



SELF-EMPLOYMENT AS A VIABLE SOLUTION FOR YOUTH INTEGRATION IN THE LABOR MARKET: THE CASE OF ALBANIA

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Abstract

Full and productive employment and decent work for all, a millennial goal engraved in the SDGs, still represents a substantial challenge for most economies in transition around the world. In the light of a global dynamic labor force landscape, it is becoming every day more pressing the need to design and differentiate strategies in tackling unemployment while bringing human capital at the forefront of productive frontiers for social welfare in every country. This research work is focused on youth unemployment reality in Albania and more specifically on self-employment, as an effective mechanism to help youngsters find their way as economic agents. Despite declining, unemployment in the last 4 years (2014-2018) from 17.5% to 12.3%, informal and vulnerable employment are still highly prevalent in the country. The overarching objective of the study is to assess the extent of self-employment in Albania's economy, identify restraining factors and project the possible impact of self-employment in funneling young jobseekers contribution to Albania's economic development. By analyzing in-depth youth labor market dynamics this research work aims to contribute to the Southeastern Europe literature focused on youth unemployment related issues and serve to better orient effective proactive policies for labor markets.

Keywords: Self-employment, youth unemployment, working conditions, economic stability, Albania, government policy



INTRODUCTION

The aim of this paper is to identify key challenges in relation to youth employment in Albania and explore effective alternatives on how Government and International Organizations could support the youth labor market policies agenda by promoting self-employment alternatives. The research work sheds light on the main reasons why youth employment challenges matter for development and a comprehensive interpretation of manifested trends in the labor market in Albania. After analyzing self-employment dynamics and making a brief mapping of the trends and opportunities for self-employment of youngsters in Albania, the paper concludes with the author's perspectives on proactive policymaking for change.

Youth unemployment is one of the leading problems of today, not only in Albania but on a global scale. In the 2030 Agenda for Sustainable Development, the international donors' community has committed to substantially reduce the proportion of youth not in employment, education or training as a significant indicator reflecting engagement of the active labor force. In the innovation era, youngsters are making important economic contribution as productive workers and entrepreneurs. But too often, the full potential of young people is not fulfilled because they lack ample access to productive and decent jobs that match their qualifications and meet their aspirations. A difficult transition into the world of work results to have long-lasting consequences not only on young people themselves but also on their families and communities. Youth employment outcomes affect social and political stability, as youth are relatively easily mobilized, while they tend to have little voice in policymaking. In extreme cases, because of unemployment youth may develop violent behavior and radicalism in search of social ties and self-esteem.

Generally, unemployment rate represents an important indicator of the untapped potential of an economy, which has both social and economic dimensions, by increasing the pressure on the budget and reducing income from taxation. At the individual level, the impact of a job on personal wellbeing reaches far beyond current and future earnings and employment prospects, through providing to young people self-esteem and social identity, including a sense of belonging in society (World Bank 2012).

Today, more than 60 % of youth in Albania is not actualized in the labor market, and more than one quarter is inactive—not in employment, education, or training. A very significant number are unemployed, seeking employment, between jobs or working in the informal economy. Others face serious barriers to decent jobs for a variety of reasons: their employability deficit, lack of decent work opportunities, discrimination, forced labor.

For some young unemployed becoming self-employed or setting up a business may offer an important opportunity to enter the labor market by actively contributing value to society.

Likewise, self-employment may help some young unemployed to overcome some of the disadvantages they face in the labor market (e.g. a lack of work experience, low qualifications, criminal records, caring responsibilities, health conditions) (Jones, Brinkley, Crowley, 2015).

The purpose of the study is to analyze the main challenges of youth on the labor market in Albania, to determine the benefits of self-employment as a potential policy mechanism to address youth unemployment, and identify feasible policies that can effectively provide the right enabling regulatory environment for fostering youth entrepreneurship.

Defining Self-Employment

A classic well-accepted definition of self-employment is still missing. However, thinking of the self-employment concept, according to the European Labour Force Survey (ELFS), self-employed persons are defined as working in their own business, farm or professional practice and who meet one of the following criteria: works for the purpose of earning profit; spends time on the operation of business; or is currently establishing a business. For the Organization for Economic Co-Operation and Development (OECD) the self-employed individual is defined as 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. Parker (2004) considers the self-employed as individuals who earn no wage or salary but derive their income by exercising their profession or business on their own account and at risk. Worth to mention that self-employment in its' broad definition includes a myriad of categories such as sole directors of own business, partners in a business, people working as a subcontractor or doing freelance work, but also it can be unpaid family workers and workers engaged in production undertaken entirely for their final consumption or own capital formation, either individually or collectively.

When it analyzed the self-employment labor market phenomenon, entrepreneurship becomes an organic part of the broader term. The entrepreneurship concept similarly to self-employment also lacks a clear and unique definition. In the academic literature, a dominant definition views entrepreneurship as the process of pursuing opportunities and mobilizing resources needed to bring new ventures to reality (Stevenson, 1990; Ireland, Hitt, and Sirmon, 2003). Thus, entrepreneurs are seen as individuals who create new or explore existing market opportunities and pursue their goals while bearing personal, professional and financial risk. The willingness to venture into the unknown and the ability to accept risk exposure are important and necessary ingredients in entrepreneurship. Referring to Anu (2007) entrepreneurs are self-employed people running their own company and are the major source of development. Parker (2004) or Baumol and Schelling (2008) describe the image of a person taking the risk of

setting up a business with the intent of making it grow and prosper. At a practical level entrepreneurship has been defined as the 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).

Generally in academic research and policy literature self-employment comes to be seen as synonymous with entrepreneurship and active engagement in ownership combined with managerial undertakings. In limited data available from official State sources self-employment and entrepreneurship are not differentiated. But in this research, the term entrepreneurship is used mostly to identify Start-ups, Small and Medium-sized enterprises that are initiated by individuals as an original way to create their own employment.

Benefits of self-employment

In the economic policy debate, self-employment is typically considered to contribute to labor market flexibility and higher employment, and to lead to less unemployment (Glocker, Steiner, 2007). Many empirical studies on entrepreneurship reach the conclusion that there is a positive and quite strong correlation between entrepreneurship and economic growth (Carlsson, Acs, Braunerhjelm, 2009).

In considering self-employment as a potential policy mechanism to address youth unemployment, it is important to note that, for a significant number of young people, self-employment is not the dynamic and highly profitable venture but often a highly vulnerable employment status in terms of the levels of pay and job security that it offers (Fields, 2014). There is also the problem of “bogus” or false self-employment practices (Sheehan, McNamara, 2015), concerning “individuals who call themselves self-employed but who, in reality, only work for a single client”.

In Low and Middle-Income Countries (LMICs) a clear majority of the economically active population are self-employed, concentrated in sectors such as construction, agriculture and street trades (Gindling and Newhouse, 2014). Moreover, in developing countries, self-employment often means undertaking work within the informal sector with low wages and limited access to social protection or social insurance coverage. The majority of self-employed jobs within LMICs are “not productive and generate low earnings, and as a result many of these workers and their families remain poor” (World Bank, 2012). Nevertheless, agriculture has traditionally been the backbone of the Albanian economy, a sector of great importance providing both foods and earned income for the majority of Albanians. For the moment it remains the

second-largest sector in terms of national production (accounting for 22% of GDP in 2017) and still provides employment for the majority of Albanians (accounting for 39,9% of total employment in 2017), mainly it is low educated people, which often has no possibility to change their occupation, therefore it's important to develop this sector and to improve productivity, earnings, and wellbeing of young agricultural and informal workers, by linking them with markets and supply chains.

In the same time if to analyze the current situation of youth unemployment is possible to see that more than 30% of youth with higher education and living in urban areas are unemployed and have the possibility to start their business with the use of new available technologies. The labor market in the 21st century includes the growth in numbers of self-employed working only part-time, many of them attached to new opportunities presented by the "gig economy" i.e. the rising phenomenon of flexible employment arrangements that complement or substitute for full-time jobs (OECD, 2017c). The gig workers share strong similarities with salaried employment workers, but with greater flexibility, certain time management freedom and often unregulated working conditions. Also, high-skilled young people are more capable than others to orient and adapt to fast-developing and changing environment with disruptive technologies and trends which eliminate borders and allow to raise global level businesses from any part of the world, by creating small and medium-sized enterprises.

Considering this two different problems I would want to focus in my paper on two issues: livelihood self-employment in agriculture or subsistence entrepreneurship, which refer to those who are self-employed out of necessity when no other employment opportunities are available for them and high-developed ventures for entrepreneurship of youth with new ideas and risk-taking attitudes with growth orientation.

ANALYZING THE PRESENT

The labor market in Albania and youth unemployment

Referring to the latest labor market data in Albania, Albania is characterized by a high rate of working population out of labor market, which reaches 31.7% of the 15-64 age group in 2018 and 49.9% for youth aged 15-29. Analyzing this figure by sex, there is an unequal distribution between males and females, where for the same period the proportion of females (15-29) out of labor reaches 58.9% while for males (15-29) 41.3%. While 73.2% of economically inactive young people aged 15-29 declared themselves pupils/students or in training, 6.3% are classified as discouraged unemployed.

Young people make up a small number of the workforce compared to adults. Thus, in 2010 the labor force participation rate for the age group 15-24 was 33.7%, while the participation rate for the age group 25-64 was 65.2%, i.e. about 31.5 percentage points higher. Over the years, the gap has changed little, but in 2018 the youth labor force participation rate raised insignificantly till 35.8%, while that of adults raised to 73.3%, further widening the gap.

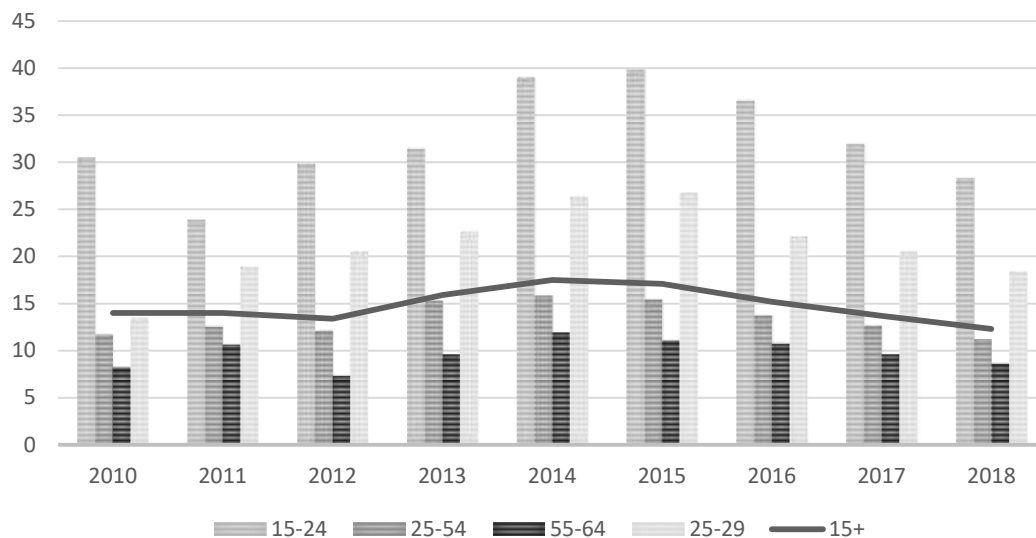


Figure 1. Unemployment rate by age group (%)

Source of data for Figure1: INSTAT

Figure 1 shows that the unemployment rate for both age groups has been in the same trend as for the total population, but the fluctuations for the youth age group have been more pronounced than for the adult age group. The data show that the highest unemployment rate over the entire period under analysis was the age group of 15-24 years. From 2012 to 2014, there is a significant increase in youth unemployment. Although the unemployment rate has fallen in the last three years for all age groups, youth unemployment remains at a high level, making finding ways to increase youth employment a key challenge for Albanian society.

The proportion of the youth population who are neither in employment nor in education or training (the NEET rate) captures the share of youth who are inactive for reasons other than education or skills development, as well as young people who are without work and looking for work (the unemployed). More specifically, the NEET rate includes youth who are unemployed, unavailable to work due to illness, disability or family responsibilities, discouraged, or voluntarily NEET. Discouraged youth who are NEET are available but not looking for work because they do

not believe there are jobs available or were unable to find jobs in previous searches or do not know how or where to look for jobs, among other reasons.

The Institute of Statistics data shows that in 2018, young people aged 15-29 who are unemployed and not attending a school or any vocational training make up 28.6% of the total youth. In the group of young people who are not employed and are not even attending school or any vocational training, 36.6% are classified as unemployed. The rest are out of the labor market because they are either discouraged (11.7%), or fulfilling family duties and responsibilities (22.0%), or for other reasons (29.6%).

Education dimension of employment.

A university degree for a long time has been considered as the ticket to a successful career, but many recent Albanian graduates can find that their investment in education is not paying back. Young people with a bachelor's degree are indeed more likely to find a job than their less-educated peers, but recent graduates today suffer from high unemployment rates, declining wages, lower-quality jobs, and few opportunities for advancement. The unemployment rate for both young males and females with high education more than 33 % in 2018, higher than for youth with low education or secondary education (Figure 2).

These data confirmed by the World Bank Survey on Demand for Skills in Albania (2018) by providing information that labor demand is higher for medium- and lower-skilled occupations. The main reason called by companies for not hiring high-educated specialists was related to the lack of necessity for specific occupations/workers.

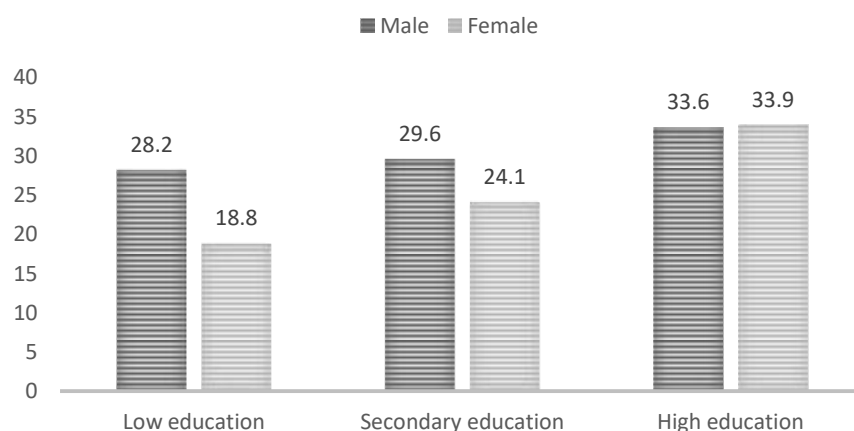


Figure 2. Unemployment rate by education level for youth 15-24 (%)

Source of data for Figure 2: INSTAT (2018)

High-educated youth expect employment with financial conditions that meets the skills they possess, but due to weak economic situation, often there is no such opportunities. In many cases long-term unemployment forces skilled workers to accept low paying jobs in the informal economy at a skill level below that matching to their qualifications. This way many young Albanians fail in finding jobs that match their aspirations and education. Legions of young people have grown frustrated and this frustration driving them for emigration. The drain of the young and the skilled individuals in the Western Balkans, in turn, is likely to reduce private sector activity and productivity, as well as the overall competitiveness of the region. Gallup World Poll surveys inform that Albanians' desire to migrate is four times higher than the world average. The survey puts Kosovo and Albania at the top of the "brain drain" index in Europe, which measures the level of young, highly-educated people who want to leave the country with no plan to return. In Albania, 32% of the highly-educated young adults would permanently leave their countries.

DETERMINANTS OF SELF-EMPLOYMENT IN ALBANIA AND MAIN BARRIERS FOR ENTREPRENEURIAL ACTIVITY

Albania has a relatively high self-employment rate concerning the total number of employees compared to the countries of the region, and for 2018 this share is estimated at 33.5% of the total employed. According to the World Bank, the evidence shows that countries with higher self-employed rates compared to total employees are those that rely mainly on the agricultural sector. Moreover, Albania ranks among those countries with the highest share of self-employed individuals with low education. Specifically, the structure of self-employed categorized by education level for 2018 comprises 42.8.% of individuals with low education, 34.2% of those with secondary education and only 13.5% of self-employed with higher education (World Bank, 2019). For youth can be seen similar situation 29.8%, 21.2%, and 12.2% respectively (Figure 3).

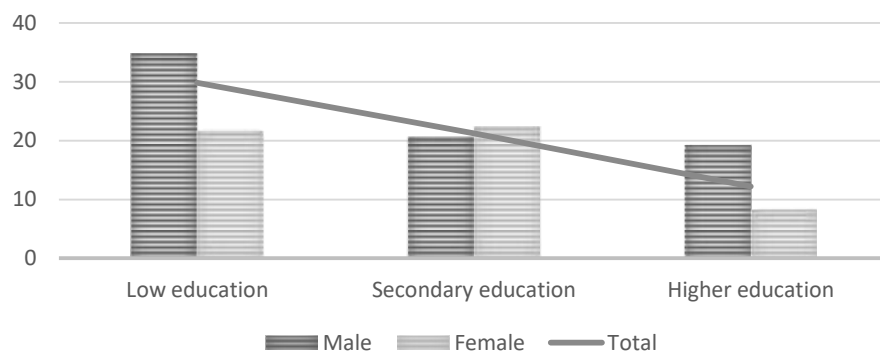


Figure 3. % of self-employed in total employment by gender and education level for youth (15-24)

Source of data for Figure 3: INSTAT (2018)

The World Bank study of labor market trends in the Western Balkans in 2018 reveals that not only employment in general, but self-employment, in particular, is more widespread in Albania among males than females. Specifically, self-employed men account for about 41.6% of total male employees, while women account for only 24.3% of total female employees. Moreover, the gender gap in the ratio of self-employed aged 15-64 is the highest in Albania compared to the countries in the region.

Speaking about self-employment in agriculture, it's a mainly high level of informality and vulnerable employment. In low-income countries where stable wage employment is rare and own-account work rife, young persons are more likely to settle definitively in self-employment – with a little prospect or desire to change their job (Burchell, 2015).

Working in the hidden economy often is not a matter of rational and profit-maximizing behavior by individuals and business entities but is often determined by educational attainment, culture or it can even be socially embedded. Thus an effective hidden economy countering policy also needs to be a comprehensive social policy. Designed policies need to target formalization of the whole economic value chain and clusters of economic actors and relationships instead of just focusing on a case by case legislation or increasing penalties and control of non-compliance.

Shurkov, (2018) based on enterprise surveys in Macedonia, Albania and Kosovo point out that key measures for reducing hidden economy are considered to be a reduction of taxes, tackling of corruption; more effective business stimulations; increased efficiency of the court system and implementation of stricter laws. Designing a comprehensive policy against hidden economic activities unavoidably need to be linked with the country's present policies for countering corruption and improving law enforcement and embedded in their respective economic growth strategies.

In order to help self-employed in agriculture sector to maximize their profit and to increase productivity and efficiency, we need to talk of an "income revolution" that can capture the entire value chain right from research up to the stage where the farmers are able to realize money in their pockets. What is going to be needed is a shift from a production-centric infrastructure to a market-centric infrastructure and giving market access to smallholder farmers. It will require moving away from business-as-usual and toward market orientation for agriculture—from agriculture as a welfare sector, to a business sector (Boettiger, Sanghvi, 2009). It can become possible by growth of farms size through collaboration among smallholders or sales of products throw intermediaries, a connection of all agriculture stakeholders in order to establish tight vertical linkages in supply chains and to make a shift from unprocessed to processed food trades.

Speaking about developing innovative entrepreneurship in Albania there are both structural barriers and opportunities to increase self-employment among young people: Historically entrepreneurship has been dominated by older workers, for the reason that they have a wider network of contacts, possess broader experience, and financial capital than younger workers. But the new large digital and internet opportunities may offer more low-cost opportunities for young people to get started on their own, especially for those individuals with high levels of digital skills and an awareness of the receptiveness of peer markets for new ideas and services. The skills and knowledge needed for self-employment and entrepreneurship are difficult to be identified and therefore to be taught. But recent research has argued that there are several characteristics, skills, and attributes necessary for successful entrepreneurship including creativity; autonomy; leadership; and, coping with uncertainty and ambiguity (Athayde, 2009). Lord Young's recent report emphasized the importance of fostering self-reliance, creativity and an enterprising attitude throughout the education system (Young, 2014). Certainly, a young entrepreneur must be multi-skilled – not only must they be able to produce the product or service which they hope to trade, but they must also be equipped with marketing skills to trade it.

In summary, there are several common disadvantages faced by young unemployed people who are likely to constrain their potential for successful self-employment, they can be classified into two groups: individual and environmental. Individual restraints include limited work experience, poor networks, lack of knowledge and skills. Main issues of environmental restraints are lack of enabling policy, regulatory and institutional environments including high registration costs for businesses, burdensome administrative procedures, obstructive taxation and legal systems, also limited access to finance and investment opportunities and limited skills and knowledge transfer, which would allow young entrepreneurs to gain access to technology and developing entrepreneurial skills.

Self-employment also presents several risks, to which young people may be particularly vulnerable, which include low and fluctuating income and risk of debt.

Required action measures from Government and International Organizations on youth entrepreneurship and self-employment should include: promoting an inclusive environment for entrepreneurship, engaging the private sector and young people in the promotion of youth entrepreneurship and self-employment, facilitating access to markets, networks, knowledge and skills, facilitating access to finance, developing social protections mechanisms for self-employed.

REGIONAL OVERVIEW AND OPPORTUNITIES FOR SELF-EMPLOYMENT - IDENTIFYING SECTORS AND BUSINESS IDEAS

According to Law 115/2014 “On the administrative-territorial division of local government units in the Republic of Albania”, as of July 31, 2014, the country is divided into 61 municipalities, part of 12 districts and further aggregated into 4 regions. The first region consists of the Kukes, Lezha, Shkodra; the second region consists of Dibra, Durres, Tirana; the third region consists of Berat District, Elbasan, Korça; the fourth region consists of the District of Fier, Gjirokastra, Vlora. In addition to analyzing the labor market at the national level, to assess the opportunities and barriers that individuals have to face to find a job, it is important to study the labor market at the regional level as well.

Figure 4 presents the weight of employment by economic sectors on average for period 2015-2017. It is noted that share of employees in the agricultural sector is the highest and still employs the largest share of Albanian employees 39.9%. The second-largest sector by weight of employees in Albania is that of commercial services, such as trade, transport, catering, and business and administrative services. The non-market services sector also seems to play an important role in the employment of the labor force in Albania, including public administration services, social services and other activities.

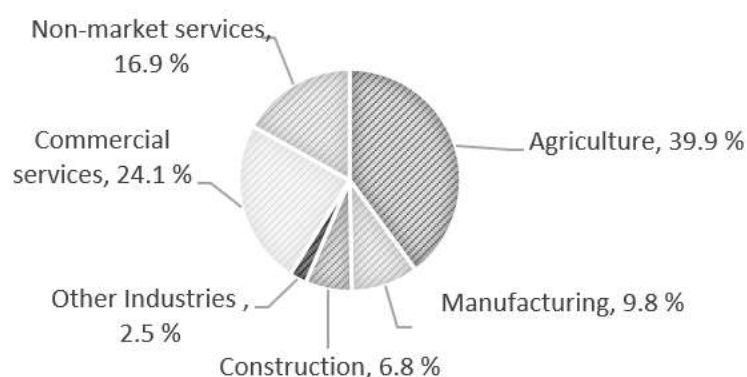


Figure 4. Employment by economic sector, 2017

Source of data for Figure 4: INSTAT

If we divide the number of employees in each region by the economic sector in which they are employed, we note that in three of the four regions, the agricultural sector employs the largest share of individuals, except for Region 2, where predominates the service sector and then employment in manufacturing.

To ensure employment growth in general and self-employment in particular, the specifics of each region must be considered to identify the appropriate paths. To this end, it is necessary

to identify, promote, manage and exploit the development potentials of particular regions with specific development needs. It would thus be possible for the self-employment rate to increase, despite the circumstantial differences existing across regions.

In the following part of the analysis it is made a Regional economic outlook for driving sectorial economic trends that outline some possible directions on which job-creation is expected to grow and as a consequent result, self-employment as well. The analysis is based on the Gross Value Added sectorial approach taking into account official data from the INSTAT and characteristics of regional economies. The logic behind this part of the analysis is that the more contribution the sector has into the economy, the higher the potential for proactive policies in support of decent jobs and self-employment.

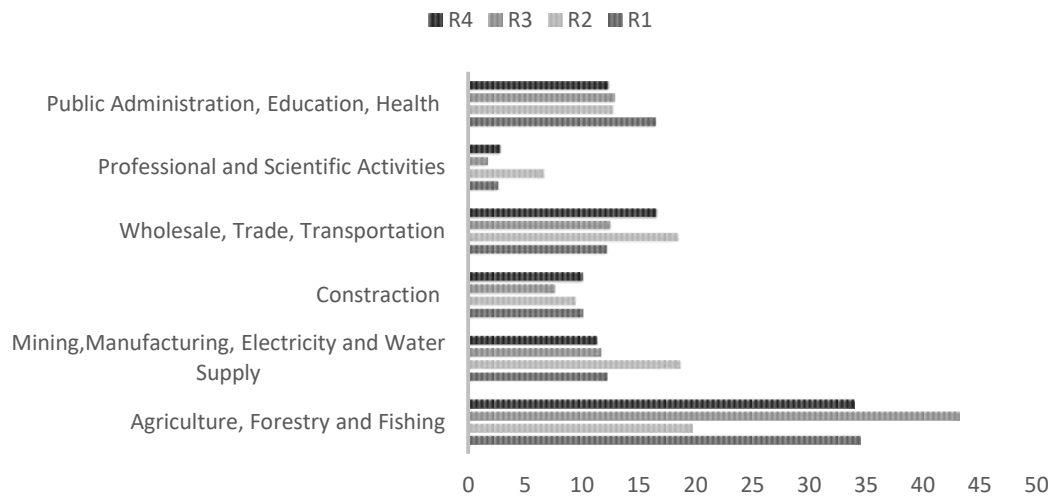


Figure 5. Structure of GVA by regions and by type of activities (%), 2017

Source of data for Figure 5: INSTAT

In 2017 Sector of agriculture, forestry and fishing had great economic importance for the country's gross domestic product (GDP) and the highest share in the gross value added (GVA) structure for three regions except Region 2, where the segment counted for just 19.7%. In order to boost this sector's impact in the economy, a strategic objective in the policymaking point of view, should be to increase the use of agricultural land, to grow the average size of farms and to improve utilized technology. Priority should also be given to high-quality food production systems, including organic farming, which can meet the growing demand for local food, creating employment opportunities in agriculture and bioenergy production.

Mining and Quarrying, Manufacturing, Electricity and Water Supply Sector accounts for a significant share of GVA in all four regions but has a relatively low figure for the Region 1

potential. The main activities are concentrated in the mineral extraction industry, including the presence of mines in different areas of the regions and less so in fish processing and the textile and footwear industry.

Wholesale, Retail Trade and Transportation sector is of particular importance to the economy of the regions, reflected in the relatively high share of this branch in the GVA structure. This branch occupies the highest share of GVA for 2017 in the second region, namely 18.4% due to its geographical positioning partly on the Adriatic coastline, the presence of the Durres seaport and the presence of the international airport. One of the most strategic sectors for this region is a catering service, which has grown in recent years mainly due to the development of tourism. Tourism remains a sector with great potential for exploitation and which guarantees an increase in employment and self-employment. Priority development should be given to identifying major tourism development centers, developing guidelines for managing historical trails, service infrastructures, and reception structures. For Region 4 is important to increase the volume of trade and transportation of agricultural and livestock products not only in the domestic market but also outside Albania in destination markets such as Kosovo and Croatia. The development of transport logistics, also reflected in the high number of transport businesses, remains a priority and good opportunity to support local economic activities that may benefit to increase the marketing of their products and services.

Interesting to note that Construction also plays an important role in the economy of the regions, especially for Region 1 and Region 4 where is accounting for 10.6% and 11.8% of GVA relatively. This is mainly attributed to the increased demand for vacation residences and infrastructure construction which leads to increased investments in the sector.

The sector of scientific, professional and technical activities, with a share of 6.7% for Region 2, is highest among the four regions of Albania, mainly related to the concentration of institutions of this branch in the country's capital. This sector also represents an opportunity for employment and self-employment growth in the region.

CONCLUDING REMARKS AND RECOMMENDATIONS

One of the main challenges of the labor market in Albania remains a high level of youth unemployment. Proactive labor policies need to have a specific focus on promoting entrepreneurship and improving the quality of self-employment and developing social protection mechanisms for self-employed people. Effective measures with mid-to-long term impact should be at the very heart of employment-related strategies and interventions.

Young Albanians are often drawn to entrepreneurship because of the necessity to escape unemployment and build livelihoods but are also motivated by the possibility to realize

their vision and contribute positively to the development of their country and communities. To grow synergy with the economy as a whole, promotion of self-employment should be supported by policies that can effectively provide the right healthy regulatory environment, enhance technical and non-technical entrepreneurial skills and improve access to financial services.

Increase in income of most vulnerable workers engaged in livelihood self-employment can be possible by identifying specific needs and carrying out interventions in support of small farmers, by providing enhancing measures like wider access to finance, training, and advisory services. Programs should aim to improve the earnings generated by current activities of self-employed in agriculture and other key economic sectors, without attempting to change the nature of the work. This outcome would be possible by improving pricing mechanisms, product quality, and production technologies to reduce costs and/or increase output and/or quality or by expanding markets. In the case of agriculture, many subsistence farmers would be better off simply by having access to better seeds, better products to protect their crops, and appropriate technology. Such interventions include efforts to improve knowledge and upgrade technology, facilitate better access to equipment and inputs, and offer better opportunities to price and sell products.

To distinctly change small farmers' standards of living requires considerable effort on the part of policymakers. This will ask for facilitation in farm size enlargement to increase volume of production and in connection of smallholder agricultural producers to processors and retailers for integration into local as well as regional and global value chains. Thereby young agriculture producers will obtain access to new markets, generate new business opportunities and get access to the transfer of knowledge and technology for stimulation of innovations.

When it comes to education, statistics show that the unemployment rate of young people with a university degree is extremely high and one-third of university graduates are unemployed. The employment rate is also very low - only one-quarter of young people in Albania are employed. The promotion of digital start-ups – new Internet-enabled businesses – is a promising area for developing young entrepreneurs.

Promotion of youth entrepreneurship requires to create an enabling environment in which youth entrepreneurship can flourish due to optimizing regulatory frameworks, increased access to credit and tailored entrepreneurship programs that combine enhancing entrepreneurship education, “hard” and “soft” skills development with active practice of coaching and mentoring and facilitating technology exchange and innovation. Programs to promote entrepreneurship should engage multiple stakeholders such as policymakers, private sector, financial institutions and NGOs in the collective action model.

Information and communication technologies (ICTs) can significantly support young women and men in realizing entrepreneurial opportunities, by enabling young people to acquire useful skills, including financial, entrepreneurial and digital literacy skills, and increasing their exposure to clusters and access to markets. Online and offline platforms that link young entrepreneurs and peer networks could provide support services specific to youth, to facilitate the exchange of knowledge, experiences and to build business connections.

Business incubators and accelerators are increasingly recognized as support mechanisms for young entrepreneurs to start and grow their businesses. These structures can have a variety of different forms, ranging from physical institutions and virtual platforms, to combined approaches. Their focus can be sector-specific (such as incubators in the ICT and agribusiness).

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

This research was broad-based on official secondary data, involving a multi-dimensional study on the youth unemployment situation in Albania. Important findings on the main barriers of entrepreneurial activity are result of the data-driven analysis under the research scope. The paper identifies sectors and business ideas for viable self-employment opportunities and explores possible impact of self-employment in funneling young jobseekers' contribution to Albania's economic development. As research contribution, this work aims to add value to labor policies with a specific focus on promoting entrepreneurship and improving the quality of self-employment in developing countries sharing the same challenges as Albania.

The study contributes to the existing body of literature focused on youth entrepreneurship and provides new directions for further research. This study paves the way for conducting future researches on the potential of young entrepreneurs to contribute to Albania's economic growth process and boost exports by becoming a dynamic part of the Global Value Chains. This includes the further study on potential contributing economic sectors into growth with special focus on the implementation of the I 4.0 technologies and domestic policies facilitating successful participation by coordinating, informing, and training domestic small and medium enterprises and helping them to be part of GVC's by exploiting and capitalizing on their comparative advantage.

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