

Long-life Learning and Entrepreneurship

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Abstract: This study attempts to give a general view of actual condition of human resources in SMEs in Kosova, possibilities and perspectives for development of entrepreneurship core from education system in Kosova. The survey of 600 SMEs in Kosova, data from Ministry of Education and Ministry of Labour were the main sources of this article. Study contains practices of long-life learning Kosova and some demographic characteristics which determine the working contingent and the need for long-life learning. The young population dominates demographic structure while there is high level of emigration as a result of unemployment. It is a characteristic that the middle class during the 90s had no working possibilities thus they had to develop their knowledge and skills in order to find a work. On the other hand, Kosovans' economy insists in developing new education system which creates the possibilities to gain knowledge and practical skills which generate economic growth, new working places, and competition with regional or wider labour force.

Keywords: human resources, learning, education, entrepreneurship

Introduction

In Kosova since 1981 there was no registration of population, wealth or businesses. All valuations were given based on partially research from independent institutions, government or international organizations.

These valuations show that in Kosova live approximately 2 million inhabitants in a space of 10.887 km² (density: 183 inhabitants /km²), 300 -330 thousand families, around 500.000 inhabitants live or work temporary in western countries. Around 60.000 business entities are registered and around 60% of them

are still active. GDP per capita is around 1200 euros, which is significantly low compared to other Southeastern European countries, while the level of development goes around 40-50% among countries of Western Balkans. Human Development Index (HDI) places Kosova among places 85-90 in the list of 170 countries, near to Albania, Bosnia and Herzegovina and Macedonia. Based on the latest research from World Bank, in Kosova at the level of poverty live around 37% of population, while under extreme poverty around 15.2%. The lack of investments and maintenance as a result of occupation, robbery and destruction of assets, caused deindustrialization of economy and returned this economy into agricultural one. Industry now has 15% share on GDP (in 1988 it was 45%), trade and services 60%, while agriculture 25%.¹ Kosova contains some demographic features, which determine working contingent and the need for long-life learning. Young age population dominates significantly, while on the other hand there is high level of emigration of this population in order to find jobs. It is considered that 1/3 of this population are under age 16.²

Young population continuously are making economic pressure for employment. For one year period, for the first time in the labour market are entering 21.000 to 25.000 new workers. The capacity of SME performance can not face such big flow without offering them strong support. If we believe that young age people are an important factor for

economic growth, it is necessary then to provide them education that will fulfil market demands.

Changes in economy

Reconstruction process in Kosova after the war, due to contributions from international and local community, was successful. Emergent stage of rebuilding the country was quite successful, while it was supported by international community. Now, Kosova needs economic growth and new working places.

The dynamics of changes is caused by the open economy which promotes the private incentive and entrepreneurship development. In Kosova, a very important sector was created for SME's that developed in three phases:

- First Phase, from 1990 till 1993
- Second Phase, from 1994 till 2000, and
- Third Phase, since 2001

In the period between years 1991 and 1993, we observe a rapid growth of SME number. During this period in average around 5000 new enterprises were registered. Even though Kosova begun the transition period later, it stands close to other countries regarding the average number of SMES per 1000 inhabitants³.

¹ In Macedonia, the share of industry in GDP is 31%, in Slovenia 36%. While the share of trade and services among these countries are similar to one in Kosova.

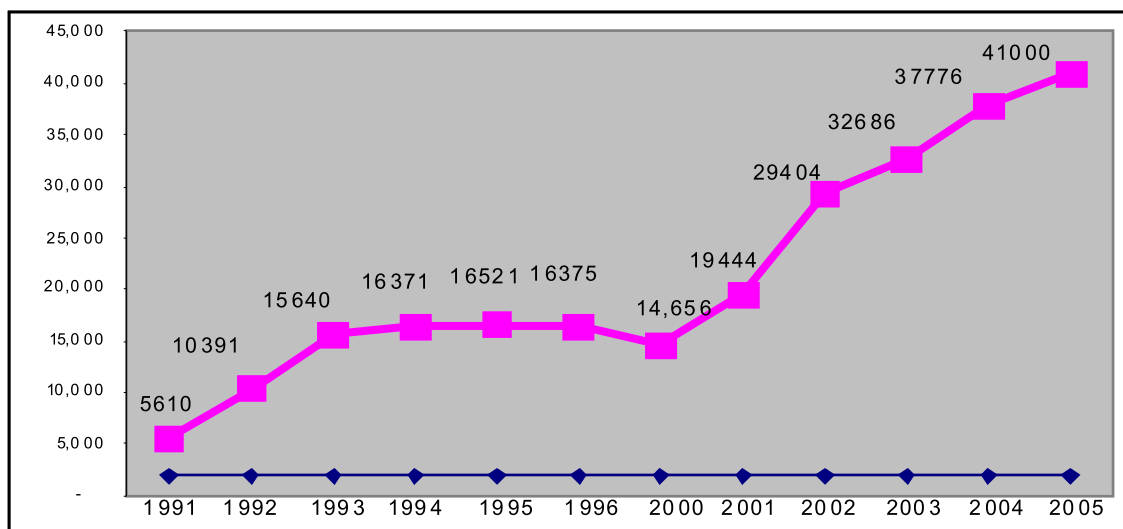
² Riinvest survey with 1252 families, 2002

³ Socio economic profile of Kosova and development challenges, Riinvest 2005, p.59-60. Compared with other countries that begun transition earlier, Kosova with 16 SME's in 1000 inhabitants stands at very favorable position (twice more than Serbia and Montenegro), in front of Slovakia, Moldova, Macedonia and Croatia, while its equal with Albania

Population structure in Kosova

Description	Number	Percentage
Inhabitants	2,150,000	100.00%
From 0-15 years	662,150	32.30%
From 16-64 years	1,291,500	63.00%
Over 65 years	96,370	4.70%
Working or labour force	1,268.50	59.00%
Active population	702,000	34.20%
Non-active population (non-labour force)	508,000	24.80%

Source: Riinvest (2002): Survey with families and labour market in Kosova



After the war economic structure of Kosova has changed a lot. We have a drop of participation of industry compared with 90's, which caused also the change of sector's participation in this economy. Currently the participation of production is around 30% with tendency of continuous fall, service and handicraft sector around 18%, while trade around 52%.¹ Other important changes are the fall of domestic production from 10-30%, damaged industrial capacities from the war cannot be used, major changes in labor

¹ Ministry of Trade and Industry: SME development report 2005

market as a result of continuous unemployment growth², the loss of markets and the cover of export with import is around 6.3%. Then there is a low level of active population (34%), high level of population out of labor market (25%) and only ¼ of Kosovars creates incomes.

About 50% of the workers that were employed before, which relatively belong to old age groups and possess professional skills, did not respond to the requirements of SMEs

² Unemployment in Kosova is considered to be over 45%

in Kosovo, since there is a need for them to renovate their knowledge and re-qualify. Those categories are still remaining unemployed since new generations are in a better position to achieve new qualification, are

more flexible in their working places and in most cases they do speak a foreign language which is in their advantage since they can exchange information and products easier with foreign and interior market.

Characteristics of labour market in Kosovo

Age	Male	Female	Total
16-24	39.1	41.4	40.2
25-34	30.4	30.6	30.5
35-44	18.1	19.5	18.8
45-55	8	6.7	7.4
55-64	4.4	1.8	3.2

Source: Riinvest, Labour market and unemployment in Kosovo

In these conditions, Kosovar society should invest in development of new professions- training and additional education in those generations in order to make more easy for them to find jobs, or to improve their knowledge in creating individual businesses which will generate employment for themselves and for the others as well.

All changes in economy increased the need to reform the education system which should be acceptable for labour market demand.

Education changes

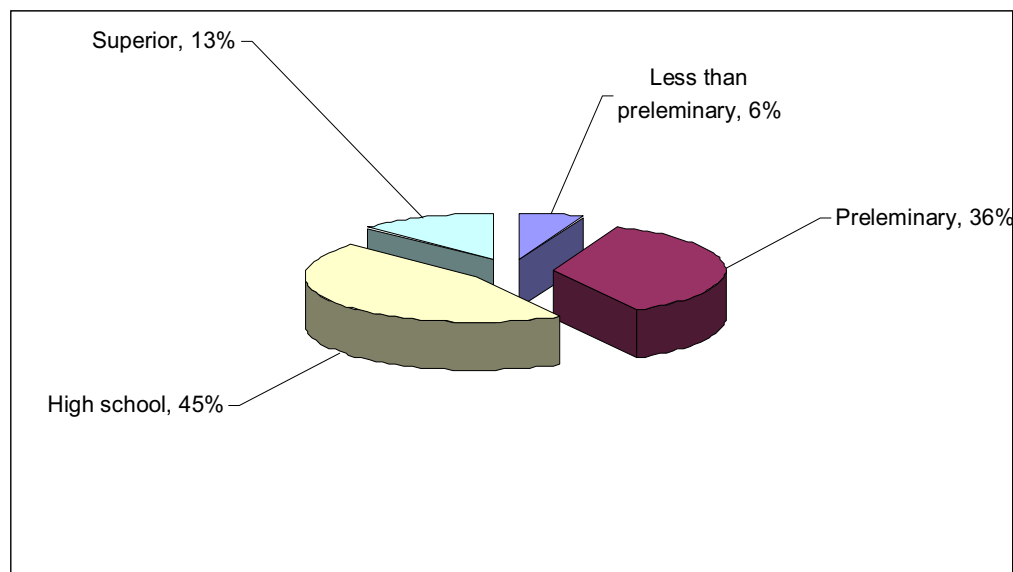
There is an attempt to increase the approach for education that was required from people that are interested in. About 97% of children of age from 6-15 are taking the obligatory education, but only 85-87.5% of them do succeed to finish the 9th year (last level of preliminary school). Meanwhile, only 75% of those who finish the preliminary school do continue in the 10th year, while the result of those who continue the high school is low and only 54% do succeed to finish 12-13 years. Finally only 12% of those who finish high school can be registered in further studies.

Universities (public and private) are on attempt to find the path that will lead to true reforms, which do follow the Bologna convent. But it doesn't necessarily mean that agreeing in the bologna convent, is all that should be done. Public and private universities should do their best to increase their capacities (invest in human capital), to establish research centres with interdisciplinary approaches which do enable compatibility with education system in region, in the aspect of getting applied knowledge. Reforming stage should ensure a continuous development, which should respond to market demand and which will enable application in the long-life learning process within different forms.

However, the path for this application in Kosovo is little harder compared to other places because of accumulative problems for a long time in economy and in education system. In the actual situation, education system should regard to new changes which are following the development of private sector:

- Labour market has changed fundamentally from the previous one which was referring to the education system,

Education level in Kosova



Source: Riinvest (2002):survey with families and labour market in Kosova

- Private sector, foreign investors and entrepreneurship are new challenges to which should refer the today's and future education system in Kosova,
- There is a need to educate human resources, so it will increase their abilities for practical knowledge and self-employment;
- In 2010, in EU countries will require high level of education for about 80% of working places;
- The development of entrepreneurship requires qualitative education, creative people with flexible knowledge, able motivated and inclined to solve problems.

Making reforms did not create an environment which enables transformation of education system from the traditional one, to system that enables application of achieved knowledge in market. Private sector (SMEs) require from labour market professions, skills, and applied knowledge for their employees.

Based in that Kosovar economic environment must insist and support **long life learning**, knowledge's that will result in economic growth and new working places because "better-educated individuals have, on average, higher rates of participation in the labour force, lower unemployment and higher earnings than those with low qualifications"¹. Based on this everyone should be able, motivated and actively encouraged to learn throughout life. This view of learning embraces individual and social development of all kinds and in all settings: formally, in schools, vocational, higher - and adult-education institutions; and informally, at home, at work and in the community.²

¹ Phillip McKenzie and Gregory Wurzburg The OECD OBSERVER No. 209 December 1997/January 1998

² Phillip McKenzie and Gregory Wurzburg The OECD OBSERVER No. 209 December 1997/January 1998

*Structure of subjects which do treat the entrepreneurship/are
in relation with entrepreneurship*

FACULTIES	Number of subjects	
	Entrepreneurship	Related
Law		3
Economic	8	22
Construction and building		1
Electrical engineering and computing		4
Mechanical engineering	1	2
Medicine	0	0
Faculty of ART	0	0
Agriculture	2	3
Mining	2	3
Education faculty	0	0
Total subjects	13	38

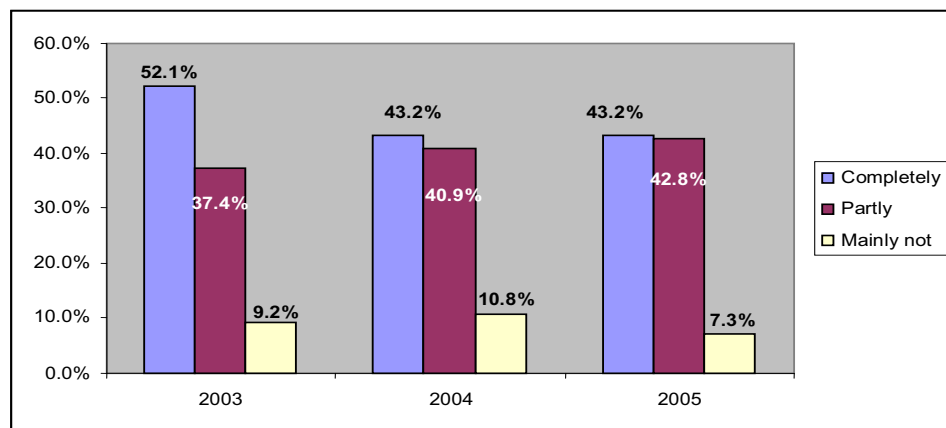
Review of subjects' taught in University of Prishtina

The above table reflects the number of subjects in high education related to entrepreneurship. Graduate studies in University of Prishtina; do contain only 13 subjects which directly or indirectly are related to entrepreneurship. From the table we found that the Faculty of Construction and Faculty of Engineering do not contain in their programme subjects which are related to entrepreneurship. Meanwhile it is still unknown

the practice of offering additional-special services from academic departments for the category of people which have finished formal education who will need additional knowledge beside the finished faculties.

For this reason, in surveys and research programs, owner and entrepreneurs are not satisfied with the knowledge and skills which are provided from the education system in Kosova for the labour market.

The fulfil of required qualification and practical skills from labour market



Source: Riinves research on SMEs

Within the last three years of research in the aspects of development and SMEs profile in Kosova, entrepreneurs do think that there is a tendency to fall the offer about the profession and qualification which are useful for their businesses. Continuously in those last three years the main problem or attention of entrepreneurs is the lack of practical skills for the qualified or employed who finished their studies.

Only 42,8% of the respondents are partially satisfied with the supply of labour market, while 43,2% of respondents feel that labour market supply fulfils their requirements.

Entrepreneurs are not satisfied with the actual education system arguing that education system does not prepare the students with the required knowledge. They argued that to those workers are found insufficiencies that results in additional costs for them, which are shown in table below:

Dissatisfaction of entrepreneurs caused from the:

Description	2003%	2004%	2005%
Lack of theoretical knowledge	6.5	6.1	14.7
Lack of practical knowledge	70.9	76.8	74.2
Old learning programs	16.1	16	11.1
Other	6.5	1	0
	100	100	100

Source: survey with SMEs, Riinvest

Entrepreneurs are not satisfied with the knowledge of the recruited workers from high schools because of their lack in the practical knowledge. More than 74% of owners are unsatisfied with the practical knowledge of the workers.

The attendance in renovation of knowledge within different forms of trainings, seminars and practical exercises is not satisfactory. Analysis in private sector showed that only 19.6% of their workers attended an additional course or training to improve their knowledge, while 80.4% of the workers didn't attend any kind of additional education process.

The trend of low attendance in additional education programs which will ensure higher skills for the workers is a result of:

- Unwillingness of entrepreneurs and managers to provide their workers additional trainings. The investment

on human resources is still considered as a cost, not as an investment;

- Unwillingness of entrepreneurs (72.9%) and managers to attend any programme which will give them additional knowledge. Analysis in the private sector showed that 27.1% of the entrepreneurs and managers are implied in any form or other in programs that will give them additional education.

If the workers attended or not in any additional education programme

	2003%	2004%	2005
Yes	14.7	14.7	19.6
No	77.9	74	80.4
N.A	7.4	11.3	0
	100	100	100

Source: SME survey, Riinvest

Table of active registered labour market seeking for jobs

Qualification	Number of workers registered as unemployed	% of attendance based on their qualification	Trainings according to qualification
Unqualified	191,893	60.3	15.9
Semi-qualified	13,636	4.3	1.9
Qualified	29,229	9.2	13.1
High school	83,943	26.4	63.4
Faculty	2,315	0.7	3.1
University	2,403	0.8	2.6
Total of registered jobseekers	323,419	100	100.0

Source: Ministry of work and social welfare, annual report about employment, 2004

The aim of professional trainings is to improve the level of employment of the registered unemployed workers, in the way that trained people, are ready to challenge with the everyday problems of the business life, like: generation of new ideas for business, creation of new firms and generation of employment.

Changes from long-life learning

Enterprises and foreign investors will require human resources that are qualified and which will require less as possible additional investment to be re-trained.

The market will require additional knowledge and practical skills; therefore the categories which will need regular and additional education for entrepreneurship are: school-students, students, and people of young ages out of education system like the people who quit their studies in high school or ones that have quitted the university studies, managers, entrepreneurs, people who are looking for jobs, teachers, trainers, educators, professors, SMEs and other communities.

Education related to entrepreneurship implies the process of getting more knowledge, skills, and entrepreneurship abilities from the education system. This process starts from the preliminary school and goes up to master studies and professional education. In preliminary schools in Kosova there is a lack of relevant materials that will equip the scholars with elementary knowledge about entrepreneurship.

In preliminary and high schools students should learn some basic concepts about; ownership, career development, free market at its function, individual skills of entrepreneurs, and their motives. Those would be the outputs that will start the process of long-life learning of future entrepreneurs.

The other step that is important in the process of long-life learning for entrepreneurship is the increase of knowledge continuously. Education system should provide students with materials from business and teach them the process of starting up a new small business.

Education system should stimulate creativity in business and continuously test the abilities and ideas in conducting and creation of businesses. Starting a new business is a

dream for many people. To make the dream come true we should create some possibilities for them to get knowledge like the establishment of enterprise, business plan making, and market analysis and so on. In this stage we have to deal with people that might be relatively experienced in entrepreneurship field. Education system in Kosova should provide programs to increase professional skills in entrepreneurship; programmes that guide interested parties to establish and manage a new business. In this stage the followers must have the idea of how the business should be created, requirements to increase it (business plans, financial plans, and investments) and so on.

It is a characteristic of entrepreneurs' nature to underestimate the risk. Usually they do not ask for help until it is too late for that. Therefore, education system in Kosova should provide different programs to increase the skills of entrepreneurs and the business community related to the challenge with the problems that they can face in their path to increase their business-the risks in business; hence entrepreneurs should continuously learn and develop their knowledge through continuous learning which we are calling long-life learning. Those requirements are valid for both, managers and employees as well.

Conclusions:]

- HR Development is the critical for economic development of Kosova,

- Transition period caused changes in economy, since the planned economy is abounded and open market economy is accepted, witch requires new knowledge and new skills for which require the introduction of new practices with new programs in education system.

- Entrepreneurs are not satisfied with the actual education system arguing that education system does not prepare the students with the required knowledge but in other side we have unwillingness of entrepreneurs and managers to provide their workers additional trainings because they consider investments on human resources as a cost, not as an investment;

- SME development requires new technology and new knowledge, for that, the aim of long- life learning is to prepare HR in management issues through professional trainings, in the way that trained people, are ready to challenge with the everyday problems of the business life, like: generation of new ideas for business, creation of new firms and generation of employment

- Young age population dominates significantly demographical structure, while on the other hand there is high level of emigration of this population in order to find jobs because the capacity of SME performance can not face such big flow (annually, for the first time in the labour market are entering 21.000 to 25.000 new workers), without offering strong support providing them education that will fulfil market demands as an important factor for economic growth.

- All those requirements will be fulfilled if Kosovassociety recognizes the importance of long life learning for economic growth. For that is needed to be accepted and implemented main points predicted in strategic plan for education system up to 2017. The strategy is offering priorities and opportunity for equal learning and allows more flexible learning. Also its predicted the possibility for different stake holders such as civil society and business community, to provide and improve employment skills through education and trainings.

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