

ALBANIA

ETF COUNTRY PLAN 2009

Summary

The overall objectives of the ETF 2009 Work Programme in Albania are to: i) support the European Commission in the development and deployment of external assistance; and ii) support the continuing development of partner country capacities in human capital development. The focus will be on specific initiatives emerging from current developments in education and training and employment and active labour market policy. ETF assistance will support the understanding of the goals of the EU's Education & Training 2010 agenda, Albania's benchmarking, reporting and regional cooperation within the framework of teaching and learning processes, and entrepreneurship learning.



In the mid-term perspective 2009-2013 emphasis will be placed on quality assurance policies in vocational education and training, for which a mandate has been given to the recently established National Agency for Vocational Education and Training (NAVETA). Capacity building activities related to the improvement of teaching and learning processes and entrepreneurship learning, understanding of adult learning policy challenges and identification of policy options, all issues that will be addressed in the framework of human capital development for innovation, competitiveness and growth. Albania will also participate in developing governance and administrative capacities for carrying out reforms and managing change in the employment and active labour market policy area.

The expectations are that policymakers and key stakeholders in Albania will strengthen their capacities in human capital development policy planning and implementation, improve the potential for cooperation on cross-sectoral issues, and better prepare themselves to identify and develop actions for IPA funds contributions in human capital development.

1. Socio-economic background

Defining the scope of human capital in Albania is a complex endeavour. It is the principal asset of every country and it is required by the local and regional labor markets; and therefore by business enterprises which shape these markets. In these conditions at least two key factors determine the scope of human capital in Albania: demographics profile and labour market developments.

Three main phenomena characterise Albania's demographic profile: large internal and external migratory waves, decreasing mortality rates, and declining fertility rates. The 2001 census put Albania's population at 3,063 million. Based on projections from this census, the population was estimated at 3.1 million in 2004, in 2006 Albania counted a population of 3.14 million citizens, which is relatively young with a median age of 28.3 compared to 39 for Europe¹. It is expected that the population will increase to about 3.7 million by 2025².

Migration has been a dominating socio-economic fact over the past 15 years in Albania; and migratory flows have been both international and internal, permanent and temporary. It is estimated that about 860,485 Albanians live abroad; which means that the stock of emigrants is about 27.5% of total population³. No other Central or Eastern European country has been affected so heavily by migration over such a short period of time⁴. A recently published annual report of the Albanian Central Bank declares that without remittances, Albanians would live with 2 US\$ less per day⁵. Since the beginning of the transition there has been substantial internal migration from rural to urban areas, mainly to Tirana and Durrës. Over the past seven years, the proportion of rural inhabitants has decreased by 13%, while the urban population has grown by 3.2% in 2002-03 and by 2% in 2003-04⁶. The population of Tirana alone is estimated to have grown from around 200,000 in the early 1990s to close to 800,000 in 2005⁷.

Albania's growth since the transition has been impressive. Cumulative growth since 1990 is among the highest of all transition economies. Based on the latest reports Albania not only recovered, but exceeded the pre-transition GDP level. In 2007⁸ the estimated real GDP reached 152 (compared to 100 in 1989). High GDP growth rates have been accompanied by a massive reduction in poverty. The proportion of the population whose real per capita monthly consumption is below Lek 4891 (in 2002 prices), fell from 25.4% in 2002 to 18.5% in 2005. This means that roughly 235,000 of about 800,000 poor people in 2002 were lifted out of poverty. The extremely poor population, defined as those with difficulty meeting basic nutritional needs, decreased from about 5% to 3.5%⁹. However, Tirana has a GDP index of 0.772, compared to a mere 0.252 for the mountain areas, and a Human Development Index¹⁰ (HDI) of 0.830 compared to 0.632 in the mountains¹¹.

Labour market development in Albania has been influenced significantly by the transition reforms and other economic and social conditions of the country. The privatisation process of state property is almost complete but in 2007 the share of agriculture (almost 20%) in the Albanian economy largely exceeds the share of industry (approx. 9.5%). Micro and small size enterprises (94% of the total enterprises) and the informality of the economy are other significant features, both in rural and urban areas¹². The informal labour market, which is largely undocumented, with regard to its impact on employment and skills needs represents a substantial share of total employment.

Albania is rated low in the most recent "Doing business 2008" report (World Bank) that covers the period April 2006 to June 2007, ahead only of Uzbekistan, Ukraine and Tajikistan in the

¹ Albania: Labour market assessment, World Bank Report Report No. 34597-AL, Human Development Sector Unit, South East Europe Country Unit, Europe and Central Asia Region, May 2006

² Albania Health Sector Note, World Bank Report No. 32612-AL, Human Development Sector Unit, South East Europe Country Unit, Europe and Central Asia Region, Report, February 2006

³ Migration and Remittances in Albania, Migration and Remittances Factbook, Development Prospects Group

⁴ Migration patterns and human resources development issues in Albania, ETF Report, January 2008

⁵ 2006 Annual Report, Central Bank of Albania

⁶ Based on World Bank Living Standards Measurement Surveys conducted in Albania in the second quarters of 2002, 2003 and 2004.

⁷ Albania: Selected Issues and Statistical Appendix. IMF Country Report No.05/90 (March 2005). This means that Albania's migration flow has been five times higher than the average migration flow in developing countries.

⁸ EBRD, Transition report 2007, www.ebrd.org

⁹ Albania Urban Growth, Migration and Poverty Reduction: A Poverty Assessment, December 2007 World Bank, Poverty Reduction and Economic Management Unit

¹⁰ The Human Development Index (HDI) is the normalized measure of life expectancy, literacy, education, standard of living, and GDP per capita for countries worldwide

¹¹ National Human Development Report Albania 2005. Sustainable Economic Development Agency, Tirana and UNDP, March 2005

¹² ETF, Labour Market Review for Albania, 2006

ranking of Eastern Europe and Central Asia (28 countries). The low ranking on the ease of doing business index means that the regulatory environment is not conducive to the operation of business. The index "Starting a business" ranking is also low (25th), as is the "Employing workers" ranking (18th). This leads to the conclusion that Albania does seem to have to address the wider agenda of investment and business environment, in a consistent fashion with the employment and skills agenda.¹³

The socio-economic background described above indicates several important issues related to human capital in Albania. Adults and young people are confronted with changing the reality of the labour market, migrants from rural to urban areas are confronted with social exclusion, and those left behind are faced with poverty. Given the global trends where the labour market conditions and working contexts are becoming more and more divided between knowledge-intensive jobs on the one hand and more repetitive work on the other, Albanian citizens are faced with the need and opportunity to constantly adapt their knowledge and skills. Therefore human capital development policy responses and the underlying macro-economic framework need to address the whole in a consistent fashion.

2. Key policy issues and strategies in the human capital development sector

The human capital development sector is shaped by different public policies which are in place in the country. Education and training, in particular VET, employment and active labour market policies, as well as cross-cutting policy issues related to the equity and social inclusion, competitiveness and innovation policies, all provide the framework for the human capital development sector in Albania.

i) Key policy issues and strategies in education and training

Key policy issues and challenges in education and training in Albania are significant. Albanian children on average complete 8.6 years of schooling, which lags substantially behind that of its neighbours and falls almost six years below the EU average. While universal primary education has been achieved, secondary education (grades 9-12) enrolment rate is low at around 50%. The net secondary enrolment rate is 70% in Tirana, 60% in other urban cities, and only 25% in rural areas. Low average educational attainment are compounded by marked variations across regions and income groups. Students from rural areas achieve 30% lower scores than those from urban areas, and children from poor families achieve 40% less than students from non-poor families¹⁴. This picture is further complicated with the fact that vocational education provision at secondary education level has been decreased drastically in 1990, when the number of schools that provide vocational education has been reduced¹⁵ from 308 to 40 in recent years. Despite efforts to improve the education provision at secondary level, the quality of education and in particular vocational education part of it, remains a challenge, largely in terms of physical infrastructure, but also in terms of teaching and learning processes¹⁶.

In 2003, the country officially joined the Bologna process and became one of the 40 European countries involved in building the European Higher Education Area¹⁷. Between 2003 and 2005, the higher education legislation was updated aiming to support the Bologna process reforms and to respond to national needs. The changes addressed the study cycles, financing of higher education, academic standards, teaching load and student admissions. Nowadays there is a

¹³ Source: <http://www.doingbusiness.org/economyrankings/?direction=Asc&sort=1®ionid=2>

¹⁴ "Facing the hidden drop-out challenge in Albania", Ronald G. Sultana, Tirana, 2006: Evaluation Report of Hidden drop-out Project piloted in basic education in six Prefectures of Albania

¹⁵ This came as a result of rapidly declining demand for those vocational education profiles linked to the demolition of the old centralised and planned economy.

¹⁶ Financing VET, mechanisms and priorities in Albania. Self-assessment document for peer learning project, ETF (2006).

¹⁷ Conference of European Ministers responsible for Higher Education, Berlin, 19 September 2003.

significant pressure on higher education institutions for increased enrolment. It is not clear that the current tertiary education programmes adequately reflect the changing needs of the economy, in which new types of graduates are needed to lead market-based growth¹⁸.

To cope with the complex policy challenges in education and training over the number of years the Government of Republic of Albania invested significant resources. The National Strategy on pre-university education for the period 2004-2015 has been adopted which is focusing on five main pillars: improved governance, improved quality of teaching and learning, improved financing of pre-university education, capacity building and HRD in the sector, and development of vocational education in the context of overall pre-university education. Finally, the proportion of GDP allocated for education is set to rise from 3.7% to 5%. A separate strategy for vocational education was drafted in 2006, and the government target is to increase participation in secondary vocational education from 17% to 40% of the overall enrolment in the coming years.

Compulsory education is being extended from eight to nine years, with the lower cycle (or primary) now comprising the first to the fifth grade, and the lower secondary the sixth to the ninth grade. Teachers' salaries are set to double within a period of four years, in the hope that this will help attract and retain committed professionals to the field. On average teachers employed at pre-university level have benefited from an increase of between 30 to 70%, thus widening the gap between the different salary levels and creating more incentives for career progression.

At the same time there have been actions to establish a sound institutional infrastructure for the implementation of a range of reform initiatives. The National Centre for Assessment and Evaluation has been established to improve the quality of education provision, while the state matura has been in existence since 2005 as a final exam that young adults take at the end of their secondary education. The National Agency for VET (NAVET) was established in 2006¹⁹ as subordinate institution of Ministry of Education and Science. Preparation of the national list of qualifications, the Albanian Qualification Framework (AQF) and Frame Curricula; accreditation of VET providers; establishment of standards for initial and on going training for teachers and trainers; and the establishment of VET evaluation and certification criteria are the main functions of NAVET. The Ministry of Education and Science was restructured in 2007 and some ineffective institutions have been merged – as an example one common institution has been created for curricula and teacher training, called Institute for Curriculum and Teacher Training.

ii) Key policy issues and strategies in employment and active labour market policies

Key policy issues and challenges in employment and active labour market policies in Albania are significant. The unemployment rate in 2007 was 13.6% and the age group most affected are those people under 34 that make up 60% of registered jobseekers. Long-term unemployment is high and between 1993 and 2007 constituted on average about 66% of the total number of unemployed individuals. This category of unemployed people is highly problematic because its absorption by the labour market is very difficult. The gender gap in the labour market is significant, and the participation rate in the labour force in 2007 was 68.3% for men and 46.8% for women, while the unemployment rate for men in 2007 was 12% compared to 17.1% for women.

The informal economy is an important contributor to employment and production in Albania²⁰. Countrywide, 66% of people are considered self-employed and only 34% are hired on a salaried basis. Self-employment in Albania has a family business nature mainly in trade and family inherited craftsmanship²¹. Another phenomenon particular to Albania which should not be observed in isolation, but combined with informality, is the significant inactive adult

¹⁸ Albanian Higher Education, Report by Sachi Hatakenaka and Quentin Thompson, Consultants, Report submitted to the European Investment Bank, March 2006

¹⁹ Government Decree No. 237, date 10.05.2006.

²⁰ Albania: Labour market assessment World Bank Report Report No. 34597-AL, Human Development Sector Unit, South East Europe Country Unit, Europe and Central Asia Region, May 2006

²¹ The informal economy in Albania: Analysis and policy recommendations - Report prepared by the OECD Investment Compact for the Ministry of Economy of Albania, OECD 2005

population²². The inactive adult population²³ is significant when compared to the working-age population (somewhat less than two million), which reflects the current difficulties in the Albanian labour market. The high level of inactive population also reflects the high labour potential that the country could enjoy for its possible development.²⁴

It is important to point out that in 2007 the government invested significant resources in drafting a new Strategy on Employment 2007–2013, taking into account the recommendations of several international institutions²⁵. The strategy aims to establish sound bases for improved employment policy and vocational training and to gradually reduce the unemployment rate in Albania to a level comparable with EU Member States by 2013. The establishment of a modern employment service countrywide; setting up of a modern vocational training system capable of contributing to the continuous development of skills of youth and adults; providing opportunities for vocational training and professional qualifications and the participation of about 20% of registered job seekers in active training and retraining programmes as well as encouraging lifelong learning; decreasing unemployment by 0.3% per year; and increasing the number of employed people by 5% per year; are some of the main indicators defined in the strategy.

The key institution responsible for the implementation of the comprehensive policy objectives is the Ministry of Labour and Equal Opportunities, and the key department responsible is the Department of Employment Policies as part of General Directorate of Policies (GDoP), which is also formally responsible for vocational training policy. The National Employment Service (NES) is responsible for implementing the employment policy and the related vocational training²⁶. Among the main functions of the NES are those related to adult learning such as career guidance and qualifications for jobseekers; incentives for employers who create new jobs and employ people with disabilities; and the preparation of labour market studies. It also runs a network of 10 public regional Vocational Training Centres that play an important part in human capital development in Albania, and therefore they support the implementation of employment policy and active labour market measures. They are located in eight regions in Albania - Tirane, Shkoder, Elbasan, Korce, Durres, Vlore, Fier and Gjirokaster - in which different short-term training courses are offered²⁷.

iii) Cross-cutting government strategies to address human capital development

In 2007, the Government of Republic of Albania, worked intensively to compile a National Strategy for Development and Integration (NSDI) document, which consists of 24 sector strategies and eight cross-sector strategies. Education, vocational education and training, employment policy and labour market, social inclusion policy, as well as migration policy (where one of the major issues is fighting brain drain) are major issues that are related to human capital development. The chapter on education indicates that extension of the vocational school capacities and construction of new schools is an important part of government policy.

A draft Regional Development Country Strategy has been prepared and is intended as a key element of the new NSDI providing a coordinated approach to the sustainable socio-economic development of all regions in the country. Linking a range of central government ministries and institutions with socio-economic actors and institutions across the country in a concerted long term “top-down – bottom-up” effort to achieve a more balanced development and to reduce socio-economic disparities is the major objective of the strategy. As such, it will represent a

²² Inactive adult population in Albania includes: i) young people still engaged in studies who are enriching their human capital potential prior to entering the labour market, ii) the elderly who have retired from their previous employment, iii) female housekeepers who are responsible both for their offspring and the daily households needs. Some female householders can also be considered to be a ‘quiescent’ labour supply in case of economic development.

²³ Based on data from the last census in 2001, the inactive population reached 823,000.

²⁴ People and work in Albania, Labour Force, Employment and Unemployment in the transition, INSTAT 2002

²⁵ The first Strategy on Employment and Vocational Training (SEVT) was the main document of the Albanian government related to the labour market issues which was adopted in January 2003, covering the period 2003 – 2008

²⁶ Government Decree No. 42, date 7.03.1998, “For the approval of the employment services”

²⁷ Based on statistics collected regularly by the Ministry of Labour and Equal Opportunities, the average participation rate is higher for young adults aged 16-25 years old (73%) and 57% of trainees are women. The trainees graduated in general secondary education represent around 60% of the trainees in at the vocational training centres.

significant cross-sectoral policy and focussed strand of the NSDI, where certainly Human Capital Development plays an important role.

iv) Summary of key policy issues and challenges in human capital development

Policy issues and challenges in the human capital development sector in Albania are numerous. To provide the framework and boundaries of the human capital development policy issues, the key questions that need to be asked are the following: to what extent is access to quality education and training a reality in Albania? Which different learning opportunities are available to all citizens in Albania on an ongoing basis so that they can continue, restart and diversify their knowledge and skills? What type of policy measures are in place that allow the employability of individuals to be expanded?

In response to these questions, policy issues in the human capital development²⁸ sector in Albania can be summarised as follows:

- The Albanian education and training system is based on learning inputs and quality issues are profound. Although steps have been undertaken to improve quality²⁹, the main challenges which still need to be addressed in a more consistent fashion are related to the: (i) limited curriculum choice and flexibility in course selection; (ii) an excessive focus on content and facts, which encourages a teacher-centred model and does not motivate students to focus on active engagement to acquire wider generic competences and analytical skills. Generally teachers see their work as “teaching”, not facilitating students’ learning processes. As a result, students face difficulties in developing “learning to learn” and entrepreneurship skills, problem-solving and critical thinking skills; all key to modern societies based on talent, innovation and competitiveness.
- Despite significant efforts on the side of the Ministry of Education and Science and the Ministry of Labour and Equal Opportunities and all other actors involved to improve VET provision in different aspects, vocational education and training continues to have a poor reputation and a low percentage of learners – young people or adults - are involved³⁰. There is a lack of a policy for linking initial secondary vocational education with the longer term concept of lifelong learning, thereby providing for a more flexible workforce capable of adapting to new skill requirements as the economy and technology evolve.
- Adult learning has never been more important and urgent than it is nowadays in Albania. The demand for it relates to adults that are in need of training and retraining in order to cope with an ever-changing world of work and is usually described in terms of age, gender, educational attainment, employment status, job characteristics etc.³¹. Better knowledge of adult learning patterns in Albania including considering the barriers and motivations to engaging in adult learning is therefore critical to future policy development.

3. EU and other donor policies and interventions

Human capital is an important area for different donor initiatives given the contribution it can make to furthering democracy, promoting active citizenship, as well as creating a vibrant, knowledgeable, skilled and adaptable workforce essential to the competitiveness, especially in a context marked by resource scarcity like Albania.

²⁸ For more detailed analyses of the policy issues and challenges in Albania see ETF HRD Country Analyses 2008

²⁹ The issue of learning inputs and quality of provision Albania is addressed through gradual introduction of Albanian Qualification Framework (AQF). The Law on AQF has been drafted in December 2007, and it reflects the requirements of European Qualification Framework

³⁰ “Strategy of Vocational Education and Training in Albania”, Draft document, January 2006

³¹ Promoting adult learning, Paris, OECD, 2005

i) Challenges in the human capital development sector in Albania addressed by the EU and other donors

The Stabilisation and Association Agreement³² (SAA) signed with the EU, provides a good scope for mutual commitments and cooperation with the aim of raising the level of general and vocational education and training in Albania, with a particular view to employment and active labour market policy.

In 2008 and 2009 the EU VET CARDS 2006 programme³³ will be implemented - "Support to improved operation of pilot vocational schools and vocational training centres" in Albania. The expected results of this intervention are: i) VET policymakers in the country have updated their skills in VET policy design, implementation and monitoring of the VET reform policies in Albania; ii) VET institutions and VET bodies have enhanced their capacities to deliver services in accordance with their mandate as given by Albanian legislation; and iii) improved effectiveness of VET provision through updated programmes (curricula, teacher trained, Albania Qualification Framework implementation) to correspond with emerging economic development and employment needs of the country.

In 2008 and 2009 the Ministry of Labour will also benefit from funds from CARDS 2006³⁴ through the programme: "Strengthened labour market structures in inspection and employment services". Expected results of the programme are related to the employment services: i) better skills and capacities of the regional labour offices; ii) more effective and integrated counselling and guidance of jobseekers; and iii) improved participation of women in the labour market encouraged by activities based on gender analysis.

Donors in the VET field are particularly active, and include Swisscontact, Kultur Kontakt, and IIZ/DVV with its adult education activities. Some donor interventions have had a significant impact on overall reform in the education and training sector. The Swiss government runs a programme (support to vocational schools) in five vocational schools in Albania. The programme has focused on developing and implementing instruments for improved management at the school level, developing teaching and learning materials, improving existing courses and services, developing and implementing new courses, and creating partnerships with industry and other schools. In mid 2007, GTZ³⁵ launched a new five year programme in vocational education and training, whose aim is to support the Albanian government in reforming the vocational education and training system by setting up post-secondary (university) vocational education and training programmes, comparable to those offered at higher professional schools in Germany.

In September, 2006 Albania signed the Decent Work Country Programme (DWCP)³⁶ with the International Labour Organisation (ILO). Within the overarching theme of "Decent Work for All" the ILO will concentrate on three country programme priorities in Albania, which are long-term goals of the government: i) improved conditions to enforce legislation; ii) more effective social dialogue and stronger partnership, iii) national employment policies that meet EU and international standards; and iv) more effective social protection policies implemented, in particular, in relation to vulnerable groups. The Swedish Development Assistance Agency (SIDA)³⁷ supported the National Employment Service (NES) in the use of modern technology. The project, announced in mid-2004, provided a total of €1.4 million for staff training as well as computerisation. Of this, some €140,000 were used for the improving the IT infrastructure of employment offices in Tirana and Korce, in the south east of the country. Part of the project

³² Stabilisation and Association Agreements are part of the EU Stabilisation and Association Process with countries that have expressed the wish to join the European Union. It is part of the Enlargement Strategy Paper which stressed that Albania's reform progress paved the way for the conclusion of the negotiations, and as the result of which Albania signed a Stabilisation and Association Agreement with the EU in June 2006. The document provides a structure for mutual commitments on political, trade and economic issues while encouraging regional cooperation.

³³ Terms of reference of the CARDS 2006 VET programme in Albania

³⁴ Terms of reference of the CARDS 2006 Labour market programme in Albania

³⁵ <http://www.gtz.de/en/weltweit/europa-kaukasus-zentralasien/648.htm>

³⁶ ILO Decent Work Country Programme, <http://www.ilo.org>

³⁷ SIDA Country Strategy paper on Albania is available at <http://www.sida.se/sida>

envisaged creating an on-line information system for better labour market services and a self-service system for employers and job seekers.

ii) ETF initiatives in the human capital development sector in Albania

Since 2006 the ETF has supported capacity building of key stakeholders related to issues linked to the EU Education and Training 2010 agenda, more specifically linked to quality assurance in VET. Structured policy dialogue in regard to EU Education & Training 2010 and Copenhagen process policies to apply major EU instruments such as the Common Quality Assurance Framework, European Qualifications Framework, key indicators for benchmarking, has been facilitated. A series of initiatives have been implemented in partnership with NAVETA in order to work out appropriate measures for accreditation and assessment of VET providers.

As part of policy learning initiatives, in 2006, 2007 and 2008, the ETF supported policy dialogue to better cope with the challenges of VET policy design and implementation. Policy dialogue has been facilitated in the country with regard to education decentralisation and school autonomy based on outcomes of the ETF 2006 and 2007 peer learning exercises. The implementation of the Community of Practice in teaching and learning has been initiated in the country in a number of vocational schools. As a support to the implementation of the European Charter for Small Enterprises, targeted assistance and capacity-building measures to Albania, in particular to determine entrepreneurship learning outcomes at each level of the education system, was provided.

In 2007, the ETF initiated activities related to adult learning. Structured policy dialogue has been facilitated on the issue of adult learning and events took place in Korca, Shkoder, Elbasan and Tirana in order to provide an initial assessment of supply, demand and social dialogue in adult learning. In 2008 as a result of the policy dialogue, different policy options valid in the context of Albania have been explored together with key policymakers. In addition to this, the ETF provided policy advice to national key stakeholders related to following issues: i) Draft Law on VET (proposal for update of the VET Legislation from 2002); and ii) Draft concept for a regional VET centre.

iii) Challenges in relation to mainstreaming of donors assistance with national polices

Although Albania has received substantial donor assistance, this has been almost entirely based on a piloting philosophy - both in donor and internal initiatives - and has not, as yet, succeeded in establishing a strong and efficient system. One example of more comprehensive donor coordination is the attempt of the Ministry of Education and Science to tackle the issue. It is the third year of the implementation of an ambitious third EEEP³⁸ support programme for education reform in Albania, which is planned to run until 2010 and is funded with a budget of US\$ 75 million. The EEEP supports the implementation of the first phase of its National Strategy for pre-university education, and brings together the major donors – World Bank, Council of Europe Bank and European Investment Bank. The objective is to improve the quality of learning conditions for all students and to increase enrolment in general secondary education, especially among the poor. The intervention is based upon a sector-wide approach (SWAp) structured as follows: i) strengthening education leadership/management/governance (US\$ 10 million); ii) improving teaching and learning conditions (US\$ 26 million); iii) improvement and rationalisation of the education infrastructure (US\$ 32 million); and iv) setting the stage for higher education reform (US\$ 7 million).

The major issue for Albania in terms of donor cooperation continues to be the actual implementation of reform policies. There are different policy initiatives that have been taken on board and policy implementation becomes too difficult to deal with; with limited staff in the Ministry of Education and Science and Ministry of Labour and Equal Opportunities and limited financial resources. Building institutional capacity to plan, formulate, implement, monitor and

³⁸ Education excellence and equity project: Republic of Albania, Project appraisal document, World Bank (May 2006).

evaluate policies on human capital development issues which are of concern in the sector is a key issue and starting point for sustainability and ownership, which is related also to improved mainstreaming of donor initiatives. Although local and international experts can support planning and formulation of policies, those policymakers and civil servants in public administration in the ministries and agencies must find appropriate means for policy implementation, in order to play their role in human capital development sector reforms. Until now the policymakers and public administration basically focused on the issue "What to do". For Albania the time has come to opt for "doing it". Ministries and agencies need to clearly focus on integrated approaches to policy implementation which starts from exploring the possibilities for a more integrated policy support that potentially can be financed by EC IPA funds.

4. ETF intervention strategies in the mid-term perspective

In the period 2009-11 the ETF will continue its strategy of assisting Albania in dealing with challenging human capital development policy issues. Therefore, the ETF mid-term perspective for Albania is designed to address the issue of human capital development in the context of the government's strategy for development and integration³⁹, where strategically, the policies and preferred outcomes are guided by the Stabilisation and Association Agreement. Comprehensive human capital development through investment in education and training and active labour market policies is an important part of the entire governance of the system in the attempt of achieving successful implementation and reaching the goals of undertaken policies.

i. Key policy issues in ETF intervention strategy

The ETF mid-term perspective for Albania is shaped by two major streams: a) priorities to tackle the policy issues in human capital development as indicated in chapter 2, and b) ETF initiatives undertaken to develop local capacity to deal with the policy issues in human capital development. Therefore, the key policy areas in which the ETF will work in the mid-term perspective are:

Quality assurance in VET: Albania continues to reform its vocational education and training system. However, VET in Albania is fragmented and with variable quality delivery across the country. Although in recent years there have been improvements in secondary enrolment rates in Albania, the problem remains to be persistent and compared to other countries in IPA region, the country has the lowest enrolment rate at secondary education level. As a traditional system, the Albanian education system is an input based and process focused system as compared to modern ones, which are output based and quality assessment focused systems. The access to quality of education at all different levels of education is a significant challenge which is reflected in many different ways: in terms of low student performance, teacher qualification levels as well as quality of the teaching and learning processes.

Given the fact that quality assurance is a broad concept, and refers to a continuing process of quality assessment for the VET system, VET education institutions and curricula, it is expected that the process of development will be a gradual one and will occur over a series of policy dialogues between key stakeholders. A combination of tools and instruments developed in the framework of EU Education and Training 2010 with concrete national policy initiatives, will be used to support the policymakers to work out improved quality in VET in Albania.

In particular, the emphasis will be on quality aspects in terms of accreditation and assessment of VET providers. The process will be based on a combination of ETF measures to facilitate policy dialogue. The major goal will be to identify issues and actions from the stakeholders' perspectives that shape the quality assurance in VET in Albania, and in particular to clarify accreditation and assessment policy in the country. The National Agency for VET, as the principal stakeholder will lead the process.

³⁹ National strategy for development and integration, 2007-13, draft document October 2007, Council of Ministers, Republic of Albania.

Teaching and learning, and entrepreneurship learning: Education in Albania must first and foremost help to develop and enable students to fit into the changing context of the society. Skill needs change at an accelerating rate following close global competition and the development of knowledge, technology and organisations. Thus, learning-to-learn skills, entrepreneurship learning and other key competences become more and more important in Albanian vocational educational and training, as part of the broader framework of teaching and learning. Paying particular attention to entrepreneurship and putting the emphases on the individual learner with a view of innovation and competitiveness is important part of ETF mid-term intervention in Albania.

This ETF intervention section puts the emphasis on the teaching and learning practices. It will in particular look into the measures the government needs to put in place to overcome supply-side restrictions and provide for enhanced adaptability of individuals. A combination of tools and instruments developed in the framework of EU Education and Training 2010 with concrete national policy initiatives will be used to improve teaching and learning, as well as entrepreneurship learning in the country. The process will be based on ETF policy learning tools and tools available for the facilitation of policy dialogue. The major goal will be to identify issues and actions from the stakeholders' perspective that shape teaching and learning issues, as well as entrepreneurship learning in Albania. For this purpose the principal stakeholders will be the Ministry of Education and Science and the Ministry of Economy.

Post-secondary education: Vocational education which is the responsibility of the Ministry of Education and Science and which is mainly concentrated at secondary education, presents a significant challenge for the future development of a skilled and productive labour force. Ensuring that secondary vocational education is not a dead end is an important human capital development policy issue for Albania⁴⁰. Allowing well-performing students in secondary vocational education track to proceed into higher education will ensure that the vocational stream is not seen as a last option by prospective students. Lifelong learning policy values learning in all settings and should ensure a well functioning training market and a broad skills base. Post-secondary VET is an integral part of this, and therefore, should form a major part of government policy in education and training.

Post-secondary education is a new intervention section in which the ETF will need to focus more intensively in the mid-term perspective. There are at least two important reasons: i) IPA 2008 sector fiche⁴¹ for which the set of EC programme documents needs to be developed in 2009 makes clear that in order to consolidate the VET sector in the country, it is necessary to carry out a mapping of vocational secondary schools, as well as universities and/or institutions that offer post-secondary VET⁴², ii) some initial steps have been taken by donors in the field of post-secondary education⁴³.

The major outcomes as a result of ETF intervention in this area will be progress in policy development for post-secondary higher VET with a view to lifelong learning for Albanian citizens. In post-secondary education the principal stakeholder is the Ministry of Education and Science.

Adult learning: Encouraging employment, dealing with long term unemployed, addressing the gender gap in the labour market, addressing youth unemployment, are all complex challenges for the Albanian government because they are all multi-sector phenomena which involve mutual reinforcement of policies in a number of areas. However, raising the education level, helping adults to re-enter the labour market through pre-qualification and/or further qualification,

⁴⁰ Recently the Ministry of Education and Science has been considering the option of restructuring the secondary vocational education from the current three plus two years, to a more flexible approach that will provide access to postsecondary and higher education

⁴¹ Strengthening vocational education and training (VET)⁴¹ in Albania: construction of new vocational schools, rehabilitation of vocational schools, provision for VET didactical tools for improving teaching and learning conditions in VET, and provision for support of the priorities in VET reform

⁴² This mainly refers to the VET sector in the Ministry of Education and Science and the National Agency for VET.

⁴³ GTZ is supporting development of the Higher Education Professional School in the Alexander Moisiy University in Dures, in eight major disciplines: nursing, dental assistant, administrative assistant, legal assistant, transportation management, construction management, automotive technology and IT specialist. Except for nursing which is a three year programme, the rest are two year programmes. The first year of enrolment showed that there is significant interest for post-secondary higher VET, and there have been more applications for professional tracks compared to university tracks.

supporting young people to cope more easily with the transition from school to work makes the development of an adult learning system issue in Albania all the more urgent. The major objective of the introduction of adult learning as a systemic issue should be on reducing regional, and rural and urban disparities; as well as promoting the employment and social inclusion of various vulnerable groups⁴⁴. All adults should have access to learning opportunities to enhance their basic skills as well as continuing opportunities to maintain, enhance or transform more advanced skills. All adults should have access to easy-to-follow information about learning opportunities and counselling should be readily available for all, not only for unemployed job seekers, as it is case nowadays in Albania.

In the mid-term perspective the aim of this ETF intervention area is to raise the understanding of policymakers about existing gaps in adult learning provision, as well as about improving awareness about policy implications of measures in active labour market policy and social inclusion that are emerging from the recently adopted Strategy for Employment. In adult learning, in particular, in relation to the demand for adult learning, the principal stakeholder is the Ministry of Labour and Equal Opportunities.

ii) Measures in the ETF mid-term intervention strategy in Albania

In the period 2009-11, the ETF will continue its strategy of assisting Albania in determining policy priorities, mobilising sectoral engagement, policy dialogue for consensus building, providing systemic feedback and creating the necessary knowledge in the education and training policy issues, as well as employment and active labour market policy. The majority of ETF initiatives in Albania apply the concept of policy learning - aimed at sharing partner country knowledge on systemic issues and of the connection between education and training policies and broader socio-economic policy challenges (poverty reduction, transparency, migration, social participation and employment).

The ETF aims to assist Albania in policy formulation and implementation in areas such as those identified in the previous section. During the period 2009-11 in Albania, the ETF will respond comprehensively to these strategy directions, applying the following measures:

- Update country intelligence and provide inputs and advice for country-based activities to support the decentralised management of EU funds, as well as reinforce stakeholder networks by creating operational links with IPA country stakeholders on human capital development sectoral issues
- Provide policy analyses and advice in human capital development with regard to identified policy issues which will result in improved policy implementation and planning for IPA programming
- Support capacity building with regard to EU Education and Training 2010 and Copenhagen process policies, to apply major EU instruments such as the Common Quality Assurance Framework, the European Qualifications Framework, Education and Training 2010 benchmarks and indicators, teacher training, entrepreneurial learning, etc.
- Provide policy monitoring in the sector of education and training, employment and labour market policies and link it with on-going implementation of the Government strategies and with running EC human capital development sector programmes
- Facilitate the development of instruments and tools for the design and planning, implementation and monitoring of active labour market policies with particular attention to adult learning and skills development

⁴⁴ Evidence suggests that adult learning and raising literacy skills have the potential to significantly improve the economic wellbeing of those with relatively low initial education and skills. When learning is diffused throughout the less-educated members of the workforce, national prosperity is significantly enhanced. There should be a policy focus on the people with the lowest skills as they are the ones holding back economic development. (See HRD Country analysis of Albania)