demanded. It is assessed that 1 hectare ensures net profit of about 5 to 6 thousand dollars. However, the group is not yet decided because the increase of supply may force the market prices to decrease. Nevertheless, the group has managed to:

- Develop a new and valuable entrepreneurship idea is developed, based on “shared capital, labour land” (cooperative).
- Natural resources are used properly.
- 25 families are fully engaged into the activity, meaning 60 to 100 self-employed as well as 30 or 40 seasonal workers, who are paid 1500 All per day.
- The main and sometimes the only business opportunity of the area.

3.4. ShBB Reç initiates in 2004 as a small business, while in 2013, the cooperative was established, thanks to the decision of 7 families to join land, labour and capital. ShBB is located 25 km past Shkoder in the direction of Razem. Prek Gjeloši,

one of the founders of ShBB accepted the interview invitation and provided the following information.

There is no one single main activity of ShBB. It is engaged into Cultivation and collection of chestnuts, medicinal plants as well as farming. Whilst for the first two activities ShBB acts as an intermediary channel only for planting and selling, the last activity, farming, which produces dairy products, is the primary business activity.

Village of Reç, with 400 hectares of land produces 400 to 600 tons of Chestnut per year. 90 percent is exported to Italy by ShBB cooperative. In the ShBB territory, there are produced about 300tons of medicinal plants. This quantity, together with production from other individual producers, is collected in the warehouse. Based on the contracts with exporters of medicinal plants, medicinal plants are exported.

ShBB collects milk from 130 families, process it and sell dairy products like cow and goat cheese, yogurt, buttermilk, cottage cheese, yellow traditional cheese, mainly in Albania (Shkoder, Tirana, Malesi) and Kosovo. It has been 4 years since ShBB established a contract with a company in Pristina “Viva Fresh” to supply goat cheese. ShBB exports also goat milk.

ShBB produces cow cheese 200 to 250 quintals, goat cheese 35 tons, yellow cow cheese 10 tons. Sometimes SHBB has cooperated with foreign organisations such as Oxfam, VIS Albania. Pro/Mali on the basis of 50 % with 50 %. ShBB represents:

- An old model of labour organization and division(cooperative), however effectively used within the context of new business relationships.
- From a financial point of view ShBB activities are not of high value. Net profits per unit of investment from Chestnuts export is 0,2 euro per kg; Almost the same is the profit from Medicinal plants. Even milk sub products are not very profitable because there are many producers, the cost, quality must be maintained, and the market price is low, purchasing power low. However, the crucial benefit of these activities is employment.
- Chestnuts business occupies 50 people for 2 months and medicinal plants occupies 25 employees for 8 months. There are 10 full time employees, engaged in the production of dairy.
- ShBB is a vital activity for Rec, which has 450 inhabitants or 100 families who are all involved in the above activities.

Competitive advantage of ShBB stands on the organization of “mixed business activities”, which complement each other by reducing operational costs.

3.5.Fish stock business is established in 2012 by Armando Hysaj in Tamare, Kelmend, in Km 3 on the road Tamare-Vermosh. Production and commerce of the

Trout fish comprises the main business activity. Some other supporting activities are also planned to be set up, such as a restaurant and a guesthouse to establish a value chain business of an agricultural structure.

Land area used to develop the business is about 1000m². The farm cultivates about 200 quintals of trout and about 200.000 units of fish seed for commerce. The setting up of the “Fish Stock” lasted about 6 years with a total cost of around All 30,000 thousand or Euro 250,000. The initial investment was partially supported by bank loans and partially by loans with low interest rates from relatives. The majority of the products is sold in Malesia e Madhe and the fish market in Shkoder.

The company has achieved:

- The quantity of production is about 200 quintals per year.
- Gros revenues per one kilo are about €3 or € 66,000 annually.
- 3 people employed on a full- time basis
- Directly or indirectly there are a lot of businesses or individuals that are positively affected by “Fish stocks” farm such as different suppliers or customers (guesthouses, restaurants, retail merchants etc.
- The psychological effect on the community, where the farm is located, is the added value of such type of local business. It serves as a good example to encourage the others to try business entrepreneurship.

The company is strongly based on:

- Competitive advantage: Low cost of production. Low operational cost.
- Business strategy: Strong willingness to undertake business risks.
- Selling strategy: Low transaction costs due to the short distance of the markets.
- Marketing strategy: No particular investment into marketing, although the products are preferred due to the quality and the low cost.

3.6. AlMarina is established in 2015, in Vlora Bay, Orikum. Originally, the business started in 2005, but due to different reasons, business could not develop. The same business idea was re-vitalized by a group of businessmen, attracted by the potentials of “Water-Culture”, who agreed to establish AlMarina. In 2016, AlMarina started an impressive cooperation with an Italian Investment, who carried out powerful investments in technology as well as on the adoption of international quality standards.

The core business of the company is the “production of perch and wrasse fish to supply European supermarkets”. AlMarina is investing hard to establish a well - known brand. The company has obtained all quality standards certifications. So

far, there have not been contestations on the quality of the products, supplied in Italian as well as other EU member states' markets.

Despite the high competition of well-known Greek, Croatian, Spanish and Turkish companies, there is the potential to grow the business due to the high market demand on the products. Only Italian market demands 120,000 tons per year. However, the insurance of high-quality standards still remains a challenge.

AlMarina is a serious business development with an annual turnover of €10 million. 2018 is the third year of investment. For the time being, the production and delivery capacity is of 200–250 tons per month, although strategic goal of AlMarina is 4,000 tons per year.

Despite the fact the operational cost of production is not high, running correctly such type of business is expensive due to the investments into capacity building, management of human resources as well as management of quality standards, notably:

40 employees are contracted on a full-time basis, with a gross monthly salary of All90,000 on average. To ensure the implementation of the Labour Code as well as other legal acts, the company has also insured all employees through private insurance schemes, namely life insurance, insurance due to accidents as well as supplementary health insurance.

The company tries hard to maintain networking by participating in annual European fair, usually organized in Brussels as well as by participation in capacity building training programs, delivered by well-known international institutions. Almost all AlMarina employees have participated in such highly qualified training programs.

The company never had any support from the public policy programs, neither those of “employment promotion” nor those of “entrepreneurship encouragement”. Local governance institutions has borrowed Euro 1,200,000 from AlMarina and yet, this debt is not paid off.

Key results are:

- Significant business activity vis-à-vis total turnover and contribution into public expenditures budget due to taxation.
- The promotion of the Albanian brand of “processed perch and wrasse”.
- Significant employment opportunity vis-à-vis Vlora labour market.
- Innovative business approach for Albania.
- Environment protection and development adds values, in addition to the ones brought about by business itself.
- Considerable business potential due to the high market demand, especially in Europe.

- A natural way to promote Albania outside the country, since the company supplies only outside markets.
- Impact on sustainable development of the country, if the support from economic and financial policies would be ensured.

Company business and market strategies:

- Competitive advantage: High quality, natural product, biologically cleaned and secured.
- Business strategy: Strong willingness to undertake business risks, although business approach is firmly based on market analysis.
- Marketing strategy: Aggressive market entrance strategy, clearly aimed at “Growth market share”, despite high competition of experienced and traditional companies.
- Management of Human Resources: A very modern approach of staff motivation is adopted across all levels of administration and operationalization.
- Public relations: Strong cooperation spirit with entrepreneurs, retailers, suppliers and stakeholders in general, despite the lack of collaboration and support from neither central nor local government.

3.7 Manufacturing ROLEGA SHPK is established in 2013, in VLORE as a FASON Business activity. The enterprise produces and sells Sewing shirts, Tracksuits etc. mainly for the Italian market. Annual quantity of production is 145,000 pieces with a yearly turnover of 155000 €. Initial investment in ALL as well as the yearly operational cost is calculated at about All5,000,000 . The business is financially supported by individual sources and loans. There have been a support from the Vlora Employment Office through the Employment promotion program. There are 36-40 employees, with an average net salary of €200 per month. The company aims to produce 200,000 pieces of production per year.

3.8. “Jonald” restaurant is a simple family business, established in 2010, thanks to the financial investment of individual savings that derived from a long period of work in migration. Initial investment is calculated at about €70,000. During summer, 8 employees work on a full - time basis, while during winter only 4.

Despite the hard work and the efforts to offer high quality services, total income are not sufficient to further invest and extend the business activity. Revenues are sufficient to ensure the survival of the family.

There have never been any support from any public program. In the contrary, very frequently monitoring teams from different local institutions visit the restaurant and ask for the adoption of unusual and costly procedures, which challenge everyday battle of business sustainability.

Chapter 4. Comparative findings, conclusions and recommendations

In depth analysis of the best experiences (only 6) allows us to identify comparative findings (table 1), which leads to the identification of the most successful strategies adopted, which in turn help to suggest generalised future challenges. Despite limited opportunities and resources, young businessmen of Shkodra and Vlora struggle to share the market and build sustainable business enterprises, in very remote areas of Albania.

TABLE 1: Comparative findings from the analysis of the most successful practices

| Models | Veleçik | Pjetroschan | Lujz | ShBB Reç | Fish stock | AlMarina |
|----------------------------------|--|---|---|---|---|--|
| Production and market strategies | | | | | | |
| Competitive advantage: | Low cost of production versus relatively high selling price | Lower unit cost of production. | Ability to dictate the price in the market due to the high quantity of production of a good quality, supported by the size of land. | Mixed business activities, which complement each other by reducing operational costs. | High quality, natural product, biologically cleaned and secured. Business strategy: Strong willingness to undertake business risks. | High quality, natural product, biologically cleaned and secured. Strong willingness to undertake business risks, although business approach is firmly based on market analysis. |
| Networking/ Marketing Strategy: | Cooperation with donors. Intensive market exploration | Aggressive business strategies internally and externally. | | | Public relations: Strong cooperation spirit with entrepreneurs, retailers, suppliers and stakeholders in general, despite the lack of collaboration and support from neither central nor local government. Aggressive market entrance strategy, clearly aimed at "Growth market share", despite high competition of experienced and traditional companies. | Aggressive market entrance strategy, clearly aimed at "Growth market share", despite high competition of experienced and traditional companies. Public relations: Strong cooperation spirit with entrepreneurs, retailers, suppliers and stakeholders in general, despite the lack of collaboration and support from neither central nor local government |

| | | | | | | |
|-------------------------------|--|--|--|--|---|---|
| Management of Human resources | Vocational and professional training of staff internally and externally, especially to maintain quality standards. | | | | A very modern approach of staff motivation is adopted across all levels of administration and operationalization. | A very modern approach of staff motivation is adopted across all levels of administration and operationalization. |
|-------------------------------|--|--|--|--|---|---|

Source: Research, 2020

Despite the significant market opportunities like “Increased market demand for local and biologically guaranteed products”, “higher attractiveness on the area from cultural tourism point of view”, “Increased market demand for biologically guarantee medicinal plants by customers and other industries” combined with huge investment from EU and other projects within the framework of FDI&ODA, results are still far from being neither generalised nor replicable. According to the interviewed young businessman, they are challenged by huge public policy constraints, such as:

- The right on Land Property which is not yet guaranteed neither by law nor by local procedures.
- Complication and long bureaucratic procedures of business application and registration, time and cost consuming, especially in rural and remote areas of the country.
- Low awareness of local government institutions, especially those that deal with business registration and taxation, are not aware about legislation, their duties and responsibilities, which impose complicated rules and procedures rather than facilities.
- Gaps in legislation regarding the need to address “Water Culture and Investment” as well as the way in which policies have to deal with.

In spite of increased attention of policy making institutions vis-à-vis business and entrepreneurship promotion through active labour market policies and financial measures, all interviewed business managers identified as a critical weakness the lack of support either from public finance programs or by projects implemented as part of ODA. In particular they addressed:

- The role of local government institutions to provide guidelines
- The role of financial institutions at local level to adopt financial and procedural facilities

- The support of intermediary institutions to capacity building.
- The direct encouragement through financial mechanisms as part of business development policy.
- Policies should finally encourage employment growth in rural areas.

These impediments are also confirmed by “What is the Binding Constraint to Growth in Albania” (2017). Here, authors point out the lack of productive knowhow and the rule of law. “The evidence shows that the binding constraint to stronger growth in Albania is a lack of productive knowhow, the knowledge and skills needed to produce complex goods and services. Albania faces a unique knowhow constraint that is deeply rooted in its closed-off past, and the limited diversification that has taken place in the private sector can, in nearly all cases, be linked to distinct inflows of knowhow”¹⁰. Regarding the rule of law, the same source of information mention access to land and taxation. In fact, the unsolved land issue has strongly hit the large-scale investments into agriculture and tourism sectors, probably the most powerful sources of economic growth for Albania.

Thus, the question is turned on economic and employment policies, backed by a continuous and sustainable investments into capacity building. Systemic investments into young people entrepreneurial and professional knowhow through the strengthened local government capacities to promote and sustain local job incentives, is probably the most effective way vis-à-vis decent results. Youth unemployment, the most critical challenge of any governments, is likely to be successfully faced if institutional and moral obligations are assembled and transformed into society responsibilities.

Bibliography

- GIZ Evaluation report, 2018. <https://www.giz.de>
- INSTAT (2021), Anкета Tremujore e Forcave të Punës, Tremujoru IV 2020, INSTAT, Mars 2021.
- INSTAT (2012), Living Standard Measurement Survey, Tirana, 2014.
- Ministry of Agriculture and Rural development, 2018 <https://bujqesia.gov.al>.
- National Employment Service (2019), Labour Market Bulletin, Tirana, 2020.
- O'Brien, T; Nedelkoska, L. & Frasheri, E. (2017), What is the Binding Constraint to Growth in Albania? Center for International development at Harvard University, 2017
- Ymeraj, A. (2020), Politikat Publike të Mirëqenies Sociale, Shqipëria 2019, UET Press, Tiranë, 2020.
- Ymeraj, A. (2003), Civil society and social care, European Institute of Social Services, University of Kent, Caunterbury, UK.
- Interviews with Gjovalin Hasanaj (Veleçiku Farm), Gjovalin Popaj, (Pjetroschan), Xheladin Zekaj (Lujz Group), Prek Gjeloshi (ShBB, Reç), Armando Hysaj, (Fish Stock), Sheme Kondi, (AlMarina), Joni Mahilaj (Joniald).

¹⁰ O'Brien, T; Nedelkoska, L. & Frasheri, E. (2017), pg.3.