



MINORITY INCLUSION ASSESSMENT AND STRATEGY



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Introduction

The purpose and strategy key concepts

The purpose of this strategic document is to assist FEGO project to propose design of mainstreaming its activities in order to ensure social inclusion of minorities within its interventions in Kosovo. The document seeks to present analyses of (dis)advantages and bottlenecks, constraints and opportunities for the participation of minority excluded groups, in general for mainstreaming into project activities for all three sectors. In line with FEGO Project Document, this assessments is to highlight *targeted interventions that will be identified and developed to reach and address the economic needs of the Serbian, as well as Roma, Ashkali and Egyptian communities - as the most excluded community in Kosovo.*¹ The assessment will refer also to other minorities, and most of the identified obstacles and solutions proposed can be applied to inclusion of any other minority group in Kosovo, as they face common constraints and opportunities in most of the cases.

After introduction and broad context of inclusion of minorities in Kosovo, assessment will elaborate on situation of minorities in FEGO sectors key stakeholders, legislative and enabling environment conditions for minority inclusion, and methodology used.

This assessment and strategy for inclusion of minorities aims to be used for practical purposes, so two main parts of the document are: Findings in furniture, apparel and rural tourism sectors and Recommendations.

In the first part, there will be analyses of market actors, identification of key businesses in each of the FEGO sectors that are owned by different ethnic groups in Kosovo; competitive (dis)advantages and bottlenecks of minority groups living in Kosovo; constraints and opportunities for the participation of minority excluded groups, in general for mainstreaming into project activities for all three sectors; Access to market - constrains and opportunities of minorities to participate in the labor force in FEGO related sectors; and Access to resources - level of access to land ownership, resources, technology, and equipment. At the end of this document, practical and concrete recommendations will be given on how to have a better inclusion of minorities within the FEGO project interventions in three sectors (furniture, apparel and rural tourism).

Context of minority inclusion in Kosovo

Kosovo has a GDP of around €7 billion, and a population of 1.8 million persons.² Population consists of a majority of Kosovo Albanians (87 %) and several minority groups: Kosovo Serbs (8 %), Kosovo Bosniaks, (1.5%) Kosovo Turks (1 %), Ashkali (0.8 %), Roma (0.8 %), Egyptians (0.6 %) Gorani (0.6%), Croats, (0.01%), and Montenegrins (0.01%).³ Despite moderate economic growth in recent years, Kosovo is unable to address high rates of unemployment and poverty. Inequality, unemployment, and exclusion rates are high in general, and worse so for youth, women, and certain ethnic minorities. The minority communities of Roma, Ashkali and Egyptian communities have the highest unemployment (estimated to vary between 60% and 80%)⁴. The country faces further setback with the recent COVID-

¹ See page 6.

² See KAS and World Bank Indicators (2020)

³ Multidimensional Poverty Analysis Kosovo 2017 <https://cdn.sida.se/app/uploads/2020/12/01095837/kosovo-mdpa.pdf>.

⁴ Kosovo Human Development Report, UNDP (2016)

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19 pandemic impact in the economy, which threatens to reverse the economic growth of the recent few years. Gender and minorities mainstreaming in the economy remains low, with very high rates of labour inactivity, employment, and low rates in business ownerships.⁵

Overall, poverty levels remain high, estimated at around 30%, with rural areas worse affected than urban areas, and women and youths affected the most, along with the Roma, Ashkali and Egyptian communities. As the UNDP Human Development Report (2016) notes, the most socially excluded groups in Kosovo are disadvantaged children and youths, rural women, the Roma, Ashkali and Egyptian communities, and persons with disabilities. The main underlying cause of exclusion for RAE and persons with disabilities is limited access to basic education, which then affects their skills and employability. Over 40% of the Roma, Ashkali and Egyptian communities are excluded from all the factors (land, capital, and adequate skills) needed to gain employment.

Roma, Ashkali and Egyptians are dispersed throughout Kosovo, mainly in 24 municipalities, with significant presence in the municipalities of Ferizaj/Uroševac, Fushë Kosovë/ Kosovo Polje, Gjakovë/Đakovica, Pejë/Peć and Prizren. The latest official data on the representation of these communities in Kosovo is registered in the 2011 census, which indicates that 8,824 Kosovo Roma, 15,436 Kosovo Ashkali and 11,524 Kosovo Egyptians live in Kosovo. Kosovo Roma thus constitute 0.51 per cent of the population in Kosovo, Kosovo Ashkali 0.89 per cent, and Kosovo Egyptians 0.66 per cent. These figures, however, do not necessarily provide an accurate demographic image of the three communities, as not all of their members took part in the census, and the census was not conducted in the four northern municipalities.⁶

Kosovo has 38 municipalities in total, out of which 10 are Serb majority municipalities established in line with the Ahtisaari plan in 2009. These municipalities have both Kosovo and Serbian administrative structures, and four of the Serb majority municipalities in northern Kosovo are yet to fully integrate within Kosovo structures. Serbia continues to provide financial delegations for the Serb majority municipalities, with salaries, pensions and social assistance that are higher than those provided by Kosovo.⁷ Still, many of Serb community members, not falling under these three categories, struggle to find employment and sufficient source of income, especially in rural and remote areas.

Turkish community is mostly concentrated in the Prizren region, and many of them live in Mamusha/Mamuša (about 6,000) and maintaining close ties with Turkey. In 2008, the Kosovo – Turkey Chamber of Commerce (Kosova-Türkiye Ticaret Odası) was established. The chamber aims to increase the volume of commercial activities between Turkey and Kosovo, to attract Turkish investment to Kosovo and to create an economic bridge between the two states. *Turkish community in Kosovo appears to be well organized and representative in terms of political participation. Some of the biggest companies from Turkey, with international reputation, have invested or are ready to invest in Kosovo. Investors, companies, banks and other services from Turkey contribute to the development of Kosovo's economy, have created job opportunities and have enabled local-partnering business to expand their business activities. There are also other Turkish companies present in Kosovo whose business is on textile, industry, furniture, stationary, food, construction materials, etc.*⁸

⁵ FEGO Project Document, pages 4-6.

⁶ Overview of Roma, Ashkali and Egyptian communities in Kosovo, 2021 OSCE, p.4.

⁷ Multidimensional Poverty Analysis Kosovo 2017 <https://cdn.sida.se/app/uploads/2020/12/01095837/kosovo-mdpa.pdf>

⁸ Jeton Mehmeti. The Economic and Social Investment of Turkey in Kosovo. ADAM AKADEMİ, 2012/1: 97-106
<https://dergipark.org.tr/tr/download/article-file/230539>

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Croat community in Kosovo consists of around 200 Croats left in Janjevo, while there are only about 40 in Letnica, all of them elderly. According to the 1991 census, there were 8,800 Croats in Kosovo, and in 1998 only 1,800. They are recognized by Kosovo law as national minority. In Janjevo they have two associations "Sveti Nikola" and the Croatian Youth Association Janjevo, and in Letnica there is a Croatian humanitarian association Narodna kuhinja Letnica. The drastic decline in the number of Croats probably comes as a result of the independence of Croatia and EU membership, after which, the majority of the Croat minority in Kosovo gained Croatian citizenship and moved there. There were not much changes from the Multidimensional Poverty Analysis Kosovo 2017; even now it could be confirmed that "one of the core problems is limited access to formal employment and an undeveloped democratic culture with distrust in public institutions. The access to power and voice is asymmetric and based on opaque party structures and family ties. As a consequence, among others, ethnic minorities and women suffer from structural discrimination. Individuals in the Roma, Ashkali and Egyptian (RAE) communities are discriminated across the board and extensively deprived in all poverty dimensions. The Serbian minority are deprived in terms of limited access to power and voice, opportunities and human security. A majority of them feel unsafe in their communities and are dissatisfied with the institutions in charge of providing security. Women are especially deprived in terms of access to employment, resources, and power and voice. Persons with disabilities are especially vulnerable – a majority rely on their family for both financial support and assistance with daily activities."⁹

In 2018, 95,890 persons from all communities were registered as unemployed, with Albanians constituting the largest share (83.6 per cent), followed by Serbs (7.7 per cent); while Roma (1.8 per cent), Ashkali (2.8 per cent) and Egyptian communities (0.9 per cent) represented a small share of the total number of registered unemployed.¹⁰

Lack of information on employment offices and vocational training centres, coupled with ineffective public information campaigns, jeopardize Roma, Ashkali and Egyptian communities' access to the job market. Although Active Labour Market Measures (ALMM) aim to foster employment, participation of the three communities in ALMM remained very low in 2018, with only 99 beneficiaries in total. Out of the 3,764 regular employment mediations carried out, in 91.1 per cent of cases, Albanian community members were the beneficiaries, while members of each non-majority community constituted less than two per cent of the overall number of beneficiaries. Overall, 5,497 persons undertook vocational trainings, Albanians constituting 95.8 per cent of those, while the participation of members of non-majority communities was extremely low.¹¹

In the Mitrovica municipality, there are around 270 families with 1,000 Roma, Ashkali and Egyptian families, mostly located in Roma Mahala, the returnee site in South Mitrovica. Several attempts have been made by various donors to involve them in starting an independent business. Unfortunately, the results are modest. Soon after receiving the equipment, the equipment was sold. Currently they are mostly engaged in various physical labor jobs, cutting wood service, collecting waste secondary raw materials and selling to the recycling facility next to Roma mahala.¹²

⁹ Ibid.

¹⁰ Ministry of Labour and Social Welfare of Kosovo, Labour and Employment in Kosovo, Annual report 2018, p. 19.

¹¹ OSCE <https://rm.coe.int/5th-sr-kosovo-en/1680a3dc46>

¹² From the interview with Roma community representative in South Mitrovica, Mr. Habib Hajdini.

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The employment of Roma, Ashkali and Egyptians, as well as women of other minorities and specifically in rural areas, is burdened with patriarchal lifestyle and traditional position of women in the family, what means that they are mostly engaged in the unpaid home work. They mostly do not have skills and access to resources needed to start business.

Several municipalities where members of Roma, Ashkali and Egyptian communities reside in significant numbers have adopted Local Action Plans and some of them contain activities aiming to enhance presence of these communities in the labour market and to improve their socio-economic conditions. The activities range from information campaigns and job fairs to allocation of subsidies for business owners.¹³

According to Multidimensional Poverty Analysis Kosovo 2017, Kosovo's employment rate is strikingly low at 25 %. Youth aged 15-24, women and minorities stand out as particularly disadvantaged. The employment rate is 12 % for women, and 38% for men (KAS, 2016), 7 % in the Roma, Ashkali and Egyptian and 20 % in the Serbian community (UNDP, 2013) . The most direct effect of the low employment rate is the low level of income and consumption. Almost 30 % of households have a consumption level of less than €1.72 per adult per day, excluding durable items and rent, i.e., live below the national poverty line. The unemployed, retired, people with disabilities and individuals in the RAE communities are over-represented in this group.¹⁴ Overall closure of private companies in Kosovo caused by Covid 19, also affected businesses owned by minorities, resulting with closure or delays in development and decrease in the profitability.

Minorities, remain somewhat isolated from the broad social-economy life in Kosovo and majority community. *While Kosovo has a legal framework free of discriminatory provisions, de facto discrimination is prevalent. Strategies to ensure non-discrimination are generally underfunded and institutional mandates to safe-guard human rights are unclear and overlapping. Some groups clearly stand out in terms of discrimination: the RAE communities, the Serbian minority, the LGBT community, people living with disabilities, and women. The discrimination of these groups reinforces their poverty in terms of access to resources, choices and opportunities in different ways.*¹⁵

The RAE communities are discriminated in every segment of society and especially deprived in all poverty dimensions. While there has been some progress in terms of the legal framework, including the adoption of strategies to protect and promote the rights of RAE communities, the implementation has so far been very slow. There is a gap in communication and cooperation between Kosovo Albanian and Kosovo Serb business community, what results with further isolation of minorities, where women and youth are even more endangered. According to MDPA 2017, there is a mutually driven segregation, but the "discriminatory effects are nevertheless evident in terms of a limited access to power and voice, opportunities and human security. Kosovo Serbs are to a large extent concentrated in the ten Serb majority municipalities. Access to public services in Albanian majority municipalities is limited by language barriers and perceived discrimination, while this is not reported as a problem in the Serb majority municipalities. Serbian language schools operate outside of the Kosovo education system, and are run

¹³ Kosovo Education and Employment Network, Situation of Roma, Ashkali and Egyptian Communities in the Municipalities of Kosovo – Monitoring report on the implementation of local action plans in the field of education and employment in six municipalities of Kosovo: Prizren, Gjakova, Ferizaj, Fushe Kosova, Gracanica and Lipjan, available at: http://keenks.net/site/assets/files/1475/raporti_i_monitorimit_per_komunitetet_eng.pdf

¹⁴ KASS, 2011.

¹⁵ Multidimensional Poverty Analysis Kosovo 2017

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according to the Serbian curriculum and financed largely by Serbia. Degrees from Serbian educational institutions, including the University of Pristina in Mitrovica, are still not fully recognized in Kosovo, although mutual recognition of diplomas was agreed between Kosovo and Serbia as early as 2011.” There is a tendency of Serb community to migrate from all over Kosovo to the north, mostly to North Mitrovica, as institutions are concentrated there (health care, higher education and cultural institutions, etc.) as well as better employment opportunities and stronger private sector.

The Serb community is still not well integrated into Kosovo society. The economic independence of the Serbian community based on sustainable private businesses is very small, especially in enclaves and rural areas. Although there have been numerous donations from international organizations, the results have been small. One of the reasons lies in the market for goods and services for companies from the Serbian community. Majority of small and medium-sized enterprises in Kosovo is owned by Albanian community. For now, communication and cooperation are at a low level among SME level business people between these two communities. One of the reasons are the small production capacities that companies from the Serbian community can offer. Access to the market is certainly a problem for the Serb community as well. Freedom of movement is still such that distributing goods and services is limited, especially within some municipalities and returnee sites.

One of the obstacles within the Serbian and other Serbian speaking communities, is the lack of clear and relevant information on running the business in Kosovo and who to turn to for a particular information/service/licence and the ongoing programmes for employment and support to businesses. This problem is even more evident in rural areas. Besides direct communication, the websites of institutions and organizations relevant to businesses, such as various ministries: the Tax Administration of Kosovo, the Business Registration Agency, the Kosovo Chamber of Commerce, etc., there are only partially available information and acts in Serbian language which burdens the inclusion of minority businesses. There are Civil Society Organizations dealing with minorities and their inclusion in different parts of socio-economic-political processes in Kosovo, but results still yet to come and grassroots organizations are struggling to find sufficient sources for their activities.

Situation of minorities in FEGO sectors (furniture, apparel and rural tourism)

Both furniture and apparel have a great tradition in Kosovo, including minority communities. A lot of skilled labor is still present due to large ex-Yugoslav factories in these two sectors that used to operate in Kosovo. However, afterwards there were no companies owned by minorities big enough to employ such number of workers, and to increase their knowledge and skills. Together with lack of investments and resources, human labor capacities decreased. Minorities are isolated, living in rural areas, with bad internet connection and unable to keep up with modern business operations. Women and youth lack job skills, knowledge of languages and are mainly computer illiterate. Ensuring the market is most problematic part for inclusion of minorities in all three FEGO sectors. Standards of production and provision of services are low and not professional. Private business still operates in a kind of old fashion style – direct sale, with little knowledge on digital marketing, trends and innovations in production and sale, promotional and packaging material, customers relations, and above all, business planning and management. Many of those businesses are run by middle-aged persons, with lack of computer and language skills. The design of products is also a weak spot as businesses fail to keep up with trends in the market.

Rural tourism was never much popular before the war, nowadays especially in post Covid-19 pandemic era, demand is increasing. Minorities however, do not have adequate resources to respond, neither infrastructural

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neighed with knowledge. Still, there is a reach tradition of homemade food, handmade crafts and other adjacent content of rural tourism, together with the potential of natural/historical/cultural/religious sites.

Gračanica/Gračanicë is a municipality that has perhaps the greatest potential for tourism of all Serb communities in Kosovo. The strategic proximity of Prishtinë/Priština as well as the UNESCO-protected Gračanica Monastery are the backbone of tourism development. Its Monastery gets over 100,000 tourists yearly, almost half of them foreigners. Prishtinë/Priština as the capital and business environment in which many foreigners live is a huge tourist market and proximity with Prishtinë/Priština offers a great opportunity. There are hotels multiple hotels in Gračanica including: Ulpiana (Etno Kuća), Konstanin, Motels Evropa, VozdMarkov Konak, Mimoza and Arsa as well as several souvenir shops. Two carpentry workshops that make flat materials for kitchens and rooms. It is necessary to use and expand the contents in the tourist offer.

In the north of Kosovo, the municipality of Zubin Potok represents a great tourist potential of Kosovo and beyond. It is a mountainous area with untouched nature with villages typical of the rural area. Lake Gazivode with the mountain massifs of Mokra Gora and Rogozna, is a treasure of untouched nature with an abundance of flora and fauna, a real tourist pearl, not only of Kosovo but also beyond. The opening of the ferrata on Berim (Mokra Gora), as well as the inclusion in the world calendar of rafting competitions, represent serious beginnings in the development of tourism in Zubin Potok.

It should be noted that the target group of mountaineers (mostly coming from Serbia), come to Zubin Potok –for climbing the ferrata and afterwards proceed to Pejë/Peć where they climb another ferrata.

Cecevo is a village on the shores of Lake Gazivode. Once upon a time, one of the first hydroelectric power plants in the old Yugoslavia was built here on the Cecevska river, which is a real mountain pearl. The river is very attractive for tourism. The village is located at the foot of the mountain Mokra Gora. An asphalt road leads to this village. Further towards mountain peaks Berim and Previja, more precisely ferrata, a macadam road leads. The hikers visiting the Via Ferrata are transferred by off-road vehicles. The municipality of Zubin Potok in Cecevo started with the adaptation of the old school into a hunting lodge. The school is no longer functioning because the village is also dying out. That building is about 250m². The mayor agrees that it could be turned into accommodation for hikers. Next to Cecevo at the foot of Mokra Gora is the village of Brnjak, which also located on the shores of Lake Gazivode. Brnjak is the largest village in the region and has a school and an ambulance.

In the village Velika Hoca, there are great opportunities for the implementation of this project. Velika Hoca is a Serbian village, which has great potential for the development of rural tourism, including other related businesses (production of wine, healthy food, souvenirs, traditional food products). It is located 25 km from Prizren, the city with the greatest tourist potential in Kosovo, and maybe also in the region. This fact gives Velika Hoca an advantage due to its location for offering tours to potential tourists. The centuries-old tradition of this village is wine production. The quality of wine from these areas is widely known. In the village there are cellars for storing wine dating from the 14th Century. In addition to wine production, which has been a trademark of this village for centuries, the old indigenous architecture gives a special potential for rural tourism and special recognition of Velika Hoca.

Velika Hoca has an area of about 1,352 hectares. Most of the arable land is under vines where there are about 20 independent wine producers. The village is located at 400 m above sea level. It has a large number of sunny days with a mild climate protected from the mountains. The population is about five hundred people. There is a lot of young population. Currently, about a hundred children are of school age. Young people are slowly leaving and do

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not see the prospect of staying and starting their own business. At the time of preparation of this assessment, works on improving infrastructure in Velika Hoca were ongoing – construction of the main public square in the center of the village will improve touristic offer.

Key stakeholders whose work focuses on minority related topics

Government institutions and agencies which directly impact business operations and that can make crucial long-term change:

- Municipalities (infrastructure and approaches to the villages; providing information and support, Local Action Plans);
- Ministry of Agriculture, Forestry and Rural Development;
- Ministry of Economy;
- Department of Tourism, Ministry of Trade and Industry;
- Tourism Council of Kosovo
- Ministry of Communities and Return;
- Tax Administration of Kosovo;
- Business Registration Agency;
- Kosovo Chamber of Commerce;
- Ministry of Finance, Labor and Transfer;
- Employment Agency;
- Commercial banks loans for private businesses; and
- International organizations and Embassies.

There are also funds provided by the Government of Serbia (according to Ahtisaari's plan), mostly to the Serb community. Information on these funds that are sometimes less visible should be checked, in order not to duplicate intervention (so FEGO is not investing in something already funded).

NGOs and Business associations, identified during this research that could support efficient implementation of project activities:

- Association of Women Sabor – Already supported and has members from all three FEGO sectors. Very good example of support to micro and small businesses, establishing business linkages and increasing business management skills, in line with modern requirement such as digital marketing, promotion and packaging. During Covid 19 pandemic, they established a [virtual shop](#) where companies from different ethnic groups can sell their products and services, free of charge;
- Syri i Vizionit, NGO Voice of Roma, Ashkali and Egyptians (VoRAE) and Balkan Sunflower – for inclusion of members of Roma, Ashkali and Egyptian communities;

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- Advancing Together (partner of UNHCR) – support employment of returnees and internally displaced persons from minority communities;
- Different (smaller) local women and youth organizations and associations;
- Touristic organization of Gracanica;
- Kosovo Apparel Marketing Association – KAMA;
- The Association of Wood Processors of Kosovo - AWPK;
- Kosovo Tourism Union; and
- Chamber of Hospitality and Tourism of Kosovo.

Legislative and enabling environment conditions for minority inclusions

Inclusion of minorities in the three FEGO sectors falls under all relevant Kosovo laws, applicable for the employment and business operations of the majority population. Below are just few suggestions:

When mainstreaming interventions for Roma, Ashkali and Egyptian communities, it might be useful to consider some of the *Common Basic Principles for Roma inclusion in the EU* – from the ILO resource guide *Promoting decent work opportunities for Roma, Ashkali and Egyptian youth in Kosovo*,¹⁶ that could serve as a good approach:

Principle No. 2: Explicit but not exclusive targeting - Roma people should be targeted but not to the exclusion of other people in similar socio-economic circumstances. This approach should not separate Roma-focused interventions from broader policy initiatives. It should, however, consider the impact of broader policies on the social inclusion of Roma people.

Principle No. 3: Inter-cultural approach - There is a need to involve Roma with people from different ethnic backgrounds. Inter-cultural learning and skills should be promoted while combating prejudices and stereotypes.

When mainstreaming interventions and implementing project activities mainly targeting geographic area of Velika Hoča/Hoçë e Madhe and Serb community, two Kosovo laws need to be taken into consideration: *Law No. 03/L-039 on Special Protective Zones*¹⁷ and *Law No. 04/L-062 on the Village of Velika Hoča Hoçë e Madhe*¹⁸. Both laws are regulating the development of the environments surrounding the enlisted protective zones, “while ensuring the best possible conditions for harmonious and sustainable development of the communities inhabiting the areas surrounding such sites”. There are activities prohibited and some activities restricted in these zones, that could be of interest if there are business ideas for development of touristic offer in the village and other specified areas. Before supporting initiatives and for its own legal protection, it is advised that FEGO verify that businesses fulfilled specific criteria and procedures and/or obtained licences, where applicable.¹⁹

¹⁶ *Promoting decent work opportunities for Roma, Ashkali and Egyptian youth in Kosovo*: an ILO resource guide / International Labour Office, Decent Work Technical Support Team and Country Office for Central and Eastern Europe. - Pristina: ILO, 2017, page 26. https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/publication/wcms_619034.pdf

¹⁷ <https://gzk.rks-gov.net/ActDetail.aspx?ActID=2529>

¹⁸ <https://gzk.rks-gov.net/ActDetail.aspx?ActID=2835#>

¹⁹ For more details, please see *Law No. 03/L-039 on Special Protective Zones*; and *Law No. 04/L-062 on the Village of Velika Hoča Hoçë e Madhe*.

Methodology

The drafting of this strategic document was done based on the Swisscontact GESI policy and guideline and in line with FEGO Project Document. GESI policy (Policy on Gender Equality and Social Inclusion) is applied widely in the Swisscontact projects of creation of economic opportunities through enterprise and skills development, as the ultimate approach to eradicating poverty and fostering peace and economic growth. GESI policy “recognizes that gender is a highly structure-determining category which then has differentiated impacts on people according to their ethnic identity, social position, sexual orientation, disability, among other things.” Social inclusion is defined as “the process of improving the terms on which individuals and groups take part in society—improving the ability, opportunity, and dignity of those disadvantaged on the basis of their identity.” The terms on which individuals or groups participate in society often depends on their social status which is based on many different dimensions (gender, sexual orientation, disabilities, ethnic identity etc.). GESI policy requires that local norms, inequalities and power dynamics need to be kept in mind when designing projects. “This means that norms, barriers and obstacles as well as the intersection of different types of discrimination, disadvantage, and opportunities need to be firmly understood at the outset of a project (e.g., intersectionality between gender, ethnicity, religion, poverty, etc.).”²⁰

Some of the project strategies - Market Systems Development Approach (MSD) and Multidimensional Poverty Analysis (MDPA) were applied into the preparation of this document. The methodology was also adapted to the rest of strategies that FEGO will use during implementation, such as the Intervention strategy, that will have practical purpose in terms of the impact, outcomes, outputs and activities of FEGO project, as well as the methodology of implementation of the project itself. MSD is an approach to development that provides guidance to the understanding of the poor in market systems (analysis) and how to bring effective and lasting change. MDPA complements MSD and use analyses of four (4) other factors (except lack of financial means) that cause poverty, such as lack of: 1. Power and voice; 2. Opportunities and choice; 3. Resources; and 4. Security.²¹

The preparation of the *Minority Inclusion Assessment and Strategy* was initiated by FEGO project itself, in order to understand the situation of minorities in three FEGO sectors, identify bottlenecks and constraints so interventions are designed and adapted to bring desired sustainable and long-term changes.

To support the drafting of this strategic document, a number of interviews were conducted with entrepreneurs from Serbian community, specifically coming from the three targeted FEGO sectors, business association, female business owners, representative of the Roma community in Mitrovica, and economist.

Desk research was done on reports related to the inclusion of minorities and minority rights in Kosovo, as well as relevant laws.

Limitations met during the research for preparation of this document is lack of data a statistics on participation of minorities in socio-economic life in Kosovo. There is no accurate data on population. For example, Serb community mainly did not participate the last census conducted by the Kosovo Agency of Statistics in 2011. There is also not much available statistics, data and analysis on businesses owned by minorities, and the problems they face.

²⁰ For more details, please see GESI Policy.

²¹ For more details please see FEGO project Document.

FINDINGS IN FEGO SECTORS (furniture, apparel and rural tourism)

In order to define practical solutions and recommendations for the inclusion of minorities in FEGO activities, the assessment was done in order to identify: 1. Market actors - key businesses in each FEGO sector that are owned by different ethnic groups in Kosovo; 2. Constraints and opportunities for the participation of minority excluded groups, in general for mainstreaming in project activities for all three sectors; 3. Competitive (dis)advantages and bottlenecks of minority groups living in Kosovo; 4. Constraints and opportunities of minorities to participate in the labor force in FEGO related sectors; and 5. Level of access of minorities to land ownership, resources, technology, and equipment.

1. Market actors in each of FEGO sectors

FURNITURE

There are not many small companies owned by Serbs that are engaged in production of furniture of solid wood or upholstered furniture. That is because of strong competition, as there is import from Novi Pazar, China and Turkey which import products that are branded, high quality and cheaper. Production capacities are small and not suitable for mass production, needed to fulfill bigger supply orders. The problem is the finalization of the product and the market, because local producers cannot achieve the ratio of price, cost and quality, in order to be competitive with imported furniture. But small furniture producers have found a more profitable activity, and are engaged in built-in furniture - kitchens and bedrooms. Their advantage is being close to the customer, measuring and adapting each piece of furniture to the desires of the customer and their space. Retailers are rather buying branded furniture from serial production. In addition, PVC and aluminium doors and windows are more competitive compared to wooden ones, due to low maintenance. When it comes to Roma, Ashkali and Egyptian community, there were no available data on any of this kind of enterprise run by them. Traditionally, they are engaged more in wood processing (wood cutting). So far, one furniture company owned by the member of Turkish community was identified (in Prizren), additional survey might be undertaken at the beginning of the selection process.

APPAREL

Only one apparel company with serious production capacity was identified among Serb community, and none owned by Roma, Ashkali or Egyptian community members. There are numerous small tailor/sewing shops, that are mostly engaged in the sewing service (small repairs) and small production. The reason behind this is that they do not have a market and are not competitive, as they do not possess capacities for mass production, and are

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mostly equipped with small sewing machines. That means that the level of engagement of human labor is high with high production cost as end result. Ratio between production cost and selling price is not in their favour as in order to be profitable, they must sell in higher price than imported apparel. Small producers complain that they cannot keep workers as they cannot afford adequate salaries for them. On the other side, due to tradition of apparel in Kosovo, there is still skilled labor, but forced to look for other jobs, with higher monthly income. RAE women traditionally have knowledge in sewing/knitting, but their employment is burdened with patriarchal lifestyle and it is a question are they in position to start business, but there is an option to be explored, if there are more organized associations for their inclusion.

RURAL TOURISM

This sector is currently expanding in Kosovo in general, as in the areas inhabited by Serb community and businesses they run. Tourists are mainly Serbs as well, travelling within Kosovo and there is especially a great interest in Serbian diaspora. However, accommodation capacities are weak, standards of services and products not at a professional level, while branding and digital marketing still in its infancy level. On the other side, there is a high potential combined on the offer of local products, nature activities, historical/religious sites and many other contents.

Roma, Ashkali and Egyptian communities mostly do not have access to property, land or accommodation that could serve for running this business.

Findings that will be presented below were made based on research that tried to identify businesses owned by minorities with potential: 1. To develop further – either to increase production capacities, or advance in sale and digital marketing, reach new markets, etc.; and 2. To employ minorities.

Companies listed below are mainly coming from four municipalities in North Kosovo. But the Serb community already gravitates toward North and those companies can contribute in the project in different ways:

- To be supported to develop itself at the current location;
- To establish branches in other areas of Kosovo where minorities live;
- To employ minorities (not only members of Serb, but also coming from other minority communities);
- To serve for “on the job training”, and last,
- To mentor smaller companies owned by minorities south of Ibar.

Furniture sector

Company SIMPO, Zubin Potok

It is a company operating in the SIMPA system, an international company for the production and sale of furniture. They are engaged in the production of furniture, mostly chairs, beds, sitting sets. They currently have 76 employees. All workers are registered in the Kosovo system. They have no problems when exporting finished products or when importing certain production materials. They sell goods in Kosovo; they also procure from companies in Kosovo. This is an example of a successful and serious company that operates without any problems. The number of workers shows great potential for the future of this municipality with capacity as knowledge quickly spills over into private business and young people.

SZR Markovic, Zubin Potok

A small company registered in Kosovo currently has no officially registered workers. It produces doors, chests of drawers, high-quality display cabinets. They have the necessary carpentry machines, as well as a CNC machine for woodcarving. They also have a wood dryer. Their small production capacities are insufficient to appear as distributors of their products in furniture retail facilities throughout Kosovo. They make individual deliveries to equip households. They also had a couple of deliveries to the Albanian community.

SZR Breza, Zubin Potok

A small company that also manufactures quality doors, windows, tables and chairs, has insufficient capacities for mass production. They have no procurement problems. They have five (5) employees.

SZR BOJAN, Zubin Potok

Another successful small carpentry workshop that has, in addition to carpentry machines, a dryer. They mainly produce table doors and chairs made of solid wood.

There are two companies engaged in the production and installation of panel furniture:

SZR FONTANA, Zubin Potok

This company is mainly engaged in the production and installation of panel furniture, kitchen and bedroom cabinets. It is registered in Kosovo and has four (4) registered workers. It also has the production of beds but to order. Company mostly sells in local market in Zubin Potok Municipality, while purchasing supply (mediapan and univer) from companies owned by Albanians in Ferizaj/Uroševac, Pejë/Peć and Prishtinë/Priština.

SZR VULOVIC, Zubin Potok

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It also does the production of panel furniture. The procurement of raw material is carried out within Kosovo, mostly in Ferizaj/Uroševac.

ZR UNIVER, Zvecan

Company has been operating since its establishment in 2002, engaged in the production of panel furniture to measure and according to the customer's wishes. They produce kitchens, tables, sliding and standard closets. Sells its products in Serbia as well as in Zvečan and its surroundings.

GLODALICA, Zvecan

Service cutting and engraving of flat wooden material, production of wooden toys, children's tables, and chairs, advertisements, decorative objects and inscriptions, toys, icons.

GODZI, Banjska village in Zvecan

Production of custom furniture (univer, mediapan, solid wood), doors, established as high quality producer among local customers.

There are two other companies that deal with cutting materials for the construction industry as well as cutting raw wood for furniture production:

SZR JAVOR, Zubin Potok

Company is located in the village Brnjak. It is the main supplier of sawn timber for the construction sector in the north. The company is registered in the Kosovo system, and there is also another small sawmill.

SZR Backo Trade, Zubin Potok

Company has five (5) full-time employees, also registered. Currently, the company is installing the wooden interior in the hotel in Banjska village. He has also started the production of beehives (delivered 200 at the time of the interview). According to the owner, there are no other beehives producers in Kosovo, so there is a place for him to expand to other customers in Kosovo – members of majority community. In order to expand production capacities, company would need a hive frame machine and multi-wire circular saw. It has a dryer and accompanying carpentry machines.

VOODMARK DOO, Zubin Potok

Factory for the production of doors and laminated furniture is located in the village of Gazivode, Zubin Potok in the premises of the former company BAR BILJE, which was made in ex-Yugoslavia through an investment of Montenegro. It was planned to be as a collection and processing point for medicinal herbs, with drying chamber.

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New company should start with production at any moment with 15 workers. To complete the production process, they need: Equipping the painting space (for painting of products), costs around 20,000 EUR; and installing ventilation system of the production part of the factory, costs around 20,000 EUR.

WOODESIGN, Zvečan

The company is engaged in the production of kitchens, cabinets, doors, etc. They are registered in the Kosovo system and currently have four (4) workers. They are working to join the Kosovo Woodworkers Association (AWPK) as soon as possible. Their market is Zvečan and its surroundings. They are linked to local sheet metal producers in northern Kosovo. They buy plate material and fittings from companies from Kosovo. They see the problem in the lack of a trained workforce.

Production of wooden souvenirs, Prekovac village in Novo Brdo

Family business (Ivan and Dragana Jovanović) have been making various wooden souvenirs for five (5) years now, with Orthodox and traditional themes.

Production (carving) wooden signs in bottles of lickers, Partes

Zoran Djokic is producing for years now wooden signs in glass bottles, filled with homemade rakija. Sells in Kosovo and worldwide.

Although there are huge potentials in furniture sector in Štrpce municipality, the wood processing industry is very small. Apart from three carpentry workshops, there is no serious production.

Apparel sector

JUMKOS D.O.O., Zubin Potok

The textile factory in Zubin Potok (former Javor) is now registered in Kosovo as JUMKOS D.O.O. and works in the Yumko system from Vranje, Serbia (giant textile factory). The facility is owned by the Kosovo Property Agency (KPA) and the rent is paid for three years. As reported, 50 women are currently working there. They have no problems with customs, when importing raw materials and exporting finished products from Serbia. They are currently working on EPS (Electricity company of Serbia) work suits. On 27th of June 2022, a branch of the company was opened in the village Brnjak within the same municipality, where 17 women were employed. At the beginning, as on the job training, employees will produce bedding and pillows. In order to increase production capacities, Jumkos needs machine for gluing pictures on T-shirts and the like (costs around € 40,000), embroidery machine for signs and emblems on the T-shirts and other apparel (costs around € 22,000). The Norwegian embassy supported the company with € 50,000 to start production and Slovakia Embassy provided € 10,000 for the branch in Brnjak. Company was also supported by the Office for Kosovo and Metohija. Note: Company employed at least one woman, a domestic violence survivor accommodated within the Regional Safe-house.

TEXLAND DOO, Leposavic

It was founded at the end of 2017, registered in Kosovo system. They had eight (8) workers, currently they do not have any. They are engaged in the production of children's and baby clothes under the brand name "CICILI". They also make baby bedding. Only the owner (female) is currently engaged in production. Production capacities are sufficient, they have 10 sewing machines. They currently use antigenic cotton as a raw material. They buy the material in Novi Pazar and Kosovo from the company "Altex". During the pandemic, they were one of the few companies that produced and could meet the needs of the market with protective masks. They see the problem in the lack of manpower. The market is unstable, they have sales in both Serbia and Kosovo. They have no problem with customs, they produce smaller quantities, the goods are not bulky. They signed a contract with the textile association in Kosovo "KAMA". They represent them in marketing and try to help them with the placement of finished products. The results are modest. They expect to increase the placement of their products. The plan is for the textile high school to start operating this fall. It should be in Zubin Potok and maybe Leposavic.

Tailoring salon Zoran, Gornje Kusce village, Gnjilane

Classic tailoring salon, family business that employs 3-4 people usually. With long tradition, existed before the war.

Rural Tourism sector

As advised by the FEGO representatives, two geographic areas were considered to be subject of project activities within the rural tourism sector - Velika Hoca (Orahovac) and Zubin Potok. That means that existing capacities within this sector were researched with aim to explore the potential for their further development. One more municipality will be proposed here - Leposavić/q, that has potential for development of rural tourism, as a mix of Velika Hoca and Zubin Potok.

In Velika Hoca and Orahovac, for the time being, there are several wineries that have become independent and already exist on the market of Kosovo, Serbia and beyond in Europe. They are registered within Kosovo system. These are the largest and most famous vineyards in Velika Hoca:

PETROVIĆ WINERY

Somewhere there are tents and wine houses, in the vicinity of Negotin, Serbia e.g. - pubs, somewhere wineries and wine cellars, and in Kosovo – "vinica", specially built parts of the house intended exclusively for grape processing and wine storage.

One such vinica - "Vinica Petrović" from Velika Hoča, which is owned by Srdjan Petrović, a representative of the sixth generation of the Petrović family, is engaged in the production of grapes and wine. Annually it produces about 50,000 liters of wine, wider, grape juice, grape brandy, komovica, liqueur, etc. It should be pointed out that Petrovic is a licensed tourist guide of Kosovo in the municipality of Orahovac/Rahovec.

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In addition to the wine tourism, this vinica also offer religious tourism. Owner renovated his house in the old style and provided accommodation for 16 up to 23 people. Also, the guest restaurant can serve about 40 guests who are sleeping at other private accommodations in Velika Hoca. It should be noted that among their guests are Albanians from Albania, who also come to visit monasteries in Kosovo.

VINICA of Monastery DEČANI

Once Golema Oča, today Velika Hoča, has lived for centuries thanks to viticulture. According to historical sources, it dates back to the 12th century.

The monastery of Visoki Decani also recognized the richness of the land pardoned by the Mediterranean winds and planted its vineyards and located its vinica in Velika Hoča. Due to the openness of river and stream valleys to the south and west, in the area of Velika Hoča, the influence of the coastal climate is felt, which penetrates the valley of Beli Drim and has an extremely beneficial effect on viticulture. Thanks to a large number of sunny days and an average altitude of about 400 meters, the cultivation of vines and the traditional production of excellent wines in Velika Hoča have also contributed to the construction of numerous Christian shrines. There are as many as 13 churches from that time left, as well as valuable examples of 19th century city architecture. Today, wines from Velika Hoča remain among the most famous brands for customers in Serbia.

ANTIĆ WINERY, Orahovac/Rahovec

The family winery "Antić" from Orahovac was founded in 2008 and currently has 1.5 hectares under vines. It annually produces about 40 thousand kilograms of grapes, or about 20 thousand liters of wine. Famous wines from the Winery "Antić" are red wines "Paradise Garden" and "Choice of the Heart" as well as white wine "Postojbina", and they also offer "Vranac", "Chardonnay", and "Rose".

ĐURIČIĆ WINERY

The production of wine in the Đuričić family until 1999 was in accordance with the traditional family needs of wine and brandy for one season, that is - until the next harvest. After that, until 2006, a small production of several hundred liters grew into several thousand liters of wine. This period is also a period of modest sales and testing the reaction of wine lovers from this area. After positive reactions, Đuričići registered wine production as an activity, so that family production from a hobby grew into a profession and their economic activity in 2007 was officially registered under the name Hočanska vina doo.

The Winery grows vines in an area of less than a hectare, and buys other necessary quantities of grapes from long-term subcontractors. For a whole decade, the annual production is 20-30,000 liters of wine, which is dominated by "vranac", "game" and a little less "burgundy". They also offer rose wine, as well as brandy that "matures" in oak barrels. For several years now, the Đuričić Winery has been selling half of its production on foreign markets - in France, Germany, Belgium, Croatia and Switzerland.

VINICA BRKIĆ

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The family owned Vinica Brkić, is one of the oldest and most famous in Velika Hoča and wider, because it has a tradition of almost two hundred years. After various historical events, in the modern period, family wine production was small until the 1990s, when the conditions for private initiative were created. Brkić family then revived wine production. The purchase of new and modern equipment has increased the volume of production, as well as quality, but that is the standard that is still insisted on today.

Vinica Brkić produces three types of Hoča wines - red, white and rosé, as well as grape brandy (rakija). Company participates in many fairs and exhibitions, where he often wins various awards and medals for the quality of his products.

Leposavić/q

Local potential for development of rural tourism is a mix of Velika Hoca and Zubin Potok. There is a potential for wine tourism in as there are serious wine production businesses. In the same time, it is geographically close to Kopaonik mountain (internationally popular touristic site).

There are more, but currently there are four (4) more engaged wine producers, that already got some international recognition for their wines – Wineries Lakicevic, Jevremovic, Antonijevic and Zaharije. They have formed their association - *Winegrowers' Association of Leposavić/q*. For example, the Lakicevic Winery will produce 20,000 liters of wine this year alone. They are mostly selling in North Kosovo and Serbia. They are more informed on the ongoing trends and innovation in wine production.

Touristic offer might be expanded with activities in nature, alpinism, kayaking, family vacations, food products. There are many local restaurants already famous for food they are offering.

Competative (dis)advantages and bottlenecks of minority groups in Kosovo

There are the large and famous vineyards in Velika Hoca, but there are a large number of smaller wineries that could in the future unite and brand wine that they would produce and sell together. Winemakers from minority community have cooperation with the mainstream (majority) winemakers' association, but there are no concrete results. Still, it is very important now that these smaller producers are encouraged, educated, united. This would also benefit and motivate the Albanian farmer to produce grapes, because it is a geographical region known in the world.

There is a general lack of education and skills for running private business among all minority groups. Modern trends and information on digital marketing, trends and innovations in promotional and packaging material are mostly not familiar to them. Standards of how companies provide services or products are not at the highest level, and need to be professionalized. Women and youth in all minority groups do not have knowledge, information and financial means to start a business. They also lack job skills, are computer illiterate and lack language skills.

Among Roma, Ashkali and Egyptian there is also an issue of illiteracy due to early school drop-out. When it comes to employment of women, and in some minority groups even education, they still face patriarchal traditions that prevents them to have equal access as men. Those that are able to get employment, still have to take full responsibility for domestic chores in most of the cases.

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There are companies and workers that are not registered within Kosovo system which is slowing down their inclusion. Many of them are registered within Serbia administrated system, for the needs of export/import benefits, continuation of retirement fund, etc.

When it comes to the furniture producers, production capacities are small because their production equipment has small capacities or is outdated to engage in serial production. But those engaged in the production of custom-made furniture and built-in furniture, that require at least a couple of on-site visits, have advantage of being close to the customers, comparing to the imported furniture. The culture of furnishing residential premises has changed from solid wood furniture to modern design and material. Customers prefer, when possible, to have custom and built-in furniture which is an advantage for small producers, but they have to keep up with the trends.

There are numerous tailoring workshops owned by minorities Kosovo wide, but capacities are limited. They mostly rely on one (1) worker – owner usually who deliver the service, not even tailoring/designing, but rather simple sewing service. Still, the work of these women creates an opportunity for the textile industry to expand in this area.

There is strong dependence on social assistance schemes, and effort needs to be done to promote employment rather than receiving social assistance.

Advantages	Disadvantages and bottlenecks
Furniture	
Traditional production	Small production capacities to be offered to large customers
Quality craftsmen and workers	Lack of education, training and motivation for the serial production
High quality finished products	Lack of will to associate and win a joint product to appear and sell to large retail chains
Available and not expensive labor	Lack of knowledge on digital marketing/online sale
Available resources – forest areas, a basic raw material for furniture production	Insufficient level of business management skills
	Lack of resources to increase production capacities
	Lack of information of relevant regulations and procedures
Apparel	
Many unemployed women, with at least basic experience in sewing/knitting	Lack of production capacities
Connection with large companies where product placement is provided (in some of companies)	Lack of education, skills
	Lack of specific skills such as design
	Smaller companies do not have secure market

	Heavily dependent on social scheme
Rural tourism	
Huge tourist potential in a small geographic area	Insufficient knowledge and information to start some of the branches of tourism
No much competition	Lack knowledge of professional performance standards

Constraints and opportunities for the participation of minority excluded groups

Furniture

The municipality of Zubin Potok and many other areas have great potential for the furniture and other wood processing industry. Large areas are under forest, so this branch is one of the mainstays of the economy. This is of great importance as many European manufacturers are closing their plants in China and considering other nearby destinations for their production. The production process meets all European standards at Yumkos for example. This is a good start for a major investment and the start of production of this activity. In the same time, it is very important that all standards are applied regarding environment and foresting, as well as to think about prevention of illegal woodcutting.

Apparel

Apparel or clothing was never as popular as nowadays. This presents a huge opportunity for export, being that local services and production costs are cheaper than abroad. Production capacities, as well as skills such as design and tailoring are too low to be able to respond that kind of demand.

According to the Turkish Ministry of Foreign Affairs, major Turkish exports to Kosovo are textile products, and major products that Turkey imports from Kosovo are textile fiber and products.²²

Rural tourism

Wineries are a trademark of Velika Hoca, which has lasted for centuries. This is the basis for the development of wine tourism. Large areas under vines are located throughout the municipality of Rahovec/Orahovac in the former Yugoslavia, the company ORVIN was considered one of the largest wine producers. The largest bottling plants were supplied with wine from them. Slovin from Slovenia bought and exported large quantities of wine to the EU. Unfortunately, today that company was poorly privatized and is not engaged in its core business. Company does not buy grapes in these quantities from local farmers, mostly Albanians. Today, they are forced to cultivate wine varieties and plant wine for consumers (simply as a fruit).

²² https://www.mfa.gov.tr/relations-between-turkey-and-kosovo_.en.mfa

Many Albanian farmers do not harvest grapes because they have nowhere to place them and have to pay for grape pickers. Still, there is great cooperation between Albanian farmers and major Serb wine producers from Velika Hoca. They sell grapes to these wineries.

Some of the small wine producers were not able to bear the financial cost and administrative procedures related to the export of their products, leading to them giving up and resorting to the production of wine for their own needs.

1. Access to market – constraints and opportunities of minorities to participate in the labour force in FEGO related sectors

There are not many strong and reliable private businesses owned by minorities that can employ men, especially women and youth. Salaries are not high, often get informal or short-term employment. On the job training and upgrading their skills are rarely offered by employers. On the other side, employers are complaining that workers and youth are not interested in learning job or are not committed to performing their tasks.

Minorities face a language barrier in the first place. A good part of the minority population does not speak Albanian language, what prevents them to get employment at majority owned businesses. There are vocational training centres, it is a question how much minorities are informed on them.

Minorities have weaker access to education, especially in rural areas. For higher education, students have to move to larger cities, from where they often do not return. Vocational or on-the-job trainings are rarely available to minorities.

Young people and women do not have competitive job skills, do not have experience in looking for a job, do not know how to find a CV or do a job interview. For sure, they lack knowledge of professional performance standards. A good proportion of the unemployed in this population are not registered with the Employment Agency, except for those who have done so as a precondition for receiving social assistance. Minorities often do not have information of employment programs supported by local and central authorities, and are not familiar with procedures for entering them.

Issue of verification of school diplomas gained through education system administrated by Serbia, could burden the employment of Serbian, Roma, Gorani and other communities that were attending classes in Serbian language. While there was a process of verification of faculty diploma (slowed down but still ongoing), there is no option to verify high school diplomas, which is a requirement for a person to register within Employment Agency. Offices of this Agency have different practice, so in some municipalities, these diplomas are accepted, and in some not.

2. Access to resources – level of access of minorities to land ownership, resources, technology, and equipment

RAE communities lack access to all the resources - land ownership, resources, technology, and equipment. If limited resources are available in some cases, women usually do not have access.

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Production capacities in minorities are small due to small capacities of their equipment or them being outdated. Modern technology and equipment that would increase profitability of their businesses are expensive and minorities are already financially burdened due to lack of funds and employment. There is also lack of information on modern production processes among business owners. They are also lacking access to bank loans, due to language barriers or being unable to fulfill criteria. Members of Serb community in North Kosovo have access to land ownership, but cadastral services are unavailable locally (except for North Mitrovica, must address to Cadastral Agency in Prishtinë/Priština to obtain a property list e.g.).

The land in use by small producers, has great potential for growing quality food and production of wine, within the rural tourism sector. However, also here equipment or even more techniques of production are outdated and falls behind innovations.

RECCOMENDATIONS

The implementation stage, as described in the FEGO project document, can range from piloting interventions, to replicating and scaling successful pilots – achieving sustainable systemic changes. This is managed through partnerships with various actors, such as private sector actors, organizations or institutions, actors who have incentives, capacities, and networks to undertake sustainable market changes. Key actors – institutions, NGOs, business associations, and some of the private minority businesses, that might serve as partners for the implementation of some of the interventions, are enlisted above.

Support of international organizations and Embassies regarding minority inclusion in Kosovo, is crucial and necessary to increase capacities as well as to encourage and facilitate systematic changes at this given stage. When and if applicable, FEGO might consider joint initiatives or upgrading what was already supported.

Recommendations are based on the assessment and main findings in order to adapt project activities to have a better inclusion of minorities within the FEGO project interventions in three sectors (furniture, apparel and rural tourism). Interventions within the projects supported by FEGO aiming to support business in minority communities is based on the assessment of (dis)advantages, bottlenecks, constraints and opportunities for their inclusion. Joint recommendations for all three FEGO sectors are:

Solutions should be sought in strengthening the capacities of minorities to start a business as well as strengthening existing businesses, through:

- Increasing production capacities and modernizing the production process;
- Introducing innovation into different business operations;
- Support business to professionalize their standards of provision of services or products;
- Education - training on business management, digital marketing, etc.;
- Support to create promotional and packaging material and advertisement;
- Facilitating business linkages - connecting individual businesses through partnerships, cooperatives, exclusively based on their mutual and realistic benefit, as this approach only will bring long term results. It is very important to connect minority businesses with majority businesses as this would directly impact their inclusion in Kosovo economy;

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- Touring and getting acquainted with similar businesses;
- Mentoring (stronger companies to smaller);
- Visiting fairs;
- Connecting businesses with associations in Kosovo and seeking for tangible results;
- Business advisory (support in business plan preparation, information on relevant procedures and legal requirements for operating business in Kosovo; available programmes and bank loans, supporting businesses to obtain required licenses or registrations etc.);
- Advocating on behalf of the inclusion of RAE businesses in front of local self-government (where Local Action Plan exist).

Labor force could be supported in different ways:

- Vocational and on-the-job training;
- Job skills, language, computer courses;
- Facilitating beneficiaries registered at Employment Offices – consider to sign MoU with Employment Agency regarding facilitating school diploma are accepted (confirmed practice of some other organizations);
- Facilitating beneficiaries entering programs for employment;
- Promotion of entrepreneurship, especially among women and youth; and
- There is strong dependence on social assistance schemes, and effort needs to be done to promote earning income rather than receiving social assistance.

In order to bring long term systematic changes, the project should avoid direct support, and rather focus on strengthening institutional and existing capacities and encouraging them to perform their tasks as required.

If and where needed, the project may assist businesses in overcoming language barriers within business advisory services or B2B linking.

In order to establish successful and sustainable cooperation with partners in dynamic markets, business owners need to be familiar with business opportunities, market trends, import procedures, distribution chains, consumer behaviour and business etiquette. Designing of that kind of guideline, general or to some specific market, will have a long-term impact on the future of minority businesses. The content of that kind of handbook could consist on: Market analysis and characteristics; market trends; Regulations and procedures for the import of specific product/service; Package design; Distribution channels (importers-distributors, retail, online sales); Consumer behaviour in the market; Business etiquette; Fairs, conferences and specialized magazines. This sort of guideline should be included in all FEGO sectors. Moreover, the majority of them do not know how to start a business with small investments and still be competitive with larger businesses.

Ensuring the market is most problematic part of all three sectors in minorities. Connecting them with big suppliers and sellers is crucial, and they could come from Albanian majority community in Kosovo or companies from abroad.

FEGO will cooperate closely with Kosovo Credit Guarantee Fund, that is currently developing a window for supporting energy efficiency in the private and household sector in cooperation with MCC Kosovo, and a start-up initiative in cooperation with World Bank, while also exploring opportunities around innovation and digital

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initiatives. The project will support the Kosovo Credit Guarantee Fund with technical expertise in development of tailored, specific, windows address financing barriers for private sector SMEs in the selected sectors. Situation of minority businesses should be reflected as might differ from the majority community due to different level of access to resources. At the end, project may assist with overcoming language barrier (assisting/ensuring translation) that minority businesses have in access to banks and micro-finance (principally loan schemes, but possibly also complementary saving schemes or insurances) for pro-poor innovations in (and beyond) the three sectors.

As previously mentioned, there is a lack of available statistics, data and analyses on minority business in Kosovo. During and at the end of the implementation of activities, FEGO might consider to produce this kind of report summarizing all the findings. This document could serve for the continuation of this, but also for other initiatives in Kosovo and could be helpful to the overall inclusion of minorities in Kosovo, that at the end, would add to the sustainability of FEGO itself.

Furniture

Production capacities need to be increased, and especially modernized in order to be able to fulfill large orders. It is necessary to unite small furniture producers, so they divide the workload and complete production cycle. In this way, they would reduce production cost and be more competitive in the market. They should stick with the custom made and built-in furniture and not to switch to the solid wood furniture. Serial/mass production in furniture sector requires the association of furniture manufacturers (owned by minorities) first in the north and then in rest of Kosovo. A strategic approach, education and business association would create serious potential in furniture production. Business linkages could be established with large producers of raw materials and semi-finished products, that come from the majority community. Businesses desperately need support in achieving modern design, branding, digital marketing, quality control, production standard.

Apparel

It is very important to involve new modern design training/experts in apparel businesses owned by minorities as this is an essential disadvantage that makes these businesses non-competitive in the market. Modern textile factories reduce production costs and thus are more competitive in the market.

Unemployed women that live in rural and remote areas might be also included as distant producers that will deliver products on specific tie schedule.

Business linkages have to be facilitated in order to make large orders – might be local hospitals, clinics (bedding e.g.) and similar. There are numerous small sewing workshops, one of the solutions would be to support one of them to establish a business that will gather them into one company, where production will be standardized and being able to have better products and service offer.

Where possible, apparel could be linked with local touristic offer – knitting and sewing of traditional clothes and souvenirs with different themes and similar.

There is strong dependence on social assistance schemes, and effort needs to be done to promote employment rather than receiving social assistance, especially among Roma, Ashkali and Egyptian communities.

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An initiative can be supported to employ women from the Albanian community in the village of Cabra, Zubin Potok municipality and connect with apparel businesses in this municipality, owned by minorities.

Rural tourism

Rural tourism in Velika Hoca might be developed in three directions that will include offer in: Wine tourism, Religious tourism and Countryside tourism. These are very good opportunities to connect different ethnic groups coming from Kosovo and abroad.

Project may also support preparation of the comprehensive strategy for development of rural tourism for Velika Hoca and its tourism potential.

It is desired to support adaptation of old houses to increase accommodation capacities but keeping their original condition/look; as well as advocate with institutions/donors for improvement of infrastructure conditions, such as renewal of access roads to the village as well as by arranging streets through the village (cobblestones).

Direct support to the micro and small business should consist on:

- Financing participation in international fairs;
- Branding of wine producers;
- Their association on the joint placement of wine with larger customers;
- Encourage households to open mini accommodation facilities with kitchen equipment;
- To support local farmers and food producers; and
- Support young people and women in starting a business, production of souvenirs with the specifics of this area, both in wood and knitting.

One of the very important parameters for the success of the economic development of Velika Hoca is a visit to similar businesses, fairs, and strategically the most important visit would be the village of Rajac in Serbia. The village of Rajac is known for its wine production, wineries, pubs and original architecture from several centuries ago. There is also information that the village was formed by people from Velika Hoca who inhabited the area during the Turks. Rajac village 25km from Negotin has also been turned into a tourist pearl.

The target group, young people and women, would be able to explore their opportunities and would be further educated and donors are there to help realize their business ideas.

Wine Days is an event when a lot of tourists would come and it is important for branding the village of Velika Hoca. Tour operators from Kosovo and beyond would work to prepare tourists for their arrival. In addition, religious tourism is a big market opportunity for Velika Hoca. Great potential are tourists from the whole region, especially from Serbia, Montenegro, Bosnia and Herzegovina. There are number of Serbian Orthodox Church monasteries, some under UNESCO protection, with great tourist potential. Accommodation capacities in monasteries are modest and conditions have not yet been created for tourists from these regions to feel free to visit hotels. That means that the accommodation capacities in Velika Hoca would be used to the maximum in most cases.

There is a potential for wine tourism in Leposavić/q as there are serious wine production businesses. Geographically is very close to Kopaonik mountain (internationally popular touristic site).

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The opening of the ferrata on Berim, Zubin Potok, as well as the inclusion in the world calendar of rafting competitions, represent serious beginnings in the development of tourism in Zubin Potok. It is now very important to complete the Via Ferrata offer with content that would allow tourists to stay for more than one day. The ferrata itself is insufficient to increase the tourist potential. It is necessary to complete the offer through rural tourism.

Touristic offer might be extended to family vacations, where the target group would be families. Young people and their parents would find hobbies and complete the contents of their vacation, such as ferrata, walking, kayaking, horseback riding, cycling, religious tourism.

In order to complete its economic potentials and tourist offer, it is necessary to be based on the following goals in the development of the municipality:

- Increasing accommodation capacities;
- Investment in the livestock farms in order to increase offer of domestic food;
- Production of organic food;
- Production of medicinal and forest herbs;
- Hunting and fishing offer,
- Kayaking;
- Mountain climbing; and
- Cycling.

It should be noted that the target group of mountaineers (mostly coming from Serbia), come to Zubin Potok for climbing the ferrata. Afterward, they continue to go to Peja where they climb another ferrata which is part of the municipality of Peja. This is a great and important fact for the future relations between the Serb and Albanian communities. The trust that returns among young people is a good indicator for the future relations between the two communities.

Adequate locations for starting rural tourism with all business activities mentioned above in Zubin Potok municipality are villages of Cecevo, Banje, Kopilovice, Medjedji Potok, Kaludra, Prevlak. Cecevo is a village on the shores of Lake Gazivode. The nearby located Cecevska river is very attractive for tourism. The village is located at the foot of the mountain Mokra Gora.

The villages of Kopilovice and Banje are located on the slopes of the Rogozna mountain and are separated from Lake Gazivode only by the regional road Zubin Potok - Ribarice. These two villages are ideal for starting rural tourism with accompanying content. They are located on the sunny side of the mountain. The municipality could arrange a beach, a marina, and education would start a start-up business if the villagers of these villages could not start their own business on their own. Models of inclusion of other villages should be sought.

On the slopes of Rogozna, Banja and Kopolovica, the villages of Medjedji Potok and Bube towards Zubin Potok are located. On the slopes of Mokra Gora, Cecevo several villages towards the Zubin Potok, such as Kaludra, Prevlak, Crepulja are located.

Above all, professional standards in tourism should be introduced in these areas, and businesses supported to promote their touristic offers – by creating promotional material and digital marketing, as well as facilitating business linkages and access to the new markets.

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Local potential for development of rural tourism in Leposavić-q is a mix of Velika Hoca and Zubin Potok, and everything suggested for those two locations might be applied. Local Winegrowers' Association of Leposavić/q might serve to other businesses as an example-mentoring, as there are also more open and informed on the innovations.