



Self-employment as a viable solution for youth integration in the labor market



The case of Albania

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DEFINING SELF-EMPLOYMENT

 Self-employed person is a individual who own sole or joint business of the unincorporated enterprise in which he/she works.

European System of Accounts (ESA)

 Self-employed individual is someone who does some work for profit or family gains, in cash. A person can be an employer, own-account worker or a person in the production of goods/services and household consumption.

Organization for Economic Co-Operation and Development (OECD)

DEFINING ENTREPRENEURSHIP



Entrepreneurship is the process of pursuing opportunities and mobilizing resources needed to bring new ventures to reality



Entrepreneurs - individuals who create new or explore existing market opportunities and pursue their goals while bearing personal, professional and financial risk.

(Stevenson, 1990; Ireland, Hitt, and Sirmon, 2003)



Entrepreneurship is a process of using private initiative to transform a business concept into a new venture or to grow and diversify an existing venture or enterprise with high growth potential. Entrepreneurs identify an innovation to seize an opportunity, mobilize money and management skills, and take calculated risks to open markets for new products, processes and services

(UNDP, 1999:1)



contribute to labor
market flexibility

higher employment

lead to less unemployment

SELF-EMPLOYMENT



Opportunities vs risks?

Agriculture sector

22% of GDP

34% of total employment



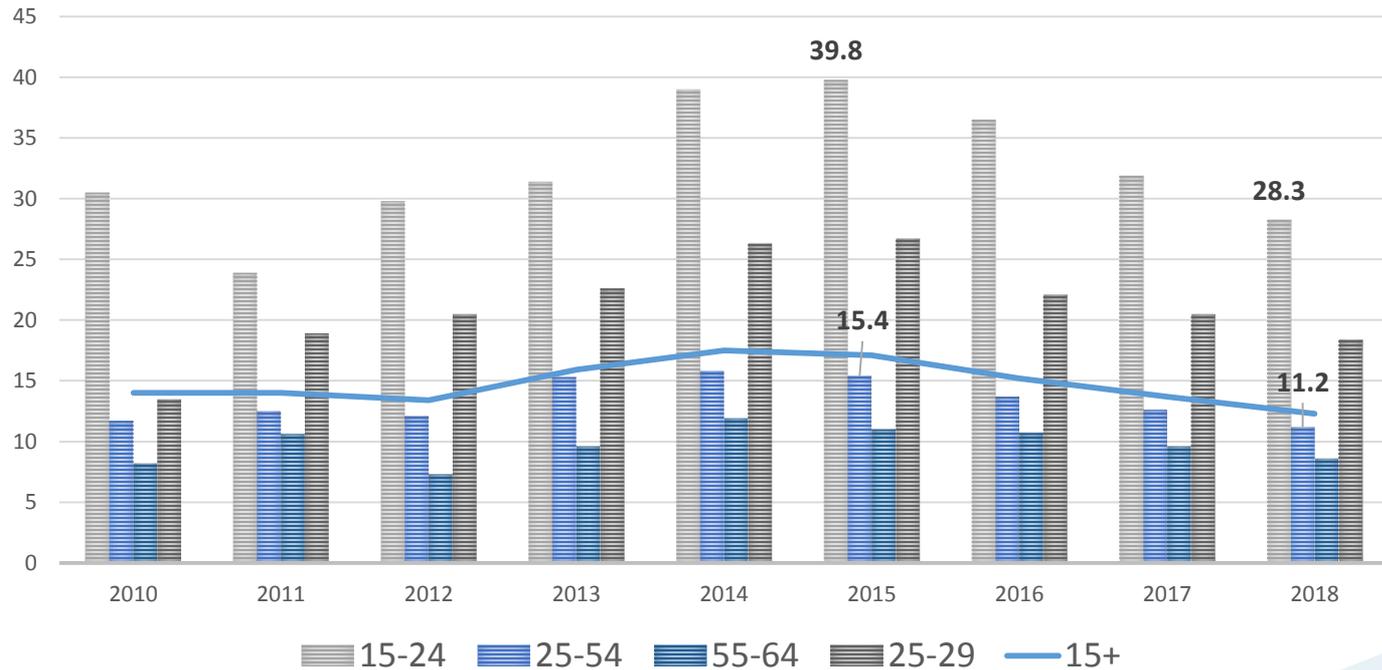
work within the
informal sector

low wages

limited access to social
protection or social
insurance coverage

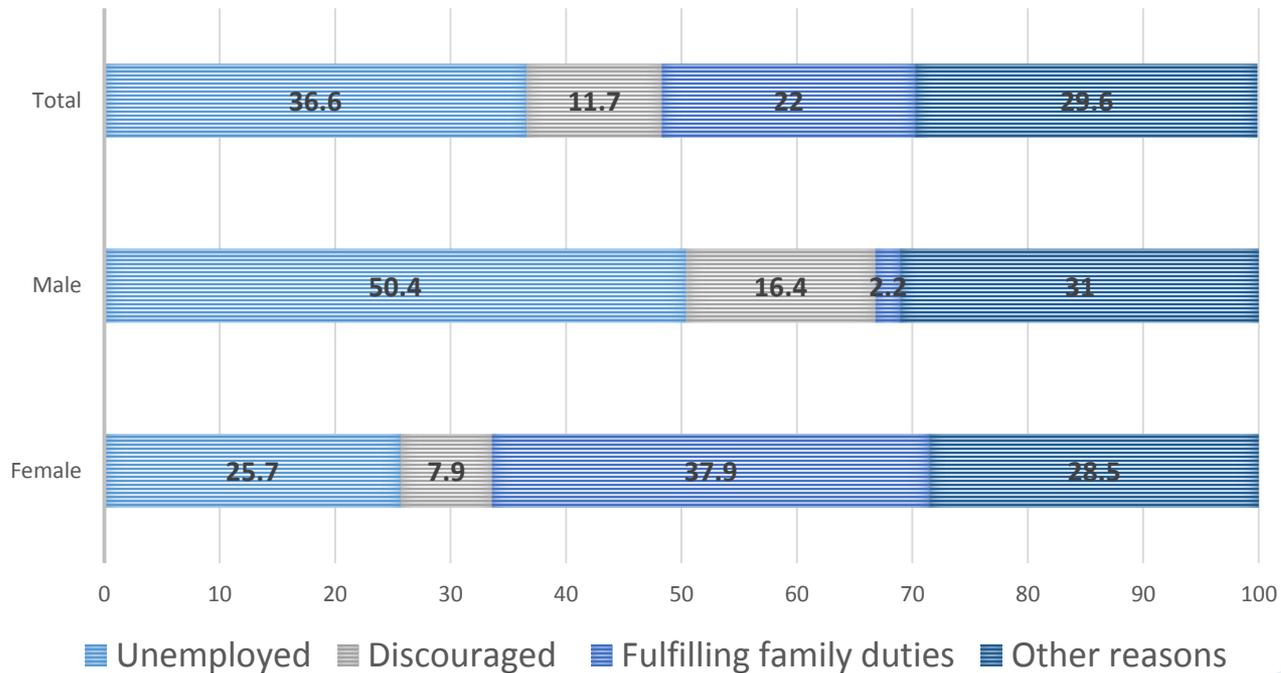
THE LABOR MARKET IN ALBANIA AND YOUTH UNEMPLOYMENT

Figure 1: Unemployment rate by age group (%)



THE LABOR MARKET IN ALBANIA AND YOUTH UNEMPLOYMENT

Figure 2: Youth NEET (15-29) by status (%)



EDUCATION DIMENSION

Figure 3: Employment rate by education level for youth 15-24 (%)

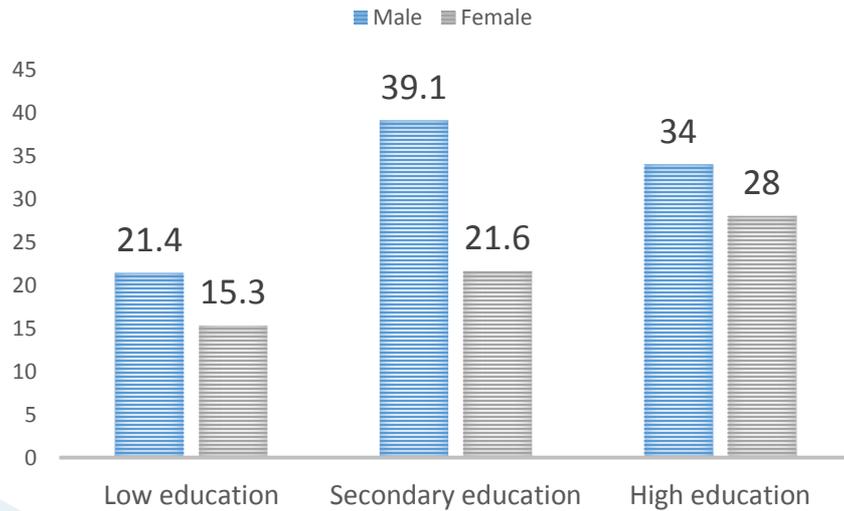
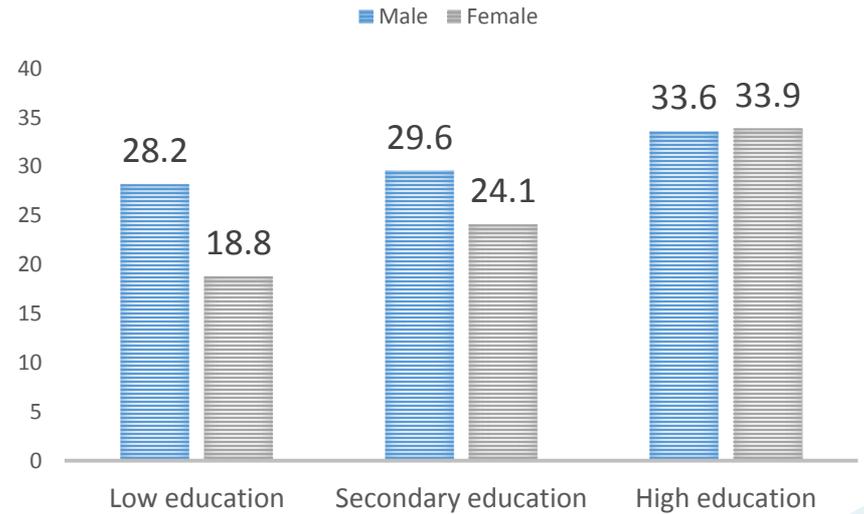
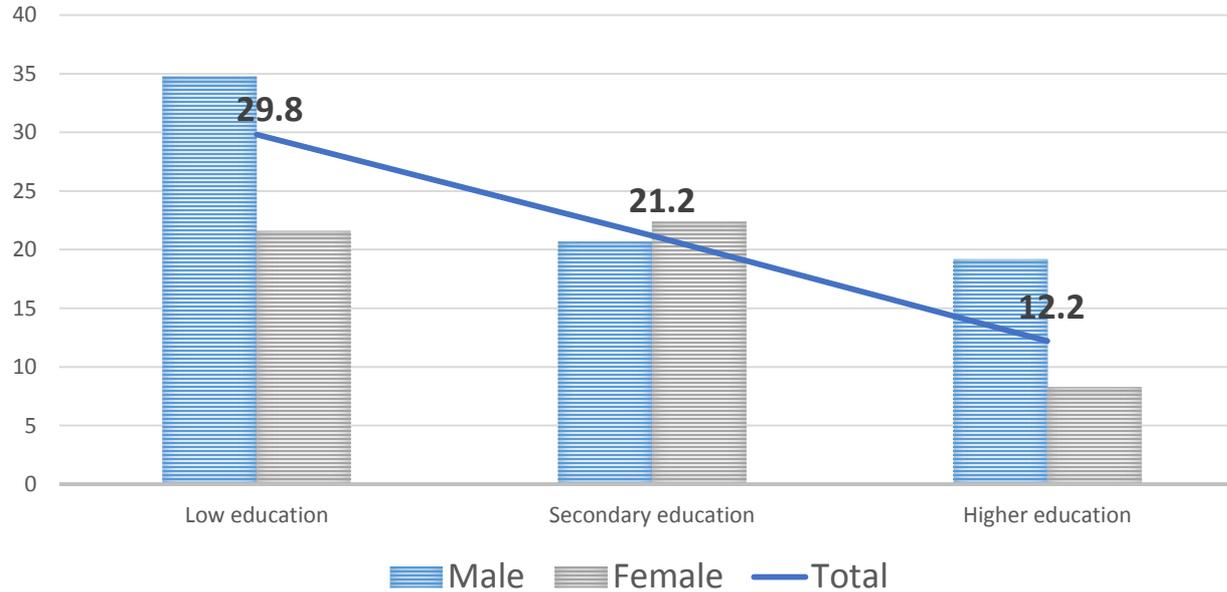


Figure 4: Unemployment rate by education level for youth 15-24 (%)



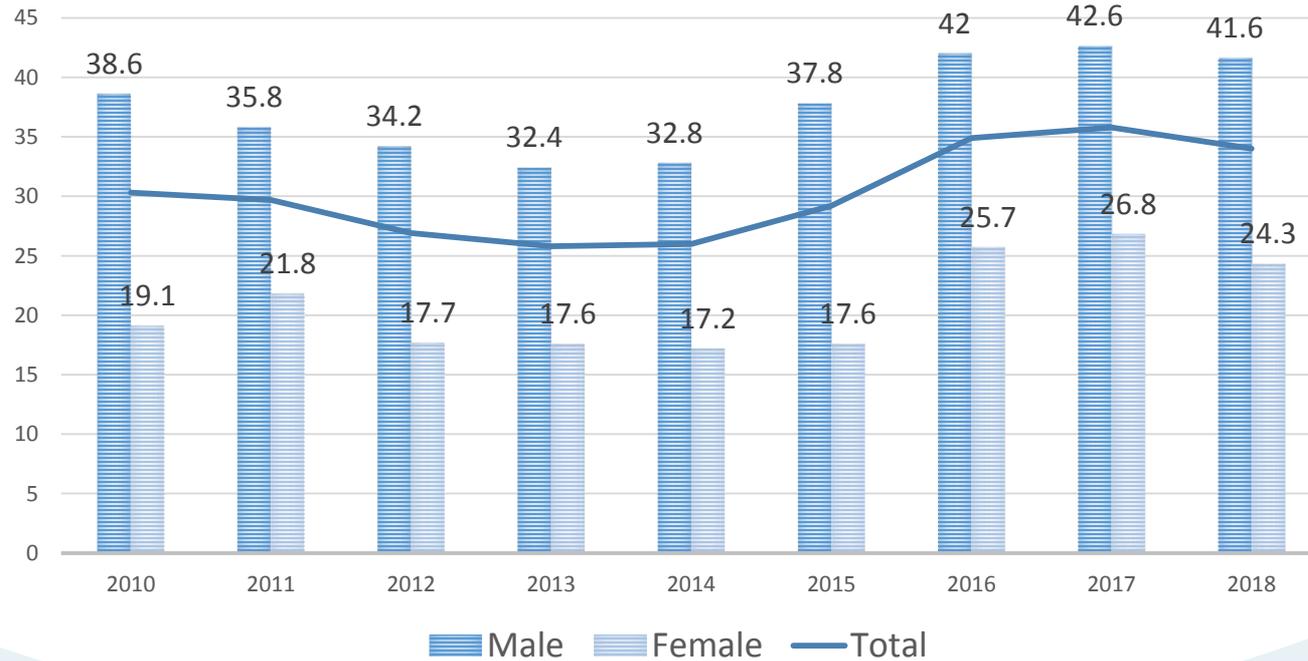
SELF-EMPLOYMENT IN ALBANIA

Figure 5: Percentage of self-employed in total employment by gender and education level for youth (15-24)



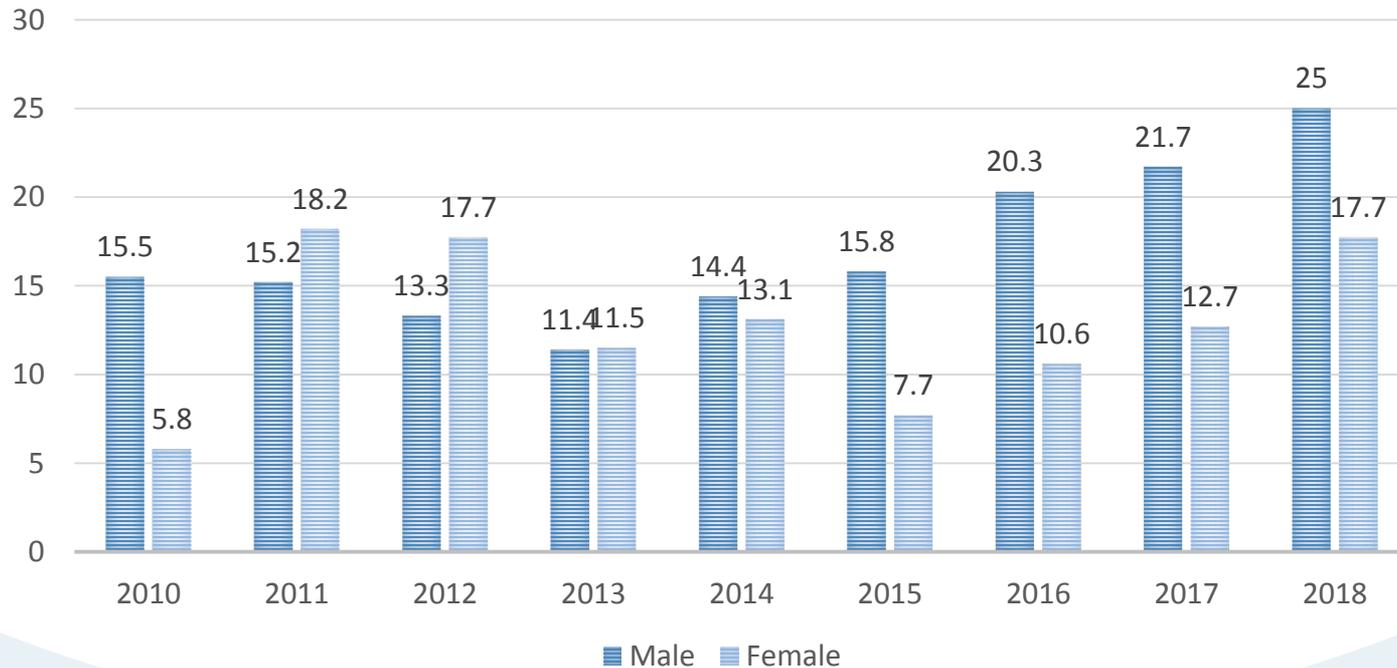
SELF-EMPLOYMENT IN ALBANIA

Figure 6: Percentage of self-employed in total employment by gender



SELF-EMPLOYMENT IN ALBANIA

Figure 7: Percentage of self-employed in total employment by gender (15-24)



MEASURES FOR REDUCING THE HIDDEN ECONOMY

- ✓ Reducing taxes;
- ✓ Reducing/tackling corruption;
- ✓ Increasing effectiveness of business stimulations;
- ✓ Increasing efficiency of the court system;
- ✓ Implementing stricter laws.



MAIN CHALLENGES FOR SELF-EMPLOYMENT



Lack of enabling policy, regulatory and institutional environments



Weak entrepreneurial environments, limited entrepreneurship and networking opportunities, and limited access to markets;



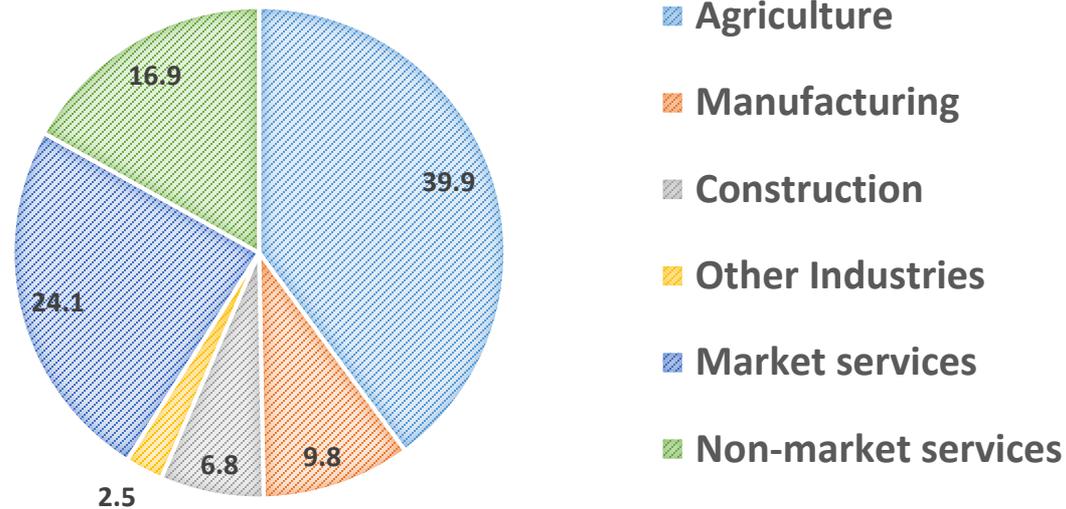
Limited access to finance and investment opportunities;



Limited skills and knowledge.

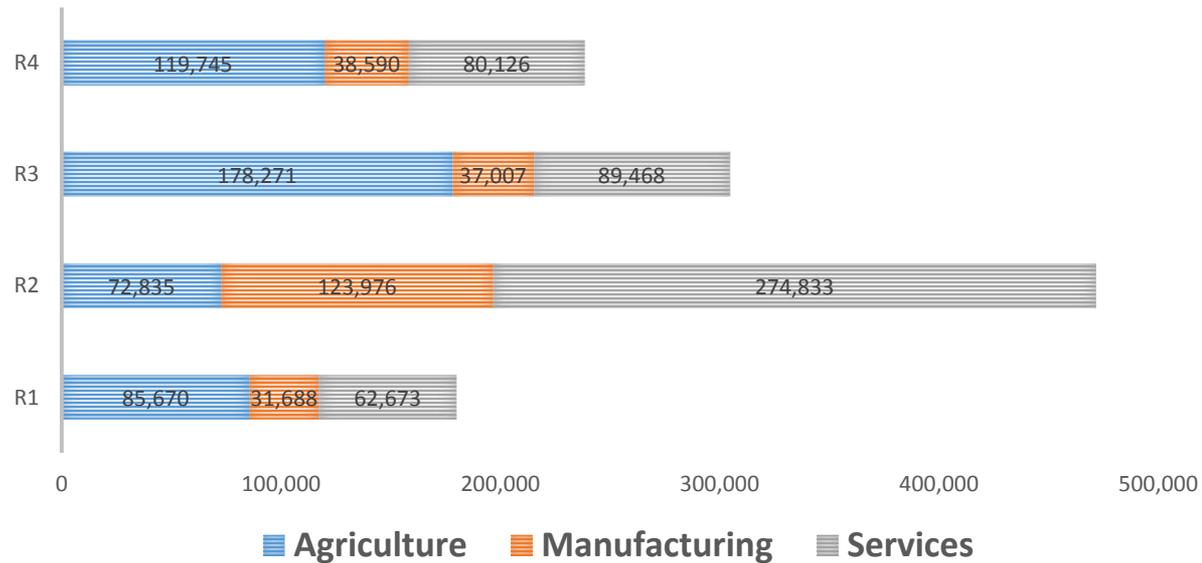
REGIONAL OVERVIEW AND OPPORTUNITIES FOR SELF-EMPLOYMENT

Figure 8: Employment by sector (2015-2017)



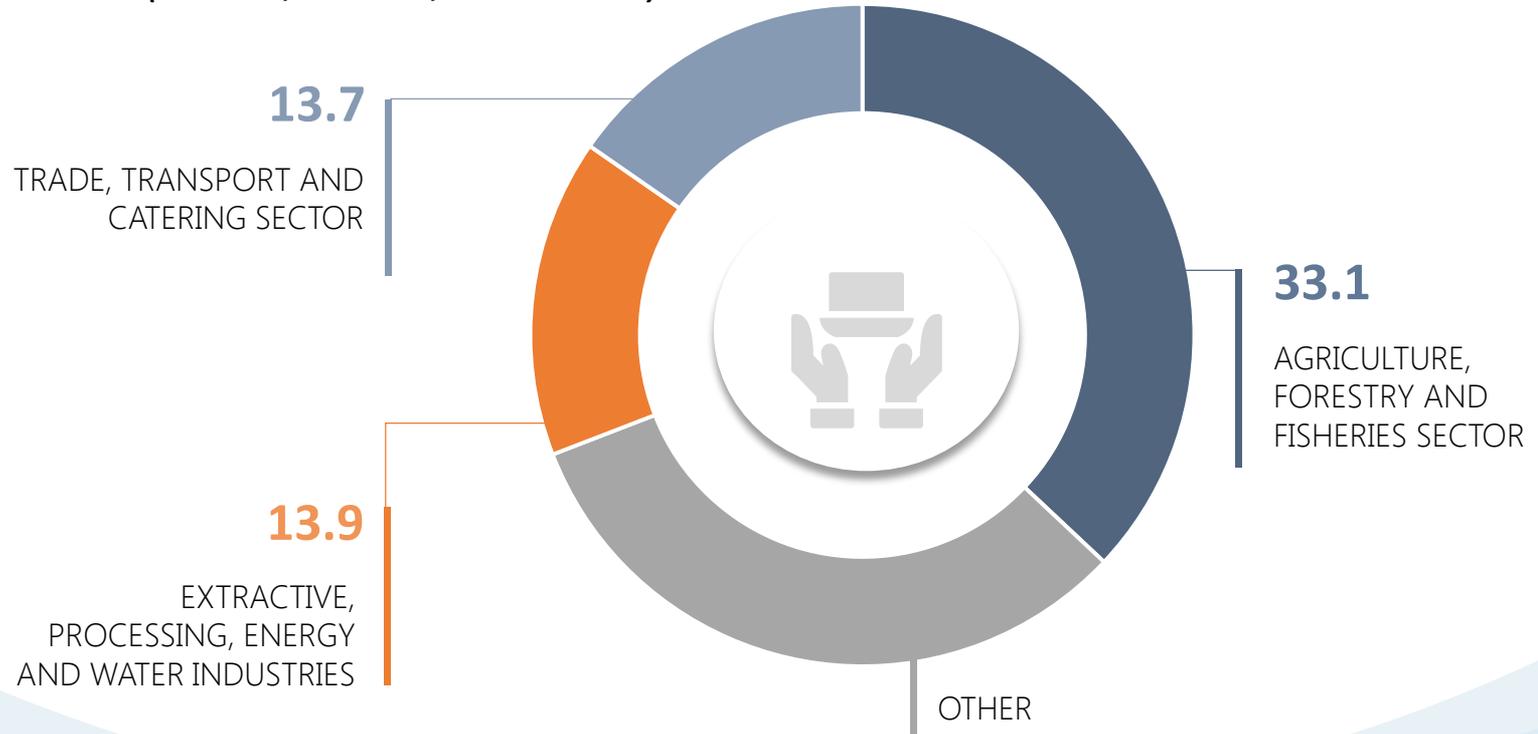
REGIONAL OVERVIEW AND OPPORTUNITIES FOR SELF-EMPLOYMENT

Figure 9: Employment by regions and sectors



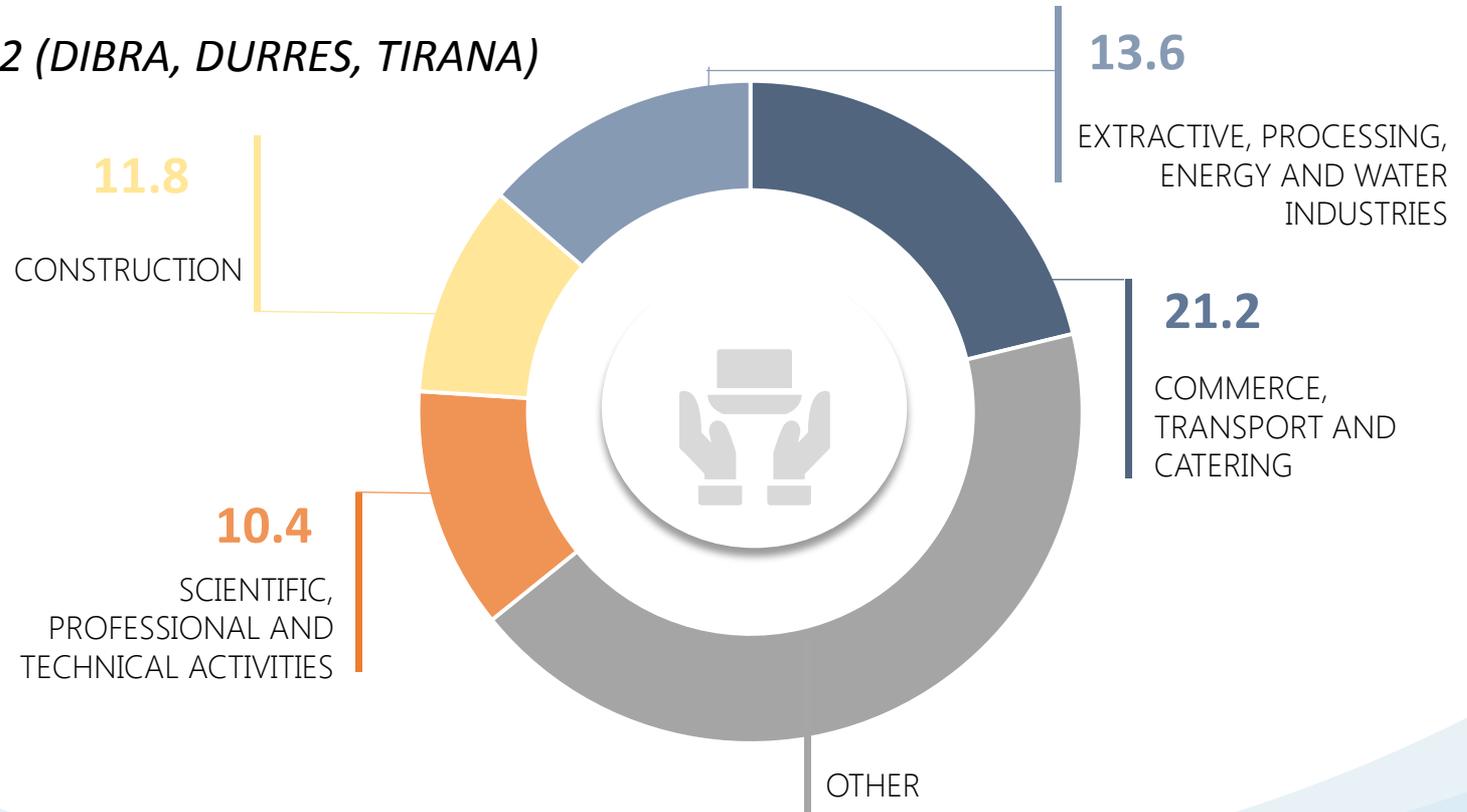
REGIONAL OVERVIEW AND OPPORTUNITIES FOR SELF-EMPLOYMENT

REGION 1 (KUKES, LEZHA, SHKODRA)



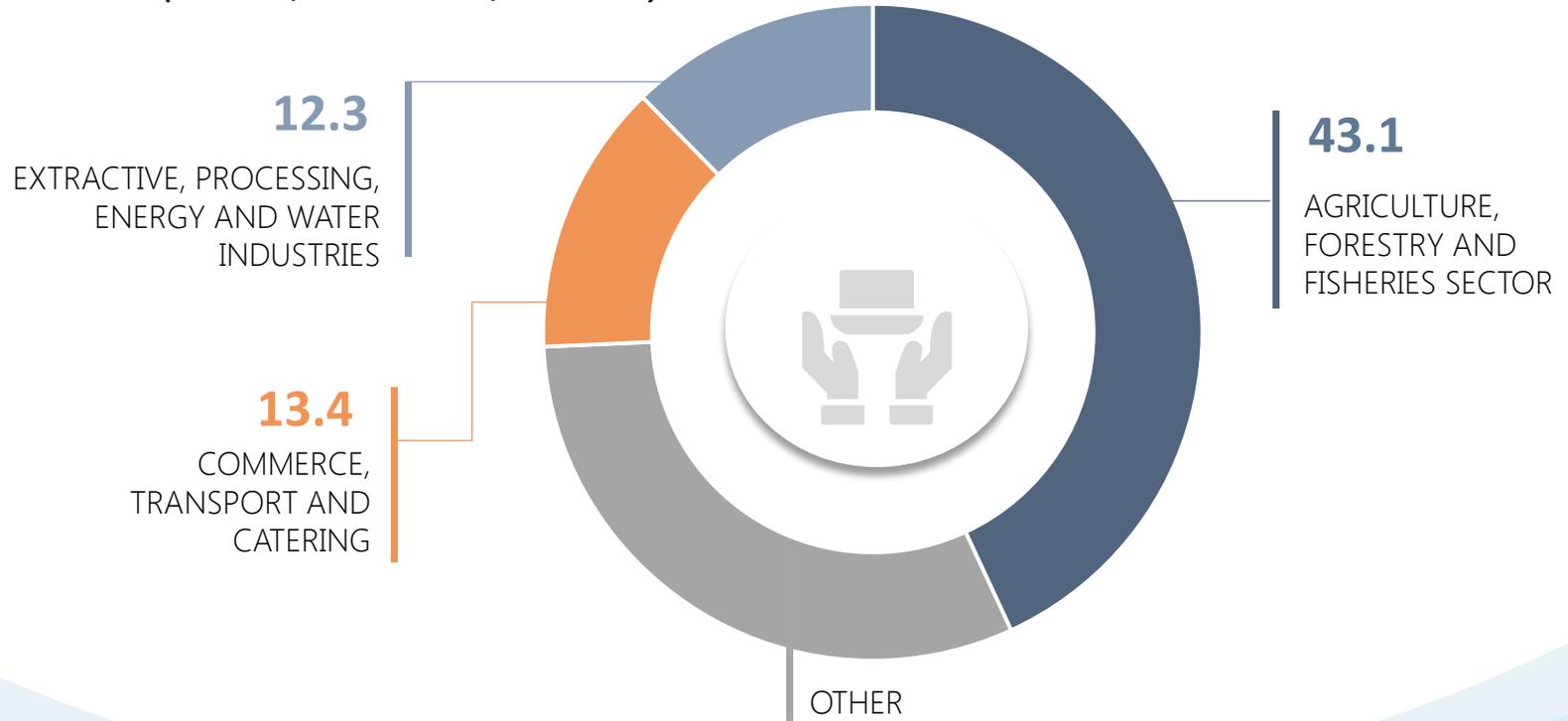
REGIONAL OVERVIEW AND OPPORTUNITIES FOR SELF-EMPLOYMENT

REGION 2 (DIBRA, DURRES, TIRANA)



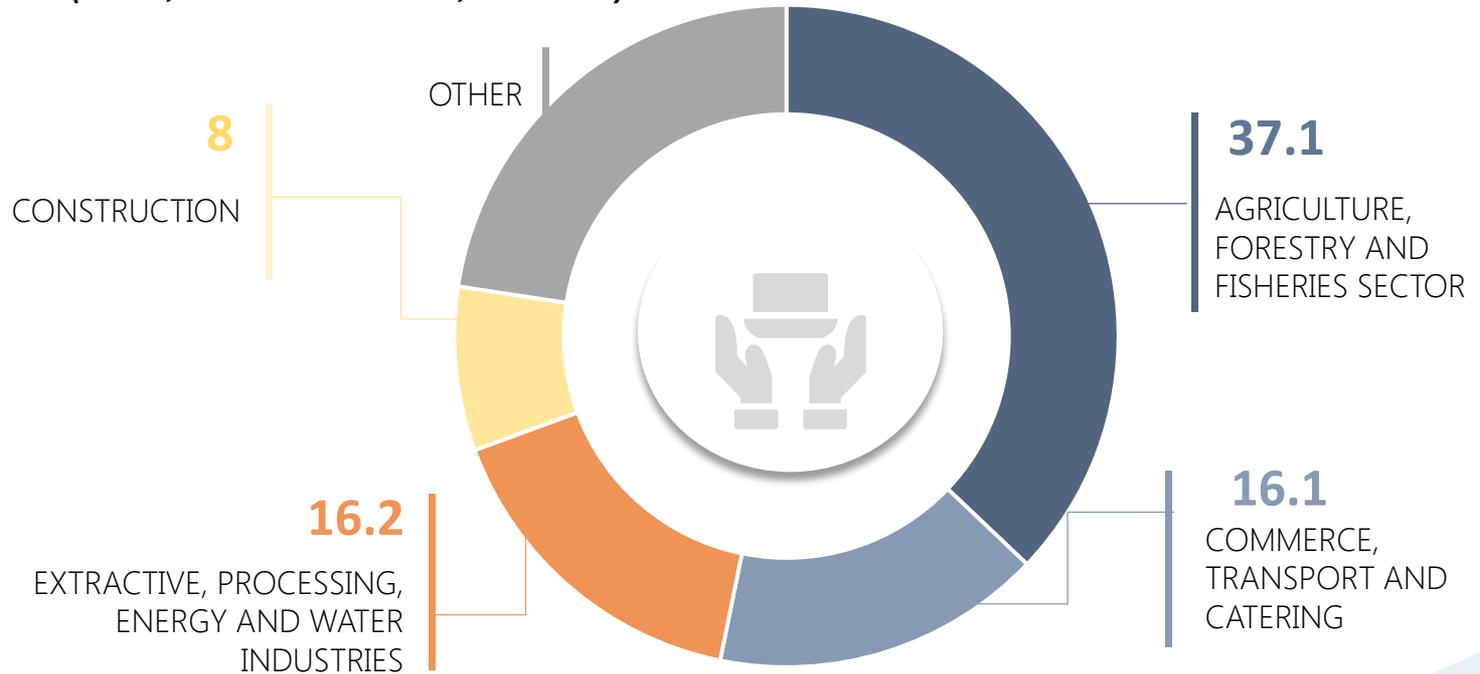
REGIONAL OVERVIEW AND OPPORTUNITIES FOR SELF-EMPLOYMENT

REGION 3 (BERAT, ELBASAN, KORCA)



REGIONAL OVERVIEW AND OPPORTUNITIES FOR SELF-EMPLOYMENT

REGION 4 (FIER, GJIROKASTRA, VLORA)



CONCLUDING REMARKS AND RECOMMENDATIONS

Livelihood self-employment

Innovative entrepreneurship

- value chains

- trainings,
- access to finance,
- advisory and mentoring services

- business incubators and accelerators

CONCLUDING REMARKS AND RECOMMENDATIONS

Livelihood and self-employment

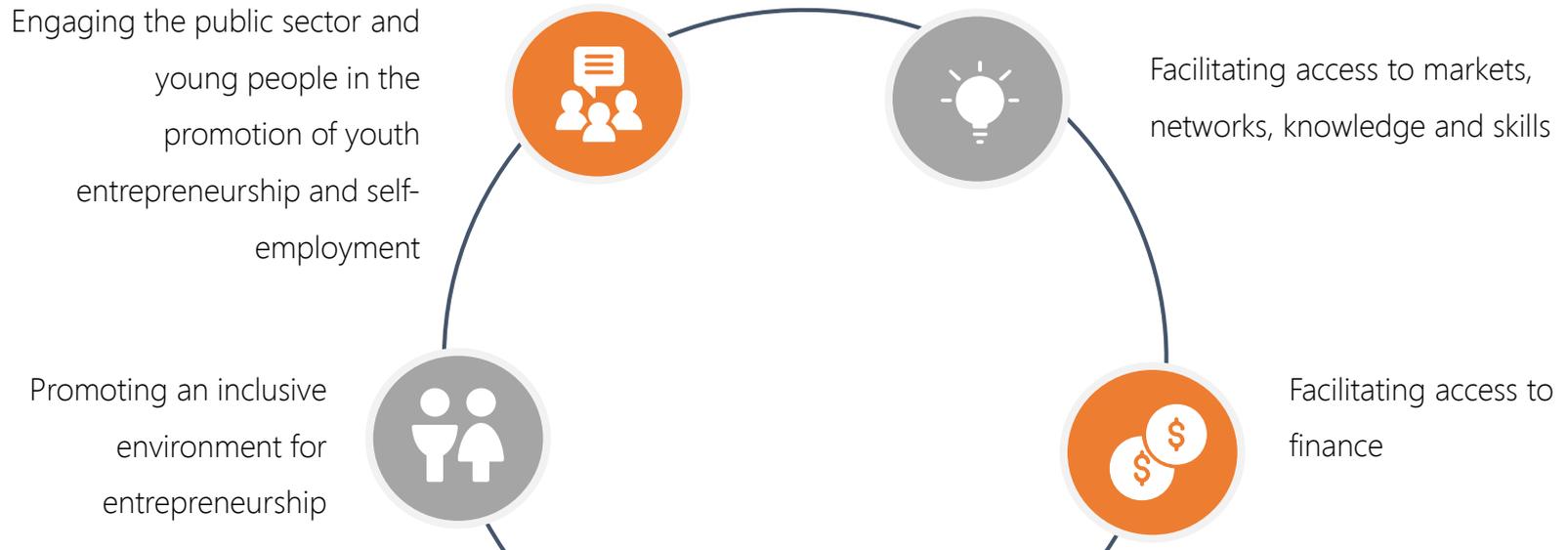
- Labor policies need to have a specific focus on the most vulnerable groups of youth in low-income Regions
- Programs should aim to improve pricing mechanisms, product quality, and production technologies to reduce costs and/or increase output and/or quality. Such interventions include efforts to improve knowledge and upgrade technology, facilitate better access to equipment.
- To facilitate engagement of entrepreneurs in more transformative activities and/or to be integrated into value chains. Bringing young entrepreneurs into local, regional and global value chains for increasing their access to markets and generating new business opportunities (involving in a processing of their basic produce, unite small farmers into associations or cooperatives and increasing production volumes)

CONCLUDING REMARKS AND RECOMMENDATIONS

Innovative entrepreneurship

- Online and offline platforms, networks, hubs, and communities should provide support services specific to youth, to facilitate the exchange of knowledge and to build business relationships.
- Information and communication technologies (ICTs) can significantly support young women and men in realizing entrepreneurial opportunities
- business incubators and accelerators to support entrepreneurship

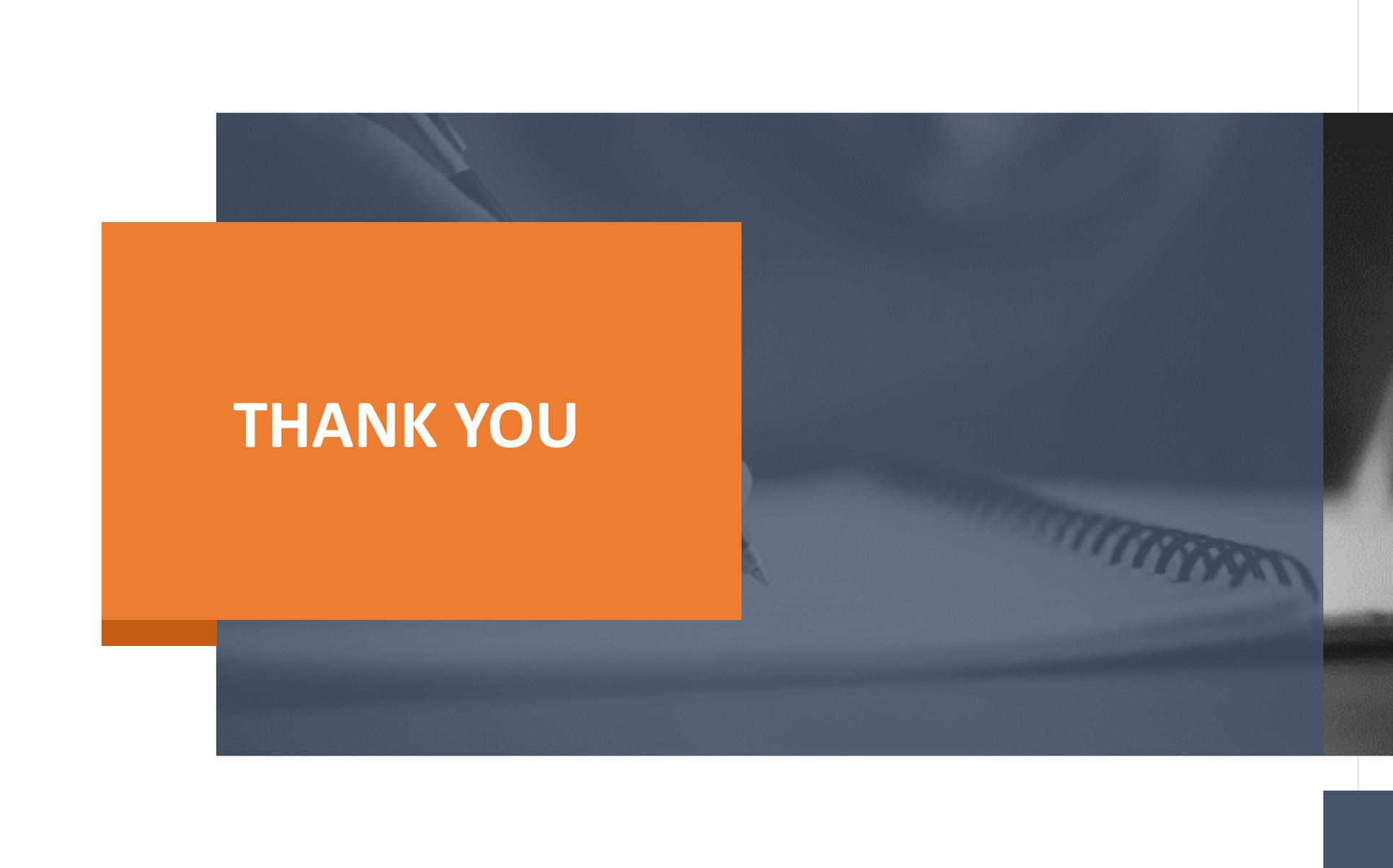
ACTION ON YOUTH ENTREPRENEURSHIP AND SELF-EMPLOYMENT:



CONCLUDING REMARKS AND RECOMMENDATIONS

- Special attention should be paid to eligibility, targeting, and profiling mechanisms; adaptation of core interventions (training, access to finance, advisory and mentoring services, and networking)
- Youth entrepreneurship promotion requires increased access to credit, business regulation reform, and entrepreneurship programs that combine different types of skills training advisory and mentoring services
- The role of the public sector would be to facilitate the emergence of business that integrates livelihood entrepreneurs into more lucrative and transformative activities

In essence, self-employment is very much about human capital and the prime prerequisite above all should be to solidify the healthy basis of a talent pool for growth in key systemic economic sectors...



THANK YOU