



# POLICIES FOR HUMAN CAPITAL DEVELOPMENT ALBANIA

AN ETF **TORINO PROCESS**  
ASSESSMENT

## EXECUTIVE SUMMARY

# PREAMBLE

The European Training Foundation (ETF) assessment process provides an external, forward-looking analysis of countries' human capital development issues and VET policy responses from a lifelong learning perspective. It identifies challenges related to education and training policy and practice that hinder the development and use of human capital, taking stock of them and putting forward recommendations for possible solutions.

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

For the ETF, human capital development is about supporting countries to create lifelong learning systems, providing opportunities and incentives for people to develop their knowledge, skills, competences and attitudes throughout their lives to help them find employment, realise their potential and contribute to prosperous, innovative and inclusive societies.

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

The ETF assessments rely on evidence collected by the respective countries using a standardised reporting template (national reporting framework – NRF) within a participatory process involving a wide variety of actors with a high degree of ownership. The findings and recommendations of the ETF assessments have been shared and discussed with national authorities and beneficiaries. However, the ETF takes full responsibility for each assessment and for any errors and omissions contained therein.

This assessment report starts with a brief description of the strategic plans and national policy priorities of Albania (Chapter 1). It then presents an overview of issues related to the development and use of human capital in the country (Chapter 2), before moving on to an in-depth discussion of the problems in this area that, in the view of the ETF, require immediate attention (Chapter 3). Chapter 4 provides the overall conclusions of the analysis.

The annexes provide additional information: a summary of the recommendations in the report (Annex 1) and an overview of the education and training system of Albania (Annex 2). The National Torino Process Report compiled by the country itself can be found here:

<https://openspace.etf.europa.eu/trp/torino-process-2018-2020-albania-national-report>

## EXECUTIVE SUMMARY

Albania applied for EU membership in 2009, and has been an EU candidate country since June 2014. In its Economic Reform Programme 2019–2021, the Albanian Government identified the mismatch between the skills people possess and those needed in the workplace as one of its main priorities. The government has stated that greater efforts are required in terms of investing in the skills and professional qualifications which would help to increase employment opportunities.

The responsibility for education is split between the Ministry of Education, Sports and Youth (MoESY), which is in charge of pre-school, general and higher education, and the Ministry of Finance and Economy (MoFE), which has taken over the running of publicly sponsored vocational education and training (VET). Staff shortages in the VET and employment departments of the latter ministry limit its capacities to effectively monitor and steer the system. To remedy this, it is planned to turn the National Employment Service into a National Agency for Employment and Skills, which will take over the management of all public VET institutions.

Albania is an upper-middle income country with a population of around 2.8 million. The population is rapidly ageing, mainly as a result of migration and decreasing birth rates. Economic growth (4.2% in 2018) is driven by the services sector, which is also the biggest contributor to employment in the country. The agricultural sector still contributes around one-fifth of the country's GDP and generates around 40% of the population's employment. The Albanian economy is dominated by micro and small enterprises (97.5%).

Labour market indicators for 2018 show continuing positive trends. Both activity and employment rates have improved over recent years. Albania's employment rate is high compared to other countries in the region, but still lower than the EU average. Unemployment has been declining since 2014, and Albania's youth unemployment rate is the second lowest in the Western Balkans region. However, the youth unemployment rate is still almost double that of the EU28. The high proportion of young people who are not in employment, education or training (NEETs) remains another persistent challenge. Many female NEETs are inactive, while male NEETs tend to be unemployed.

The number of people in vulnerable and precarious employment – for example, those without access to full employment rights, including contributing family members, wage employees without social security schemes, home and casual workers – is very high and remains a major structural weakness of the Albanian labour market.

Further, the share of the active population with a low level of educational attainment remains large. High rates of early school leaving have contributed to this phenomenon, and while early school leaving rates have fallen considerably in recent years, the percentage is still almost double the EU 2020 benchmark.

Vocational education and training could potentially contribute to improving educational attainment. Only around one-fifth of young people and very few young women enter upper secondary vocational education. Vocational Training Centres offer a limited choice of short-term vocational training courses (with few programmes for unemployed persons from different educational backgrounds, for example) and coverage has been low. Against the background of drastically declining age cohorts, better educational planning and the reorganisation of the network of vocational schools and training centres are seen as important means to offer a more attractive mix of profiles and modalities of provision, as well as granting wider access to students and creating more opportunities for inclusion. To attract

## RECOMMENDATIONS



### Recommendation 1. Monitor and analyse early school leaving



Understand better who is leaving, when and why;

Design measures for the prevention and reintegration of early school leavers.



### Recommendation 2. Improve education planning to attract more learners



Attractive mix of study programmes;

Better and more affordable transport;

More and safer dormitories;

Better access for disabled studies;

Consider extending scholarships programmes.



### Recommendation 3. Create new opportunities for adult education



Combine literacy, numeracy, foreign language and ICT with vocational skills;

Include adult apprenticeships.



### Recommendation 6. Implement the Albanian Qualifications Framework



Use IT for quality assurance of programmes, in particular those provided by private and not-for-profit providers.



### Recommendation 4. Strengthen professional development of vocational teachers

- ☀ National agency to be to empowered to coordinate training of teachers and instructors;
- ☀ Staff time for mentoring;
- ☀ School development units to facilitate continuing professional development.



### Recommendation 7. Involve social partners more in vocational education and training

- ✱ Adopt legislation on sector skills councils and set up one or two pilot councils.

### Recommendation 5. Equip all schools with basic learning resources

- 🖥 National development plan to ensure better access to and more efficient use of learning resources;
- 🖥 Collaborative work among teachers and training to generate instructional materials.

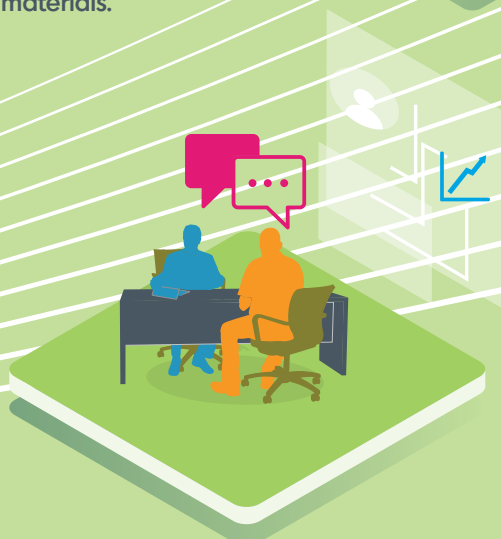


### Recommendation 8. Strengthen work-based learning

- Adopt a national regulation and develop supporting tools and instruments;
- Recruit and train business relations coordinators in each vocational school;
- Mainstream lessons learnt from multiple donor projects.

### Recommendation 9. Enhance career guidance

- 🧭 Expand career guidance for pupils about to enter secondary education building on evaluation of current provisions and pilot initiatives.
- 🧭 Develop a comprehensive career information system (web-based, interactive) also targeting parents.



more young people into vocational education and training, particular attention should be paid to young women and to students from weaker academic or poorer socio-economic backgrounds.

The quality of compulsory school outputs, as measured by the Programme for International Student Assessment (PISA), has improved since 2009. However, in 2015 the country's underperformance in each of the three PISA domains (science, reading and mathematics) was much higher than the EU average and far greater than the Europe 2020 benchmark (OECD, 2016). To raise the quality of vocational education, more attention should be paid to the instruction and professional development of teachers and trainers. Some vocational schools still lack basic learning resources such as textbooks or consumables for practical training. This is an issue that should be addressed immediately. To ensure the quality of the numerous private and not-for-profit training providers and their educational offer, the Albanian Qualifications Framework (AQF) should be implemented and used as an effective tool for streamlining the delivery of adopted learning outcomes at the national level.

The alignment of vocational education and training to the labour market is still weak. Available data suggest that the numbers of graduates fall short of the demand for workers with the requisite vocational education. Further, the skills, competencies and attitudes that young learners possess often fail to meet the needs and preferences of employers. To improve labour market alignment, social partners should be more systematically involved in Albanian vocational education and training. One useful step would be to give social partners a strong role in the identification of sector skills needs and qualifications, for example through sector skills committees.

In past years, many schools have been able to establish successful cooperation with businesses, and work-based learning schemes are now much more common throughout the VET system. However, such initiatives still depend to a great extent on donor support, which means that only a limited number of students can benefit from them. The upscaling of promising initiatives would require better coordination and stronger support from national stakeholders. To implement work-based learning country-wide in more schools and companies, the adoption of a national regulation system covering work-based learning is also recommended.



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



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