

Paper to Pixel: *The journey of job portals*



CASE STUDY FINDINGS

Extracted from the main report

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The size and growth of the Kosovo national economy depends on many factors, one of which is labour. The relationship is a virtuous one: a quality labour force is an ingredient of competitiveness and growth, and growth provides the resources and incentives for societies, business, government and individuals to invest in labour quality. A critical aspect of the labour market is the mechanism by which employers and job-seekers are connected. Since 2013, the Enhancing Youth Employment project has been working with business, civil society and government to improve the job-matching market.

Youths are a large portion of the working-age population in Kosovo. However, they, particularly young women, are disproportionately under-served and remain largely disengaged and disconnected from the

labour market. This situation is holding back economic growth. EYE designed a component to facilitate the transformation of job-matching from traditional to modern, digital systems. This has improved the flow and quality of information on job vacancies leading to a more inclusive and efficient job-matching service. The availability of information on job vacancies in the digital platform is expected to contribute to better functioning of the labour market, and more accessible for young people, since such platforms are used overwhelmingly by young people.

EYE is a 12-year project funded by the Swiss Agency for Development and Cooperation (SDC) and implemented by the consortium of HELVETAS Swiss Inter-cooperation Kosovo (HSIK) and Management Development Associates (MDA).

01 Labour market conditions in Kosovo

Kosovo is characterised with a high unemployment rate and with low employment and labour force participation rates. By 2021, the unemployment rate levelled at 20% (19% for men and 25% for women). In contrast the unemployment rate in the EU27 countries was 6% in 2022.

The labour force participation rate in Kosovo increased slightly from 37% to 42% by 2021, but remains far below the 75% rate in EU27 in 2022. The low participation rates are largely due to the very low activity rates among women and young people, as both categories are highly represented within the whole population in Kosovo.

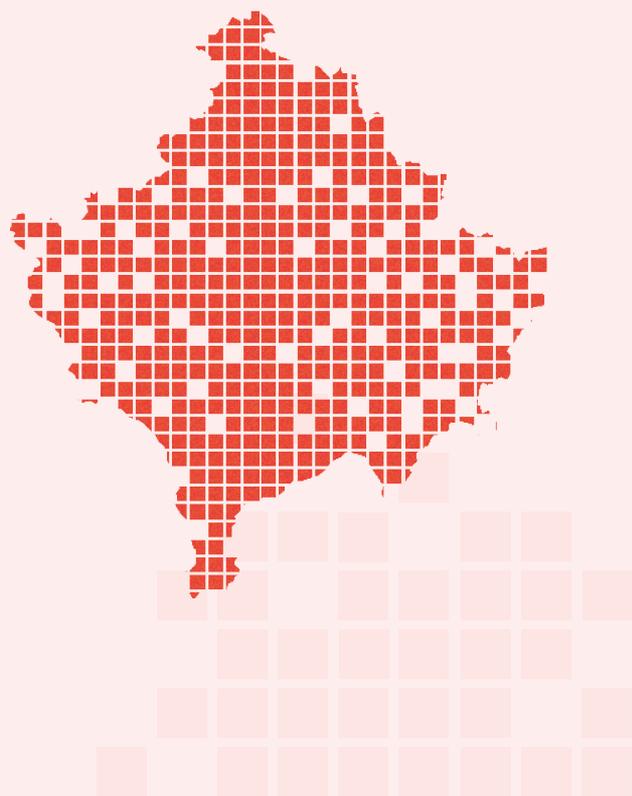


Figure 1: Employment, unemployment, and labour force participation rates in Kosovo for the last decade

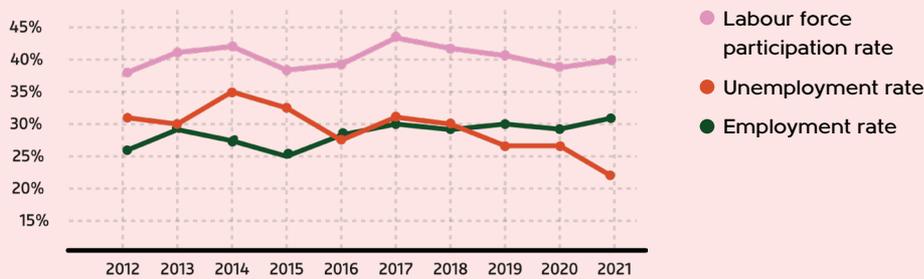


Figure 2: Youth NEET rate and ratio of youth and adult unemployment rate in Kosovo for last decade



Source: Case study on job Matching Services in Kosovo



Kosovo labour market is also characterised with high youth unemployment and inactivity. Young people (15-24) are nearly twice more likely to be unemployed compared to the overall population, levelling at 38% in 2021. Similarly, the share of young people (15-24) neither in employment nor in education and training (NEETs) in 2021 was high, ranging from 27% to 35% while in 2021 it was around 32% of the total youth population (or over 105 thousand young people) while in EU (European Union) 27 countries it was 11.5% in 2022.

02 What did *EYE* project do?

PHASE ONE (2013 - 2016)



EYE facilitated knowledge transfer by connecting emerging private job matching service providers in Kosovo with a provider from Bosnia and Herzegovina. They shared its business model, technological infrastructure, service offerings, and marketing strategies with Kosovo providers. Following this, EYE invited market providers to propose business development plans, offering co-sharing grants to two selected providers who had just started their businesses. This support enabled them to upgrade their ICT infrastructure and enhance their service offerings while also working on marketing strategies.

PHASE TWO (2017 - 2020)



The project aimed to expand the market beyond capital Prishtina and bring new players by supporting the employment of non-majority groups like the Roma, Ashkali, and Egyptian communities. Two companies received support to offer traditional job placement services for the employment of Roma, Ashkali and Egyptian communities in the formal sector, while the second company developed a more innovative job matching model by engaging members from these communities in agricultural businesses. This model provided training and connected beneficiaries with agri-businesses during peak agriculture seasons.

PHASE THREE (2021 - 2024)



In the last phase, the focus was on advancing online platforms of major providers, diversifying and digitalizing services, promoting cooperation between the government and private providers. Two major market players received support to upgrade their online platforms. These changes were essential to improve efficiency, accuracy, and the overall effectiveness in matching candidates' skills, qualifications, and preferences with job requirements. The aim is to achieve higher-quality matches that align with the needs of both job seekers and employers. Moreover, the public and private market players were exposed to temporary employment agencies in EU to build capacities for future employment schemes. During this phase, the project supported dedicated job matching services for Kosovo Serbs.

The overall results 03

MAIN RESULTS

It is estimated that EYE has caused 10,000 more jobs to be filled during 2016-22.

This impact was caused by the following changes:

- There was an increase from 40-55% in the share of jobs matched through online platforms, and this can be attributed to qualitative improvements in the way the service is offered. These changes were facilitated by EYE.
- Two providers that were supported by EYE have not only been leaders that facilitated the transition, but also hold a significant market share, accounting for around 70-80% of all job vacancies advertised annually.
- Growing number of jobseekers (about 1.1 million users combined for both job portals).
- Private job portals attribute at least 60% of their success to the support provided by EYE. 40% of vacancies announced in the initial phase of the project were matched and then increased gradually to 55%, combined for the two main portals. This implies improvements in the quality of matching throughout the second and third phase. Based on this information, the number of jobs matched through online job portals is estimated to be 23,000 in 2022 from 480 in 2012 with the assumption that none of the job postings were advertised in both portals.

Figure 3: Trends in PrEA matching services according to the two biggest online platforms



Source: Case study on job Matching Services in Kosovo

Figure 4: Trends in PrEA matching services according to the two biggest online platforms



Source: Case study on job Matching Services in Kosovo

TODAY

- All online job advertisement services are paid by employers.
- There is supply for such services from private providers.
- There is significant interest from job seekers to be part of online job advertisement services.
- The majority of job seekers that use services from private employment agencies, belong to the 18-35 age group.
- Private employment agencies serve all types of enterprises.
- They were able to expand the client base of enterprises throughout Kosovo.
- There is increased competition, leading to innovation, development of better services, and in some cases, specialisation.
- The number of private employment agencies that are registered and licensed at the ministry of finance labour and transfers (MFLT), has increased from 0 in 2016 to 34 in 2022.
- Some other private employment agencies have expanded their business to international markets (Germany, Albania and Middle East) by offering recruitment services.
- They are gradually developing relationships with training providers and career guidance centres, offering information on various training offers and self-assessment tools.
- EYE contributed to the operation of a job market system that yields more socially inclusive outcomes, particularly for women and rural youth (around 45 percent are women).
- There is an online platform operational in Serbian language which was supported by EYE.
- The increased use of online job matching services is also expected to bring efficiency gains to enterprises and to the economy.
- The growing use of online services and advancements in online technological conditions are expected to contribute to reduced transaction costs for both employers and jobseekers.

Vision for *the future* 04

- **VISA LIBERALISATION AND THE POTENTIAL OUTFLOWS OF PEOPLE** - visa liberalisation is expected to have an even more significant effect on outflows of people heading towards EU countries.
- **THE INCREASED NEED FOR RECRUITMENT SERVICES** - the pressure on employers to find adequate workforce due to migration will increase demand for recruitment services and may also require investment from private employment agencies in offering a wide range of affordable recruitment services.
- **THE POSSIBLE INCREASED NEED FOR PRIVATE AGENCIES TO BE PROACTIVE IN PROVIDING FLEXIBLE AND AFFORDABLE BUSINESSES** - set up specific training programmes or create partnerships with training providers to design targeted training packages.
- **INTRODUCTION OF NEW POLICIES BY THE GOVERNMENT SUCH AS YOUTH GUARANTEES** that may require collaboration with private employment agencies.

