

# ALBANIA

## EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS 2020

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# KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT (SEPTEMBER 2019–AUGUST 2020)

Over the past two decades, Albania has transformed from Europe's poorest to an upper-middle-income country. It has also significantly improved access to education and boosted learning outcomes. However, private sector competitiveness and the production base remain limited, which hinders job creation. Moreover, the educational and training system still suffers from comparatively inferior educational attainment and performance, leading to an unsuitably qualified labour force, skills shortages and soaring youth unemployment.

Policy reforms in vocational education and training (VET) and employment are conducted within the framework of the National Employment and Skills Strategy (NESS) 2014–2020 and associated action plan, adopted in November 2014. These reforms include the development of an Albanian qualifications framework and individual qualifications; the revision of framework curricula; the organisation of basic pedagogy training for all VET teachers and instructors; the creation of multifunctional centres catering to the needs of both young people and adults; and the development of flexible offerings for jobs and VET delivery (including active labour market policies and school- and work-based VET).

Although Albania has progressed positively on the many fronts envisaged in the NESS, it is the response to the COVID-19 crisis and its plethora of mitigation measures that dominated the policy arena in Albania during the reporting period. Almost four months of lockdown and the suspension of air travel to and from the European Union (EU) during the tourist season had an immense impact on employment and training. Education has seen a drastic shift to digital and distance learning via online platforms, such as Google Classroom, Zoom and Edmodo, organised at school level, and the development of a range of televised courses for primary and secondary students aired on national television. However, inclusion, quality and work-based learning all suffered significantly as a large proportion of learners do not own the necessary tools and/or have limited broadband access.

Employment and social protection measures were rolled out to mitigate the needs of the newly unemployed population (including the informal sector) as a result of the economic contraction. Measures included a rapid shift to e-governance in the case of unemployment benefits, with various extraordinary support measures for small and medium-sized enterprises (SMEs). Despite these commendable efforts, and although it is premature to fully appreciate the impact of COVID-19, the latest labour force survey (LFS) shows that all key indicators worsened in Q2 2020 (e.g. employment, unemployment, job creation and new social protection requests) and the International Monetary Fund (IMF) forecasts a contraction of the economy in the order of 7.5%. The COVID-19 crisis added complexity to the costly reconstruction efforts following the devastating high-magnitude earthquake that shook the country in November 2019 and destroyed multiple schools, including VET centres.

In March 2020, following a recommendation by the European Commission, the European Council decided to open accession negotiations with Albania. In July 2020, the European Commission presented draft negotiating frameworks to the Council, laying out the guidelines and principles for the accession talks.

# 1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Albania is an upper-middle-income country with around 2.8 million inhabitants; just over 20% of its citizens are within the youth category (15–24 age bracket). The population is rapidly ageing, mainly as a result of migration and decreasing birth rates. A third of the Albanian population resides in the capital (Tirana).

Prior to the COVID-19 crisis, the economy had been expanding since 2000. Driven by the service sector, the largest contributor to employment in the country, Albania's economic growth (2.2% in 2019) had been positive since 2015. This was driven by a favourable domestic and external environment, reflecting the increase in capital investment but also growing private consumption. The Albanian economy is dominated by micro and small enterprises (97.5%), and the agriculture sector still contributes to around one-fifth of the country's gross domestic product (GDP) and generates around 40% of the population's employment.

The country's main challenges at the moment are the emergency and reconstruction responses to the COVID-19 pandemic and the November 2019 earthquake as well as the need to address the socioeconomic impact of these events on vulnerable groups and small and medium-sized enterprises (SMEs). In response to the devastating earthquake in November 2019, a donors' conference was organised in Brussels in February 2020 to mobilise financial support, and countries and international institutions pledged roughly EUR 1 billion. In the midst of these reconstruction efforts, including education and training infrastructure, the COVID-19 crisis is putting even more pressure on the government's budget and response. According to the World Bank, the COVID-19-induced recession is expected to cause a contraction of the economy in the order of 10% for 2020.

Other more long-term challenges include the need to embrace the green transition; reduce the qualitative gap between rural and urban areas in the supply of education and employment; improve the investment climate and unleash private sector growth; remove barriers to employment for job creation; and implement the smart specialisation strategy to ensure that Albanian regions identify and develop their own competitive advantages and generate employment demand locally.

## 2. EDUCATION AND TRAINING

### 2.1 Trends and challenges

Initial vocational education programmes are currently offered in 35 vocational schools. Albania's vocational education system is very small and attracts very few women. Some 21 071 students were enrolled in upper secondary vocational education programmes in the 2018–2019 academic year (18.2% of the total enrolment in upper secondary education); 16.1% of the total number of vocational education students were women, the most prominent gender gap in all the candidate countries. Adult vocational education and training (VET), however, remains well below the European Union (EU) average with less than 1% of adults taking part in learning opportunities (according to labour force survey (LFS) data of 2019 ).

The country has progressed visibly in terms of three major education-related areas – reducing early leavers from 21.3% in 2015 to 16.3% in 2019 and increasing tertiary attainment from 22.1% in 2013 to 27.3% in 2018. Although their enrolment rates remain very low overall, the participation of Roma and Egyptians in the education system has been increasing. For example, data in the 2020 European Commission accession report indicates that 13.8% more Roma and Egyptian students enrolled in higher education in 2019 compared to 2018; the same is true for pre university education (+6%).

Although there have been significant improvements over the last 10 years, Albania’s legacy of long-term underinvestment in education and training, coupled with a widespread tendency for pupils to drop out of school, results in a high share of people with low educational attainment (falling from 51.6% in 2010 to 42.6% in 2019), compared to its peers in the Western Balkans. Early school leaving halved from 31.9% in 2010 to 16.3% in 2019 (EUROSTAT<sup>1</sup>) but remains an inherent challenge within the system. School careers can be shortened because of dropping out due to socioeconomic need, a lack of financial means, the persistence of traditional cultural values and a wide variation in provision, leading to access issues, such as remoteness or over-enrolment in state schools in urban areas.

Despite sustained moderate improvements since 2009, Albania continues to rank poorly in Programme for International Student Assessment (PISA) tests (50.3% of 15-year-olds perform poorly in reading; an even higher proportion (53.3%) perform badly in mathematics). Such results illustrate that the quality of education and training remains a challenge for the country. This is particularly true for schools in rural, mountainous and isolated areas, which cannot attract qualified teachers. In addition, graduation data from the public vocational education system and data on job vacancies from the public employment service show that the number of graduates fails to match the quantitative demand for skilled workers. The alignment of VET to the labour market is therefore still weak.

Moreover, there are few opportunities for adult learning or skills and career development in Albania. Problems include a lack of adequate adult training facilities and offerings, especially outside the larger urban centres. The most recent LFS data indicates that, in general, adults do not consider it worthwhile to invest in further training: less than 1% of respondents answered that they had taken part in some form of training in the previous month, well below the 11% EU average, which itself is below the 15% ET 2020 goal (INSTAT, Eurostat). The results of the Adult Education Survey (2017) showed that 9.2% of the population aged 25 to 64 had participated in at least one session of formal or non-formal education and training. However, that figure is much higher for young people compared to older cohorts, indicating a welcome change in perception.

During the first wave of the COVID-19 pandemic, Albania swiftly shifted to distance learning, and the majority of assessments were either cancelled or delayed. Albania, like its neighbours, went into lockdown (including curfew) in March 2020. It reopened some of its schools in early May after recording fewer than 1 200 COVID-19 cases.

During lockdown, a working group of lecturers piloted and tested different platforms that could be used by each education and training institution. Having evaluated the situation, academic senates decided to switch to online learning and teaching as fast as possible. There were some difficulties during the preparatory phase, such as IT infrastructure preparation, student database development and the preliminary assessment of how to prepare didactic materials. Eventually, distance learning was made

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<sup>1</sup> Eurostat ([edat lfse 14](https://ec.europa.eu/eurostat/statistics-explained/index.php/Enlargement_countries_-_education_statistics#Early_leavers_from_education_and_training)), available online at : [https://ec.europa.eu/eurostat/statistics-explained/index.php/Enlargement\\_countries\\_-\\_education\\_statistics#Early\\_leavers\\_from\\_education\\_and\\_training](https://ec.europa.eu/eurostat/statistics-explained/index.php/Enlargement_countries_-_education_statistics#Early_leavers_from_education_and_training)

available via online platforms such as Google Classroom, Zoom and Edmodo, and was organised at school level. Extraordinary summer sessions were organised for secondary schools if pupils were unable to attend classes in spring.

The rapid transfer to online learning was comparatively successful, but was also hampered by incomplete broadband coverage, isolating areas without fast internet services. Albania has developed a range of televised courses for primary and secondary students that are aired on national television channels. However, the passive nature of television means that it is only partially effective, unless it is accompanied by interactive learning tasks via other platforms.

As the second wave hits the country, schools have so far remained open. Before the school year started (14 September 2020) the Ministry of Education developed different scenarios to accommodate for varying epidemiological developments: i) attending all classes in person; ii) alternating between one week of in-person classes and one week of online classes; or, if the situation worsens, iii) online classes only. Additionally, the Ministry of Health shared detailed instructions to be followed during the school year, such as the obligation for pupils in middle school or secondary school to wear masks and comply with other safety measures.

In addition to the plethora of donor-funded sector initiatives, Albania participates actively in EU programmes, notably the Erasmus+ programme. Since 2015, more than 4 000 staff and students have been involved in mobility programmes and in numerous capacity building projects in the field of higher education.

## 2.2 Education and training policy and institutional setting

VET and employment policy reforms are conducted within the framework of the National Employment and Skills Strategy (NESS) 2014–2020 and associated action plan. These reforms include the development of an Albanian qualifications framework and individual qualifications; the revision of framework curricula; the organisation of basic pedagogy training for all VET teachers and instructors; the creation of multifunctional centres catering to the needs of both young people and adults; and the development of flexible offerings for jobs and VET delivery (including active labour market policies and school- and work-based VET). All monitoring indicators used by NESS 2014–2020 have shown good progress on an annual basis when compared with the baseline indicators. However, the projections for 2020 (UNDP, 2018) show that some of the targets will be very difficult to achieve in time.

The Law on Vocational Education and Training in the Republic of Albania (Law No. 15 of 16 February 2017), adopted with ETF support, required secondary legislation to be rolled out exhaustively. The bulk of the required secondary regulation has now been adopted. For example, the responsibilities of the National Agency for VET and Qualifications were expanded to include VET teacher training and non-formal training. Qualification standards and framework curricula for most VET programmes are being modernised (even though some schools lack the teaching skills and equipment to put them into practice). These curricular reforms addressed both elementary and secondary programmes. Teachers received basic training before the introduction of a new curriculum for each grade. Additional training and adequate mentoring will be required to achieve the full implementation of the modernised curricula.

The National Agency for Vocational Education, Training and Qualifications aims to create a unified national system of vocational qualifications based on the Albanian qualifications framework to ensure streamlining of training programmes to the needs of the labour market. As such, it is responsible for

the development and revision of the national classification of occupations (based on the International Standard Classification of Occupations, ISCO-08), occupational standards, assessment standards and national framework curricula for Albanian qualifications framework levels 2 to 5. It is also responsible for the accreditation of VET providers and the organisation of continuing professional development (CPD) measures for VET teachers and instructors. It also envisages coordinating the work of future sector skills councils.

Following a number of institutional changes in recent years, VET governance is now set out in the VET law and its secondary legislation. VET management is predominantly led by the government, the national agencies and the public VET providers. They all report to the ministry in charge of VET, the Ministry of Finance and Economy, which is tasked with the design, implementation and supervision of policy; the adoption of national VET qualifications; the opening and closure of VET providers; and the provision of VET provider infrastructure, human resources and legislative initiatives. Other important stakeholders include the Ministry of Education, Sports and Youth and its subordinated institutions (the Agency of Quality Assurance in Pre-University Education and the Centre of Education Services) in VET-related aspects such as the recruitment and CPD of teachers and the organisation of the *Matura* exams for secondary VET students.

The National Agency for Employment and Skills also saw its responsibilities expanded by the new VET law to include supporting the management of all public VET providers (VET schools and vocational training centres). This also includes VET graduate tracing.

Training is provided mainly at public VET providers (VET schools and vocational training centres). The new VET law also foresees more autonomy for these institutions with regard to programmes offered, cooperation with companies and income generation activities.

One of the acknowledged weaknesses of VET governance is that the private sector and the social partners (e.g. chambers, business associations and trade unions) are not legally tasked in the Albanian VET system. Their contribution is mostly advisory and encouraged on a number of committees and boards such as the National VET Council, the sector skills councils and the VET providers' steering boards.

## 3. LABOUR MARKET AND EMPLOYMENT

### 3.1 Trends and challenges

The Albanian economy is dominated by micro enterprises (those with fewer than 10 employees), which make up 87.9% of all the country's enterprises. Micro enterprises account for the single biggest share of workers in businesses of any size (30.7% in 2016), while medium-size enterprises generate slightly more employment (OECD et al, 2019). The absolute number of large companies, which often play a decisive role in promoting and offering work-based learning schemes, is still very small – only 335 in 2017 (INSTAT estimate).

Labour indicators have lately shown some improvement. The activity rate has increased in recent years and in 2019 stood at 69.5% (15–64 age group), which puts Albania ahead of its candidate neighbours. However, it is still characterised by a high degree of informality and gender divide. The employment rate of those aged between 20 and 64 was 68.5% in 2019 (2 percentage points more

than in 2018) but still showed a sizeable gender gap of 12 percentage points. Over the last 20 years, Albania has transformed itself from an agriculture- to a service-based economy: employment in the agriculture sector has declined in recent years, reaching 36.4% in 2019, while the proportion of people employed in services has constantly increased, up to 43.5% in 2019. The service sector accounts for almost half of gross domestic product (GDP) while one-fifth is generated by industry.

The country's overall workforce (i.e. the population aged 15 and above) is relatively low-skilled (some 42.6% had a low level of skills in 2019), although the proportion of the population aged 30 to 34 that has completed tertiary education has been increasing in recent years (27% in 2018, up from 11.4% in 2010).

In 2019, the unemployment rate (among 15-year-olds and older) decreased slightly to 11.5% although LFS data from Q2 2020 (UNDP, 2020) suggests this is rapidly deteriorating as a result of the COVID-19 crisis. The unemployment rate remains high, particularly among young people, Roma, Egyptians and people with disabilities. The LFS youth unemployment rate (among 15- to 24-year-olds) remains high and stood at 27.2% in 2019 although it has decreased from almost 40% in 2015. While this decline is moderately encouraging, there are externalities that have contributed to the trend, notably high rates of emigration among young people – particularly high-skilled workers and graduates. Similarly, the proportion of the youth cohort (aged 15–24) not in employment, education or training (NEET) is problematic at 25.8%.

Employment prospects are linked to level of education, with higher employment rates among those with upper secondary and tertiary education attainment (and this is a constant trend over the last number of years). Long-term unemployment is declining (10% in 2010, 8.3% in 2018) but remains a challenge to be addressed through more flexible and tailored policy interventions. The adoption of the 2016 Law on Unemployed Jobseekers and related stringent registration criteria led to a major slump in the number of registered unemployed jobseekers (from 145 147 in 2015 down to 83 497 in 2017). Similarly, informality is widespread, and during 2018, 1 580 undeclared workers were identified by the State Labour Inspectorate (out of which 29.6% were female).

Albania has continued its efforts to better target its active labour market measures but the overall coverage of jobseekers (around 6.5%) is extremely low and does not reflect the clients' profiles (e.g. long-term unemployed or low-skilled individuals). Most registered unemployed people need intensive support to move out of joblessness, such as second chance education for those with a primary or lower secondary level of education; training and retraining for in-demand professions and/or future skills needs; intensive counselling and orientation; start-up/business opportunities; or carefully targeted subsidised employment measures. Close coordination between employment and social services is essential to secure sustainable labour market integration of unemployed or inactive people. Cooperation and synchronisation of active and passive support is desirable at local level and this requires clear commitment and improved capacity at local level (e.g. local government).

### 3.2 Employment policy and institutional setting

Despite the ongoing and forward-looking administrative reform, insufficient human and technical capacities continue to affect the design, implementation and monitoring of employment policies and measures. While improvements had been made in the labour market prior to COVID-19, issues remain with job creation, activation measures and the alignment of education (including adult education) to the needs of the labour market.

The overall goal of NESS 2019–2022 is to promote jobs quality and skills opportunities for all Albanian women and men throughout their lives. The strategy provides guidance on strategic priorities aimed at achieving long-term policy objectives in the field of employment promotion and skills development. VET is recognised as a driver of economic reform and is one of the four strategic priorities of the NESS. The strategy is the first attempt by Albania to incorporate economic, educational and social goals into a single strategy. It foresees meaningful changes, such as the involvement of employers in the revision of curricula; the introduction of business liaison officers in schools; structured VET teacher training; the establishment of an Albanian qualifications framework; and the expansion of dual models. All of these crucial steps forward are likely to impact how Albania’s human capital develops, although this impact remains to be seen.

A mid-term review of NESS 2014–2020 was carried out in 2018 and endorsed by the Integrated Policy Management Group in December 2018 (UNDP, 2018). The findings and recommendations led to an extension of the NESS and a revised action plan covering the period 2019 to 2022.

With regard to labour law, the Labour Code (last amended in 2015) is being implemented. Recent improvements introduced more measures to support gender equality in the labour market, mainly related to raising awareness and supporting the economic empowerment of women. Monitoring the implementation of the Labour Code requires more effective data collection and better instruments for processing disaggregated data. Labour inspectorate capacity and performance need to be strengthened further and the labour inspectorates should ensure that their inspectors are trained effectively and that sufficient numbers of inspectors are available (European Commission, 2019).

The mission of the National Agency for Employment and Skills is to develop and support the Albanian workforce through the provision of VET, vocational guidance and employment services. It also provides financial and career support measures (including career guidance and training) to jobseekers. It aims to provide employers with jobseeker matching services and other support measures to meet the human resource needs of all employers. The Employment Advisory Council is a key element of the agency. The council is a consultative body guiding the agency. It involves all the main actors who have a stake and a role in employment services, VET and skills development in Albania. This includes representatives of VET schools, vocational training centres, staff, teachers, instructors, experts in curriculum development, certification and standards, employers, trade unions and the relevant ministries.

Prior to COVID-19, public employment services were strengthened, and the image and outreach of employment offices improved with the recent restructuring of 13 additional labour offices throughout the country. However, in Q2 2020, there were almost 85 000 unemployed jobseekers (10 000 more than Q2 2019). Over half of them had a low education attainment level. This sudden increase can mostly likely be attributed to the consequences of COVID-19 and is putting additional pressure on the public employment services.

INSTAT has sufficient resources to contribute to policies with comprehensive and reliable data. However, the wage gap methodology still needs to be aligned with Eurostat requirements.

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# ALBANIA: STATISTICAL ANNEX

Annex includes annual data from 2010, 2015, 2018 and 2019 or the last available year.

	Indicator	2010	2015	2018	2019	
1	Total Population (,000) <sup>(1)</sup>	2,913	2,880.7	2,866.4	2,854.2	
2	Relative size of youth population (age group 15-24 and denominator age 15-64, %) <sup>(1) C</sup>	27.3	25.1	23.2	22.5	
3	GDP growth rate (%)	3.7	2.2	4.1	2.2	
4	GDP by sector (%)	Agriculture added value	18.0	19.8	18.4	18.6
		Industry added value	24.9	21.8	21.3	20.1
		Services added value	44.0	46.3	47.7	48.6
5	Public expenditure on education (as % of GDP)	M.D.	3.4	2.5(1)	M.D.	
6	Public expenditure on education (as % of total public expenditure) <sup>(1)</sup>	M.D.	11.3	8.4(1)	M.D.	
7	Adult literacy (%)	M.D.	M.D.	98.1 (1)	M.D.	
8	Educational attainment of adult population (aged 25-64 or 15+) (%) <sup>(2)</sup>	Low <sup>(3)</sup>	51.6	44.1	43.2	42.6
		Medium <sup>(4)</sup>	35.9	37.2	36.8	36.2
		High <sup>(5)</sup>	12.5	18.7	20.0	21.3
9	Early leavers from education and training (aged 18-24) (%)	Total	31.9	21.3	17.4	16.3
		Male	31.0	22.9	18.3	17.5
		Female	33.0	19.6	16.4	15.1
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	80.1	94.7	92.1	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	14.2	16.3	17.2	M.D.	
12	Tertiary education attainment (aged 30-34) (%)	11.4	22.1	27.3	M.D.	
13	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	2.1	1.1	0.9	0.8
		Male	2.1	1.0	1.1	1.0
		Female	2.2	1.1	0.8	0.7
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	52.3 (2012)	50.3	52.2	N.A.
		Mathematics	60.7 (2012)	53.3	42.4	N.A.

	Indicator		2010	2015	2018	2019
		Science	53.1 (2012)	41.7	47.0	N.A.
15	Activity rate (aged 15+) (%)	Total	55.2	55.7	59.4	60.4
		Male	64.0	64.3	67.6	68.0
		Female	46.9	47.2	51.4	53.0
16	Inactivity rate (aged 15+) (%)	Total	44.8	44.3	40.6	39.6
		Male	36.0	35.7	32.4	32.0
		Female	53.1	52.8	48.6	47.0
17	Employment rate (aged 15+) (%)	Total	47.5	46.2	52.1	53.4
		Male	55.9	53.3	59	60.1
		Female	39.5	39.2	45.3	46.9
18	Employment rate by educational attainment (% aged 15+%)	Low <sup>(3)</sup>	43.0	41.4	47.3	48.6
		Medium <sup>(4)</sup>	50.1	47.9	54.0	53.7
		High <sup>(5)</sup>	66.9	59.2	62.3	66.4
19	Employment by sector(%)	Agriculture	42.1	41.3	37.4	36.4
		Industry	20.6	18.6	19.7	20.1
		Services	37.3	39.9	42.9	43.5
20	Incidence of self-employment (%)		56.7	59.0	55.5	54.3
21	Incidence of vulnerable employment (%)		55.1	56.6	52.2	51.2
22	Unemployment rate (aged 15+) (%)	Total	14.0	17.1	12.3	11.5
		Male	12.6	17.1	12.7	11.6
		Female	15.9	17.1	11.9	11.4
23	Unemployment rate by educational attainment (aged 15+) (%)	Low <sup>(3)</sup>	12.9	13.4	9.9	8.7
		Medium <sup>(4)</sup>	15.7	20.4	14.3	14.4
		High <sup>(5)</sup>	13.7	19.4	14.0	12.3
24	Long-term unemployment rate (aged 15+) (%)		10.6	11.3	8.3	M.D.
25	Youth unemployment rate (aged 15-24) (%)	Total	30.5	39.8	28.3	27.2
		Male	29.6	39.2	29.6	27.8
		Female	31.7	40.8	26.0	26.3
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	Total	29.4	29.6	26.5	25.5
		Male	25.5	28.2	25.4	25.8

Indicator	2010	2015	2018	2019
Female	33.4	31.1	27.6	25.3

Last update: September 2020

**Sources:**

Indicators 8, 9, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 – INSTAT

Indicators 5, 6, 7 – UNESCO, Institute for Statistics

Indicators 1, 2, 3, 4 – The World Bank, World Development Indicators database

Indicators 14 – OECD PISA Database

**Notes:**

(1) Estimation.

(2) Active population aged 15+

(3) Low – ISCED 0-2 (primary and basic general education)

(4) Medium - ISCED 3-4 (general secondary and vocational-technical education)

(5) High - ISCED 5-8 (secondary special and higher education)

**Legend:**

C= ETF calculations

N.A. = Not Applicable

M.D. = Missing Data

## ANNEX: INDICATORS' DEFINITIONS

	Description	Definition
1	Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	Relative size of youth population (age group 15-24) (%)	This is the ratio of the youth population (aged 15-24) to the working-age population, usually aged 15-64 (74)/15+.
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	GDP by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to ISIC divisions 1-5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4.
5	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.

	Description	Definition
7	Adult literacy (%)	Adult literacy is the percentage of population aged 15 years and over who can both read and write with understanding a short simple statement on his/her everyday life. Generally, 'literacy' also encompasses 'numeracy', the ability to make simple arithmetic calculations.
8	Educational attainment of adult population (25-64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group. This is usually measured with respect to the highest educational programme successfully completed which is typically certified by a recognized qualification. Recognized intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (age group 18-24) (%)	Early leaving from education and training is defined as the percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0-2 and 3C short (i.e. programmes with duration less than 2 years) for data up to 2013 and to ISCED 2011 levels 0-2 for data from 2014 onwards.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case upper secondary education), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Tertiary education attainment (aged 30-34) (%)	Tertiary attainment is calculated as the percentage of the population aged 30–34 who have successfully completed tertiary studies (e.g. university, higher technical institution). Educational attainment refers to ISCED 1997 level 5–6 up to 2013 and ISCED 2011 level 5–8 from 2014 onwards.
13	Participation in training/lifelong learning (age group 25-64) (%)	Lifelong learning refers to persons aged 25–64 who stated that they received education or training in the four weeks preceding the survey (numerator). The denominator consists of the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
14	Low achievement in reading, maths and science – PISA (%)	Low achievers are the 15-year-olds who are failing level 2 on the PISA scale for reading, mathematics and science.
15	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called 'labour force') is defined as the sum of employed and unemployed persons. The inactive population consists of

	Description	Definition
		all persons who are classified as neither employed nor unemployed.
16	Inactivity rate (aged 15+) (%)	The inactivity/out of the labour force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all persons who are classified as neither employed nor unemployed.
17	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
18	Employment rate by educational attainment (% aged 15+)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated. Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5-6, and ISCED 2011 level 5-8)
19	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data is presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) which is based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
20	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. Employers + Own-account workers + Contributing family workers) as a proportion of the total employed.
21	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the Own-account workers and Contributing family workers as a proportion of the total employed.
22	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons comprise those aged 15-64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).

	Description	Definition
23	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work (had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months)). Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)
24	Long-term unemployment rate (aged 15+) (%)	The long-term unemployment rate is the share of unemployed persons since 12 months or more in the total active population, expressed as a percentage. The duration of unemployment is defined as the duration of a search for a job or as the period of time since the last job was held (if this period is shorter than the duration of the search for a job).
25	Youth unemployment rate (aged 15-24) (%)	The youth unemployment ratio is calculated by dividing the number of unemployed persons aged 15–24 by the total population of the same age group.
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15–24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the four weeks preceding the survey. Data is expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.

## LIST OF ACRONYMS

CPD	Continuing professional development
ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
IMF	International Monetary Fund
INSTAT	Albanian Institute of Statistics
ISCO	International Standard Classification of Occupations
LFS	Labour force survey
NEET	Not in employment, education or training
NESS	National Employment and Skills Strategy
OECD	Organisation for Economic Co-operation and Development
PISA	Programme for International Student Assessment
SME	Small and medium-sized enterprise
UNDP	United Nations Development Programme
VET	Vocational education and training

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