

THE ROLE OF PRACTICE FIRMS IN PREPARING YOUTH FOR THE LABOR MARKET IN KOSOVO

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ABSTRACT

The paper presents the role and importance of practice firms in youth preparation and training for the labor market. The unemployment data in Kosovo puts emphasis on large participation of youth in the number of jobseekers, therefore investing in youth is considered a priority of development policy. Focus on the way of functioning of practice firms and on the practice firms' global network present the need and the possibility of qualification of the youth under the conditions of a market which constantly requires flexible staff capable of adapting to different circumstances. In addition, some data are presented pertaining to the functioning of practice firms in Kosovo and research results from some positive experiences from other countries, in order to use them for further strengthening of this form of youth training. Practice firms create the possibility for youth to benefit from being a part of the practice firms' global network in the future.

Keywords: *practice firms, youth training, labor market, practice firm center, practice firms' global network.*

1. INTRODUCTION

A practice firm (also known as a practice enterprise, training firm, virtual enterprise, virtual business) is a new form of learning, which supports and promotes the practical learning, which simulates real business and entrepreneurial thinking. Practice firm (PF) silhouettes the real firms' business procedures and students are taught provided with adequate qualifications pertaining to the modern labor market.

Working in a practice firm provides students with the necessary skills and knowledge to either become entrepreneurs or find employment after they finish their work in a practice firm. This form of youth training does not foster entrepreneurial attitudes and skills among students of secondary vocational schools but also among higher education levels and unemployed people.

In addition to improving their professional and technical skills, practice firm participants also learn how to work in team, to develop self-initiative and to increase responsibility at work. Having into consideration that Kosovo is facing a high unemployment rate, with a large participation rate of young working age, the practice firm is considered as an appropriate form to prepare youth for the labor market.

Kosovo is seeking membership to the practice firms' global network: EUROPEN - PEN INTERNATIONAL, member of which are educational institutions from different countries.

Practice firms (PF) have started to be implemented worldwide, but while other countries have gained more experience in this regard, Kosovo still has to strongly support this initiative in order these firms become more sustainable.

Since unemployment is likely to be related to education, investment in youth is an experience that should applied by all the countries that are facing development and unemployment problems.

2. THE IMPORTANCE OF HUMAN CAPITAL INVESTMENT WITH EMPHASIS ON YOUTH

Upgrading the level of education and labor force adjustment to challenges of the knowledge based economy is key to employment growth and productivity in the modern economy. The Nobel laureate Amartya Sen emphasizes that increasing the level of human capital requires ambitious policies and responsibilities as well as facilitation access to lifelong learning (Todoro & Smith, 2003). The system of lifelong learning should be capable to change the needs, enable the access and respond to the needs changed.

Barriers to lifelong learning are evident in every country, particularly for the persons with low qualifications. In order to avoid them, the Employment Taskforce (2003) assigned by the European Heads of State and Government, recommends the member states to undertake the following activities:

- to improve identification of individual needs and access to training,
- to broaden the supply of training by better exploiting new tools that are available such as e-learning;
- to facilitate the development of the education and training sector;
- to promote networking and partnership between actors at all levels to foster co-operation and sharing of best practice.

All actors – public authorities, individuals and businesses should take a part of the responsibility to increase the level and efficiency of human capital.

Government should allocate funds for lifelong learning for all.

Employers should assume the responsibility for developing skills of their employees.

Individuals should invest in their future.

Human capital investment is an experience that should be used by countries that are facing development and unemployment problems. Several Nobel laureates of economic sciences, known for their papers on the importance of human capital investment and whose views are presented below, share the same opinion.

Arrow in explaining the changes in the total factor productivity takes into account investments in training and education as a way of improving the work and better utilization of available technology. Taking into account human capital, Arrow has helped in introducing the “unexplained” element of total factor productivity growth in the empirical work (Griffiths & Wall, 1999).

Stiglitz (2001) regarding the importance of human capital investment states: “Since differences between industrial countries and developing countries depend more on differences in knowledge rather than by differences in capital, thus the policies to reduce differences in knowledge gain greater importance”.

Stiglitz also in an article “A willing world can end child poverty” (2005) while talking about poverty among children, states that democracy without education often falters. Mechanisms that increase the transparency and accountability of state services will help ensure that these are of the highest quality possible and the least wasteful of human and financial resources.

Becker (1992) starts emphasizing something comprehensible which is often forgotten that the basic resources in any company are the people. According to Becker, human capital investment includes education, training on the job, healthcare and information on workplace research, which will be paid back in a form of a benefit.

According to Becker, the most successful companies and the most successful countries will be those that manage human capital in the most effective and efficient manner – investing in their employees, encouraging employees to invest in themselves, ensuring learning environment and including social capital as well as skills and trainings (Reynolds *et al.*, 1991; McConnell *et al.*, 1999; Manville 2006).

Knowledge advancement is the source of wealth and incomes, therefore **Schultz** (1961) associates with the human capital investment. According to him, improvement of the quality of life of population and knowledge advancement is the crucial factor. Economic development of countries firstly will depend on the quality of population.

He believes that human capital is like any other type of capital; it could be invested in through education, training and enhanced benefits that will lead to an improvement in the quality and level of production. While education and health, first and foremost, represent an investment, it would be seriously incorrect to consider all the education and health expenses as a current consumption (Pano, et al., 2003).

Sen considers unemployment as destructive to the person's identity and sense of self-confidence, therefore he emphasizes that the economic development process should be seen as a process of expanding of human possibilities.

Sen argues that in order to achieve the economic growth, social reforms are considered necessary and improvements in education and public health must precede economic reform (Pano, 2002).

Heckman (2000) through presentation of *cognitive and non-cognitive abilities* explains the possibility of greater benefits through early interventions to the life-cycle because “*Abilities and skills produce abilities and skills in the future*”. At the current level of financing, traditional tuition policies, learning quality improvement, training on the job and others are unlikely to be effective in closing the gaps. Heckman considers that the returns to investment in the young are quite high while the returns to investment in the old and less able are quite low.

Heckman emphasizes that in an era of tight budgets, it is far from obvious that investments in low skill workers made obsolete by changes in technology can be justified on any but political ground. Unfortunately, in an era of tight government budgets, it is impractical to apply active investment programs for all persons. The real question is how to use the available funds wisely. The best evidence supports the policy prescription: *Invest in the very young* (Heckman, 2000).

3. PRACTICE FIRMS AS A FORM OF INVESTMENT IN YOUTH

3.1. *Meaning, the way of functioning and the importance of practice firms in preparing youth for the labor market*

The origin of practice firms ("fictitious firms") can be traced back to the 17th century with the help of literature. In the year 1960 Mr. Lerice (citizen of Danzig, Germany) described the commission transactions of the invented businessman named Peter Winst in his book "Commission and Factory". There are other books that explain the philosophy of a practice firm as for example Mr. Karl F. Barth who wrote the following in 1776: "*The teacher lets them choose a sort of action and a trading location...; each one receives fictitious capital, goods or securities...*" (UK PF Central Office, 2001)

The idea of Practice firms (PF) originated in Germany in the 1950s and is based on the method of "learning by doing." It addresses the issue of "no job without experience, no experience without a job." Currently there are some terms in use for this teaching method all over the world, e.g., Virtual Enterprise in the United States, Virtual Company in Asia and Training or Practice Firm in Europe.

Practice firm (PF) is a practice-oriented innovative learning method - a model of an enterprise in which the real business processes become transparent for the learning process. Learning in the PF can substitute the practice in enterprises by "bringing the enterprise at the school" (Europen, 2011).

A practical firm functions as a real firm. The main difference between real-life companies and Practice Firms is that no real goods, services and money are exchanged (Berchtold & Trummer, 2001). They are simulated firms set up by trainees, with the assistance of a facilitator, to undertake commercial activities and it provides the trainees with hands-on business skills and enhances their knowledge and experience of business practices.

Although there is no transfer of goods and funds, however, all other activities are carried out: orders are made, invoices issued and financial records maintained, stock holdings and so on. Also PF researches the market, advertises, buys raw materials, transports, stocks, plans, manufactures simulated goods, sells simulated products or services, and pays wages, taxes and other activities.

A practice firm is very often assisted by at least one real company and it is ideal when this exists. Mentor companies supply information on technical and management issues. Their activity is carried out within an environment equipped with necessary techniques separated into different branches for teaching through PF.

Practice firms realize connections between them in the internal and international market of practice firms through direct contacts as well through participation in fairs, exhibitions, symposiums, workshops, etc.

Besides the inclusion of students in secondary vocational schools as often practiced, the training through this form may also be applied for the College and University students, Unemployed, Returnees to work, People wishing to set up their own business, People with disabilities and other disaffected persons.

Reetz (1986) has grouped all characteristics of practice firms as follows:

- A practice firm is a fictitious company within a vocational school that works in most respects like a normal company;
- All commercial departments are represented within a practice firm;
- However there is no real exchange of goods and money;
- Practice firms co-operate with other practice firms within a national and international network;
- A real company normally provides support, money and the product names for the training firm;

A practice firm is a framework for training in (Europen, 2011):

- administration skills
- accountancy
- computer-based skills
- personnel management
- marketing and sales
- purchasing
- entrepreneurship

The PF concept puts both the teacher and the student into different roles by requiring a new understanding of the relationship between teaching and learning as opposed to normal

classroom settings of lessons in different fields. It is assumed that practice firms help learners to develop a more substantial understanding of business processes and a 'feeling' for realistic workplace conditions, although the practice firm remains primarily a pedagogical institution. Practice firms are seen as learning arrangements which help to overcome the 'dualism of thinking and acting' and now seen as the dominant and most innovative didactical pedagogical concept within the current VET debate (Deissinger *et al.*, 2005).

Activities of practice firms are coordinated through Practice Firm Centers.

Practice firm centers or central offices represent the PF network of a country, which ensure provision of adequate support for establishment and better functioning of practice firms of a country.

These Centers support PF through provision of different commercial services. They could represent the bank, Customs and Excise, Inland Revenue, Companies House, post office, Telephone Company, water companies, electricity companies, insurance companies, assurance companies, and suppliers of last resort of raw materials, when there is no practice firm selling those products.

3.2. The Practice Firms Global Network - EUROOPEN and PEN INTERNATIONAL

The practice firms' international network is EUROOPEN (used in the Europe) and PEN INTERNATIONAL (used outside of the Europe).

EUROOPEN is a non-profit association which is established in 1997. The European mission is to enhance the international training of young people and adults using commercial documentation via the PF under the auspices of the Central Offices in each country. This practice firms' international network encourages language, cultural, business and social competencies through exchanges, international meetings, workshops and commercial trading between practice firms. (Europen, 2011).

Europen aims to accomplish the following objectives: Lifelong learning, Comprehensive hands-on business education, Learning by doing, Personalized training, Training of soft skills, Flexible training methodology used throughout the world, Wide range of target groups involved, Flexible education to meet the demands of the dynamic business world and Education with a quality mark.

Target groups benefit from this project, which benefits can mainly be summarized as follows (Europen, 2011):

- Development of enterprise skills
- Provision of work experience - Learning by doing
- Working by using latest technology
- Networking within international practice firm network and development of world-wide links
- "Live trading" at trade fairs
- Development of foreign language and intercultural skills
- Direct links with employee

On the other hand, real firms also benefit from this, since they gain well trained employees with knowledge in different fields, particularly regarding the use of informational technology. These firms possess knowledge on the quality of future employees and this is an advantage comparing to the firms with asymmetric information about the abilities of future employees.

Other benefits from working in a practice firm are also considered: Reducing the costs of employee orientation, Free publicity for company's products in the Europen network as well as Market Research, knowing that this network has more than 7500 practice firms separated into different networks in 42 countries (Table 1).

Table 1. Number of Practice Firms per Country

Country	Number	Country	Number	Country	Number	Country	Number
Argentina	76	China	11	Italy	154	Romania	1 017
Australia	160	Czech Rep.	759	Lithuania	46	Slovak Rep.	779
Austria	1 200	Denmark	28	Luxembourg	25	Slovenia	252
Belgium	236	Finland	58	Malaysia	27	Spain	350
Brazil	210	France	118	Netherlands	334	Sweden	28
Bulgaria	71	Germany	578	Norway	6	Switzerland	54
Canada	45	Great Britain	20	Poland	35	U.S.A.	304

Source: *Europen, 2011*

It should be noted that out of all countries, Austria is a great power in the world of practice firms.

Practice firms are created and operate also in other countries which are considered future members of this global network, including Kosovo (Table 2).

Table 2. Future *Europen-PEN* International Members

Country	Number	Country	Number
Albania	42	Kosovo	80
Bosnia and Hercegovina	16	Macedonia	56
Greece	2	Moldova	35
Estonia	5	Montenegro	95
Indonesia	1	Serbia	141

Source: *Europen, 2011*

This practice firms' global network has developed also quality certificates for practice firms and practice firm trainees which are at the moment being used in 14 member countries (Leonardo project). The purpose of the competition for certification is to promote better quality of work of practice firms, presentation of their work (achievements) as well as inclusion of all subjects in the work of practice firms according to the curriculum of the respective country.

4. PREPARING YOUTH FOR THE LABOR MARKET THROUGH PRACTICE FIRMS IN KOSOVO

4.1. Some labor market indicators in Kosovo

International Labor Office in Kosovo (2010) points out that unemployment rate in Kosovo in 2008 was 41 percent (Table 3), based on the data prepared by the International Monetary Fund (IMF), Statistical Office of Kosovo (SOK) and the Ministry of Labor and Social Welfare (MLSW), while the employment rate for the 15-24 age-group was 58%.

Table 3. Labor market indicators, 2008

Indicators	Total	Man	Woman	Age group 15-24
Population composition	100%	51%	49%	19%
Number of inhabitants	2 153 000	1 098 000	1 055 000	411 000
Able working population (%)	64%	62%	65%	-
Working age population	1 371 000	686 000	685 000	411 000
Unemployed	335 900	177 800	158 100	101 700
Employed	481 000	365 800	115 200	72 300
Active population	816 900	543 600	273 300	174 000
Participation rate	60%	79%	40%	42%
Unemployment rate	41%	33%	58%	58%
Employment rate	35%	53%	17%	18%

International Labor Office-Kosova, 2010

Meanwhile, in 2009 (Table 4), 31% of jobseekers refer to 15-24 age-group (MTI, 2010). In addition, from different data sources it is estimated that over 30 000 persons enter the labor market every year. It should be emphasized that these data should be carefully treated due to their limited availability and quality.

However, unemployment is the most worrisome aspect of the labor market in Kosovo. Worrying is the fact that youth participation in the number of jobseekers is considerable.

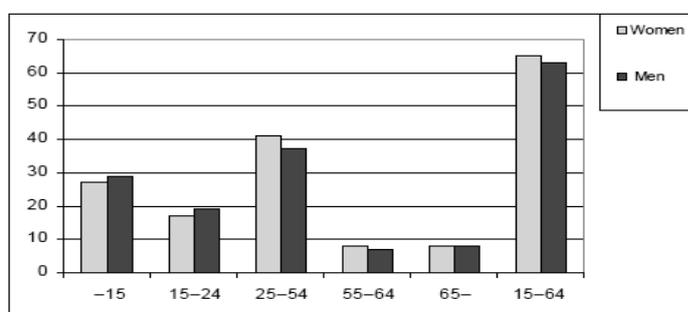
Table 4. Unemployment by age-groups, 2009

Age-group	Unemployment registered	(%)
15-24	103 896	31 %
25-39	149 382	44 %
40-45	65 819	19 %
55-64	19 798	6 %
Total	338 898	100

Source: MLSW, 2009

Looking in terms of the population age, according to SOK estimations (2011) for the period 2004-2009, 28% of the population is younger than age 15, while nearly two/ thirds (65%) belong to the 15-64 age group, which is known at as the economically active (fig.5).

Figure 1. Population by age-groups (%), 2009



Source: LFS, 2009, SOK

According to the World Bank Report (2010), based on the results from Business Environment and Enterprise Performance Surveys (2009), around 45 percent of businesses have the impression that education and training of workers is inadequate.

Although efforts have been made to make changes, yet the education and training system is failing to provide adequate learning possibilities, relevant curriculums and efficient teaching so as to produce qualifications required for the market.

As the economy develops, qualifications and knowledge will become more relevant, the quality and relevance of qualifications produced through education and training system will be essential for sustainable development and job creation. To improve the quality and relevance of education and training, curriculums should be consistent with the labor market needs. This may be achieved by teaching practical subjects and thinking and behavior skills at all levels of education.

Better labor force education and qualification are essential to achieve higher and sustainable development, therefore one of the objectives of the Ministry of Education, Science and Technology in Kosovo is that the education system must adopt better and respond more sensitively to the labor market needs.

Given that Kosovo has a young labor force, which may be considered as a comparative advantage of the country, investment in youth should be considered as one of the priorities of country development strategy.

4.2. Establishment and functioning of practice firms in Kosovo

Due to the need for qualified labor force, the Ministry of Education, Science and Technology in Kosovo in cooperation with the Austrian Development Agency, Ministry of Education, Arts and Culture of Austria and KulturKontakt Austria, has started to implement the ECO NET project in 2004 in vocational schools in Kosovo (economical and agricultural schools). This project aims to:

- Implement Practice Firms in vocational schools included in the project
- Train teachers in this field
- Provide possibilities for the vocational school students to transmit their theoretical knowledge into practice
- Develop entrepreneurial skills among students
- Advance vocational education in general

Students involved in the PF during the school year learn how to create new business contacts with other firms pertaining to sale, how to research market and practical work in virtual enterprises, depending on the type of the activity chosen.

In 2004 it was started with one practice firm and now their number is increasing. To this point, 100 teachers are trained. A group of them are trained as trainers for upcoming generations of teachers and students in secondary economic schools.

Practice firms have so far organized symposiums, national fairs and have taken part in international fairs. The national fair as an education activity is usually organized at the end of the school year, where students demonstrate their professional and social skills improved in their course of their work within the practice firm. Practice firms in Kosovo have also organized workshops aiming at improvement of practice firm tasks, drafting of annual work plans and better cooperation.

Since 2007, the Kosovo Center of Practice Firms (KCPF) is operating, which provides services necessary for functioning of practice firms and is a key actor in PF learning network that is responsible for its sustainability and quality. In order that the work in the PF is more realistic, the obligations that a firm has to the state should be carried out. For this reason, KCPF provides services to practice firms and enables their registration, payment through bank software, payment of taxes, customs clearance, etc.

Practice firms in Kosovo have partner real firms, but they should expand the network of real firms in order to have cooperation.

The implementation of quality certification of the work of practice firms has commenced, in view of the fact that nowadays most of the real firms are certified for quality. In this process, which was developed in cooperation with MEST, Kosovo Center of Practice Firms, Swisscontact, Kulturkontakt Austria together with the Kosovo Chamber of Commerce in the last school year, 27 practice firms took part, 21 of which were certified. The list of criteria for certification of practice firms is based on the ISO standard (KCPF, 2011).

5. EXPERIENCES OF OTHER COUNTRIES IN ESTABLISHMENT AND FUNCTIONING OF PRACTICE FIRMS

Being impossible to present all experiences, below are presented some practice firms for which it is estimated that similarities of functioning of practice firms and some of their specific features may be reflected through them.

PF in Albania

The way of functioning of practice firms in Albania is similar to the way of functioning of practice firms in Kosovo. Albanian Center of Training Firms (ACTF) functions since 2004 and is located at the Technical economic school in Tirana.

This Center facilitates and coordinates activities of the PF through provision of different services such as: banking services, social insurance services, postal services, corresponding firm services, financial department services (within which all firms pay taxes under a tax regime and whose subject are real enterprises) and other services necessary for functioning of practice firms. Currently, Albanian Training Firms cooperate with each other, being connected to a practice firm network where 42 practice firms are affiliated.

This form of learning is applied in secondary technical vocational schools, hotelier and tourism schools as well as in agrobusiness schools which are directly responsible to the Ministry of Education and Science (MES). In addition to MES, another very important funder is the Ministry of External Affairs of Austria which provides support through KulturKontakt and K Education. Five of the PFs exist within the most important vocational non-public schools in Tirana and Fier, which are the only funder of practice firms functioning within them (ACTF, 2011).

PF in Slovenia

There are 300 practice firms in Slovenia located in 38 schools. These PFs include categories such as: Unemployed, Employed adults in further training, High School students, College and University students, Students in comprehensive schools, Students in vocational schools for apprentices (15-18), and Students in post-secondary courses (Europen, Central Office, Austria)

Slovene Centre for Training Companies (SCTC) is established in 2003 in Secondary school of Economics in Celje. This center connects all practice firms in Slovenia and offers them professional support and services, which are necessary for continuous operation.

The main objective of the Central Office for Training Company is:

- to assure quality operation of the practice firm network (modern methods and work procedures);
- to form and develop active and efficient connection among Slovene practice firms in schools and to perform adult education.
- to co-operate in evaluation of practice firm work, and
- to take care of the use of uniform standards of practice firm operation

These firms are supported by national and regional government, as well as NGOs and private sector (SCTC, 2011).

FU in Austria – an example for competence-based teaching

Comparing to other countries, Austria has a wide network of practice firms and a successful experience in their functioning. Austria sees themselves as the instigators of practice firms along with Germany.

It has started with establishment of practice firms in 1950. Currently it has over 1,000 PFs and it is the first country in Europe where the PF project was approved as a compulsory training in Business schools in 1993, while it is an elective subject in other schools. Here are trained: Unemployed (25-50 years), Employed adults in further training, High School students (16-18 years), College and University students, Students in comprehensive schools, Students in vocational schools for apprentices, Students in post-secondary courses (European, Central Office, Austria)

PFs in Austria are generators of virtual products. According to activities, 82% of PFs are established as business enterprises (clothes, electronic equipment, cosmetic products, sporting goods and others), 16% as services (food supply, hardware and software, counseling, hotel, travel agencies and others), whereas 2% as producers (mainly agricultural products).

These firms have passed from input orientated (e.g., classroom design or curricula) to an output orientated approach (outcome of the learning process). Learning outcomes are further expressed in terms of competences and skills which can be demonstrated and therefore assessed. Accordingly, there is a relationship between learning outcomes, competences, assessment criteria, assessment and teaching methods (European - ISSUE 03, 2010)

PFs in Austria are supported by national and regional government, as well as NGOs and private sector.

PF in Rumania - Quality Mark Certification

There are 970 training firms in Rumania distributed in 197 schools. It has started as a "Training firm" concept in 2001 with 34 practice firms and it was financed by ECONET project, in cooperation with Austrian Federal Ministry for Foreign Affairs and KulturKontakt.

In order to increase the quality of training, they implemented a Quality Mark Certification. They apply two types of certificates – basic and advanced, which, if obtained by participants, enable to take part in international competitions. The competition is applied for drafting of the business plan in order to encourage entrepreneurship and managed by the Romanian Ministry of Education, Research, Youth and Sports, the Romanian National Centre for VET Development, Raiffeisen Bank Romania (the sponsor of the project) and KulturKontakt Austria.

The participants prepare a business plan, which they present to an evaluation committee. They then implement their strategies in their practice firm, followed by presenting those strategies to representatives of Raiffeisen Bank to simulate applying for funds to set up business. The winner of the "Business Plan" competition has the opportunity of gaining work experience at the Romanian Raiffeisen Bank (European - ISSUE 05, 2010).

PF in Switzerland – Management training

The Suisse network is located at La Chaux-de-Fonds and is responsible for providing services required to operate practice firms throughout Switzerland. There were 9 Suisse office members at the Swissmeet, but their office employs 12 staff members to operate the Swiss network of 46 practice firms. Students in practice firms are unemployed people claiming unemployment benefits. One FU is in a commercial school where students participate in the practice firm as part of their course. They have applied modern technology and have a great support from the government which considers that the cost of practice firms is cheaper than the longer term alternative.

PFs in Switzerland have achieved to reduce the load facilitators- students, in this way all practice firms have 2 facilitators to approximately 20 students, with extra lecturers for specialized training sessions. Students may choose the department depending on what training they are interested, they might even change it if they want. Trainings are carried out in different fields such as: Sales, Marketing, Bookkeeping, Information Technology, Human Resources, Handbook Officer, and Receptionist.

The unemployed persons are interviewed by the Swiss Government to determine what career path they wish to pursue. If they have been earlier in one of the business fields, they are enrolled into a practice firm to upgrade or learn new skills in this area. The practice firm is so realistically set up, one wonders if they are in a real organization or not (Europen- ISSUE 03, 2010).

PF in Germany

Central Office of Practice Firms in Germany coordinates activities of 80 practice firms, almost exclusively in adult education and supported by the Employment Office. They are also applied for High School students (16-18 years), College and University students, Students in comprehensive schools, Students in vocational schools for apprentices, Students in post-secondary courses (Europen, Central Office- Austria)

The FU ran for 40 hours per week, and for each group of students for 9, 12, 20 or 24 months duration. Educational institutions provide trainings in the different workplaces. The trainee could decide which course he/she wanted to take part in, and at which educational institution. It is very important that participants and educational institutions are continuously involved in the creation of new training courses. (Europen- Issue 02, 2009).

In the German educational debate, practice firms have returned to the agenda since the 1980s, although it should be noted that theory and reality of practice firms often differ. In Baden-Württemberg, practice firms are seen as learning arrangements which are supposed to give full-time VET a new face and increase its attractiveness both among students and employers (Deissinger, 2005). Many authors put emphases on the results of the research project on PFs which was carried out during the period between 2003 and 2004 only in the Federal State Baden-Württemberg in commercial and in health and care vocational colleges (1022 student, 224 companies). These results refer to the motivation young people associate with the vocational college and to the acceptance of the “assistant qualification” among employers.

In terms of their motivation to attend the vocational college, students rated the prospect to improve their individual chances on the training market as essential, whereas the relevance of “assistant qualification” is virtually irrelevant among the students. Students view the vocational college as an institution which prepares for an apprenticeship and or offers pathways into higher education (Deissinger, 2007; Raumer & Maclean, 2009).

PF in Luxembourg

Luxembourg has extended practice firms network in 14 different schools including over 400 students aged 16-20. Students (employees) work in the practice firm 6 hours a week. The Ministry of Education and Vocational Training promoted and financed the central office and its training program in schools, with the help of the Swiss Central office. Since this is a schools funded project, the same FU tend to continue trading each year; however the trainees tend to change the business’ product mix and services offered.

The students are trained in the practice firm, in the year before they leave school in order to create the features of the entrepreneur and seek employment in the real business world. More than half of our practice firms have parents companies.

The particularity of the practice firm model in Luxembourg is that it continues to train students with the tendency to change the activity required by the labor market at their workplace (Europen- Issue 06, 2011).

SUMMARY

Practice firms are distributed in almost all countries and their number is increasing, which demonstrates their importance in preparing youth for the labor market. Probably the most important finding of this review of experiences of practice firms is the active attention that is paid to functioning of PFs in these countries.

According to the way of functioning, all practice firms have similarities, yet they differ in their specifications:

- involvement of students in these programs is made with the willingness of the school, but it may also be compulsory (Austria);
- young people are assessed in advance in order to determine which program and which training they will attend, but they may also choose and pass from one training to another (Germany).
- Some PFs tend to change activities required by the labor market at their workplace (Switzerland).
- Future member states of this practice firms' global network are more focused on the input (classroom design, curricula. etc.), whereas member states are focused on the output and outcome of the learning process (particularly Austria), even the competition between students is encouraged (Rumania).
- This program, in addition to involvement of vocational school students, is expanded in most of the countries to train unemployed people, and those who have paused for a certain period of time and wish to return to work and to easily adapt.
- The level of information technology application, facilitators-students load, etc. varies from country to country, since they depend on the way of their functioning, respectively government support as well as private sector.

Regardless of differences, whether national, economical and demographical, institutions, traditions, access to new technologies and their functioning, one thing common to all practice firms is that they are suitable for preparing youth for the labor market - Learning by doing - as an imperative of the time in which we are living and working.

CONCLUSION

- Practice firm is an ideal model for training young people for labor market.
- The model of practice firms as a new learning and innovative form does not only strengthen the skills and knowledge of students of vocational schools, therefore it should be expanded and developed for the college and university students, unemployed people, returnees to work and other categories.
- A sustainable financing system must be build for more advanced functioning of practice firms. All parties should study possibilities and means for generating incomes.
- With a good will of central and local government and through a better cooperation between schools and enterprises, the process of implementing the model of practice firms will meet the required standards. In this way, practice firms in Kosovo may be an active part of the practice firms' global network.
- Human resources, specifically young people are a key factor for implementing the model of practice firms, therefore investment in youth and their preparation for the labor market should be considered as one of the priorities of country development strategy. The quality of the labor force of a country is determinant of its global competition skills.
- To strengthen and spread more ideas for creation of practice firms whenever there is a need of young people to advance practical knowledge and adapt to the labor market needs.

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