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## ETF COUNTRY INFORMATION FICHE

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# ALBANIA

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### BASIC COUNTRY DATA

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Total Population:

**2,895,947**



(Last available year: 2014, INSTAT)

Youth dependency ratio:

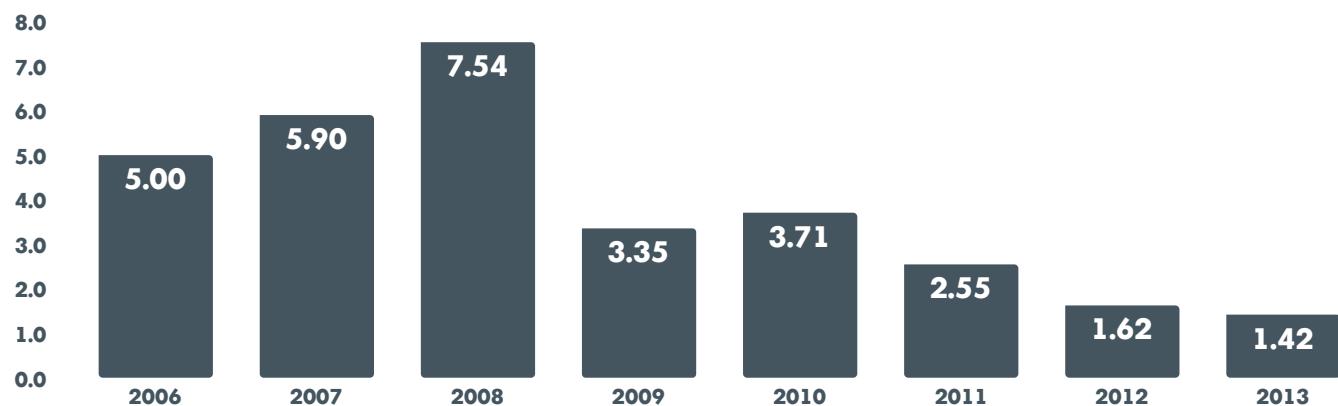
**27.85%**



(Last available year: 2014, INSTAT)

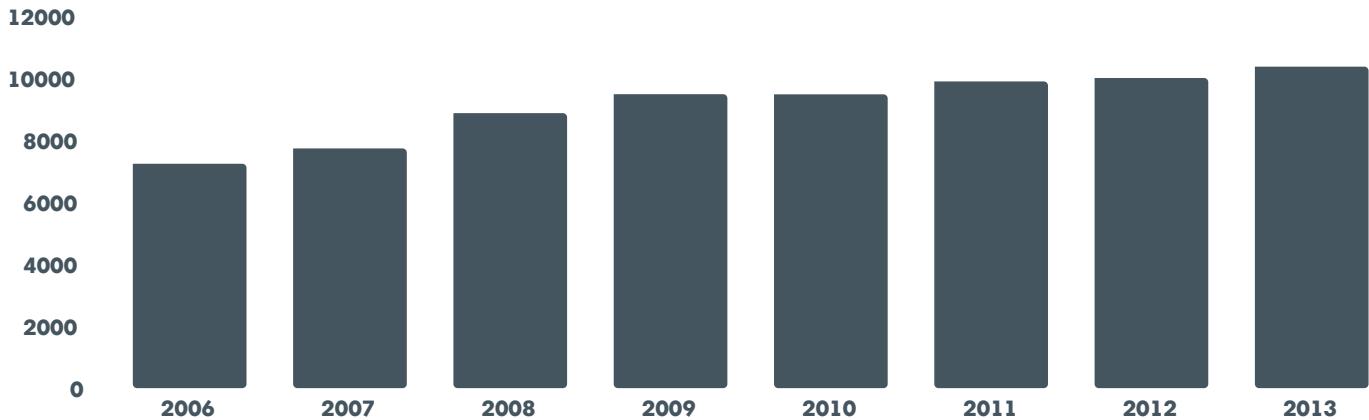
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### GDP ANNUAL GROWTH RATE (%)




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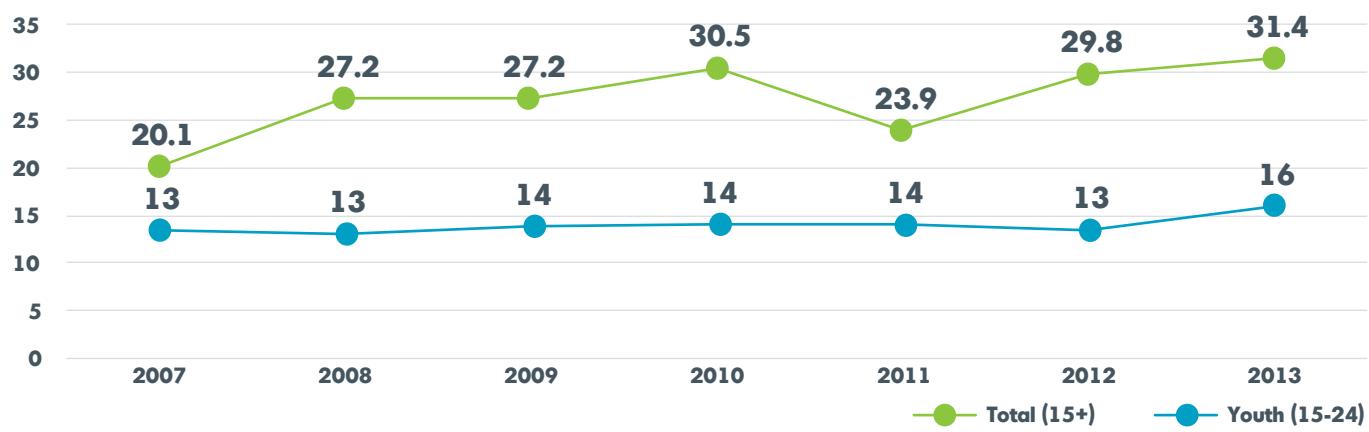
Source: World Bank.

**GDP PER CAPITA (CURRENT INTERNATIONAL \$)**

Source: World Bank.

**EMPLOYMENT RATE 15-75 (%)**

Source: INSTAT, LFS.

**UNEMPLOYMENT RATE (%)**

Source: INSTAT, LFS except 2010-2012 youth (data received from INSTAT)

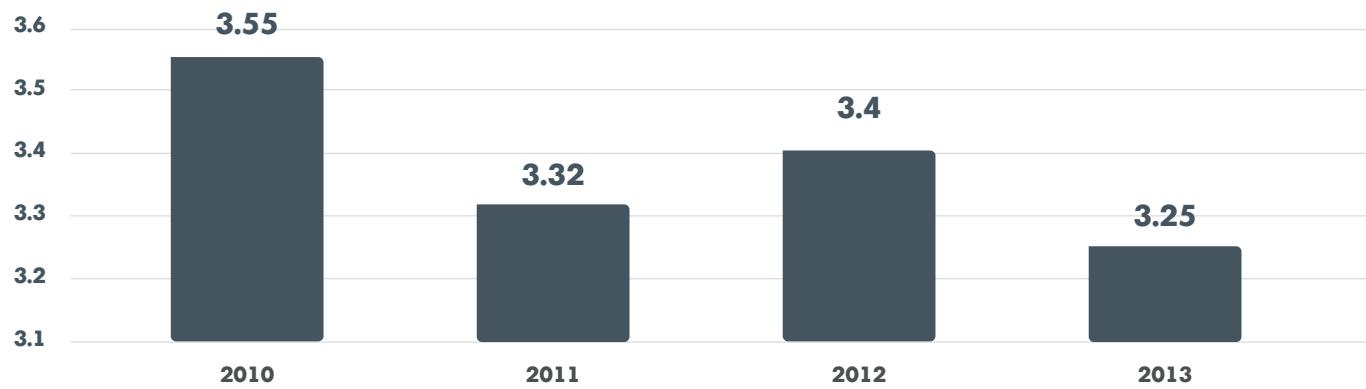


## SHARE OF VET IN SECONDARY EDUCATION (%)



Source: UNESCO

## PUBLIC EXPENDITURE ON EDUCATION AS SHARE OF GDP (%)



Source: INSTAT (data received)

**Albania has enjoyed some extended periods of economic growth that slowed following the years of global financial and economic crisis. Key sectors include agriculture and food processing, trade and services, textiles and leather goods, construction, tourism, mining, energy production and distribution, the maritime sector and IT. Approximately 95% of all businesses are small or micro concerns, very often family-owned. Agriculture is still the source of employment or self-employment for just under half of the population. Around one quarter of the working population migrates abroad for work, often to Italy or Greece or other EU countries on a temporary or seasonal basis.**

Employment (14-65) declined from a peak in 2011 (51.9%) but has recently seen a slight upward trend again, reaching 49.9% in 2013. Male rates are more favourable than female rates. In contrast, the unemployment rate (15-64) has risen consistently since 2012. Males have higher unemployment rates than females. Youth unemployment (15-29) has also been increasing since 2011, reaching 31.4% in 2013.

The number of Vocational Education and Training (VET) students has increased in recent years thanks to a broad media campaign and the opening of new vocational schools or programmes. Public spending on education in 2013 decreased to 3.25% of GDP.



Albania submitted an Economic Reform Programme (ERP) to the European Commission in January 2016. The ERP measures include overall VET reform, which started in 2014 with the transfer of responsibilities for all VET to the Ministry of Social Welfare and Youth (MoSWY) and the adoption of an overarching National Employment and Skills Strategy and Action Plan 2020.

The process is now moving on to a complete overhaul of the legal framework for VET and employment, reorganisation of the VET provider network, development of an Albanian Qualifications Framework, curricula revision and the introduction of practice learning (with dual system elements), quality assurance and teacher training in VET. Efforts will be made to improve the transition from unemployment and inactivity to gainful employment on the labour market, with the creation of a modernised network of employment offices, a new model of service delivery and better-funded and targeted active labour market policies at local level.

### **VET and employment policy: Progress since 2014**

Albania is undergoing wide-ranging legislative and policy reforms in all sub-sectors of education, with plans also in place to modernise employment services and policies. The National Employment and Skills Strategy (NESS) and Action Plan 2014-2020 outlines the path for both government and donors. MoSWY is now responsible for management of the entire VET system for both young people and adults. VET student numbers have increased and pilots are underway to strengthen dual training elements in certain sectors. A total of 10 modern employment offices were opened in the course of 2014-2015. The National Employment Service developed a New Service Model, based on a three-tiered approach and jobseeker profiling. The 2014 budget allocation for employment promotion programmes tripled compared to 2012 and 2013, but has remained at the same relatively modest level since. MoSWY launched the process to overhaul the entire legislation package, including the Labour Code, the Law on Employment Promotion, VET law and a new Law on Handicrafts, as well as the respective by-laws.

### **Country priorities for VET and employment reforms<sup>1</sup>**

The NESS clusters priority measures under four broad headings:

- Foster decent job opportunities through effective labour market policies- referring to employment services and programmes
- Offer quality VET for youth and adults, which touches upon key elements- such as the VET provider network, qualifications, curricula, materials, equipment, teachers and strengthening the links between VET and businesses
- Promote social inclusion and territorial cohesion- including the extension of employment and vocational training services to rural areas
- Strengthen the governance of the labour market and qualification systems- incorporating the further development of financing models, the Albanian Qualifications Framework, and the legal and institutional frameworks.

### **ETF interventions**

As an EU Agency, the ETF supports the European Commission and the EU Delegation in Tirana with planning and monitoring of the IPA 2013 and IPA II interventions, review of the Albanian Economic Reform Programme and the annual EC-Albanian dialogue on progress in the employment and skills sector.

In collaboration with GIZ and ILO, ETF supports MoSWY with the drafting of new VET legislation.

In addition, work continues to implement the Albanian Qualifications Framework (AQF). In 2014, ETF commissioned a demand-side analysis to establish a national list of occupations and regional demands for qualifications, which will serve as input for a reorganised VET provider network. In 2015-2016 ETF offered expertise and support to the AQF task force in the analysis of existing vocational qualifications, compiling a comprehensive handbook and further developing the legislative and institutional framework for implementation of the AQF.

Within the framework of the five Medium-Term Deliverables for VET (Riga Conclusions), the ETF supports MoSWY in setting of relevant objectives, ex-ante evaluation in the area of work-based learning, and the implementation of certain measures in the areas of work-based learning, quality assurance and teacher training in VET. With regard to the latter, the ETF has coordinated empirical research across the region to establish the current situation relating to continuous

<sup>1</sup> Government of Albania, National Employment and Skills Strategy, Decision of Council of Ministers no. 818, dated 26.11.2014



professional development (CPD) for VET teachers and trainers. In 2016, Albania has been establishing teacher training units in selected schools or training centres – a model that could be replicated in other VET institutions- and has been exploring possible ways to establish networks including CPD professionals and VET teachers to foster horizontal learning.

### **Support to the EU Delegation**

<b>EU projects<sup>2</sup></b>	<b>Period</b>	<b>Budget</b>	<b>ETF role</b>
IPA 2013 Support to Employment-oriented VET project	2016-17	EUR 3.45m	Provision of comments to terms of reference, briefing of experts and project monitoring
IPA II Budget Support to Employment & Skills sector	2016-18	EUR 30m	Input to planning documents and monitoring of performance indicators

### **Key donors in VET**

Swiss Development Cooperation currently funds various projects in Albania. The RISI Albania project (CHF 4.5 million, 2013-2016) aims to contribute to an increase in employment opportunities for young people. The Skills Development for Employment project (CHF 3.0 million, 2014-2018), implemented by UNDP, addresses the skills mismatch and unequal access to employment and training services, labour market challenges in rural areas, financing employment and training, labour market information and, the quality and relevance of VET providers and programmes. The Skills for Jobs project (CHF 6 million, 2016-2019), implemented by Swisscontact together with local institutions, is still in the preparatory stages.

The Government of Germany has been funding a HRD/VET programme, implemented by GIZ (EUR 8.02 million; 2010-2016) since 2010. Apart from support to policy and system-level initiatives, a pilot multi-functional VET centre is being developed in Kamza.

The Government of Austria supports the introduction of entrepreneurial learning in secondary vocational schools in Albania, Kosovo and the former Yugoslav Republic of Macedonia through a regional project implemented by Kulturkontakt.

The Albanian-American Development Fund supports the implementation of the Junior Achievement programme in all secondary schools, the PRO-TIK ICT Resource Centre and ICT business incubation, among others.

### **Key publications**

- ETF, *Torino Process 2014: Albania:*  
K:\03-09.OPS WORK PROGRAMME 2015\09.SP Torino Process\004.Final deliverables\TRP 2014 national reports on web
- ETF, Gishti, E. & Shkreli, A., *Building an Albanian Qualifications Framework: Demand-side analysis and list of occupations:*  
K:\03-08.OPS WORK PROGRAMME 2014\02.01.SEET COUNTRY PROJ\2014-01.Albania\02.EXECUTION\AQF Demand side analysis\Final report
- ETF, Alushi, E. & Konini, M., *Background analysis to inform the drafting of new VET legislation in Albania:*  
K:\03-08.OPS WORK PROGRAMME 2014\02.01.SEET COUNTRY PROJ\2014-01.Albania\02.EXECUTION\VET legislation\Background analysis Final report
- ETF/GIZ, *Final report on the Baseline survey of public VET providers in Albania:*  
K:\00.OPS STAFF INDIVIDUAL FOLDERS\EVI\Albania\VET\GIZ-ETF 2014 VET providers baseline survey\FINAL documents
- ETF, *FRAME report vision 2020*

### **ETF Country Desk**

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<sup>2</sup> For more information see: [http://eeas.europa.eu/delegations/albania/index\\_en.htm](http://eeas.europa.eu/delegations/albania/index_en.htm)