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European Training Foundation

POLICIES FOR HUMAN CAPITAL DEVELOPMENT

KOSOVO*

AN ETF **TORINO PROCESS** ASSESSMENT

EXECUTIVE SUMMARY

THE EU AGENCY SUPPORTING COUNTRIES • TO DEVELOP THROUGH LEARNING •

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence – hereinafter 'Kosovo'.

PREAMBLE

This European Training Foundation (ETF) assessment provides an external, forward-looking analysis of the country's human capital development issues and vocational education and training (VET) policy responses in a lifelong learning perspective. It identifies challenges related to education and training policy and practice that hinder the development and use of human capital. It takes stock of these challenges and puts forward recommendations on possible solutions to address them.

These assessments are a key deliverable of the Torino Process, an initiative launched by the ETF in 2010 aimed at providing a periodic review of VET systems in the wider context of human capital development and inclusive economic growth. In providing a high-quality assessment of VET policy from a lifelong learning perspective, the process builds on four key principles: ownership, participation, holistic analysis and evidence-based analysis.

Human capital, in this context, is the provision of support to countries for the creation of lifelong learning systems that provide opportunities and incentives for people to develop their skills, competences, knowledge and attitudes throughout their lives for the sake of employment and realisation of their potential, and as a contribution to prosperous, innovative and inclusive societies.

The purpose of the assessment is to provide a reliable source of information for planning and monitoring national education and training policies for human capital development, as well as for programming and policy dialogue in support of these policies by the European Union and other donors.

The ETF assessments rely on evidence from the countries collected through a standardised reporting template (i.e. the national reporting framework) through a participatory process involving a wide variety of actors with a high degree of ownership by the country. The findings and recommendations of the ETF assessment have been shared and discussed with national authorities and beneficiaries.

This assessment report starts with a brief description of the strategic plans and national policy priorities of Kosovo (Chapter 1). It then presents an overview of issues related to the development and use of human capital in the country (Chapter 2), before moving on to an in-depth discussion of problems in this area, which in the view of the ETF require immediate attention (Chapter 3). Chapter 4 provides a conclusion of the analysis. Annex 1 summarises the key recommendations in table format, while Annex 2 provides a chart of Kosovo's education and training system. The National Report of the Torino process can be found at: https://openspace.etf.europa.eu/trp/torino-process-2018-2020-kosovo-national-report.

EXECUTIVE SUMMARY

The European Training Foundation (ETF) Torino Process assessment provides an external, forward-looking analysis of the country's human capital development issues and VET policy responses in a lifelong learning perspective. It is based on evidence provided in the Kosovo National Torino Process Report compiled in 2018 using a standardised questionnaire (National Reporting Framework – NRF) and additional information sources, where relevant.

Findings on human capital

Economic context and challenges

The very small domestic market, limited integration into international markets and a suboptimal business environment, including issues related to infrastructure (e.g. energy), the regulatory and business support framework and widespread informality, have led to low levels of formal job creation and, hence, a sluggish labour demand. These have compounded problems on the labour market.

Demographic developments

Demographic developments point to a major decline in the youth population due to both continuously falling birth rates and the emigration of young people and families.

Labour market context and challenges

Labour market indicators for Kosovo lag considerably behind other countries in the Western Balkan[1] region and the European Union (EU). High numbers of new labour market entrants every year and the lack of jobs translate into high inactivity and unemployment rates. Kosovo records the lowest female activity and the highest youth unemployment in the Western Balkan region, which results in huge underutilisation of their skills. University graduates stand better chances on the labour market, although many of them may end up in jobs requiring lower skills. This leads to a further deterioration of labour market chances of people with medium or low qualifications and reinforces the trend of young people who wish to enrol in higher education. Almost one in four employed persons in Kosovo work in precarious employment conditions, which implies an inefficient use of human capital. Furthermore, the high share of people not in employment, education or training (NEETs) poses a risk to equitable human capital development.

Young people benefit most from labour market training, the most frequently used active labour market policy (ALMP) of the public employment service. However, participant numbers are small and training alone does not always improve the position of young people on the labour market. Kosovo has by far the lowest female labour force participation rate in the region. Key explanations include family responsibilities and limited access to child and elderly care, social norms and discrimination, lower levels of education and work experience, the high cost for employers of lengthy maternity leave, and women's limited access to assets and productive inputs. Increasing women's participation has become one of the public policy priorities by including more women in ALMPs, but respective measures are yet to be implemented.

[1] The six Western Balkan countries include Albania, Bosnia-Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia.

KOS

RECOMMENDATIONS

1. Review legislative framework and governance arrangements for VET

- Enact comprehensive legislation regulating VET for all target groups and providers
- Establish participatory multi-level governance arrangements involving public and private sectors and civil society

4. Improve youth

- Help young peop guidance and pra
- Promote cooperat vocational schools and businesses to on-the-job learnin
- Set up career cen educational estab
- Embed entrepene digital skills in cur

2. Improve educational planning and rationalise school network

- Bring all VET providers under one legal framework
- Give vocational schools more automony in terms of staff, courses, budgets and partnerships
- Improve qualifications, quality assurance and accountability
- Develop capacity of school leaders

5. Combine sk training with s support

- Establish integr combining skill for business sta
- Promote econo approaches lin region or value
- Address issues business

3. Promote female participation in education and in the labour market

- Adopt a joined-up cross-government apporach to promoting female participation, particularly for women and girls from rural areas, minorities and other vulnerable groups.

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7. Establish upskilling and reskilling pathways for adults

Create more opportunities for adults to develop their skills

Expand basic and vocational skills training courses for adults

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6. Ensure inclusion of all children in quality education to upper secondary level

Expand efforts to include children in both compulsory and upper secondary education

Accelerate move towards a competence-based curricula

Intensify teacher training and provide adequate teaching and learning materials

8. Strengthen work-based learning

Enhance the practice orientation of VET by strenghtening school-business collaboration, promoting and regulating company internships and institutionalising the business-liaison function in schools.

TORINO PROCESS 2018-20

Access, participation and early leaving from education

Participation in early childhood and basic education remains an issue for children from vulnerable backgrounds. One in ten young people leave school without completing upper secondary education, which leaves them with inadequate skills to cope with work and life challenges and puts them at a disadvantage in the labour market. Relatively high progression rates from VET to higher education and the low completion rates in higher education point to inefficiencies in public skills formation systems. Once out of school, few possibilities remain for adults to develop their skills. Efforts are taken to include adults in formal programmes at vocational schools and jobseekers in non-formal short courses at publicly funded vocational training centres (VTCs). However, capacity is highly restricted and low-skilled jobseekers benefit the least from training provision in VTCs, which hinders people from moving off the unemployment register.

Quality and relevance of basic education, VET and higher education

The lack of basic skills ill-equips Kosovo's young people for later learning and work. At least 30% of vocational schools offer vocational programmes for which there is little demand in the market (MEST, 2016, p. 27). Problems of aligning VET with labour market needs, in tandem with a generally poor practice orientation, form obstacles to the development of more relevant professional skills. Curricula are insufficiently oriented towards developing the skills contained in qualifications. Many teachers lack an insight into the world of work and practical skills. Equipment and consumables are missing and relations with employers are weak. In the field of higher education, issues with academic staff, outdated content, corruption, little quality control and limited business cooperation currently prevent better skills outcomes.

Recommendations for action

The European Training Foundation assessment provides recommendations about improvements in education and labour market policies that can help address the key human capital challenges discussed in this report.

Economic context and challenges

Human capital development – or, within our context, education, skills and employment policies – are horizontal issues that are to underpin the economic and social priorities of a country's development. Several recommendations emerge from Kosovo's Economic Reform Programme (ERP), which sets out priorities for the period from 2019 to 2021. Related human capital challenges are broadly to do with:

- mapping economic priorities and using skills needs analyses at national, sectoral and regional (intra-country) levels to align skills formation systems for young people and adults with labour market requirements;
- nurturing cross-sectoral/cross-curricular key competences with a specific emphasis on entrepreneurship and digital skills across the education continuum;
- implementing a number of integrated measures that equally address labour demand and supply-side issues and combine skills training with support to business start-ups and growth.

Demographic developments

Adequate educational planning and an adjustment of the network of education institutions and staff would allow the Kosovo government to make economies of scale and to invest saved funds into upgrading facilities and improving the quality and outcomes of education and training.

Labour market context and challenges

Adopting a joined-up, cross-governmental approach is central to promoting female participation as part of the gender equality agenda. The ability of women to work is contingent on:

- high-quality, affordable child and elderly care, particularly outside the capital and in rural areas;
- changing labour regulations to improve working hours and conditions for women with children and to shifting part of the financial burden for maternity leave away from employers, which discriminates female job candidates;
- improving education and skills of women;
- increasing the property ownership rate of women;
- increasing female entrepreneurship;
- other factors including improved information on job vacancies and employment services, the creation of professional networks, and adequate transport facilities.

Young people face enormous difficulties to enter the formal labour market due to both skills and labour demand issues. In response to employers' claims that they cannot find people with the right skills despite the high youth unemployment rate, continuous efforts are needed to further align education and training with labour market requirements, to help young people in their career orientation and to improve their practical skills. Structured cooperation of vocational schools, VTCs and higher education institutions with businesses could lead to more practical assignments and work-based learning opportunities for students. Setting up career centres in educational establishments could be a way for pupils and students to make more informed choices about educational and future careers, as are being suggested and established in vocational schools, for example by the Enhancing Youth Employment (EYE) project funded by the Swiss Agency for Development and Cooperation (SDC).

Working on the supply-side or skills issues alone will not suffice in the current context of job shortages. Entrepreneurship and self-employment are typically seen as alternatives and could be promoted at national and local levels through embedding entrepreneurial skills into curricula, training teachers, organising dedicated training sessions, and providing adequate levels of grant financing and coaching to start up and run businesses. Economic cluster approaches that link together different businesses in one region or along a specific value chain can help new businesses to start or grow and people to acquire new skills. Donors, partly with the help of local non-governmental organisations, are implementing integrated and individualised support measures. These are more costly but also more effective in helping disadvantaged people into jobs. However, issues pertinent to Kosovo's business environment also need to be addressed.

Participation, quality and relevance in education

More measures are needed to enhance participation in early childhood education, especially of girls, children from rural areas, ethnic communities and vulnerable groups.

The Ministry of Education, Science and Technology (MEST) and local actors are encouraged to sustain and expand their positive efforts to ensure the inclusion of all children in both compulsory and upper secondary education. This is important because skills deficiencies reinforce existing inequalities. MEST will need to accelerate basic education reforms towards a competence-based curriculum. But, for the new approaches to take root, adequate teaching and learning materials are required to be in place and teacher training intensified. For jobseekers with weak basic skills, there is an issue of organising upskilling training in combination with vocational skills training.

As a matter of priority, key actors in Kosovo are encouraged to revisit governance arrangements for VET and subsequently VET legislation. It is recommended that this law be turned into a genuine piece of legislation that regulates all VET system functions in a comprehensive manner and covers VET for all target groups, in different forms, by different public, private or other providers, leading to different levels of competence.

The general skills shortage in Kosovo calls for creating more opportunities for adults to develop their skills. In view of the limited capacity of VTCs to respond to the demand of jobseekers, in particular low-skilled people, any VET institution that is well equipped to do so should be encouraged to expand their basic and vocational skills training courses for adults. An adjustment of the network of VET institutions and offers would contribute to making economies of scale and enhancing the relevance of VET provision. It would mean dismantling the boundaries between the two hitherto separately functioning systems of vocational education and vocational training. It also means bringing all types of public VET providers under one legal framework and having the Agency for VET and Adult Education manage all VET institutions.

VET providers are to be allowed to generate and reinvest their own income. At the same time, giving VET institutions more autonomy in terms of staff, courses, budgets, premises, facilities and procurement agreements needs to take place within clearly defined national frameworks. These include frameworks of qualifications and quality assurance, as well as accountability. This implies capacity building for VET institutions, the development of computer-based management (accounting, reporting) systems and the implementation of various quality assurance mechanisms at national and institutional levels.

Strengthening practice orientation in VET can only be achieved through structured solutions aimed at improving curricula, developing teaching and learning materials, better qualifying teachers, strengthening school–business collaboration, as well as allowing schools to generate their own income and reinvest it in new equipment and consumables. Company internships to promote work-based learning of VET students are to become an integral part of the VET curriculum. Guidelines and forms for implementation have already been developed. School coordinators, practice teachers and company instructors are being trained. The business liaison function in schools needs to be institutionalised and company internships – for school or university students or jobseekers – need to be regulated at national level. The aim must be that such schemes ensure maximum benefits for interns in terms of enhancing their skills and work experience.

Overcrowding in higher education institutions has led to major quality issues. Also, Kosovo's labour market cannot absorb the high number of graduates with academic qualifications, while there is a demand for vocational skills. The Kosovo Accreditation Agency capacity needs to be strengthened to allow them to fulfil their important quality assurance functions with regard to higher education staff, institutions and programmes.

Present challenges and difficulties can only be overcome through dialogue and cooperation. That is why politicians, public agency staff, social partner representatives, experts, practitioners and members of civil society are encouraged to work together at national and local levels to develop a common vision for human capital development and revisit education, training and labour market policies in line with economic, labour market and social objectives.

The ETF launched the Torino Process in 2010 as a periodical review of vocational education and training (VET) systems in the wider context of human capital development and inclusive economic growth. While providing a quality assessment of VET policy from lifelong learning (LLL) perspective, the process builds on four key principles: ownership, participation, holistic and evidence-based analysis.

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