



# TORINO PROCESS 2016-17

## KOSOVO

EXECUTIVE SUMMARY

Executive summary of the Torino Process 2016–17 Kosovo report.

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## Acronyms

<b>AVETAE</b>	Agency for Vocational Education and Training and Adult Education
<b>CPD</b>	Continuing professional development
<b>EQF</b>	European Qualifications Framework
<b>EU</b>	European Union
<b>ISCED</b>	International Standard Classification of Education
<b>IT</b>	Information technology
<b>KESP</b>	Kosovo Education Strategic Plan
<b>MEST</b>	Ministry of Education, Science and Technology
<b>MLSW</b>	Ministry of Labour and Social Welfare
<b>NEET</b>	Not in employment, education or training
<b>NQA</b>	National Qualifications Authority
<b>NQF</b>	National Qualifications Framework
<b>RAE</b>	Roma, Ashkali and Egyptian
<b>SAA</b>	Stabilisation and Association Agreement
<b>VET</b>	Vocational Education and Training
<b>VTC</b>	Vocational training centre

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### EXECUTIVE SUMMARY

#### 1. Introduction

The Stabilisation and Association Agreement (SAA) between the European Union (EU) and Kosovo entered into force on 1 April 2016. The SAA will support the implementation of reforms and give Kosovo an opportunity to move closer to the EU as an important stability anchor; the recently agreed European Reform Agenda will also support the reform process. Kosovo is a potential candidate country for EU accession.

The population of Kosovo (1.8 million in 2015) has decreased by 1.5% since 2011. The share of young people (aged 15–24) in the working-age population (aged 15–64) is 28.6%, against the EU average of 17%. The high propensity for emigration remains common among Kosovars, although available estimates of the numbers vary greatly.

The young population of Kosovo should be considered a key asset for the country's development. However, young people are disproportionately affected by unemployment and poverty. More than half of young active people (aged 15–24) are unemployed: the youth unemployment rate in 2015 was 57.7%, a slight decrease on that of the previous year. The situation is even worse for young women, with an unemployment rate of 67.2% (against only 19.6% at EU-28 level).

Unemployment and inactivity are therefore major problems in Kosovo, which has the highest rates in the South Eastern Europe and Turkey region and in the whole of Europe. Education should play a crucial role in ensuring sustainable socioeconomic development, although the skills profile of the population and the outcomes of the education system do not always help in tackling the high unemployment levels and gender gaps on the labour market in Kosovo.

Interventions are needed to mitigate the structural economic and social challenges. Supporting vocational education and training (VET) could be a catalyst for skills improvement and sustainable development.

The report is a comprehensive assessment that includes reviewing current VET policies and measuring the extent of progress in reform and implementation since the last Torino Process round in 2014. It provides analysis of the current situation, shedding light on various factors that are influencing the advancement of the sector and making recommendations for policies and goals that can address the gaps and achieve overall progress in VET.

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

The main findings of the report are grouped into five main sections:

- vision and strategy for VET;
- addressing economic and labour market demand;
- addressing social and inclusion demand;
- assessing the internal efficiency of the VET system;
- evaluating governance and policy practices in relation to VET.

## 2. Main findings

### Vision and strategy for VET

Kosovo's vision for VET system development aims to achieve an inclusive education system based on lifelong learning principles offering quality education to all. The government is pursuing its education reforms towards an increase in the quality of pre-university education, an improvement of the teacher career system, a better reflection of economic demand in VET programmes and an expansion of practical components. The education reforms build on a recent evaluation of the Kosovo Education Strategic Plan (KESP) 2011–2016, which identified key achievements and needs for further interventions. The government is developing a new KESP for the period 2017–2021 based on this evaluation and the measures identified under the National Development Strategy. This latter recognises the need for investment and improvements in the education sector (including VET) in order to make Kosovo's labour force an engine for development.

While VET remains relatively attractive at upper secondary level, with half of upper secondary students enrolled in vocational programmes (51% in 2016, a decrease of 8% since 2010), the dropout rate is higher in VET (3.5% compared to 0.8% in gymnasiums), with most of these pupils leaving school in the first year of upper secondary education. Insufficient results in VET point to a need to: (i) strengthen career guidance for pupils; (ii) improve VET quality based on accurate and timely information about skills demand and labour market outcomes of graduates; (iii) reinforce the support given during the transition to work; and (iv) better address teacher training and school management. Business representatives are constantly referring to the fact that the skills of VET graduates are insufficiently developed or inappropriate, and this presents a major impediment to business development. In addition, a full lifelong learning perspective for skills development has yet to be achieved in Kosovo, especially as regards training provision and incentives to increase the access and participation of adults. An initiative on the recognition of prior learning is currently ongoing, under the auspices of the National Qualifications Authority (NQA).

Employers increasingly require their employees to have both occupation-specific skills and more transversal skills as well as key competences. As such, any curricula and training programmes should ensure that graduates have the necessary reading, writing, numeracy and computer skills, and other skills such as teamwork, communication, creativity/innovation, the ability to adapting to new equipment or materials, and entrepreneurial spirit. The majority of firms surveyed consider these skills to be increasingly important in fostering employability, not only in terms of jobs available in the labour market but also in relation to setting up a business or becoming self-employed.

### Addressing economic and labour market demand

Bridging the **gap between labour market needs and the education and training system** is a top priority for the country. No consistent information on the career path of VET graduates (whether from initial or continuing VET) is available, and the capacity of VET providers to run tracer studies and generate information on skill needs is still limited. The need to strengthen the capacity for skill needs

assessment and anticipation is also confirmed by the latest Small Business Act (SBA) assessment report<sup>1</sup>, which highlights concerns about skills mismatches in the pre-accession region, including Kosovo. Policy makers need to invest more in order to ensure that their education and training provision reflects the specific needs of businesses. Initial steps in this direction have been taken by the Ministry of Education, Science and Technology (MEST) within the Centres of Competence in Ferizaj and Prizren (with the support of Luxembourg Development Cooperation), as a pilot phase for possible replication in other VET institutions.

In Kosovo, small and medium-sized enterprises (SMEs) make up 99.78% of all registered companies and account for 74.5% of total employment. High-quality training is a critical factor in building sustainable businesses, boosting productivity and increasing exports. Kosovo needs to move towards more integrated and evidence-based employability actions (improved monitoring and evaluation within policy making).

With little job creation, **unemployment and inactivity are major problems in Kosovo**: in 2015 only 29.1% of the population aged 20–64 was employed and only 13.2% of the female population was employed (the EU average is 70.1%). The unemployment rate had decreased slightly since the previous year (32.9% in 2015 versus 35.3% in 2014), but is extremely high compared with the rate for the EU (9.6% in 2015). With regard to the distribution of unemployment according to educational attainment, the 2015 data show that individuals with tertiary education have a higher probability of being employed than those with medium and low levels of education. Within the medium educational level (i.e. secondary education), labour force survey (LFS) 2015 data underline that the situation is slightly worse for VET graduates (the rate of unemployment for secondary VET is 35.9%, against the average for secondary education of 29.7%).

Nearly 70% of the workforce in Kosovo is employed in services, while less than 3% works in agriculture, with this latter percentage decreasing since 2011. This suggests that more jobs are being created in services and industry, which is not so common in the countries of the region.

The gender gap on the labour market in Kosovo is the widest in Europe, and there has been no significant progress in recent years. The Ministry of Labour and Social Welfare (MLSW), in cooperation with donors and other partners, is implementing a number of active labour market measures, including opportunities for public works, on-the-job training, and self-employment.

The percentage of young people aged 15–24 not in employment, education or training (NEETs) also remains very high (31.4% in 2015, against an EU average of 12%), though this figure has decreased in recent years. NEETs are likely to struggle with maintaining daily living and cannot afford to undertake any training or VET (either formal or non-formal). Moreover, the level of job creation in Kosovo does not match the huge cohort of young people. The Kosovo Government Programme 2015–2018 foresees the establishment of the Development and Employment Fund, which should become a key tool for addressing unemployment (through the creation of new jobs), for reducing the continuing trade deficit, for increasing innovation in the private sector (by increasing the skills of the workforce, attracting foreign investment, and scientific research) and for reducing dependence on remittances (by generating internal revenues).

The government has yet to complete a major structural reform of employment through the separation of policy planning and execution roles. After the approval of the Law on the Employment Agency, the task of implementing employment policy should have been transferred from the MLSW to the

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<sup>1</sup> OECD et al., SME Policy Index: Western Balkans and Turkey 2016: Assessing the Implementation of the Small Business Act for Europe, OECD Publishing, 2016.

Employment Agency. However, this agency is not yet fully operational. The MLSW's sectoral strategy to 2020 has not yet been adopted and active labour market policies remain widely underfunded.

### Addressing social and inclusion demand

With regard to social inclusion, the creation of appropriate conditions for the integration of people with disabilities and of those from ethnic minorities, including Roma, Ashkali and Egyptian (RAE) communities, is still ongoing and requires constant effort from relevant national authorities. For sectors that are attractive to women and young people, such as food processing and information technology (IT), it is recommended that adequate practical education be provided. Overall, the participation rates of national minorities and women in relevant educational programmes and in active labour market programmes remains low. A notable initiative from the MEST is the development of the first Level 5 qualification (assistant for students with special needs) in the Centres of Competence in Ferizaj. This could provide the basis for the implementation of the law promoting the inclusion of students with disabilities in public schools, since it will supply competent individuals to the labour market, who can then be recruited.

At the central level, following the establishment of mechanisms for the coordination and monitoring of the implementation of relevant strategies, in 2015 several ministries took action in their respective sectors. Positive developments have been observed mainly in the regularisation of informal settlements and support for return and reintegration, and in the protection and promotion of the cultural identity of RAE communities. However, obstacles remain for the full implementation of the Kosovo government's strategies and action plan, mainly as a result of a lack of full political engagement, insufficient allocation of resources and a lack of adequate communication between central and local-level institutions. In many cases, civil society actors rather than central institutions and municipalities have taken a lead role by engaging the community and striving to fulfil the aspirations of the most marginal groups, including the RAE communities.

It should be noted, however, that lessons in Kosovo are delivered in four languages (Albanian, Serbian, Bosnian and Turkish) at all levels from pre-school to university, and that each year Kosovo's budget for education includes an amount to ensure the provision of free textbooks for all students in Grades 1–9. Moreover, the memorandum of cooperation signed between the MLSW, the RAE communities, institutions and other projects active in the field of vocational training has ensured more effective inclusion of RAE communities in vocational training.

Given all the progress made, but also the key obstacles for RAE inclusion in relation to education (e.g. challenges in accessing education, lack of awareness of parents from RAE communities on the importance of education, absence of transport to school, especially in rural areas, and dropouts) and employment (e.g. lack of proper qualifications, scarcity of information on employment opportunities and necessary administrative procedures), increasing the inclusion of individuals from RAE communities in all levels of education remains a challenge and should continue to be a priority.

Nevertheless, increasing inclusion does not necessarily address the element of quality. Therefore, the target of increasing inclusion should be coordinated with parallel activities aimed at enhancing quality and improving teachers' qualifications, including the application of modern teaching and learning methodologies for the development of a sustainable quality assurance system, as well as appropriate teacher training.

## Assessing the internal efficiency of the VET system

Regarding the internal efficiency of VET, there has been some progress since the last Torino Process round. However, further support and strengthening would be beneficial in addressing market demands and enabling VET graduates to readily integrate into the labour market. There have been some positive developments in terms of policy and the provision of **learning opportunities** in VET within the working environment (work-based learning) for young people. The MEST, in cooperation with the Kosovo Chamber of Commerce, has signed several memoranda of understanding with businesses to enable internships for periods up to one semester to be provided. A number of memoranda of understanding between the MEST and the business community to support work-based learning have been signed, and these provide some positive examples. In addition, ongoing discussions at government level are taking place to ensure that VET legislation includes more opportunities for work-based learning. For example, the MEST, with the support of a donor-funded project, is developing a plan of structural capacity building in the Centres of Competence in Ferizaj and Prizren, with the aim of providing adequate tools and resources to strengthen links with the labour market and partnerships with local and international companies. Nevertheless, with some exceptions, the provision of work-based learning remains a key challenge, as the vast majority of businesses remain unwilling or unable to offer work placements for students or, indeed, teachers. Promotion of an entrepreneurial paradigm has started across the school environment at ISCED Levels 2 and 3 through the support of external donors. This constitutes a valuable basis for scaling up the implementation of entrepreneurial learning in Kosovo in the coming years.

**Continuing professional development (CPD) for VET teachers** is still not provided in sufficient volume to meet the requirements set by the licensing process for VET teachers. According to the European Training Foundation's survey (2015), 35% of vocational teachers reported that they had had no professional development at all over the previous 12 months. The design of CPD should be better informed by teachers' current needs in order that it can be assigned to teachers based on their real individual development needs. There are some examples of good practice in terms of high-quality provision of CPD targeted at VET teachers, some positive partnerships between public and private sector companies and the education and training sector that have made professional development possible for both partners, and investment by the MLSW in professional development for Vocational Training Centre (VTC) trainers in cooperation with DVV International. In general, however, there is a need to develop the capacity of national and local organisations to work together to generate appropriate and sustainable CPD.

A key instrument for improving the quality of the education and training system in Kosovo was the establishment of the **National Qualifications Framework (NQF)** in 2011, managed by an autonomous agency, the NQA. Kosovo's NQF, inspired by the European Qualifications Framework (EQF), is an eight-level framework based on learning outcomes, covering all types of qualifications, and including a credit system and quality assurance mechanisms. It has been operating for several years, and is now being consolidated through the reinforcement or revision of elements such as mechanisms for the recognition of prior learning and the redefinition of qualification types to include informal and non-formal learning pathways. Kosovo's NQF is one of the most advanced in the South Eastern Europe and Turkey region, although there are only a few qualifications registered at the national level.

To date, the NQA has validated 27 qualifications, including in welding, administration, IT, plumbing and heating installation, and these are now included in the NQF. It has also verified 56 occupational standards and accredited 36 providers. In addition, seven language schools have been accredited to offer English-language courses, while two are accredited to offer both English- and German-language programmes. The NQA itself does not develop standards or qualifications. Most occupational standards are funded by donors or are coordinated by the Kosovo Chamber of Commerce at the request of businesses for new standards. Recently, the standards have been developed and



coordinated by professional associations and bodies. No sector skills councils as such exist in Kosovo; schools develop their own qualifications. However, standards and qualifications are now being made available nationally through the NQA website, in the form of a national register.

In 2014, secondary legislation was developed and approved for: (i) mechanisms for the recognition of prior learning; (ii) criteria for the development of occupational standards and qualifications; and (iii) quality assurance procedures within schools. In 2013–14, Kosovo also undertook an exercise to compare its NQF with the EQF, and has prepared a first report analysing the status of the NQF in relation to the 10 EQF referencing criteria. In 2015, Kosovo became a full member of the EQF Advisory Group and in February 2016 the national authorities presented the NQF–EQF state of play to the group. The presentation of the referencing report was planned for December 2016. Progress was also registered in the preparatory actions for the implementation of the recognition of prior learning.

## Evaluating governance and policy practices in relation to VET

The governance of the VET system, in terms of distribution of functions and responsibilities, has been influenced by key changes since the previous round of the Torino Process, namely the establishment of the Agency for VET and Adult Education (AVETAE) and the current setting up of the Employment Agency. Despite these changes, there is still a need for further clarification of functions and responsibilities for governing the VET system, taking into account the role of the Council for VET and Adult Education. The participation of non-state actors in the governance of the VET system and the shaping of VET policy is informal and ad hoc, rather than regular and formalised. There is a lack of financial and other incentives to stimulate the participation of non-state actors. Engagement on the part of social partners, non-governmental organisations and private stakeholders is limited, and trade unions show little interest in human resource development (HRD) issues. Employers are mostly represented in VET by the Chambers of Commerce, which play an active role in VET.

Since 2015, VET has been identified as the top priority in the different education sectors. This is confirmed by the significant efforts of the MEST in establishing the AVETAE in 2014 and operationalising the VET and Adult Education Council. The functioning and capacity building of the AVETAE and the council is a challenge, and is a prerequisite for creating a more coherent approach in VET and adult education and bringing together all the relevant stakeholders for better cooperation between the public and private sectors. However, cooperation between VET schools (education sector), VTCs (MLSW structures) and donor-funded training structures (such as the Centres of Competence) needs to be reinforced and will require a greater effort from all stakeholders involved, as well as a clear commitment from national authorities.

Although the current VET law clearly defines the roles and responsibilities of national-/central-level and local-level institutions, the distribution of these roles and responsibilities across governance levels needs further improvement. Overlapping and gaps in responsibilities should be eliminated through clear legislation, result-oriented dialogue and coordination between levels.

Between 2015 and 2016, several public–private partnerships aimed at promoting internships and employability have been promoted through memoranda of understanding signed between the MEST, the MLSW and the private sector. In addition to the law that regulates public–private partnership in Kosovo, there is a need for a clear policy to provide incentives for such partnerships in order that they become sustainable. Lack of financial incentives for public–private VET financing remains a key challenge for the development of the VET system in Kosovo. Financial incentives could activate relevant stakeholders to finance VET activities, to offer internships, and to finance VET students' apprenticeships and VET teachers' continuing vocational training. In brief, progress has been made (mainly in terms of planning and policy proposals), yet implementation is still pending.



### 3. Recommendations for action

Based on the above findings, the main recommendations are summarised as follows.

- **Combat youth joblessness with an integrated approach.** To facilitate the transition from education to work, a two-pronged approach should be implemented aimed at enhancing the skills and job-search capabilities of young job seekers and providing companies with incentives (e.g. wage incentives, internship programmes for which businesses receive an up-front payment) to employ young people. The possibility of developing an online platform that links schools and companies should also be explored. There is a need to increase the provision of career counselling and guidance during education and following graduation, to better promote VET, and to foster mutual trust between the business sector and the VET system. Kosovo could build on good practice in supporting business start-ups and creating self-employment, and could scale up the most successful experiences to system level.
- **Establish a tracking system for the employment outcomes of graduates of initial and continuing VET.** This would support the implementation of more effective measures to ease the transition from school to work. It would contribute to increasing the relevance of VET provision in Kosovo and to providing a skilled workforce for the labour market. It would also make it easier for policy makers to plan and optimise the educational offer of VET schools, Centres of Competence and VTCs.
- **Develop and implement equal opportunities policies and gender mainstreaming policies.** These policies should set goals (and, where needed, quotas) for the participation of national minorities and women in relevant educational programmes and in active labour market programmes. Improved access to learning, and to appropriate guidance and support services, for vulnerable groups and children with special educational needs should be addressed. Moreover, in order to tackle obstacles that hamper female participation in work or training, the availability of family care facilities should be increased and more flexible working arrangements promoted. Female entrepreneurship could be further reinforced by helping women to access better the training that is available and that is designed to satisfy their needs.
- **Establish pre-service teacher education and improve the quality and quantity of CPD.** The latter should address curriculum implementation, practical skills and pedagogies. A systemic approach should be developed that integrates professional development, licensing, career structure, performance evaluation and salaries.
- **Facilitate the development of schools into centres of learning, centres of excellence and centres for new technology** based on the experience of the Centres of Competence. Schools, together with VTCs, should actively participate in skill needs assessment, offer a wide range of qualifications (including post-secondary VET qualifications), and monitor the success of their graduates in the labour market.
- **Develop the qualification system.** Although progress has recently been made on quality assurance, there is still a need to populate the NQF with new qualifications. From the perspective of European transparency of qualifications, taking into account the migration issue and the strength of the qualification system itself, the referencing of the NQF with the EQF is crucial for Kosovo. An important step would be the development of actions and policies to support adult learning (including the recognition of non-formal and informal learning) in order to provide opportunities and incentives for adults to enhance their skills and, hence, their adaptability and employability.

- **Operationalise the Council for VET and Adult Education.** With such a key role and potential for enhancing the active cooperation of relevant stakeholders, including social partners, it is recommended that the council be reactivated and start meeting on a regular basis in order to initiate a dialogue to formulate a clear plan on how to increase the quality of VET provision and enhance the attractiveness of VET for young people. Effort will be required to ensure the sustainable functioning of this body.
- **Improve networking and linkages with businesses and social partners.** This should ensure stronger and more appropriate provision of employable skills for VET graduates, along with acquisition of practical experience. Links with employers' organisations and social partners should also be improved in order to enhance their level of engagement in the identification of skills, with the aim of enabling them to play an active role in the VET policy cycle.
- **Improve governance and institutional arrangements** for the development (inter-ministerial cooperation should be fostered for more unified policies), implementation (the articulation between types of VET provider should be prioritised) and monitoring (this function should be more clearly entrusted to specific institutions that are empowered politically to fulfil their role) of VET/employment policies. There is a need to draw up short-, medium- and long-term action plans, and to define targets and result/impact indicators and benchmarks based on relevant EU strategies.
- **Strengthen the performance and reinforce the capacity of AVETAE** in order to clarify and optimise its competences and scope. The aim is to ensure a feasible and practically applicable role that fits the local system and the strategic reform of VET institutions, including increased autonomy and sustainability for the Centres of Competence.
- **Undertake legal reform and implementation towards the provision of financial autonomy for VET institutions** on income generation and expenditure, with the aim of reducing the existing budget gap and increasing their level of sustainability.



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