

TORINO PROCESS 2014

ALBANIA



This report was prepared by Evelyn Viertel, ETF specialist, drawing mainly on the National Employment and Skills Strategy (NESS) and Action Plan 2014-2020. The manuscript was completed in December 2014.

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TORINO PROCESS 2014 ALBANIA

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INTRODUCTION

The Torino Process is a participatory review leading to an evidence-based analysis of vocational education and training (VET) policies in a given country. Its aim is to build consensus on the possible ways forward in VET policy and system development. This includes a determination of the current status and vision for VET in each country, and, after a two-year period, an assessment of the progress that countries are making in achieving the desired results.

The added value of the Torino Process lies in the fact that it embeds VET within the socio-economic context of each country, ensuring that the analysis is informed by relevant evidence and takes place through structured dialogue. In this respect, the European Training Foundation (ETF) helps countries to gather information from different sources of evidence and fosters policy dialogue.

More specifically, the Torino Process is a vehicle for:

- developing a common understanding of a medium-term vision, priorities and strategy for VET development, and exploring possible options for implementing this vision and/or making further progress;
- building awareness, capacities for analysis and policy prioritisation tools;
- updating the analyses and achievements at regular intervals, and monitoring progress;
- overseeing the implementation of long-term strategies (for instance, roadmaps);
- contributing to impact-oriented policy making;
- providing opportunities for capacity development and policy learning within and among partner countries and with the European Union (EU);
- empowering countries to better coordinate the contributions of donors to achieve agreed national priorities.

In addition, the Torino Process informs the ETF's recommendations to the EU's external assistance instruments and serves as a basis for the design of the ETF's support strategy to partner countries.

The Torino Process is founded on four principles.

- Ownership of both the process and the results in terms of final report and policy development implications by the partner country's policy leaders and stakeholders. This includes seeking complementarity between the Torino Process and the national policy agenda and other relevant processes. Ownership is a key factor in ensuring that the outcomes of the Torino Process have a sustained influence on national policy.
- Broad participation in the process by relevant stakeholder groups, including parliamentary committees, policy leaders, social partner representatives, school managers, teachers, local authorities, company representatives, researchers and civil society representatives. This provides the basis for reflection and consensus building by local actors, thus making the connection between policy analysis and agreements about policy choices and implementation.
- Taking a holistic approach, using a broad concept of VET for both young people and adults, while systemically examining not only elements of the system and how they interrelate, but also how the VET system responds to the economic and social environment in which it operates. The Analytical

Framework comprises the policy vision for VET, and an analysis of the external and internal efficiency of the system, in addition to governance and financing issues.

- An evidence or knowledge-based assessment, which is seen as essential for countries to make informed decisions about policy developments and to measure progress, as well as benchmarking individual countries' development against EU experiences, where relevant. This evidence-based approach is also fundamental in capturing and scaling up good practice from pilot to system level.

The present Torino Process report 2014 for Albania was compiled by Evelyn Viertel, ETF country manager for Albania, drawing mainly on the National Employment and Skills Strategy (NESS) and Action Plan 2014–2020 (NESS 2020: Government of Albania, 2014). It was reviewed by experts from the National Agency for VET and Qualifications (NAVETQ) in Albania. The NESS 2020 contains a comprehensive analysis of the VET system and the environment in which it operates; it provides key data, as well as priorities, objectives, targets and measures. The entire process of debating and drafting the NESS and Action Plan 2020 in Albania lasted from September 2013 until October 2014. It involved a wide range of stakeholders at all levels of the system, including social partners, civil society and donors. Prime Minister Edi Rama and Minister of Social Welfare and Youth Erion Veliaj launched the (draft) NESS 2020 on 26 February 2014. The Albanian Government officially adopted both documents on 26 November 2014. The NESS Action Plan 2020 specifies who is in charge of each of the measures, indicative budgets, outputs and performance indicators. Thus, it sets out the path for employment creation and skills development for the Government and donors, as well as providing the basis for monitoring progress over the coming years.

Based on a commonly agreed selection of key priorities, the ETF will support the Ministry of Social Welfare and Youth (MoSWY) and the National Agency for VET and Qualifications (NAVETQ) over the next two years with:

- the development of the Albanian Qualification Framework (AQF), including the organisation of qualifications within it and their links to reshaping VET provision;
- the revision of the legislative framework for VET and related areas, including the setting up of the AQF and an Employment and Skills Fund;
- linked to the two priorities mentioned above, conceptual work with regard to the reorganisation of the network of VET providers and their alignment to labour market and skill needs, including the formation of multifunctional VET centres within regional networks, and;
- the continuous professional development of teachers and trainers in VET.

1. VISION FOR THE NATIONAL VET SYSTEM

This section contains a short overview of the Albanian education and training system. What is the national vision for VET development? Is it shared among all stakeholders, and how is it expected to contribute to competitiveness and the broader national development objectives?

There is a strong and positive relationship between individuals' education and skills levels and labour market outcomes. This is well recognised in Albania, and is reflected in the wide-ranging primary and secondary education reforms initiated in the last decade. These reforms have encompassed curricula reforms; enhanced teacher training; more equitable distribution of resources across regions; improvement of learning conditions (less crowded classrooms and reducing the need for multiple shifts in schools); raising teachers' average salaries; and the revision of the content and administration of the Matura exams at the end of secondary education. In higher education the focus has been on the adoption of the Bologna Process, the expansion of students' enrolment and the introduction of short-cycle, sub-degree programmes in regional universities.

Since 2008 compulsory education has started at the age of six and continues up to the age of 15. It comprises nine years of basic general education divided into primary (five grades) and lower secondary education (four grades). Upper secondary education lasts up to four years and is divided into various streams:

1. a general education sector that prepares students for higher education;
2. a vocational path that prepares pupils both for the labour market and higher education; and
3. art, sport, foreign language and pedagogical schools.

Since the academic year 2009/10 initial vocational education has been offered at three levels to provide students with general and vocational (theoretical and practical) education, preparing them for work and further education. The two-year programmes at the first level are aimed at training semi-skilled workers. Successful students are awarded the basic certificate of professional training and they can enter the labour market or continue their studies at the next level. The second level, one-year programmes prepare students for skilled work and lead to the award of a certificate of professional training. The completion of technical-vocational programmes at the third level, lasting one additional year, gives access to higher education. At the end of each level students sit vocational theory and practice exams, while at the end of the third level they also sit the State Matura exam.

The tertiary education system in Albania is aligned to the Bologna Declaration and comprises a three-year bachelor degree, followed by a one–two-year Master's degree and three years of doctoral studies.

Over the last few years progress has been reported in increasing the educational attainment of the population. The reported literacy rate of adults (15 years and over) is 96%, while among youth (15–24 years) it is 99%, equally distributed between the sexes. However, despite slight improvements compared to the 2009 PISA test, Albania's 2012 mean scores in mathematics (rank 56 out of 64; the percentage of low performers, i.e. below proficiency level 2, is 60.7%), reading (rank 61/64; low performers 52.3%) and science (rank 61/64; low performers 53.1%) remain among the lowest of all participating countries¹. Experts list a number of causes, but poor financing remains the main one.

¹ <http://gpseducation.oecd.org/CountryProfile?primaryCountry=ALB&treshold=10&topic=PI>

The net enrolment ratio in basic education is 85% (86% for boys and 84% for girls)². Gymnasiums have the largest number of graduates from upper secondary education, while VET graduates are much fewer in numbers (see also Section 3.2.).

A chart showing the Albanian education system is attached in Annex 1.

1.1 Vision of the Employment and Skills Strategy³

The vision of the Employment and Skills Strategy – inspired by the overarching goal of Europe 2020 to deliver smart, sustainable and inclusive growth – is to have by 2020 a competitive economy and an inclusive society that is grounded on ‘higher skills and better jobs for all women and men’.

The overall goal of the Strategy is to **promote quality jobs and skills opportunities for all Albanian women and men throughout the lifecycle**. This will be achieved through coherent and concerted policy actions that simultaneously address labour demand, labour supply and social inclusion gaps.

The Employment and Skills Strategy centres on *four strategic priorities*:

- fostering decent job opportunities through effective labour market policies;
- offering quality vocational education and training for youth and adults;
- promoting social inclusion and territorial cohesion;
- strengthening the governance of the labour market and qualifications systems.

A. Fostering decent job opportunities through effective labour market policies

The formulation and implementation of an active policy on employment is essential in addressing the employment challenges. Policies aimed at improving employment prospects should have a wider scope, while programmes need to be targeted at those who are more disadvantaged in the labour market, especially individuals with low educational and training levels, women, youth, other vulnerable groups, and those living in rural areas. Hence, a new employment promotion framework will be designed to ensure the delivery of more effective and better-resourced labour market policies.

Such a framework centres on (i) the modernisation of the National Employment Service (NES) delivery, both at central and regional levels; (ii) the enhancement of the compliance with ratified international labour standards; (iii) the reform of the design of active labour market policies; and (iv) an improvement in monitoring and evaluating employment programmes. The reform of the employment services, including the establishment of a National Employment Agency, will be instrumental in improving the quality of services, ensuring equal access to individuals living in urban and rural areas, and expanding the range and scope of active labour market programmes.

The reform of the employment service system will centre on the establishment of the National Employment Agency and the introduction of a tiered service model based on profiling techniques, the implementation of management by objectives, and the introduction of a robust quality assurance system. A further focus of the reforms will be the design, monitoring and evaluation of more effective active labour market programmes and the development of strategic partnerships with other labour market actors.

Labour market policies will be re-designed with a view to offering a comprehensive package of services and programmes to ease the transition of individuals into worthwhile employment, including

² Unicef, Statistics by country, at www.unicef.org/infobycountry/albania_statistics.html

³ The text in Section 1.1 is taken from the NESS 2020 (with some adaptations/updates).

an activation strategy. The effectiveness of labour market measures will be enhanced through the provision of employment services for all individuals registering with NES (including self-information or service, group counselling and job search training), with more intensive and targeted assistance for those who are 'hard-to-place'. Such interventions will be based on the introduction of an integrated service delivery model (National Service Model), using profiling and targeting to differentiate employment assistance, in addition to undertaking continuous monitoring and impact evaluation of the measures implemented to assess the results achieved. Compliance with the international standards ratified by Albania on employment and migration will be improved. This includes the establishment of a regulatory framework on private employment agencies, the alignment of employment service delivery to European standards, and the introduction of a labour migration management system that supports nationals planning to migrate abroad, as well as Albanian migrants wishing to return. Labour mobility will be mainstreamed in labour market information systems, regulation procedures and policies to ensure high participation rates and protection for mobile Albanian and foreign workers.

The Labour Inspectorate will increase its efforts to improve the enforcement of labour legislation and enhance occupational health and safety at work. Particular attention will be devoted to extending the scope and coverage of labour inspections (a warning and penalty system) so as to better encompass the informal economy, while establishing information-sharing mechanisms with other enforcement agencies. Such work will be informed by a review of the penalty system envisaged by the labour code for non-compliance with existing legislation, to appraise its deterrence effect.

Targeting approaches to differentiated labour market assistance among population groups will focus on (i) the identification of those factors that place a person at risk of becoming long-term unemployed; and (ii) the development of approaches for caseworkers to assign at-risk individuals to the range of employment services and programmes available.

Coordination between the administration of social protection benefits – especially the unemployment benefit and the Social Assistance programme – and active labour market policies will be strengthened through work availability and mutual obligation requirements. Benefit recipients will be expected to engage in active job seeking and participate in programmes to improve employability, in exchange for receiving efficient employment services and social protection benefits.

This policy priority is designed to complement the economic development and enterprise promotion interventions deployed by the Government to increase the capacity of the country to generate more employment opportunities.

The targets under this policy priority are to raise the share of unemployed women and men benefiting from employment programmes to 10%; increase the proportion of active labour market programme beneficiaries employed after participation to 55%, of which 75% should be women; and increase to 0.032% of gross domestic product (GDP) the amount of funds invested in active labour market policies (ALMPs).

The main policy objectives and respective measures are shown in **TABLE A** below.

TABLE A FOSTERING DECENT JOB OPPORTUNITIES THROUGH EFFECTIVE LABOUR MARKET POLICIES

A1. Modernising the National Employment Service, including the headquarters and regional and local offices	A1.1 Reorganisation of NES offices according to the New Service Model
	A1.2 Definition and implementation of a NES staff recruitment and development plan
	A1.3 Modernisation of IT infrastructure and systems in NES
	A1.4 Establishing new cooperation modalities with third parties
A2. Continuous improvement of the legal and institutional framework in compliance with ratified international labour standards	A2.1 Regulation of private employment agencies and strengthening their cooperation with the public employment services
	A2.2 Expanding recognition and improvement of inspection services to reduce the number of labour law violations, especially the ones related to workers' safety and health at work
A3. Expanding the range and scope of employment services and programmes (active labour market policies)	A3.1 Assessment and design of adequate, gender-responsive labour market policies.
	A3.2 Registration, profiling and counselling for jobseekers
A4. Improving the gender-sensitive monitoring and evaluation of employment measures	A4.1 Development of a sustainable monitoring and evaluation system, including the implementation of impact evaluation for employment measures on sub-groups of jobseekers.

B. Offering quality vocational education and training for youth and adults

Investments in human capital and the quality of the education and training system are at the core of an innovative and competitive economy with more and better jobs.

Access to high-quality education and training is a central element in determining the employability of the labour force and influencing the investment climate. Increasing men's and women's employability involves ensuring that they acquire the skills, knowledge and attitudes that will allow them to find work and cope with unpredictable labour market changes throughout their working lives.

Efforts to bridge the gap with European Union countries by increasing enrolment rates at all educational levels will continue. At the same time, raising the quality of educational outcomes, developing qualifications, improving the attractiveness and relevance of the vocational education system, and anticipating skills needs to redress mismatches, while improving skills recognition, will become the focus of medium-term reforms. Educational gaps across regions and population groups will be identified and addressed.

Lifelong learning and training are instrumental in fostering enterprise competitiveness and enhancing labour productivity, as well as improving the quality of individuals' work experience. Therefore, access to quality lifelong learning opportunities will be expanded to facilitate the participation of individuals of all ages, including those with special needs and disadvantaged groups.

The targets to be achieved by 2020 are to increase the share of female and male students attending VET programmes to 25%; expand the employment share of vocational education graduates to 40%, out of which 25% should be girls; raise the share of the adult population participating in lifelong learning to 4% and the employment rate of participants in short vocational training courses to 55%, out of which 75% should be women; and increase the annual share of disabled VET students by 1 percentage point. This will be attained through a 30% growth in VET investment in 2020.

The main policy objectives and respective measures are shown in **TABLE B** below.

TABLE B OFFERING QUALITY VOCATIONAL EDUCATION AND TRAINING FOR YOUTH AND ADULTS

B1. Optimising the VET providers network and diversifying offers (including the definition of competences by sector)	B1.1 Assessment and reorganisation of the main VET providers at regional level
	B1.2 Maintaining the database and quality assurance of training provision by private VET providers country-wide
B2. Assuring the quality of VET providers and improving the quality and adequacy of VET inputs (labs and equipment, curricula, teaching materials) and processes	B2.1 Analysis and upgrading of VET providers' buildings, workshops and equipment, including facilities for girls/women and the required amenities to meet the needs of persons with disabilities
	B2.2 Create a National Catalogue of Vocational Qualifications and revision of all VET frame curricula
	B2.3 Review of existing and development of new programmes for post-secondary VET provision
	B2.4 Evaluation of existing teaching materials, e.g. in relation to gender equality content and prevalence of gender stereotypes, as well as their adequacy for persons with disabilities
	B2.5 Definition and implementation of quality assurance criteria for the VET system (at providers' level), and changing the internal and external verification of VET curriculum implementation (inspection)
B3. Raising the image of VET and providing information about VET providers, qualifications and training offers	B3.1 Running publicity/awareness-raising campaigns about the importance of and opportunities in VET and lifelong learning for young people and adults in urban and rural areas
	B3.2 Design of a public, interactive and searchable web portal/database on qualifications, curricula and training offers by VET providers
	B3.3 Preparation for the participation of Albanian VET students in national, European and World skills competitions and related media promotion
B4. Strengthening the linkages between learning and work and facilitating the transition to work	B4.1 Introduction of an already tested model in all VET institutions to organise links between VET institutions and businesses
	B4.2 Establishment of agreements with companies and/or business associations that meet the criteria for offering training to students
	B4.3 Organising elements of a dual system approach, including internships of VET students, as part of the VET curriculum
	B4.4 Promotion of entrepreneurial learning, and women's entrepreneurship in particular, as a key competence
	B4.5 Development of learning materials related to transition-to-work skills
B5. Enhancing recruitment and improving the competences of VET teachers and teacher trainers (including pre-service training and continuous professional development), those in charge of regional administration, and school or centre directors/managers	B5.1 Definition of a new policy for recruitment and professional development of VET teachers and instructors to ensure the quality of teaching and learning
	B5.2 Assessing the competences of VET teachers in public VET institutions and undertaking an analysis of the demand for VET teachers and instructors, nationwide and by profile
	B5.3 Review of the VET teachers' preparation model
	B5.4 Induction training for all potential VET teachers that includes obligatory modules on gender equality and social inclusion/diversity issues
	B5.5 Organisation and delivery of training for all VET teachers (in-service), including gender equality and social inclusion/diversity issues
	B5.6 Organisation and delivery of training for managers of public VET human resources (regional managers, directors, board members, VET inspectors)

C. Promoting social inclusion and territorial cohesion

Educational attainment, labour market status and geographical location are strong determinants of poverty. Addressing existing divides in these areas will have a positive impact on reducing social exclusion among vulnerable groups of the population (low-skilled individuals, long-term unemployed, women working as contributing family members and youth living in rural areas). Targeted education and training policy actions will be deployed to reduce gaps in educational and training outcomes between rural and urban areas and between poor and non-poor students.

Access to quality education and training, more and better job opportunities and coherent action against the informal economy are necessary conditions to improve the living standards of the population. Equity concerns, however, demand that specific interventions be deployed to address the needs of individuals at risk of poverty and social exclusion through better access to education, employment and social services, as well as employment and income opportunities. Coordination between social assistance programmes and active labour market measures will allow the adoption of activation strategies based on a system of ‘mutual obligations’ – or support and sanctions.

For social inclusion purposes, the focus of the present Jobs and Skills Strategy centres on three policy areas. First, the reform and expansion of the National Employment Service, accompanied by an improvement in the range and coverage of employment services and active labour market programmes, will be key to improving both labour market attachment and the employment prospects of population groups at risk of marginalisation. Second, higher productivity in the agricultural sector – a main objective of the Agricultural and Rural Development Strategy – will spill over into the food production chain, thus increasing off-farm employment and earnings opportunities for individuals living in rural areas. Finally, the reform of social security measures will improve the equity, efficiency and effectiveness of the welfare system, reducing wastage and targeting errors, and thus freeing resources to expand coverage and the level of benefits. The linkages with employment will also be strengthened by the introduction of services and programmes to move beneficiaries from social assistance to work.

The targets under this priority encompass decreasing the long-term unemployment rate for women to 61.0% and for men to 59.0% of total unemployment; lowering the youth unemployment rate (15–24-year-olds) for females from 33.8% to 25.0% and for males from 43.6% to 35.0%; reducing the gender wage gap by 4 percentage points; raising the share of welfare recipients referred to employment promotion programmes to 10% of the total participants; achieving an annual increase of around 1 percentage point in the number of women and men covered by social and health insurance; and lowering the employment divide across regions.

The main policy objectives and respective measures are shown in **TABLE C** below.

TABLE C PROMOTING SOCIAL INCLUSION AND TERRITORIAL COHESION

C1. Extending employment and vocational training services to rural areas	C1.1 The establishment of inter-ministerial cooperation to address the situation in rural areas, including coordination with government initiatives and strategies such as the Strategy for Rural Development
	C1.2 Expansion of employment services to rural areas
	C1.3 Increasing VET offers in rural areas and outreach to excluded, vulnerable women, girls, boys and men in these areas
	C1.4 Training and employment of marginalised and disadvantaged women and men, including Roma and persons with disabilities
C2. Promoting social entrepreneurship (social economy and third-sector jobs) and women’s economic empowerment	C2.1 Design and implement measures in relation to social entrepreneurship
	C2.2 The creation of conditions for fostering female and male employment in the third sector (social enterprise focus)
C3. Introduce an activation strategy to minimise inactivity and welfare traps	C3.1 Reform of social assistance system to avoid wastage, identify errors and increase coverage of eligible individuals, in addition to linking welfare with reintegration into the labour market.

D. Strengthening the governance of the labour market and qualification systems

A modern governance system requires an effective public administration, strong social dialogue, efficient use of financial resources, and sound design, monitoring and evaluation of labour market policies. A results-based management system will be established by the MoSWY to regularly assess the quality of service delivery and the outcomes achieved by labour market policies. Such a system will (i) identify in measurable terms the results being sought and create a roadmap for their achievement; (ii) set gender-sensitive targets and indicators (to judge performance); (iii) develop a method for the regular collection of sex-disaggregated data, including but not limited to the National Set of Harmonised Gender Indicators, to compare the results achieved against the targets; (iv) integrate evaluations to gather information not available through monitoring; and (v) use monitoring and evaluation information for decision-making, accountability measurement and strategic planning.

The targets under this policy priority – aside from increasing the employment rate of female and male vocational educational graduates and the proportion of individuals benefitting from lifelong learning already mentioned above – are to achieve at least 80% of the targets established by the Action Plan of the NESS 2020; to ensure that 75% of the staff of the MoSWY are working on the core issues of employment and VET policies; to establish an Employment and Training Fund; to create better mechanisms for monitoring and evaluating the labour market and VET outcomes; to build a modern legal framework aligned with EU standards, including a further developed AQF; to initiate strengthened social dialogue; and to facilitate an increased involvement of the private sector in the governance and financing of VET provision.

The main policy objectives and respective measures are shown in **TABLE D** below.

TABLE D STRENGTHENING THE GOVERNANCE OF LABOUR MARKET AND QUALIFICATION SYSTEMS

D1. Reforming the financing and governance of the labour market and VET systems	D1.1 Creation of an Employment and Skills Development Fund
	D1.2 Establishment of an autonomous structure/structures for the administration, development and oversight of VET (the current NAVETQ)
	D1.3 Strengthening the role of the National Labour Council
	D1.4 Creation of a National Council for VET
D2. Developing and implementing the AQF	D2.1 Review of the work undertaken on vocational qualifications and linking them to the AQF
	D2.2 Establishment and operationalisation of sector committees
	D2.3 Revision of curricula and linking them to the qualifications within the AQF
	D2.4 Selecting bodies and putting in place procedures for the validation of qualifications, skills assessments, certification and the validation/recognition of prior learning
D3. Improving the quality and gender-sensitivity of labour market information and ensuring its use for more equitable and effective governance, including funding	D3.1 Review of existing surveys and analysis of skills needs at national and regional levels
	D3.2 Establishment of a gender-sensitive tracer system for VET graduates (initial and continuous training)
	D3.3 Developing information-sharing instruments regarding gender-sensitive labour market data (labour market bulletins, websites, etc.)
	D3.4 Establishment of mechanisms for sectoral skills forecasting
D4. Modernising the legislative framework for VET (initial VET and adult training)	D4.1 Review of all existing legislation that regulates VET (in schools, vocational training centres (VTCs), or through higher professional education at universities, by public or private providers) and issues related to VET (curriculum development, teacher training, etc.)
D5. Ensuring national legislation regulating mobility and labour market governance are in line with the country's broader socio-economic development goals and EU acquis	D5.1. Approximation of relevant Albanian legislation with EU Directives
	D5.2 Closing of skills gaps in the local labour market by active employment of specialists

1.2 Action and assessment of progress since 2010

Following wide and open public consultations with all stakeholders and donors, Albania adopted the NESS and Action Plan 2014–2020. The two key documents were officially adopted by the Albanian Government on 26 November 2014. State budgets allocated to both employment measures and VET increased for 2014 and are planned to expand further, in line with the Medium-Term Budget Planning. The available funds may still be insufficient to cover all the measures mentioned in the Action Plan 2020. However, the EU alone, as the biggest donor, will contribute considerable amounts of IPA funding to support the implementation of this strategy until 2020.

When it comes to implementing the Strategy and Action Plan, a critical issue is that the roles and responsibilities of key actors at the different levels of the VET system have not yet been finally clarified and/or adequately resourced. Legal frameworks for VET still require revision. The plan is for management to be further decentralised and for VET providers to be given more autonomy. This will take place within the context of the currently ongoing reform of Albania's administrative territorial division and the redefinition of the functions and budgets of the 61 new and enlarged local government

units (see Section 5). Local capacity for innovation and change needs to be developed to implement all the envisaged reforms.

Implementation of the NESS 2020 has already commenced.

- The 2014 budget allocation for employment promotion measures of ALL 270 million, or EUR 1.9 million⁴, has tripled compared to 2012 and 2013, exceeding (2009) pre-crisis levels. This allows the involvement of 3 300 jobseekers in ALMPs. The same budget is planned to rise to ALL 450 million, or EUR 3.17 million, in 2015.
- Nine employment offices with modern self-help facilities for jobseekers have been opened. The modernisation focused on new infrastructure, and staff received some training. There are plans to modernise more offices.
- Decisions of the Council of Ministers (DCM) for six ALMPs were adopted on 30 April 2014 to promote the employment of female jobseekers, jobseekers in difficulty, young jobseekers and persons with limited disabilities. They also offer on-the-job training and practical programmes (work experience) for graduate students.
- Amendments to the VET law were adopted in September 2014, and provided the basis for transferring the responsibility for vocational schools and NAVETQ from the Ministry of Education and Sport (MoES) to the MoSWY.
- The MoSWY launched a national media campaign to promote VET.
- The ministry claims that enrolments in secondary VET in the academic year 2014/15 increased by 40% over the previous year.
- Work is ongoing to revise the whole package of 27 sub-legal acts for VET.
- New schools were opened: the 'Hermann Gmeiner' IT school, supported by Austria, was opened in Tirana, a professional fishing school in Durres, and a geology-mining school in Bulqize. (While the new profiles are relevant to labour market needs, this raises the overall number of public VET institutions to 52, which experts claim is inefficient and an unsustainable number, given the lack of financing.)
- Business representatives will be included on boards of vocational schools and training centres and are asked to ensure that students gain their credits through work experience in their companies.
- A five-week post-secondary, in-service course for VET instructors, who do not have a Master's degree in education or pedagogical skills, is being developed by the ILO-IPA HRD project and GIZ in Albania and will be coordinated by NAVETQ. Currently, only 80 out of 700 instructors in the country have had some pedagogical training.

So, on a scale of one to five, Albania scores four in terms of feasibility, the relevance and timing of the strategy, the existence of an approved action plan and budget, the clarity of roles and responsibilities, and starting the implementation of the NESS 2020.

⁴ There is a separate budget for the 10 public VTCs in Albania, as follows:
2009: ALL 101 170 600 (EUR 711 361), from which ALL 73 million (EUR 514 000) used for staff salaries;
2012: ALL 129 775 173 (EUR 912 488);
2013: ALL 134 765 591 (EUR 947 577);
2014: ALL 191 175 331 (EUR 1 344 210), from which ALL 146.6 million (EUR 1 031 000) earmarked for salaries.

2. EFFECTIVENESS AND EFFICIENCY IN ADDRESSING ECONOMIC AND LABOUR MARKET DEMAND

What are the main economic and labour market trends and factors that shape the demand for skills in the country? What mechanisms are in place to identify this demand and match the skills supplied by the VET system accordingly? In which way do education and training support the development of entrepreneurial knowledge and skills? What are the main priorities with regard to these areas?

2.1 Economic and labour market factors that shape the demand for skills

Macroeconomic trends and sectoral policies⁵

During recent years Albania has remained one of the growing economies in Europe. Growth has been the result of a structural transformation, based largely on the movement of labour from low productivity agricultural occupations to services, construction, and, to a lesser extent, manufacturing. In the period 2001–11, GDP per capita increased twofold (to US\$4 555) to reach 31% of the European Union average⁶. This economic growth was accompanied by stable macroeconomic and fiscal policies, structural reforms to improve the business environment and investment in infrastructure, technology and human resources. As a result, labour productivity increased by an average of 6.4% on an annual basis.

However, economic activity started to decelerate in 2009 (3.3% per year), due to exhaustion in growth factors combined with the global economic and financial crisis (**TABLE 2.1**). In 2012, output growth was positive, albeit below potential (1.2% on an annual basis), and during 2013 growth further decreased. The slower growth characterised almost all economic sectors, but was particularly evident in services, the manufacturing/ processing industry and the construction sector. Currently, there is a high stock of non-performing loans in the banks' portfolios, which is a major obstacle in efficient capital intermediation. The latest fiscal projections for the upcoming years reveal a challenging environment for Albanian economic growth.

⁵ The text under this sub-heading is taken (with some adaptations) from the NESS 2020.

⁶ INSTAT, Gross Domestic Product in the Republic of Albania, August 2012 at: www.instat.gov.al/media/101280/llogarite_rajonale_4faqeshi_ang_.pdf; World Bank, World development indicators, 2001–10, at <http://data.worldbank.org/data-catalog>; Eurostat, News release 97/2012, at http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-20062012-AP/EN/2-20062012-AP-EN.PDF

TABLE 2.1 KEY MACROECONOMIC INDICATORS – ALBANIA, 2007–13, INCLUDING 2014 PROJECTIONS

	2007	2008	2009	2010	2011	2012	2013	2014
Real GDP growth	5.9	7.5	3.3	3.8	3.1	1.2	0.7	2.1
Inflation (% change, end of period)	2.9	3.4	2.3	3.6	3.5	2.0	1.9	2.7
Gross fixed capital formation (% GDP)	5.5	9.5	0.9	-6.2	2.6	-2.3	–	–
Total revenues	26.0	26.7	26.0	26.6	25.8	24.9	24.0	25.7
Total expenditures	29.5	32.3	33.1	29.7	29.3	28.4	30.1	32.2
Overall fiscal balance (% GDP)	-3.5	-5.5	-7.0	-3.1	-3.6	-3.5	-6.1	-6.5
Total debt stock (% GDP)	53.4	54.7	59.4	58.5	59.5	61.5	64.6	68.3*
Exports (% GDP)	10.0	10.3	8.6	13.2	15.4	16.0	17.8	19.1
Imports (% GDP)	38.9	37.7	35.0	36.7	40.0	36.9	34.8	35.9
Foreign direct investment, net (% GDP)	5.8	9.6	11.1	9.2	10.6	5.8	–	–
Current account balance (% GDP)	-10.6	-15.6	-15.2	-11.5	-12.4	-10.9	–	–
Workers' remittances	12.2	9.4	9.0	7.8	7.4	4.9	–	–

Sources: Ministry of Finance, Macroeconomic indicators, at: www.minfin.gov.al/minfin/Macroeconomics_Indicators_in_the_Years_58_2.php; Bank of Albania, External sector statistics, at: www.bankofalbania.org/web/Time_series_22_2.php; Ministry of Finance, 2013 data; (*) IMF Projections, October 2013

The expansionary fiscal policy deployed in 2008–09 to mitigate the impact of the crisis increased the fiscal deficit to 7%. As a result, public debt increased to 55.5% in 2009, and continued to grow from 2011 onwards. The gradual withdrawal of the stimulus package, with public spending declining by over 4 percentage points between 2010 and 2011, brought the fiscal deficit back to its 2007 level (3.5% of GDP) in 2012. Lower economic activity, however, also caused a decline in tax revenues (by 2 percentage points). In the same period exports increased more than imports (22.7% and 18.3% of GDP, respectively). In 2012 remittances fell to 4.9% of GDP (from 12.2% recorded in 2007), reflecting the worsening economic situation in Europe. In 2009 and 2012 inflation remained within the target set by the Central Bank (that is, 2–4% per year), although in 2010 and 2011 it rose slightly above this level. As shown in **TABLE 2.1**, the macroeconomic situation of the country has worsened significantly, with an increase of the overall public debt, which for the first time exceeded the 60% ceiling. In addition, the overall fiscal balance is now more than 6% which requires fiscal particular policies and austerity measures.

The fiscal reform introduced in 2007 eliminated progressive tax rates and introduced a flat 10% income tax. Similarly, the profit tax was reduced in 2008 from 20% to 10% (flat rate), taxation on small business was halved and social insurance contribution rates decreased by 30%. Notwithstanding decreasing rates, public revenues increased from 24.8% in 2005 to nearly 27% in 2008 as a result of improved tax collection, but afterwards the budget revenues fell year by year during the period 2009–13, reaching a level of 24% of GDP in 2013, which is the lowest recorded level of budget revenue collection during the last decade.

FIGURE 2.1 TAX REVENUES (% OF TOTAL), 2012

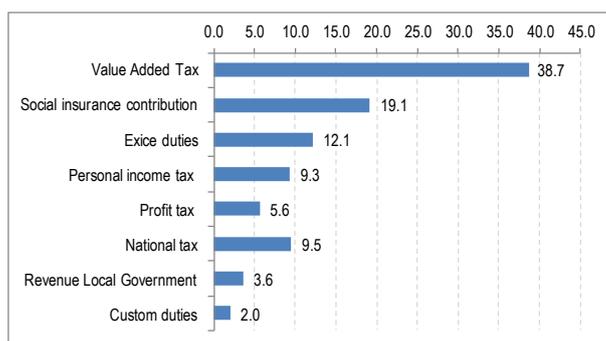
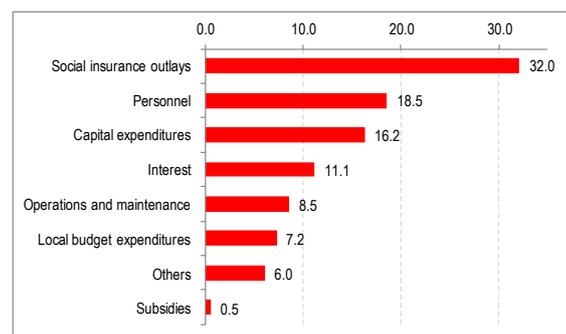


FIGURE 2.2 PUBLIC EXPENDITURES (% OF TOTAL), 2012



Source: Ministry of Finance, *Fiscal statistics*, 2012

As **FIGURE 2.1** shows, the Albanian tax system relies mostly on indirect taxation (Value Added Tax [VAT] and excise duties). In 2012 revenues coming from social security contributions represented 19.1% of the total. Social insurance outlays represent the largest item of expenditure in the country (**FIGURE 2.2**), followed by spending for personnel and capital expenditures (18.5% and 16.2% of total expenditure, respectively).

The increase of total investment from 24.6% in 2000 to 29% in 2009 was one of the major drivers of growth. The structure of investment, however, has been skewed towards the construction sector, which relies predominantly on male labour, with little room for other areas of production.

Due to the positive economic environment, the level of public debt fell from 62% to 53% of GDP between 2003 and 2008 but the trend was reversed with the deployment of expansionary policies to mitigate the impact of the crisis, reaching around 70% in 2013. Fiscal consolidation measures will be required in the next period to decrease the debt, especially in the light of the uncertain recovery across Europe and the effect this may have on the inflow of workers' remittances, exports of tradable goods and FDIs.

The previous decade was characterised by relevant changes in the structure of economic output. In 2012 construction and services accounted for over 60% of GDP, while industry comprised roughly 10% and agriculture just over 18% (from over 23.5% in 2001). Agriculture is still the largest provider of employment, albeit showing a decreasing trend compared to 2000. In 2012 the agricultural sector accounted for 47.4% of total employment, especially so for women (58.4% of employed women were working in agriculture compared to 43.1% of men). Employment in the service sector represented 36.1% of total employment, while industry employed 16.5% of all workers, with men more than twice as likely to be working in industry compared to women⁷.

The private sector is dominated by micro and small enterprises. In 2011 91% of active enterprises employed up to four workers, with an overall contribution to employment of 37%, primarily in the service sector. Enterprises employing 20 workers or more represent only 2% of the total active enterprises, but account for 47% of total employment. Enterprises engaged in the production of goods (namely industry, agriculture and construction) represent 17% of all active enterprises, while nearly 46% operate in the trade, hotel and restaurant sectors. In 2011 the rate of enterprise creation was 11.8%, down from 16% recorded one year earlier⁸.

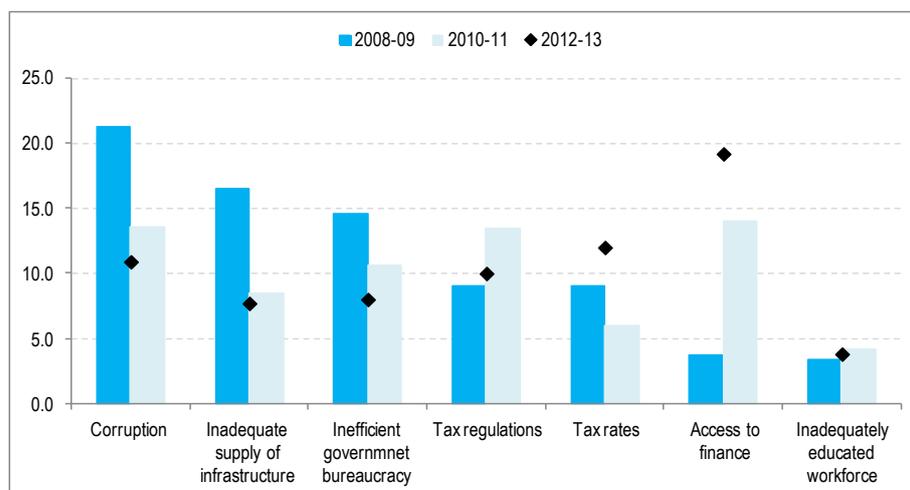
⁷ INSTAT, *Labour market 2011–2012*.

⁸ INSTAT, *Results of the annual structural survey of enterprises*, 2011 at: www.instat.gov.al/media/178154/rezultatet_e_asn_2011.pdf

Over the last decade some improvements have been made in the agricultural sector, but more needs to be done to transform agriculture into a modern, commercial and competitive sector. Between 2007 and 2011 land utilisation increased by 6%, average farm size by slightly more than 10%, and the value of agricultural production and labour productivity by about 28%. Agro-processing expanded, raising labour productivity (by 7.5%) and employment (by 9.7%). Such improvements in the agricultural sector are also reflected in increasing exports (by over 60%). However, even after the 20-year reform of the agricultural sector, we are still left with an agricultural economy characterised by its small-scale structure, with farms typically comprising less than 1.5 hectares. Farm productivity is low due to, for example, very low levels of mechanisation of the agricultural processes and high prices of input. Currently, only 30% of the agricultural land is under irrigation. Ownership titles over the land are to a large extent unclear, undermining the grounds for encouraging investments in agriculture. Albania remains a net agricultural importer, with imports exceeding seven times the export rate. This has made it difficult for the domestic agricultural and food sector to increase its competitiveness.

Albania has seen also improvements in its investment climate in recent years. The strategic framework for small and medium size enterprises (SMEs) development was set out in 2007, with the adoption of the Business and Investment Development Strategy (2007–13) and a medium-term programme for SME development. Reforms included the introduction of a flat rate tax on businesses and the improvement of tax administration; the simplification of procedures for establishing a business and registering land; the introduction of new procurement, bankruptcy and company laws; the modernisation of the customs system and the establishment of a public credit registry. The impact of the above-mentioned reforms is reflected in an improved ranking of Albania in the Global Competitiveness Index (from 108th place in 2008–09 to 78th place in 2012–13). At the same time, these essential reforms did not translate into a concomitant increase in female entrepreneurship, start-up, land registration or credit issuance, pointing to key barriers preventing women from accessing productive resources and participating in economic development and growth on an equal footing with men (MoLSAEO and UN Women, 2011). However, female entrepreneurship can no longer be defined simply in terms of social inclusion. Rather, the disruption of the global economy is prompting a more strategic reconsideration of women’s economic engagement. Female entrepreneurship needs to be raised on the wider development agenda as a pre-condition for improved employment and a growth-oriented, competitive national economy. Towards this end, steps have to be taken to generate a greater understanding of this issue, resulting in an improvement of the conditions determining female entrepreneurship (OECD et al., 2012).

FIGURE 2.3 MOST PROBLEMATIC FACTORS FOR DOING BUSINESS (%)



Source: World Economic Forum, *Global competitiveness report*, 2008–12

FIGURE 2.3 shows that in the period 2008–12 enterprises reported progress in reducing corruption, easing tax regulations, and improving infrastructure and government bureaucracy, while tax burden and access to finance worsened – mainly due to the arrears accumulated by the public administration and the effects of the economic crisis. The skill of the workforce is considered a limiting constraint for enterprises at present, but there was no measurable improvement in the period under consideration. Nevertheless, between 2010 and 2012 the detailed indicators on higher education and training show improving rankings in the quality of the education system (from 54th to 45th place), in maths and science education (from 62nd to 42nd place) and in staff training (from 55th to 32nd place).

The figures on competitiveness, however, suggest that there is still room for improvement, especially as regards the efficiency of the legal framework and its enforcement, attracting foreign direct investments, increasing the access of national enterprises to foreign markets and diversifying the export base.

The measures taken to reduce the incidence of the informal economy to date have focused mainly on (i) improving the capacity to identify enterprises operating in the informal economy, and (ii) reducing the tax and administrative costs for business start-ups and expansion. In 2009 the law on taxation procedures was amended, whereby the registration, payment and write-off of social security contributions for self-employed workers were assigned to the tax authority. The fines for failure to register new employees were increased for all classes of enterprises. Tax compliance has been simplified and a number of taxes and contributions can now be paid electronically (VAT, annual profit tax, social and health insurance, tax on employment income, monthly instalments of profit tax and annual tax on personal income). Such measures, however, seem to have had a little impact on reducing informal employment arrangements. Hence, it will be necessary to address the issue of non-competitive enterprises – for example, low profitability firms that owe their continued existence to low wages and poor working conditions – as well as enterprise efficiency, capacity to innovate and productivity. In addition, the systemic barriers that prevent the female population from effectively engaging in the economy, including discrimination regarding land ownership and co-registration, and access to credit, information and business support services, require responses in the relevant sectors and policy areas.

Key labour market indicators in 2013

Labour market indicators for 2013 generally worsened compared to 2012.

- The labour force participation rate (15–64 years) in 2013 was 59.6% in total (70.2% for males and 50.1% for females)⁹, implying a decrease of 5.3% compared to 2012¹⁰. This decline is mostly due to decreasing labour force participation rates among young people and women.
- Reprocessed data in line with the new International Labour Organisation (ILO) standards indicate as low a labour force participation rate as 51.4% in total (63.7% for males and 39.3% for females), (Labour Force Survey [LFS] data covering Q2 2012 to Q1 2013)¹¹.

⁹ Source 2013 LFS data: INSTAT, *Labour market 2013*, www.instat.gov.al/media/237073/tregu_i_punes_2013.pdf

¹⁰ Source 2012 LFS data: INSTAT, *Labour force survey bulletin 2012*, www.instat.gov.al/al/themes/tregu-i-pun%C3%ABs/publications/books/2010/rezultatet-paraprake-nga-anketa-e-forcave-t%C3%AB-pun%C3%ABs,-2010.aspx

¹¹ In connection with the drafting of the NESS 2020, LFS data for 2012 were reprocessed according to the new international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013. LFS data for Q1 2012 were not reliable and hence could not be considered. See, for example, Government of Albania, 2014, Table 9.

- In 2013 the employment rate (15–64 years) fell further to 49.9%, down from 55.9% in 2012. By comparison, the employment rate based on reprocessed data was 40.0% in total (LFS data covering Q2 2012 to Q1 2013).
- Total employment was dominated by the agricultural sector (44%) and the services sector (38.8%). Almost three out of seven employees worked in construction, public administration, manufacturing, education, or wholesale and retail.
- The average unemployment rate (15–64 years) for 2013 was 16.4% in total, 2.6% higher than the previous year. The unemployment rate based on reprocessed data amounted to 22.2% in total (LFS data covering Q2 2012 to Q1 2013).
- Surveyed youth unemployment (15–24 years) in 2013 reached 31.4%, 1.6% up from the year before.
- In 2013 142 648 persons registered as unemployed, approximately the same figure as in 2012. Active labour market measures could be offered to only 0.58% of jobseekers.
- The share of persons being unemployed for more than 12 months among the total number of unemployment was 72.4% in 2013, which meant a decrease of 4.7% vis-à-vis 2012.
- A distinct feature of the Albanian labour market is the relatively high proportion of discouraged workers (15–64 years), who over 2013 accounted for 23% of all non-economically active individuals. They were not looking for jobs which they believed were not available.

2.2 Mechanisms for identifying the demand for skills and matching skills supply

Demand-side or skill needs analyses are mainly funded and inspired by donors. Thus, the EU-IPA 2008 Support to SME project carried out a training needs analysis of business managers. A number of tracer studies were done to track the career progress in particular of VET graduates who were trained with assistance from donor-funded projects. GIZ designed a labour market information system, which is yet to be fully implemented. The ETF undertook a sector skills needs analysis in 2011 (Rama and Matja, 2012) and, in 2014, launched a complementary, more comprehensive demand-side analysis at national/sectoral and regional levels to inform the National List of Occupations or qualifications (Gishti and Shkreli, forthcoming). The ILO-IPA 2010 HRD project assisted NES with skills needs analyses in 2014. While results are being analysed and partly used to inform NES-sponsored VTC course offers, so far there is no systematic approach to obtaining and using labour market information to inform the planning of VET for both young people and adults. Aspects such as enrolments, qualifications, curricula or course contents would need to be better adjusted to national and regional labour markets, and skills needs identified. To date, regional actors or VET providers have had little influence over shaping VET provision in their areas or institutions in line with labour market needs.

In 2014 GIZ and ETF, together with the Ministry and NAVETQ, undertook a baseline survey of all public VET providers (GIZ and ETF, 2014), which included an assessment of the external effectiveness of VET provision in the individual institutions. The final report specifies how VET provision could be streamlined and reorganised so as to better suit the needs of individuals and the labour market. Ministry steering and consultations and coordination with local actors, as well as an overhaul of the legislative framework for VET (planned for 2015), are required to effect the changes that will lead to the establishment of multifunctional VET centres and regional networks of VET providers.

2.3 Business education and entrepreneurial learning as a key competence

Entrepreneurial skills are recognised as a key competence in all frame curricula of vocational qualifications, as formulated in the item 'General competences of the student' ('[...] to manifest courage and entrepreneurial skills [...]').

The subject 'Basics of entrepreneurship' currently features as part of all frame curricula for vocational qualifications (about 140 lessons in grades 12 and 13). Textbooks for students have been published in this field. Special practical modules/learning outcomes focusing on aspect of entrepreneurship and business are part of all vocational qualifications.

In addition, entrepreneurship, as a key competence, is integrated as a cross-curricular aspect of learning. Entrepreneurship is included in the national programme for in-service training of VE teachers (provided by the Institute of Education Development).

Over several years KulturKontakt has been supporting all secondary vocational schools in Albania that offer business education (except Kamza) with the upgrading of curricula and teaching materials, the training of teachers, the organisation of training firms, and a related fair, as well as liaising with businesses and organising student internships. Existing frame curricula were adjusted to school-based curricula, and banking and accounting specialisations developed for the 2nd year of study. Working materials, including worksheets, were produced.

A new multi-annual project launched by KulturKontakt in 2014 focuses on entrepreneurship learning in vocational schools. It helps to develop modules, materials and toolkits, and provides teacher training, building on the skills of teachers who have already been trained.

SEECCEL (South-East European Centre for Entrepreneurial Learning) aims to promote entrepreneurship or the entrepreneurial learning agenda in 18 pilot institutions in Albania, including the Albanian Investment and Development Agency (AIDA), the Institute for Educational Development (Instituti i Zhvillimit të Arsimit – IZHA), eight primary schools in Tirana and Durrës (covering ISCED levels 1 and 2), four secondary schools in Tirana (ISCED level 3) and four universities in Tirana, Durrës and Elbasan (ISCED levels 5/6).

The Albanian-American Development Foundation offers Junior Achievement programmes as elective courses to 11th and 12th graders in secondary schools (gymnasia) throughout Albania. Participating students learn about the 21st-century global marketplace through a range of topics: Business Ethics, Success Skills, Student Company, Be Entrepreneurial and Leader for a Day¹².

The key stumbling blocks to introducing, across the board, more active types of learning and developing entrepreneurial mind-sets and skills are the traditional organisation of the curriculum and the teaching methods used in schools. Most teachers lack the related skills and teaching and learning materials.

2.4 Action and assessment of progress since 2010

Skill needs analyses at national/sectoral and regional levels have been carried out on a one-off basis. Where available, such information has been used, in particular, to decide on what training, supported by NES, could be offered to jobseekers. We cannot yet talk of a systematic approach to capturing and

¹² See: www.aadf.org/education-leadership/

using labour market information or tracer studies with a view to informing VET enrolments, qualifications and course contents.

Hence, on a scale from 1 to 5, Albania scores 2 regarding policies to analyse economic and labour market demand and adjust VET provision in line with the skills identified.

The *four main priorities* related to this area, as listed in the NESS Action Plan 2020, are:

- A1.4. Establishing new cooperation modalities of regional and local employment services with employers;
- B1.1. Reorganising the network of public VET providers in line with the recommendations of the GIZ-ETF 2014 VET providers' baseline survey (GIZ and ETF, 2014), the ETF 2015 AQF – demand-side analysis (Gishti and Shkreli, forthcoming), and consultations with all regional actors (following changes to VET legislation);
- B4.4. Continuous promotion of entrepreneurial learning and entrepreneurship as a key competence;
- D3. Improving the quality of labour market information and ensuring its use for more effective governance, including a review of existing surveys and analyses of skills needs at national and regional levels (D3.1); establishing a tracer system for VET graduates of initial and continuous training (D3.2); developing information-sharing instruments about labour market data (for example, labour market bulletins, websites) (D3.3); as well as establishing mechanisms for sectoral skills forecasting (D3.4).

3. EFFECTIVENESS AND EFFICIENCY IN ADDRESSING DEMOGRAPHIC, SOCIAL AND INCLUSION DEMAND

What are the demographic characteristics of the country (incl. share of young people in the population, cross-border and internal migration, ethnic composition)? What are the main social inclusion issues (e.g. regional and rural–urban disparities, women, minorities and other vulnerable groups)? What are the main implications for education and training provision? What are the main priorities with regard to these areas?

3.1 Demographic and social factors that shape demand for VET and employment¹³

The age structure of the Albanian population has changed significantly in the last two decades. In the period 2001–11 the population decreased by 8%, with an estimated half a million individuals migrating abroad¹⁴. However, the latest trends have shown an increased return migration, especially from Greece. According to Census 2011 data there have been a total of 139 827 return migrants since 2001. Return migration is important in skill formation, since many return migrants have acquired different skills through their experience abroad. Return migrants may also undertake entrepreneurial initiatives or bring additional financial resources, thus contributing to the Albanian economy. On the other hand, return migrants need to be dealt with in a way that responds to their specific characteristics and needs. The aim is to accommodate them in the labour market and avoid increased levels of unemployment¹⁵.

TABLE 3.1 POPULATION ESTIMATES AND PROJECTIONS, 2001–50 (%)

	2001	2006	2013	2020	2050
0–14	29.3	25.7	20.0	18.4	13.8
15–24	17.2	19.1	17.8	15.4	11.6
15–64	63.2	65.1	68.3	68.5	62.3
65+	7.5	9.2	11.8	13.1	23.9
Old age dependency ratio*	11.9	14.1	17.2	19.1	38.3

Note: (*) Share of the population 65 and over in relation to the total population aged 15 to 64.

Source: INSTAT, *Population by age groups (2001–13)*; Population Division, UN Department of Economic and Social Affairs, *World population prospects: The 2012 revision*, <http://esa.un.org/unpd/wpp/index.htm>

The share of children below 15 years of age declined from over 29% in 2001 to 20% in 2013, while the proportion of individuals aged 65 years old and over increased from 7.5% to 11.8% (**TABLE 3.1**). The working age population (15–64 years), conversely, increased from 63.2% to 68.3% of the total population, with youth (15–24 years) comprising 17.8% of the total. The share of the working-age population is projected to increase until 2020, and then start declining.

The old age dependency ratio increased from slightly less than 12% in 2001 to 17.2% in 2013, while the aging of the population will accelerate significantly over the next decades. Obviously, a smaller

¹³ The text under this sub-heading is quoted (with amendments) from the NESS 2020.

¹⁴ In 2010 the stock of Albanian citizens abroad was estimated at 1.4 million individuals.

¹⁵ Data on returnees disaggregated by sex is currently unavailable as are studies on the gendered dimension of return migration and its impact on future labour market dynamics.

number of people will have to provide for the increasingly larger dependency groups, which poses a number of challenges in terms of education, labour market and social policy. Increasing the labour force in the formal sector by making use of the potential of the female workforce would be one of the clear options in response to current demographic challenges.

Sustained economic growth until 2008 reduced poverty from 25.4% in 2002 to 12.4% in 2008, especially in rural areas. In the period 2008–12, however, the deceleration of economic activity and worsening labour market situation pushed poverty upwards again to 14.3%. Whereas the share of the rural population living in poverty declined by about 12% between 2008 and 2012, the proportion of the urban poor increased by about 37%. Such increases in poverty in urban areas, compared to rural areas, is likely due to the continuous internal migration of the population from rural to urban areas (INSTAT, 2013). Available data indicate that the population groups facing higher risks of poverty are the unemployed, the less well educated, people living in rural areas and those engaged in subsistence farming.

Comparisons between the working poor and non-poor show clear differences, which may affect their position and vulnerability in the labour market. The share of the working poor is about 59% compared to nearly 78% for the non-poor. In addition, about 76% of the working poor are in paid employment compared to about 85% of the non-poor. Another difference is education, which is very important in the labour market. The individual's level of education signals potential productivity to employers. Higher levels of education are associated with both higher chances of finding employment and higher rewards in the labour market. Lack of education is usually associated with low-skill jobs, which provide lower wages as well as less job security. As a result, less well educated individuals are at a higher risk of exclusion from the labour market. When lack of education is associated with absolute poverty, the vulnerability increases even further. **TABLE 3.2** shows that the working poor have fewer years of education than the working non-poor people. On average, the working poor have about 9.6 years of education compared to 11.5 years for the non-poor.

The working poor and non-poor also differ in terms of household composition. Individuals from households with more dependent members are at higher risk of falling into poverty, since its members cannot productively contribute to household income. In addition, females from households with more dependent members are at higher risk of not participating in the labour market due to the dependency burden of the household members for which they need to provide care. The working poor share these characteristics. They live in larger households of typically about six people with more children between the ages of 0 and five years.

The working poor have lower average monthly incomes, earning about 17% less than the working non-poor. Given lower educational attainment, the working poor may join the labour market earlier than the non-poor. A striking difference exists in terms of social security entitlements, pointing to a greater tendency for the working poor to be employed in the informal economy. On the other hand, lack of social security will affect the old age pensions and well-being of the working poor. On average, about 44% of the working poor are entitled to social security benefits compared to about 72% of the working non-poor.

Regional differences show that the working poor are mainly located in urban areas and the coastal region. This is in line with the shift in patterns of poverty towards urban areas, and demonstrates a change compared to 2008, when the poor were mainly located in rural areas and the mountain region. The continuous movement of people towards urban areas may have started to saturate employment opportunities in urban areas. On the other hand, it should be noted that the higher concentration of the working poor in urban areas may also indicate a potentially higher concentration of the non-working poor in rural areas.

TABLE 3.2 DIFFERENCES BETWEEN THE ABSOLUTE POOR AND THE NON-POOR^a

Variables	Working poor	Working non-poor	Total
Individual characteristics			
Monthly wage (old ALL)	285 292	333 676	328 741.90
Social security entitlement (%)	43.90	71.74	68.90
Work experience ^b	24.41	24.62	24.60
Education	9.62	11.52	11.33
Household composition			
Household size	6.10	4.68	4.83
Household male labour	1.58	1.44	1.45
Household female labour	1.35	1.30	1.31
Number of children 0 to 5 years	0.65	0.32	0.36
Regions (%)			
Coastal	43.22	30.86	32.12
Central	29.73	40.65	39.54
Mountain	3.72	5.49	5.31
Tirana	23.32	22.99	23.03
Urban	61.32	60.60	60.67
Rural	38.68	39.40	39.33

Notes: ^(a) This table looks at differences between the absolute poor and the non-poor by comparing the average values for the specified variables in order to shed light on how they may differ in terms of individual characteristics, household composition and regional differences. All differences have been tested for statistical significance and results are discussed accordingly. The same applies to all other tables of this sort. ^(b) Variable is calculated as a proxy for work experience: age – education – 6.

Source: *Living Standard Measurement Survey, 2012*

The working poor are mainly concentrated in low-skill occupations that provide little job security. Compared to the working non-poor, around half of the working poor are employed in the agricultural sector (about 22%) or in low-skill jobs (about 20%). They almost never feature as legislators and professionals. The other areas where the working poor are employed are as crafts and trade workers, in the service industries, or as plant and machinery operators.

TABLE 3.3 PARTICIPATION IN CATEGORIES OF OCCUPATIONS (%)^a

Variables	Working poor	Working non-poor	Total
Legislators	0.56	2.78	2.55
Professionals	3.80	16.29	15.01
Technicians	4.76	6.99	6.76
Clerks	1.17	2.41	2.28
Service workers	18.33	17.55	17.63
Agriculture	21.61	16.84	17.33
Crafts/trade workers	18.72	18.12	18.18
Plant/machinery operators	10.70	9.32	9.46
Elementary occupations	20.06	8.15	9.36

Note: ^(a) All differences have been tested for statistical significance and results are discussed accordingly. The same applies to all other tables of this sort.

Source: *Living Standard Measurement Survey, 2012*

Persons with disabilities, children and youth at risk, particular groups of women, and Roma and Egyptian minorities are more at risk of social exclusion than other population groups (Government of Albania, 2007).

Children of national minorities and living in poor households, those with disabilities, working children and those who are abused and/or trafficked lack access to early childhood care and education, and risk exclusion at a later age. Children of Roma population groups and children with disabilities have the lowest school enrolment rates.

Women who belong to Roma population groups, and those who are abused or trafficked, are more likely to live in poverty, due, among other factors, to low educational attainment and detachment from the labour market.

The Roma and Egyptian minorities are also at risk of social exclusion. The data show that only 1.3% of Roma and 4.8% of Egyptians between the ages of seven and 20 have received secondary education, while just 0.3% and 0.2% of the same groups attain higher education (Government of Albania, 2007). The Roma live in very poor conditions and are invisible in the labour market. Those Roma who are reported as in work are mainly involved in trading of second-hand clothing and collecting cans or scrap metal. They do not have a work contract and do not receive any social benefits or pay social security (UNDP, 2012). To date, the main initiatives addressing the challenges faced by Roma population groups revolve around civil registration and the provision of basic needs, including housing, health care and education. Roma are weakly represented among the beneficiaries of employment services and vocational training programmes, and common services are ill matched with their particular circumstances, skills, potential and needs.

The Albanian social protection system is composed of multiple programmes that provide support for those facing poverty, old age, disability, unemployment, short-term illness and maternity. According to the Social Insurance Institute, the numbers of those receiving social insurance support are 266 954 men and 287 148 women.

Participation in the formal labour market is a key precondition for accessing old age, unemployment, short-term illness and maternity benefits. According to estimates, more women than men work in the informal sector, resulting in their weak protection by the system. Therefore, proactive training and employment programmes specifically targeting women and girls are required in order to increase their rates of coverage by social insurance and to protect them and their children from vulnerability, exclusion and poverty.

With the exception of social assistance transfers provided by the social assistance programme (Ndhma Ekonomike), all social protection benefits are financed through payroll contributions from both employers and employees. Amendments to the 2005 law on Social Assistance and Services expanded the eligibility criteria of the main social assistance programme (to include victims of trafficking and of domestic violence, orphans and female heads of household) and decentralized residential care services to local government units. In 2010, spending for the social assistance programme accounted for 1.4% of GDP, with an increase in the overall allocation of roughly 50% compared to 2007. The number of households benefitting from the social assistance benefit declined in the period 2005–09 by approximately 17%. However, the number of beneficiary households increased again in 2010, to then stabilise at approximately 99 700 families.

3.2 Delivering to the individual demands and aspirations of learners: access, participation, progression

How do you assess the attractiveness of VET? What are students' socio-economic backgrounds? What arrangements are in place for addressing the needs of individual learners, for example through career guidance, pathways to higher levels of education and the labour market, recognition of non-formal and informal learning, incentives for adult learning, and support networks for students at risk and low achievers?

Attractiveness of VET/participants in VET

TABLE 3.4 shows graduates of vocational education (VE)¹⁶. In 2011–12 there was a drastic reduction in graduate numbers because of the transition from the old structure (five years' duration) to the new structure (four years' duration). So in that year there were graduates from the old structure only. In general, participation in VE has remained quite stable during the last decade. However, gymnasium education remains the more attractive education stream among students and their families.

TABLE 3.4 STUDENTS GRADUATED IN UPPER SECONDARY EDUCATION

	Upper secondary		Secondary general		Upper vocational school	
	Total	Female	Total	Female	Total	Female
2007/08	31 122	16 971	26 255	14 426	4 867	2 545
2008/09	34 289	18 698	29 460	16 268	4 829	2 430
2009/10	34 823	18 727	29 984	16 450	4 839	2 277
2010/11	40 354	20 094	35 553	18 236	4 801	1 858
2011/12	40 927	20 801	38 083	19 924	2 844	877

Source: INSTAT, Education statistics

The ninth-grade marks obtained by pupils generally determine whether they go on with general or vocational education at secondary level (or drop out from school). This implies a negative selection and streaming of low performers into vocational education.

Vocational education graduates are predominantly male. The underlying reasons are various. On the supply side, factors discouraging girls (and their parents) from choosing VE include deeply gender-stereotyped profiles and courses, the location of vocational schools, lack of transportation, unsafe dormitories, and the overall social climate in vocational schools (GIZ, 2011). On the demand side, vocational training enables boys to meet the general expectations of the labour market at a relatively young age and to earn an income. While this in turn results in boys' overall lower educational attainment, it also gives them a competitive advantage on the labour market compared to their female peers.

Recently, in terms of participation in VET, some progress has been made. Thanks to a wide media campaign and the opening of new schools¹⁷ or programmes, the MoSWY claims that enrolments in secondary VE in the academic year 2014/15 have increased by 40% over the previous year.

¹⁶ The Albanian system distinguishes between the 'vocational education' system (for young people) and the 'vocational training' system (for adults), which have hitherto been largely separate systems.

¹⁷ A number of new schools opened in the academic year 2014/15: the 'Hermann Gmeiner' IT school, supported by Austria, in Tirana; a professional fishing school in Durrës; and a geology-mining school in Bulqizë.

Despite relatively good enrolment rates in the three levels of education, in 2013 the share of early school leavers in Albania (e.g. young people (18–24 years) with at most lower secondary education) was nearly three times the rate recorded in the EU 27 (30.6% and 11.9%, respectively). However, this represents an improvement on this indicator compared to the 2012 figure of 31.6%¹⁸. In this context see the table showing EU benchmarks in Annex 2.

Career guidance¹⁹

At present there is no national career guidance system for students in schools. Parents have a major influence on students' choices for further education. In many cases, particularly for girls, it is the parents who take the decision. However, there are elements of career education in the curricula. The 'Technical education' curriculum for the sixth and seventh grades includes relevant themes, such as learning about technical aspects of everyday life. In addition, learning about the world of work is included in the 'social education' subject, taught from grades 3-9. For instance, seventh grade pupils learn about production and distribution, life and business, skills and career, employment.

Furthermore, some schools carry out guidance activities on their own initiative. Good practices, although modest, exist, for example, at Pashko Vasa school in Shkodra where staff carry out a survey to investigate the further career plans of students and discuss the results with parents. They also organise visits of ninth-grade pupils to vocational schools. The school exhibits products made by students, and the teacher of technical education involves a small group of students in some maintenance works at school, thus teaching them how to use basic hand tools.

In 2010/11 'Education for life and career' was introduced in all secondary schools, comprising two new subjects – 'Skills for life' in the 10th grade and 'Career education' in the 11th grade. The latter also includes themes on entrepreneurship. Teachers have been trained, but additional training is needed.

For secondary school students who complete the Matura and plan to study at university, limited guidance is offered by the career offices in schools. Issues here include (i) the non-availability of a complete set of information, compiled by a central agency, which could be used to counsel students; and (ii) the limited abilities of school staff to undertake professional counselling activities.

Labour offices provide some guidance to unemployed jobseekers, to those who intend to enter short vocational training or retraining courses, and those who aspire to be involved in other ALMPs. However, counsellors usually deal with high numbers of unemployed people so that there is generally no time to provide anything more than basic information services. With the modernisation of the now nine, and soon all 12, regional labour offices and the constant updating of the central vacancy database, self-help facilities for jobseekers are being strengthened. However, there are still issues in terms of employers reporting all vacancies and with improving the liaison between labour office staff and local employers in order to identify potential job opportunities.

Pathways to higher levels of education and the labour market

VET and Matura

VE in Albania has remained very theoretical for various reasons. These include the high number of academic subjects in VE and the focus of the general education teachers teaching them, with VET teachers having insufficient practical skills, as well as the lack of workshop equipment at schools or cooperation with local employers. Many pupils enrol in VET programmes mainly because it is seen as an easier way to obtain the Matura and enter university, compared to the gymnasium track. Donor experts argue that not all VET profiles should necessarily lead to the State Matura. Vocational

¹⁸ Source: INSTAT

¹⁹ The text of this subsection is quoted (partially adapted and updated) from PEM (2010).

education – both in terms of its contents and provision – should be more oriented towards preparing graduates for the labour market.

Part-time VET

To enhance participation in VET, the previous Government created a so-called part-time system. The idea was to allow employed people to undertake a fast track, reduced VET programme, focusing exclusively on theoretical subjects. The main argument was that these VET students could practise on the job. The scheme enjoyed great popularity and considerably increased participation rates. Donor experts have criticised this part-time system because no checks are done on (i) whether VET students are really employed; (ii) participants' prior learning skills; (iii) whether VET students indeed complete the practical lessons required to develop the necessary skills for the profession; and (iv) whether students possess the necessary skills at the end of the course. The part-time VET track, omitting vocational practice, has hitherto led to the same certificates as the full-time programmes (certifying attendance rather than skills obtained), which is an issue that should be revisited and regulated. Working on the qualifications system should firmly base curricula and certificates on qualification standards. The system should also allow for partial qualifications, which under the current law was not foreseen.

Post-secondary VET

The current frameworks for VET and higher education envisage the possibility of introducing post-secondary education programmes. Such programmes target (i) gymnasium graduates not enrolling in university and with no labour market qualifications; and (ii) vocational school graduates wishing to obtain an advanced vocational qualification.

The introduction of post-secondary VET programmes began in 2007, but developments are still in an initial phase. There is one functioning model, namely the 'Beqir Çela' vocational school in Durres, which provides the practical part (50%) of post-secondary VET in the field of applied informatics, while the theoretical training (50%) is provided by the Professional College of the University of Durres.

Post-secondary VET programmes following the dual model have until lately been developed primarily as part of the higher education sector. The most advanced example of post-secondary VET implementation was the Faculty of Integrated Studies with Practice (FASTIP project) at the University of Durres (attended by approximately 700 students), which combined theoretical learning at the Faculty with practical learning in companies. The model worked well in the banking sector, but not in the areas of SME and tourism management due to a lack of cooperation by employers. There was also some resistance by university lecturers to the more practice-related contents of the studies, which called into question the continuation of the project.

The Agricultural University of Tirana, in cooperation with the Agricultural University of Lushnje, offers a two-year (non-university) Professional Diploma in veterinary management. The University of Elbasan offers a two-year (non-university) Professional Diploma programme for laboratory technicians. The private Professional College 'New Generation' and the private Construction Academy each offer two post-secondary VET programmes. The Polytechnic University of Tirana offers a training course at post-secondary level for vocational teachers/instructors in secondary schools, as well as employees of textile companies (Heitmann and Shingjergji, 2013). Other post-secondary VET programmes have been prepared, such as a two-year post-secondary programme for nursing at the School for Professional Studies at the University of Durres, and a part-time post-secondary VET programme by the private POLIS University. USAID and Slovenia have just signed an agreement with the Ministries of Agriculture, Education and Social Welfare to set up a regional VET Centre of Excellence on agro-business chain skills (total investment: EUR 600 000). The Centre will be built on the premises of Tirana (Kamez) Agricultural University.

Issues here also include the definition of learning outcomes and the referencing of respective qualifications against the levels of the Albanian Qualification Framework (AQF).

Recognition of non-formal and informal learning

A pilot by the ILO-IPA 2010 HRD project is currently underway, whereby the NAVETQ units in charge of qualifications and assessment, alongside social partners, have developed occupational standards for two specialist profiles – quality control (the leather footwear sector) and line production technician (garment manufacturing sector), as well as assessment tools for the latter profile. In the course of the pilot five workers had their skills assessed within the profile of line production technician. Textile/garment work exists already as a broad qualification, while these two new profiles may be partial qualifications. Assessments could be extended to cover workers from the same profiles or other profiles or from other sectors. The methodology envisages that (public) VTCs take over this assessment role in the future.

Incentives for adult learning

The NES runs its own network of 10 public VTCs. NES may refer jobseekers belonging to one of the vulnerable groups eligible for support to such a centre for training and cover their fees. However, the numbers covered by this measure are very small, although ALMP funds rose in 2014.

VTCs additionally train (mostly young) adults, who pay their own small course fees, in programmes lasting from a few weeks to two years. ICT and foreign language skills courses are especially popular. Bigger companies, especially where foreign investors or contractors are involved, do train their staff according to their needs. However, small businesses, which make up the majority of the economic landscape, often have neither the vision nor the means to train their staff and grow their businesses.

Overall, adult learning participation remained low at 1.5% in 2013, though slightly up from 1.1% in 2012. The current focus of society and policy is on initial education and training. As mentioned above, educational attainment levels are improving, but a major percentage of the population still has only a low level of education and, in particular, lacks functional literacy and numeracy skills. People's current reluctance to engage in adult learning is linked to various factors.

- A rather low value is attributed to qualifications in a labour market where relationships may be more important than competences and merits in getting a job.
- Many jobs offered are in the low-skills category and businesses prefer to hire cheap labour.
- Standards of work and the knowledge and skills, for example, of electricians or other trades on construction sites, are generally not checked.
- The informal sector is widespread.
- There is a lack of state incentives or schemes which would encourage individuals and businesses to invest or co-invest in training, such as tax incentives or voucher schemes for SMEs.
- The system of adult training provision is generally underdeveloped, with no or limited availability of adult learning offers in locations outside bigger urban centres, and course offers which may not correspond to the needs of individuals or businesses.
- Tailor-made programmes for poorly literate persons are absent.
- There is a lack of awareness of the need for adult learning and little information available about courses on offer.

3.3 Providing learning opportunities for people from disadvantaged regions or groups

Albanian legislation guarantees non-discrimination and equality before the law for people who belong to national minorities. However, there are no reliable statistics for the identification of marginalised groups of society.

Social inclusion has been given greater priority under the new Government. This is reflected in the establishment of a new six-person Directorate of Social Inclusion in the MoSWY and ongoing work on the new National Social Inclusion and Social Protection strategies 2015–20.

Data show that only 1.3% of Roma and 4.8% of Egyptians between the ages of seven and 20 received secondary education, while only 0.3% and 0.2%, respectively, attained higher education (World Bank, 2013)²⁰. Roma live in very poor conditions. Those Roma who are reported as working are mainly involved in selling second-hand clothes or collecting cans or scrap metal. They do not have work contracts; they are not part of any social security scheme, nor do they receive any social benefits (UNDP, 2012). The main initiatives for Roma focus on their civil registration and the provision of basic needs (housing, health care, education). Very few Roma benefit from employment services and/or vocational training programmes. Services are generally ill matched with their particular circumstances, skills, potentials and needs.

The current legislation on children from national minorities makes provision for them to learn their mother tongue, history and culture within the framework of teaching plans and syllabuses. According to the Ministry of Education and Sports (MoES), although there are 5 000–5 500 students in pre-university education benefiting from scholarships, information on the number of scholarships awarded to Roma people is missing, as there is no legal standard or decision of the Council of Ministers relating to them.

The MoES is concerned about children of families with a low income and those living in remote mountainous areas, and particularly about girls living in areas where people have a ‘backward mentality’ and other social problems. The problems faced by these children contribute to higher school dropout rates, which are worse for girls than for boys. The MoES has undertaken some measures to support disadvantaged children. These include:

- special instructions and directives for schools, as well as the establishment of working groups charged with analysing the situation and implementing measures to fight illiteracy;
- the education of children who have been isolated due to blood feuds and related issues;
- free distribution of textbooks to orphans and paraplegic and tetraplegic children, while families included in the economic aid scheme pay only 10% of the cost of their children’s books;
- implementation of the Second Chance and Hidden Drop-Out projects, which have shown indications of success. For example, Hidden Drop-Out, implemented at the local and national level, has addressed deficiencies in classroom teaching practices. The new models are an advance on the practice of imposing penalties on children who drop out of school (a sanction that was in any case impossible to enforce due to obstacles in the collection of penalties).

However, these measures address only a small number of students and are far from comprehensive.

²⁰ Data on Roma disaggregated by sex is currently unavailable.

As regards disabled people, the legal framework guarantees the provision of health care services, social services, education, recreation, and vocational qualification and employment opportunities. However, failure to put into practice disabled children's basic right to education continues to be an issue and hampers their life chances. Only 4.1% of school buildings in Albania are wheelchair accessible (EU Investment Projects Facility, 2011). Most mentally or physically disabled children stay at home, where they receive no or insufficient education. This is the case particularly in rural areas, but also in the suburbs of big cities.

3.4 Action and assessment of progress since 2010

On a scale of 1 to 5 Albania scores 2 in terms of the attractiveness of VET and the arrangements in place for addressing the needs of individual learners, for example through career guidance, pathways to higher levels of education and the labour market, recognition of prior learning, and providing incentives for adult learning, as well as support for students at risk. Progress has been made since 2010, as described above. However, this has remained largely at a conceptual, pilot or small-scale implementation level. With the adoption of the new National Strategies for Employment and Skills and for Social Inclusion, major progress is expected in the years to come, provided that the necessary funding is made available.

The *main priorities* linked to this area, as agreed in the NESS 2020, are rather broad and include a number of sub-priorities, as listed in Section 1. They are:

- A3. Expanding the range and scope of employment services and programmes (ALMPs);
- B2. Assuring the quality of VET providers and improving the quality and adequacy of VET inputs (labs and equipment, curricula, teaching materials) and processes;
- B3. Raising the image of VET and providing information about VET providers, qualifications and training offers;
- B4. Strengthening the linkages between learning and work and facilitating the transition to work;
- C1. Extending employment and vocational training services to rural areas;
- C2. Promoting social entrepreneurship (the social economy and third sector jobs) and women's economic empowerment;
- C3. Introducing an activation strategy to minimise inactivity and welfare traps.

4. INTERNAL EFFICIENCY OF THE VET SYSTEM

How do you define 'quality' in VET? Is there any progress on qualification standards; accreditation of providers and programmes; assessment and evaluation? Have curricula and training materials been developed or revised, VET teachers, trainers and school directors been trained, and education infrastructure been upgraded? Overall, has the effectiveness of teaching and learning been improved, covering also aspects related to class sizes, learning in shifts, etc.? Can VET curricula be considered as relevant and do schools have the freedom to adjust curricula to local and individual needs? Are teaching and learning materials update? Finally, is vocational practice in schools up to the standards? Do VET institutions cooperate with enterprises and organise learning at the workplace? What are the priorities with regard to these areas?

4.1 Definition of 'quality' in VET

For the VET providers' Baseline Survey undertaken in Albania (GIZ and ETF, 2014), 'internal efficiency' and 'external effectiveness' were defined as follows indicated below.

KEY ASSESSMENT BENCHMARKS	
Internal efficiency	External effectiveness
Benchmark 1. Quality and content of VET programmes and short-term courses	Benchmark 6. Work readiness and employability of graduates
Benchmark 2. Selection and admission of students/trainees	Benchmark 7. Industrial work-based experience of vocational teachers and instructors
Benchmark 3. Staffing and staff development	Benchmark 8. Industry-like training environment
Benchmark 4. Condition of facilities and equipment	Benchmark 9. Formal links and interrelationships with local industry
Benchmark 5. Organisation and management	Benchmark 10. Training costs and outputs, and their relation

These benchmarks are considered the 10 central elements of the VET value chain. Both quantitative and qualitative evidence was gathered before all public VET providers were rated on a scale from 1 to 5 against all the benchmarks. It is recommended that the scheme be used for future evaluations, as well as for self-evaluations of VET institutions.

Qualifications

Following a basic analysis of occupations and consultations with employers, a list of professions was developed, based on ISCO 2008. The list was approved in 2009 by a decision of the Council of Ministers and published in 2010.

To date, 607 occupations and 4 225 jobs occupations/ profiles have been recognised according to the already approved National list of occupations. Two hundred and seventeen occupational descriptions, defining job tasks and functions, as well as 62 qualification descriptions, describing skills and knowledge (which are also part of certificates) have been developed. The latter are linked to the formal VET system and present a kind of menu. Not all of them are currently offered in the formal system. The task now is to go back to the list and revise it, involving national and regional stakeholders in consultations.

Officially the NAVETQ is in charge of developing lists of occupations and qualifications (a selection of priority occupations offered in the system), but the institution has not been made explicitly in charge of the development of occupational standards (this task is currently unassigned). Moreover, NAVETQ's

brief is to work only on the formal VET system. No financial regulations are in place to resource the development of qualification standards.

The EU CARDS 2006 VET project made a major contribution to the development of the AQF, with levels and their descriptors modelled on the European Qualifications Framework (EQF), and involving key stakeholders. Further details of level descriptors were needed to make them clear for VET actors. The current list of qualifications covers levels 2–5 and fits with the new 2+1+1 VET structure. It is to be reviewed and linked with frame curricula and assessment. The latter is currently not based on standards.

The Law pertaining to the AQF was adopted in 2011, but no by-laws exist on how to implement this law. A draft national list of vocational qualifications and draft qualification standards exist. They are – according to the law – to be approved by the AQF Council, which, however, has not been established.

Some staff received a one-month training course on DACUM, but DACUM cannot be funded within the current legal framework. Financial support is provided only under some donor projects. Eleven DACUM occupational/ job analyses were carried out, including those for stone masons, lab technicians and car service workers. Two good examples of using standards to develop frame curricula are as follows: (i) in the ICT sector, where DACUM, standards and frame curricula were carried out; and (ii) under a GIZ project, joint work was undertaken on automation technology, a DACUM analysis was completed, standards or qualification profiles drawn up (in Albanian terminology ‘qualification descriptions’) and then a frame curriculum developed. However, the NAVETQ qualifications experts were not involved in the design of other programmes.

Most frame curricula are the result of a consultation process with paid experts through round tables. However, in the past two years, no round tables were organised due to the budget restrictions.

Higher education experts were not involved in the work to produce the AQF and they do not follow the same methodologies. Currently, there is an issue between NAVETQ and the higher education reform group over who will be in charge of post-secondary VET level 5 qualifications. The new draft higher education law also covers post-secondary VET provision.

Further work and support is required on:

- a ‘key issues’ paper for implementing the AQF, combined with priorities and an action plan, for NAVETQ and the HE working group;
- demand-side analysis (currently underway through an ETF project);
- Financial regulations for setting up the AQF, including the AQF Council and a respective working group or unit;
- redefining the NAVETQ mandate to include all qualifications, even those acquired in non-formal and informal ways by young people or adults (the 2011 decision of the Council of Ministers on NAVETQ actually envisages the setting up of a coordination unit for the entire AQF within NAVETQ, but this never materialised);
- defining an Albanian model of sector councils, including their role, tasks, composition and functioning and who is going to finance what and their piloting in some sectors;
- sector skills needs analyses;
- defining priority occupations or qualifications for which descriptions should be developed (and then linked to frame curricula and assessments/certificates). Here, an action plan on the development of qualification descriptions would be useful;

- common workshops could be held and cooperation sought with the working group on HE qualifications regarding post-secondary VET qualifications; and, finally,
- a media campaign could be launched to inform the public about the work already underway.

Accreditation of VET providers and programmes

NAVETQ, with some support from donors and the endorsement of the Ministry of Education and Science, has so far developed all the programmes for formal VET. NAVETQ did not have a mandate for non-formal training, which is why curricula in this area have been neglected. Some VTCs have developed their own curricula or course materials, but these have not been checked against any qualification standards or in terms of their quality in general. So this has remained a highly underdeveloped area.

Private training providers have to undergo a registration procedure with the National Licensing Office, which is the same for all business entities in Albania, but this does not include any specific criteria related to training. In addition, the labour ministry has approved, on a case-by-case basis, the provision of training by a number of private businesses all over Albania, for example for hairdressing. It is not clear which quality criteria have been used in this type of accreditation, and there is no follow up.

Assessment and evaluation

A Regulation of the Ministry of Education and Science from 2011 prescribes the involvement in VET provision of representatives from industry, but in reality this rarely happens. Students' tests are currently set primarily by school or VTC teachers or instructors. At each level of VE, final exams in Integrated Theory are carried out through written and oral tests, while Integrated Practical exams take the form of practical tasks. The Matura exam, including the Integrated Vocational Theory exam, at the end of the third level, is purely theoretical. A conclusive assessment of the practical skills acquired, for example through students' producing a final product or project, is not universal practice. Certificates for all levels of VE include the list of competences acquired and the results (grades) achieved in all subjects, practical modules and the final exams. In VTCs trainees get certificates of attendance for a course, rather than any record of the skills acquired. The Swiss-funded AlbVET project piloted a new form of a certificate, which listed the knowledge and skills covered by the course.

Several donors have introduced different methodologies or matrices for quality assurance or the self-evaluation of public vocational schools. Pilots were carried out in which schools had to fill in complex sets of forms. However, such schemes were discontinued, as schools complained about the lack of both resources and follow-up. NAVETQ's intention is to develop its own quality assurance model. This would need to cover all VET provision, including that offered by VTCs.

Inspections in VET are rare. For these to be effective, the State Inspectorate would need to be adequately resourced, and criteria and processes for inspections revised in line with VET objectives.

4.2 Policies for VET trainers and directors

The recruitment, basic education and continuous professional development of high quality teachers is a big challenge. Pedagogical faculties are called upon to raise quality of student admissions, as well as the quality of the education provided. The Institute for Educational Development (IZHA) is working on competence-based standards for teacher education, including pedagogical, assessment and curriculum development skills. IZHA prepares curricula for teacher education, training needs analyses and annual plans for continuous teacher training, covering a staff of 40 000 in the education system. Teacher-students now have to undergo a nine-month school internship prior to their State Exam test.

In the context of the Swisscontact AlbVET programme on the training of trainers, more than 60 teachers were trained in didactics for a period of around 36 days, and more than thirty teachers in sanitary installations/plumbing. Austria's KulturKontakt conducted training for a large number of teachers in economics/business education, the hotel and catering industries, and agriculture. The IPA 2008 VET project trained and certified about ninety teachers in five modules in mechanics and electro-technics, while the Austrian Development Agency have recently trained about fifty VTC instructors in seven modules. Furthermore, GIZ and EU CARDS projects, as well as those initiated by NAVETQ, have provided some training.

However, as the GIZ-ETF baseline survey of public VET providers has shown, there are issues concerning both the subject-matter of courses and the pedagogical skills of teachers and practical instructors in vocational schools. According to this survey, only 80 out of 700 instructors in the country have had some (pre-service) pedagogical training. Most instructors are close to the end of their professional career, however, and will need to be replaced.

To date NAVETQ has not had any explicit responsibility for VET teachers' and instructors' training and, hence, it does not receive separate funding to cover this area. In reality, all key donors in VET have included VET teacher training as one of the elements in their pilot projects, and NAVETQ staff have also been involved as trainers. As mentioned above, such teacher training initiatives have ranged from a few days (EU projects) to prolonged periods of training on or off the job (for example, AlbVET: sanitary installations; KulturKontakt: business education).

Korca University offers a two-year Master's course for would-be VET teachers. Whether and to what extent the Polytechnic University of Tirana becomes involved in the basic education and/or continuous professional development of VET teachers and instructors is still to be decided. Given its dependence on donor projects, VET teacher training in Albania is neither systematic nor universal. A longer-term national VET staff development plan with adequate resources is needed.

The ILO-IPA 2010 HRD project, in collaboration with NAVETQ, has recently developed a post-secondary programme of 12 months' duration for the pedagogical training of VET instructors. No universities have so far shown an interest in offering this course. However, based on this programme, GIZ and NAVETQ will offer a shorter five-week post-secondary, in-service training course for VET instructors who do not have a Master's degree in education or pedagogical skills.

4.3 Teaching and learning

The education infrastructure in Albania is poor, and continues to call for major resources. A 2011 School Inventory and Conditions Survey covering all kindergartens, basic and secondary schools in Albania (EU Investment Projects Facility, 2011) revealed a number of issues.

- Some 31.9% of all institutions (including kindergartens) have less than 21 students, but secondary schools in urban areas are overcrowded at a level of 125.4%, compared to 117.4% in rural areas.
- Some 16.2% of the nine-year schools and 6.4% of secondary schools operate in shifts.
- Around 16% of walls, roofs and ceilings require immediate attention and another 3–4% require immediate action.
- Most schools have no heating.
- Water is never available in 42.2% of rural locations.
- More than a quarter (29.6%) of the rural school locations do not have a single functioning toilet.

- Some 7% of urban and 19% of rural schools have exposed electrical wiring in areas used by students.
- Only 6.1% of secondary school students needing transport receive it.

In Tirana and other urban areas which have been centres of internal migration in the past, classes tend to be overcrowded. Vocational schools hardly exist in rural or mountainous areas, while those that do have a highly limited offer, which restricts the choice of children living in these areas. The chances of receiving a good education are much better in Tirana or other cities. The school day is mostly short, because teachers are paid only for a certain number of hours. Extra-curricular activities rarely take place. Some even newly built schools are not used in the afternoons or evenings.

Schools and VTCs are generally poorly equipped. A wealth of data on the situation in public VET institutions is available through the Baseline survey of public VET providers, carried out in 2014 (GIZ and ETF, 2014). The government and donors alike continue to invest in schools to reduce the number of shifts and improve conditions. However, to make economies of scale and concentrate investments, the a.m. survey report suggests, among other initiatives, that the network of public VET institutions be revisited, with inefficient providers closed down and students transferred to other schools. The aim is to create bigger multifunctional VET centres or networks.

In all frame curricula, vocational subjects are subdivided into broader thematic areas, based on the respective lists of learning outcomes (objectives), and normally covering 5–15 lessons each. Teachers are in charge of further breaking down these curricula into lessons through instructional plans. Practical training accounts for about one-third of the curricula and is modularised. Modules are based on learning outcomes. Instructors in turn are responsible for developing the list of practical activities in an instructional plan.

The subject programmes set out only the broad themes and the respective numbers of hours, while the module descriptors just prescribe the learning outcomes. This means that the teachers are free to specify the contents of their courses in more detail and develop the teaching and learning process (such as the topics, time, activities, assessments and projects). However, the problem is the lack of competences and resources to ensure an adequate planning of teaching and learning on the part of the teachers.

The availability of appropriate teaching and learning materials is an issue in many VET institutions and fields. Recently, some textbooks have been published by BOTEM (of the MoES), and about twenty teaching support packages are currently being prepared by NAVETQ.

Due to the lack of modern workshop equipment and resources, vocational practice often takes the form of (only) teacher demonstrations. A decision of the Council of Ministers from 2013 obliges schools to organise 30 days of compulsory training of VET students in companies. However, this is often not feasible due to the lack of businesses willing and able to cooperate. However, such practice may not be useful if it is not an integral part of the curriculum.

Donor projects such as AlbVET or GIZ have organised student internships in companies, with the former being the more successful, for example in the areas of sanitary installations and car repair. KulturKontakt, as part of their support to schools offering business education, has introduced the concept of training firms, including a fair of where training firms present themselves. To date, internships are not common practice and VET has remained largely theoretical. Many pupils use secondary VET mainly as a platform to obtain the State Matura and go on to higher education.

Postsecondary/higher VET

A few higher VET programmes are offered at university faculties of professional studies, as well as professional colleges as part of the HE system. Moreover, there is currently one pilot in which post-

secondary VET in applied informatics is delivered jointly by a university (50% theory) and a vocational school (50% practice).

Recently, qualification descriptions and frame curricula for four post-secondary courses have been developed by the ILO-IPA 2010 HRD project, together with NAVETQ.

4.4 Action and assessment of progress since 2010

Recent progress includes:

- VET and employment are among the key priorities of the Government.
- Islands of good practice exist in vocational schools and programmes that have a 'national status' or that have been supported by donors, for example in business education (KulturKontakt), sanitary installations and IT (Swisscontact, KulturKontakt) and various crafts/trades (GIZ).
- GIZ is attempting to establish the first multifunctional VET centre in Kamza.
- The NESS and Action Plan 2014–2020 provide a clear vision and pathway for the Government and donors. (However, the legislative framework and certain management practices are not yet fully aligned with this new vision).
- The MoSWY, its agencies and partners have already started to implement the NESS 2020. Amendments to the VET law were adopted in September 2014, which provided the basis for transferring vocational schools and the NAVETQ from the MoES to the MoSWY in September 2014.
- The MoSWY launched a national media campaign to promote VET, and enrolments in secondary VET in the academic year 2014/15 have increased by 40% over the previous year.
- Work began on overhauling the complete package of 27 sub-legal acts for VET.
- New schools were opened: the 'Hermann Gmeiner' IT school supported by Austria in Tirana, a professional fishing school in Durres, and a geology-mining school in Bulqize. (While the new profiles are relevant to labour market needs, this raises the overall number of public VET institutions to 52, which experts claim is inefficient and unsustainable, given the scarce funding).
- The boards of vocational schools and training centres will include business representatives who will be responsible for ensuring that students can gain their credits through work experience in their companies.
- A five-week pedagogical training course for VET instructors is being developed.
- USAID and Slovenia will set up a regional VET Centre of Excellence on agro-business chain skills, which will be built on the premises of Tirana (Kamza) Agricultural University.

On a scale of 1 to 5, Albania scores 2 in terms of the internal efficiency of the VET system, including policies for qualifications development, accreditation of providers and programmes, assessment and evaluation, curricula and training materials, the training of VET teachers, trainers and school directors, workshop equipment and resources, public–private cooperation and learning in the workplace.

The *broader measures* envisaged to achieve the 2020 vision for VET include:

- B1. Optimising the VET providers' network and diversifying offers (including the definition of competences by sectors);

- B2. Assuring the quality of VET providers and improving the quality and adequacy of VET inputs (labs and equipment, curricula, teaching materials) and processes;
- B3. Raising the image of VET and providing information about VET providers, qualifications and training offers;
- B4. Strengthening the linkages between learning and work, and facilitating the transition to work;
- B5. Enhancing recruitment and improving the competences of VET teachers and teacher trainers (including pre-service training and continuous professional development), those in charge of regional management, and school or centre directors/managers.

5. GOVERNANCE AND POLICY PRACTICES IN THE VET SYSTEM

What are the key developments and issues with regard to VET system management? To which extent are social partners and civil society involved in policy design and the management of the system? What are key trends in the state budget for VET and the financing of VET? What are key challenges and priorities in VET governance and financing?

5.1 VET policy making and management

As stated above, amendments to the VET law were adopted in June 2014 and vocational schools and NAVETQ transferred to the MoSWY in September 2014. The new governance model in VET, which is gradually being implemented, envisages a number of measures.

- Public VET providers and related executive agencies will be integrated into one ministry which will be in charge of policy, legislation and the management of the entire VET system (which has not been the case so far).
- NAVETQ – or a strengthened national authority with an enlarged mandate – will be in charge of providing information and developing instruments for VET.
- A network of schools and VTCs will be created, thus overcoming fragmentation.
- Social partners are to be included in decision-making and the design of VET policies.
- Funding, access and the participation of both young people and adults in VET need to be re-conceptualised, information should be maintained, and VET will become more responsive to labour market demands through various mechanisms.
- To improve quality assurance, sublegal acts will be drafted, regarding for example, the training of teachers and the accreditation of knowledge and skills.
- Business representatives will play a role on the boards of schools or centres, making VET a central part of regional economic development.
- Employers are to be included in VET provision, thus increasing the number of internships and promoting learning in the workplace.

A decision of the Council of Ministers of December 2013 set up and regulates the operation of the National Labour Council, which includes six sub-committees, covering issues such as legislation, employment and VET, social protection, equal opportunities and youth, and representing all key social partner organisations. However, only three sub-committees have met since then. Tripartite social dialogue is developed mainly at the national level, but not so at lower levels; nor is bipartite social dialogue.

Albania is undergoing a major reform of its division of territorial administration. The new territorial map reduces the previous 373 local government units to only 61 municipalities. Work has started on clarifying the functions of these units, in preparation for amendments to the Law on the Organisation and Functioning of Local Government. With the assistance of international partners, the Government will undertake further measures to consolidate the new local units and strengthen their administrative

capacities, allowing them to exercise their authority and implement legislation in a financially sustainable way, while enforcing transparency, effectiveness and inclusiveness²¹.

According to the NESS 2020, effective employment and training policies call for improved administration, efficient use of financial resources and better design, monitoring and evaluation of outcomes. Improving labour administration requires building the capacity of labour market institutions, namely the Departments of the MoSWY responsible for employment, migration and VET policies, NES, NAVETQ and the national inspectorate, to manage their core tasks.

The strategy to improve the governance of the labour market is based on a multi-pronged approach – grounded in robust social dialogue mechanisms. They include (i) strengthening the capacity of the Employment and VET Policy Department of the MoSWY to manage the employment policy cycle (that is, the analysis, planning, formulation, monitoring and evaluation of the employment policy); (ii) establishing an autonomous structure for the administration and development of VET (currently NAVETQ); (iii) improving the quality, relevance and coverage of the VET system through implementation of the AQF; (iv) modernising the legal framework; and (v) improving the quality of labour market information and its usability.

The reform of the skills governance system will centre on the development of evidence-based policies, more effective planning and management systems, skills needs identification, the optimisation of education and training service delivery, and leveraging resources. The mandate of the new structure – entrusted with planning, coordinating and evaluating the provision of vocational education and training – will be defined in collaboration with the relevant social partners. Social dialogue will underpin the design, monitoring and evaluation of national education and training policies; the identification of skills needs; the design of qualifications; the management of vocational education and training; the provision of enterprise-based learning and internships; and the assessment of individuals' competences. Vocational education and training provision will be expanded for the occupations and skills most in demand in the labour market, as established by the skills forecasting system, and in line with the requirements of a knowledge-based economy. In partnership with the private sector, the AQF will be operationalised through a number of measures: the development of standards and qualification pathways; the introduction of recognition and certification systems; and the upgrading of curricula, programmes and teaching and training methodologies.

5.2 The budget for VET

Public spending in 2013 was 3.1% of GDP. The new Government had promised to take it to 5%, but for 2014 this figure remained static due to the difficult budgetary situation. Spending per student at primary and secondary levels remains among the lowest in the region. Primary and higher education account for the majority of education expenditure (61%), with VE receiving the lowest share (5.9%) (Government of Albania, 2014).

Raising the budget for VET in 2015, as planned, is a positive step. However, there is an issue in terms of making sure that the funds are not invested in a system with two parallel structures – vocational schools and VTCs – which do not coordinate their offers or share resources, and that have too many small and poorly equipped institutions. Hence, the MoSWY may consider developing a National VET Provider Development Plan that envisages the closing of ill-performing schools, and the merging or clustering of other institutions. Experts argue that some 10–12 multifunctional centres and/or regional networks of VET providers would suffice to cater for the needs of young people, adults, employment services and companies. Future donor support could focus on these. Once such a national plan has

²¹ See: www.reformaterritoriale.al/en/activities

been agreed, Strategic Development Plans and related Investment Plans should be designed for each school/centre or network.

In addition, there are plans to revise the financing system in order to promote private–public partnerships and guarantee the achievement of the strategic priorities established through the creation of an Employment and Skills Development Fund. In August 2014 the ILO-IPA 2010 HRD project submitted a draft law on establishing and managing an Employment and Skills Development Fund to the MoSWY.

5.3 Assessment of progress since 2010

Albania has made considerable progress in the area of governance and financing VET by bringing responsibilities for VET together under one Ministry, by considerably increasing funding for VET and ALMPs in 2014, and by initiating a revision of all by-laws on VET and drafting a new law establishing an Employment and Skills Fund (still to be adopted). Hence, in this area, on a scale of 1 to 5, Albania scores 3.

However, key challenges in VET governance and financing remain.

- A 2014 ETF-GIZ baseline survey among all public VET providers showed that the conditions of facilities and equipment are generally poor. Most vocational schools in Albania have either no or only outdated workshop equipment. There are cases where new (also EU-funded) equipment has been stored away and is not in use. Thus, despite progress made in recent years, major investments in school building, infrastructure and workshops are still required. This includes areas around Tirana, which have been the centre of large-scale internal migration.
- The day-to-day operation of VET institutions remains severely underfunded. During the recent years of financial crisis many schools were unable to pay for materials or cover even basic running costs. Many schools are without heating, a few without water and/or electricity.
- Scenarios for different options and related costings are required to support the implementation of actions proposed by the NESS 2020, and a monitoring mechanism will need to be established.
- Secondary VET is overly theoretical and is mainly used as an alternative, less demanding route to the Matura and higher education, rather than for developing labour market skills. There are issues to be addressed in terms of overhauling the entire legislative framework for VET; reviewing and rationalising the network of schools and training centres; linking curricula and certificates to qualifications; adjusting course offers and materials to labour market needs; upgrading equipment; and training VET teachers and instructors on a bigger scale. The current VE structure is to be appraised with a view to offering alternative, labour-market-oriented tracks, rather than every secondary VET student preparing for the Matura.
- A decentralised management structure together with stronger, more autonomous multifunctional VET centres within changed frameworks of VET legislation and financing, qualifications and quality assurance are needed to address the many bottlenecks that have paralysed the VET system to date.
- Work needs to be resumed to develop the qualification system and to implement the AQF (a related multi-annual initiative is underway with support from the ETF).

The NESS 2020 Action Plan specifies the following *four main priorities* for governance and financing:

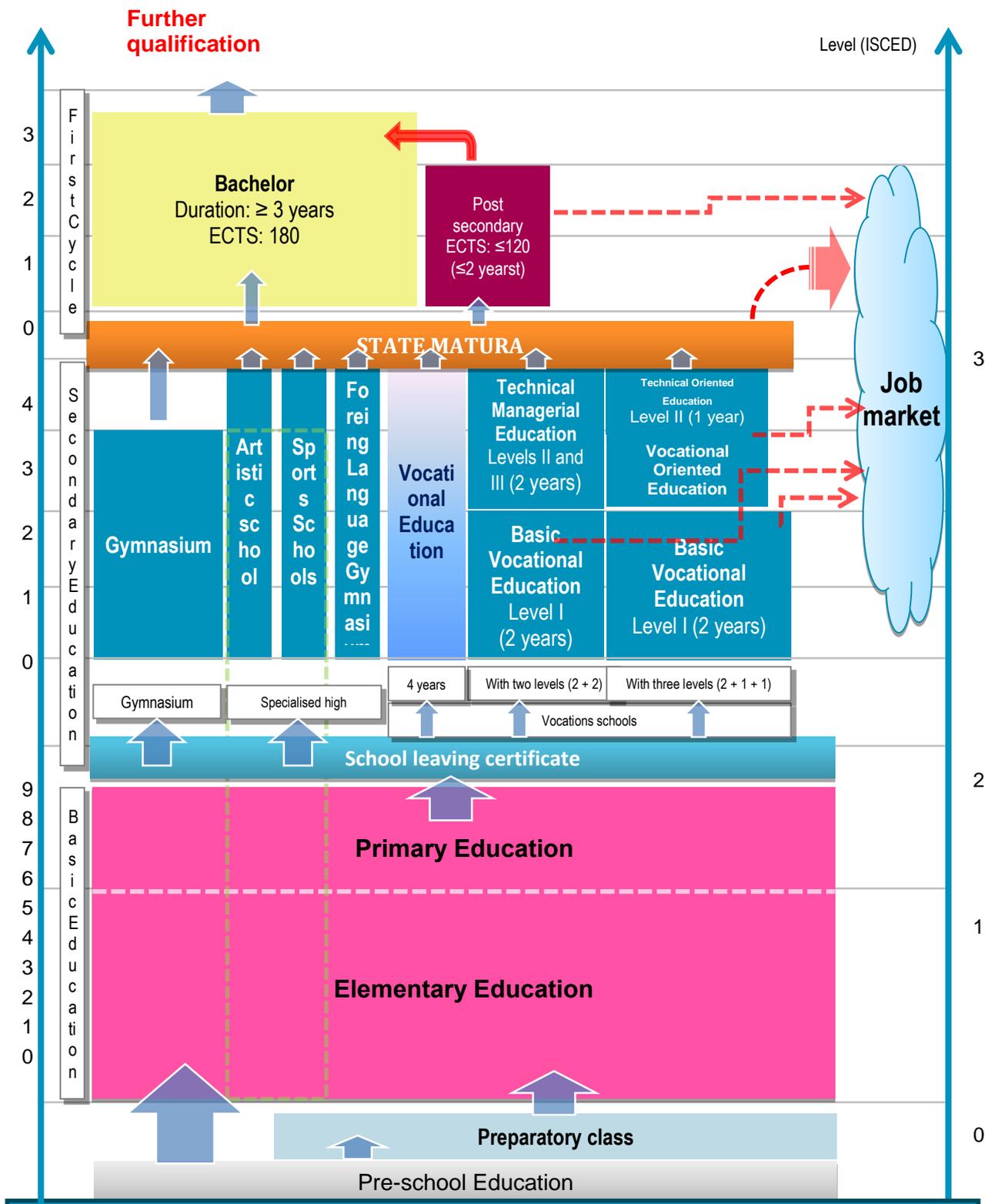
- D1. Reforming the financing and governance of the labour market and VET systems, including the creation of an Employment and Skills Development Fund (D1.1.) and autonomous structures for

the administration, development and oversight of VET (the current NAVETQ) (D1.2.), as well as the establishment of a National Council for VET (D1.4.);

- D2. Developing and implementing the AQF;
- D3. Improving the quality and gender-sensitivity of labour market information and ensuring its use for more equitable and effective governance, including funding;
- D4. Modernising the legislative framework for VET (initial VET and adult training).

ANNEXES

Annex 1. The Albanian education system



Annex 2. EU benchmarks 2009–13 (%)

	EU 27					EU 2020 objectives	Albania				
	2009	2010	2011	2012	2013		2009	2010	2011	2012	2013
Early school leavers % of 18–24 with at most lower secondary education and not in further education or training	14.4	14.1	13.5	12.8	11.9	10	35.5	31.9	35.2	31.6	30.6
Tertiary educational attainment % of 30–34 who have successfully completed university or university-like education	32.2	33.5	34.6	35.8	36.8	40	11.8	11.4	13.3	14.3	15.7
Lifelong learning % of 25–64 participating in education and training	9.3	9.1	8.9	9.0	10.5	15	2	2.1	1.7	1.1	1.5
Four-year-olds in education – participation rate	90.3 ^b	91	91.7	92.2	m.d.	≥95	47.5 ^c	m.d	m.d	54.9	
% of pupils with low performance – reading scale (≤level 1)	20	n.a.	n.a.	16.6	n.a.	<15	56.6	n.a.	n.a.	52.3	
% of pupils with low performance – mathematics scale (≤level 1)	22.7	n.a.	n.a.	22.2	n.a.	<15	67.7	n.a.	n.a.	60.7	
% of pupils with low performance – science scale (≤level 1)	18.1	n.a.	n.a.	16.8	n.a.	<15	57.3	n.a.	n.a.	53.1	

Notes: EU average PISA performances refer to the 25 EU countries participating in PISA 2009 – calculated as a weighted average, where the weight is the 15-year old population –, as well as to the 27 countries participating in the 2012 survey (EU 28 except Malta). ‘Early school leavers’ and ‘Tertiary educational attainment’ refer to EU 2020. The other indicators refer to the European Strategy and Cooperation in Education and Training.

(^a) Estimated data. (^b) 2009 EU 27 data include 2008 data for Greece. (^c) Data refer to 2007. m.d. – Missing data. n.a. – Not applicable.

Sources: EU 27 – Eurostat, 2014; OECD, PISA 2010 and 2013; AL – INSTAT data received, except ‘Four-year-olds in education’: Eurostat, 2014.

ABBREVIATIONS AND ACRONYMS

ALL	Lek (national currency)
ALMP	Active labour market policy
AQF	Albanian Qualification Framework
CARDS	(previous EU's) Community Assistance for Reconstruction, Democracy and Stabilisation
DACUM	(method used for) Developing a Curriculum
ETF	European Training Foundation
EU	European Union
EUR	Euro (currency)
GDP	Gross domestic product
GIZ	Gesellschaft für Internationale Zusammenarbeit
HRD	Human resources development
ICT	Information and communication technologies
ILO	International Labour Organisation
INSTAT	Albanian Statistical Office
IPA	(EU's) Instrument for Pre-Accession Assistance
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
IT	Information technology
IZHA	Istituti i Zhvillimit te Arsimit (Institute for Educational Development)
LFS	Labour Force Survey
MoES	Ministry of Education and Sports
MoSWY	Ministry of Social Welfare and Youth (now in charge of VET)
NAVETQ	National Agency for VET and Qualifications
NES	National Employment Service
NESS 2020	National Employment and Skills Strategy 2020
Q	Quarter (of a year)
SME	Small and medium-sized enterprise
VE(T)	Vocational education (and training)
VTC	Vocational training centre (providing training for adults)

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