

EDUCATION & BUSINESS ALBANIA







EDUCATION AND BUSINESS STUDY

Albania

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List of acronyms

AQF Albanian Qualification Framework
EQF European Qualification Framework

EU European Union

MoES Ministry of Education and Science

METE Ministry of Economy, Trade and Energy

MoLSAEO Ministry of Labour, Social Affairs and Equal Opportunities

NAVET National Agency for VET

NLC National Labour Council

NVETC National VET Council

NES National Employment Service

PASOs coordinators for social partnership
SAA Stabilization Association Agreement
SMEs small and medium-sized enterprises
TAC Tripartite Administrative Council

Foreword

Many countries worldwide have reinforced their education and training systems' capacity to respond to the pressures of globalisation and the challenges of the knowledge society. Closer cooperation between business and education is one of the tools for providing learners with new skills and competencies for work. However, the available knowledge on the current forms and modes of cooperation between the education and economic sectors, and the roles and responsibilities of the different stakeholders is limited and fragmented.

The Directorate-General for Education and Culture has entrusted the ETF with carrying out a study on education and business cooperation in the EU neighbouring countries and territories (involved in the enlargement process according to the Instrument for Pre-Accession Assistance, or in the European Neighbourhood Partnership Instrument, or in Central Asia), with the aim of:

- Drawing up an inventory of current cooperation between education and business;
- Identifying to what extent EU approaches and policies are relevant to the EU neighbours;
- Providing tailored information and recommendations to national policy makers and donors for future programming initiatives and capacity-building measures.

For the purpose of this study, the term 'education' includes VET, post-secondary non-tertiary education and tertiary education, including public and private institutions. The term 'business' covers any entity with economic activity regardless of legal status. This can include multinationals, public and private large companies and SMEs, micro-businesses and actors in the informal economy, and social partners (employers' and employee's organisations, civil society organisations and their training bodies), as well as national, regional and local authorities. While the focus of the study will be to identify and reflect on policy or strategically driven approaches to cooperation, the study considers education and business cooperation in a very broad sense, meaning any kind of relevant policy provision and/or formalised or non-formalised interaction between an education/training provider and a business organisation.

The present paper is the country-specific contribution for Albania. It has been elaborated as a joint effort and follows a study design consisting of desk research, data exchange with partner institutions, focus group meetings in NAVET premises on 19 May 2010, and a validation workshop conducted at the Ministry of Education and Science on 1 July 2010. During this intensive consultation process, facilitated by the ETF, the main national stakeholders (representatives from relevant ministries, social partners, the education system, businesses and the civil society) discussed the state of play and provided recommendations for its improvement. The ETF produced the final report, based on the key discussion points and messages.

The present paper will serve as an input for a regional ETF study relevant to the context of the Instrument for Pre-Accession Assistance region, and for a cross-country ETF study of education and business cooperation (reflecting on the findings of all countries with which the ETF cooperates), both due to be published in spring 2011.

The ETF is grateful for the opinions shared and insights provided by participants during the rich discussions in all meetings.

Executive summary

The debate on the roles of business and government in VET is an ongoing issue in the current reform of VET and higher education in Albania. The participation of employees' and employers' organisations, together with government representatives, in shaping VET and higher education policy is considered vital for the competitiveness of individual economies. The government and social partners have worked on improving education and business cooperation, and significant steps have been taken in that direction. This has been documented through the new draft VET legislation, the Law for Higher Education, the recently adopted overarching Albanian Qualification Framework, the Initial Agreement of Social Partners on VET, etc., including the plethora of different advisory bodies that have been established. Since its establishment in 2006, the National Agency of VET has become

an important player in the development of VET in Albania. Its major success has been the development of 21 new framework curricula for related VET qualifications. Now, each VET qualification has a frame curriculum and is a basis for further development of detailed programmes for vocational theoretical subjects and practical modules in every VET school. VET schools will now have opportunities to introduce new content and new teaching and learning approaches, including engagement of interested businesses. Various reform efforts are underway in universities, ranging from support mechanisms and career centres for students to public–private partnership in curriculum delivery.

Although the strategic framework paves the way for developing education and business cooperation, this area remains a challenge in Albania. Division of responsibilities among different ministries, as reflected in separate national councils, strategies, institutions, programmes and courses, is one of the main problems that has yet to be dealt with. Social partners in Albania find it difficult to translate policies into real practice, and the implementation gap is present over a longer period of time. Another challenge is the fact that education and training are traditionally considered (by both government actors and social partners) as the responsibility of 'the state', so it appears that despite the many advances that have been made, the underlying logic of governance is still based on a high degree of centralisation. The capacities of social partners have often developed in a spontaneous way, without being considered as an important component of the economic growth of the country. In addition, there is the issue of strengthening the role of social partner organisations and individual employers by giving more competences for education and training to regional and local levels and encouraging all partners to collaborate.

Ongoing VET and higher education reform in Albania supports the creation of new pedagogical environments that promote self-directed learning. At the same time, curricula that rely heavily on business can also constitute a challenge for teachers in both VET schools and higher education institutions. Introducing education and research polices where massive engagement of enterprise is required, if not carefully planned, could become a major stumbling block for implementation. VET and higher education institutions' readiness to engage in cooperation with business becomes crucial. By and large, schools and teachers, as well as universities and professors, are not equipped to engage in innovative and meaningful relationships with businesses in order to create better opportunities for students. Teachers' preparedness for this kind of cooperation becomes instrumental to achieving the desired objectives. While donors and government are trying to address the problem of VET teachers in VET schools, this discussion is at the very early stages in higher education institutions.

Government policy recognises that VET and higher education are lacking in labour-market orientation and that the state alone cannot cover the costs for the major investments needed. The expectation on the government side is that employers will offer facilities for practical learning and research, thus sharing the costs for training and innovation and making education and training more relevant for the needs of businesses. As many employers are still not prepared and/or have little capacity to invest in training, innovation and research activities, some may expect the state to remunerate them for the provision of training (e.g., by paying their instructors or providing tax breaks or other financial incentives). All of these issues could serve as a major incentive for a policy dialogue on education and business cooperation in Albania.

A. Context / Policy

1. The context for education and business cooperation: EU agenda, growth and SMEs

Albania is travelling the road to EU accession, and in June 2006 the government signed the Stabilization Association Agreement (SAA). To advance the process further, a revised National Plan to implement the European Partnership priorities has been adopted. The document stresses that Albania needs to continue to improve its VET provision, reduce secondary education dropout rates

¹ On 18 February 2008, the Council adopted a new European partnership with Albania. In April 2009, Albania submitted a formal application for full EU membership, which is supported by the main political parties and the large majority of the population.

and integrate employment and vocational training strategies into social, educational, enterprise and regional policies.

Albania has managed to achieve remarkable levels of economic growth during the period of transition. With a GDP per capita of US\$4 073 (€2 785) in 2008, it acquired lower middle-income country status. Real GDP growth rates averaged 7% a year during 1998–2008, the highest in the region. Albania's economic growth can be attributed mainly to agricultural production, which in 2008 accounted for 18.5% of GDP and 43.5% of the country's total employment (INSTAT, LFS 2008). Total industrial activity represents approximately one-fifth of GDP. The service sector has grown and now makes up more than half of Albania's GDP (Viertel et al., 2010, Chapter 1).

It is becoming easier to do business in Albania. In 2009 Albania ranked 86th out of 181 economies in terms of its favourable business environment (World Bank, 2009), which represents a significant step ahead compared to its 139th position in 2008. In the southeast European region, Albania has been the fastest improver. The 'starting a business' and 'ease of doing business' sub-indices place Albania ahead of many of its neighbouring countries, though it finds itself in only 108th position in the 'employing workers' sub-index. The number of active businesses in the country is growing every year. The private sector is estimated to contribute 75% of the total GDP (EBRD, 2006) and to employ over 80% of the total employed persons (World Bank, 2006). However, an analysis of newly registered enterprises by size shows that enterprises with 1–4 employees are dominating, at 98.5%. Small and medium-sized enterprises (SMEs) employing up to 80 workers make up more than 99% of all active enterprises. About one-third of employees work in family businesses, and many companies face barriers to growth which in turn inhibit their contribution to job creation.

Albania is in a better position than its neighbours with regard to unemployment, with an unemployment rate that has remained at around 12% for almost a decade. However, the size of the informal economy in Albania is estimated to be between 30% and 60% of GDP, agriculture included (Olters, 2003; Muço et al, 2004; Hoekman, 2009b). Ekonomi & Filipi (2008), using LSMS data for 2005, calculated 'informal employment', defined as wage employees with no entitlement to social security benefits, to be at a level of 42%. The ILO (2008b), quoting a November 2006 draft of the Social Inclusion Crosscutting Strategy 2007–2013 (final draft: MoLSAEO, 2007), found that 55% of workers in the non-agricultural sector are engaged in the informal economy, mostly in the construction sector (Viertel et al., 2010, Chapter 3).

These conditions influence the climate for education and business cooperation. As in many countries with a period of planned economy in their recent history, increased competition in Albania arising from the open market system has had a knock-on effect on enterprise performance and employment. The features of the economy – expansion of small family-owned businesses and a remarkably high informal economy – make it a very specific environment for education and business cooperation. The debate on the role of business and the role of government in education and training is an ongoing issue in the current reform. A number of strategic documents, laws and by-laws has been drafted, and they influence education and business cooperation. A summary of major national policies and strategies that are shaping this process is presented below.

2. Policy framework: strategies and legislation to pave the way forward

The current **National Strategy for Pre-University Education 2005–2015** (MoES, December 2005) which includes initial VET, emphasises the need for broader learning opportunities, including opportunities for the training of students in enterprises. An increased role of businesses is foreseen in achieving the strategy's objectives. The **National Strategy for Higher Education 2007–2013** sets priorities in relation to restructuring of universities while incorporating two streams – academic and more applied streams. The reforms in higher education follow the Master Plan for Action 2008–2013 and make references to employers in relation to curriculum design, accreditation and quality assurance, including university governance. Both documents follow Bologna Process orientations.

The 2009 **National Strategy for Science, Technology and Innovation in Albania** (Republic of Albania, 2009) sets important targets for investments in R&D by 2015. The establishment of four or five Albanian Centres of Excellence in science, which will be equipped with laboratory equipment and workspaces that can be used for pre-incubation, testing, certification etc. of new technology-based

² See www.instat.gov.al, Economic indicators → Business register.

firms, is an important step towards opening the doors for meaningful cooperation between higher education and business. Another objective is to stimulate innovation in 100 companies, either via investment in local R&D or via consortia with academic research institutes or foreign partners.

The Employment and Vocational Training Strategy 2007–2013 emphasises increased mobility of the labour force due to the new Albanian Qualification Framework (AQF), a new VET curriculum to reflect labour market developments, institutional development though strengthening of the National VET Council (NVETC)³ and National Agency for VET (NAVET), introduction of career counselling, cooperation with local businesses in order to enable them to use infrastructure effectively, and improved communication links with the employment services. The National Strategy for Development and Integration (Council of Ministers, Republic of Albania, 2008)⁴ considers infrastructure, transport, energy, water supply, environment and public finances to be priority sectors for the period 2007–13. To underpin economic and social development goals, further improvements to the business environment, measures to reduce the informal sector and ensure fair competition, education and training, and support for innovation and creativity in businesses are seen as fundamental.

Since its approval in 2002, the **VET Law** has played an important role in steering VET development in the country. The law's objective was to ensure cooperation between the Ministry of Education and Science (MoES) and the Ministry of Labour, Social Affairs and Equal Opportunities (MoLSAEO), targeting the fragmentation of the VET system, and to encourage the involvement of social partners, local communities and businesses in the VET policy process. Some of the areas defined for cooperation – such as opening and closing of VET schools or programmes and Vocational Training Centre (VTC) courses, national VET standards and curriculum development processes, the implementation of vocational courses according to employers' specific needs, and support for the organisation of practice periods and student tests – have certainly helped the VET reform to move forward. Nevertheless, as the MoES report indicates, 'Inclusion of companies in the development of VET so far has been poor, perhaps due to lack of legal spaces for institutionalization' (MoES, August 2010).

The current VET law is under revision, and new amendments are on the way. Opportunities for the institutionalisation of the professional practices of students or trainees in the VET system in the public or private enterprises are part of the new draft (MoES, August 2010). It is stipulated that 'the enterprise serves as a place where on-the-job training courses are organised, as well as a place where vocational practices of the learners and course attendants (trainees) of the VET system are realised... Involvement of enterprises in the VET public system is regulated by the agreement between the enterprises and the relevant public institutions. Duration of the involvement of the enterprises is condition by vocational practices and training courses. ⁵ New composition of test monitoring and student assessment commissions is proposed, which includes social partners.

The Law on the Albanian Qualification Framework (Law no. 10 247) was ratified by Parliament in March 2010. It is stated that this law should 'make clear the relevance of qualifications to employment and learning, meeting the needs of learners, the economy and education and training institutions'. The AQF is an overarching framework for all levels of education, and is in compliance with the European Qualification Framework (EQF). It is regarded as a tool that will provide mobility between different levels of education, incorporating adult learning in the framework of lifelong learning and stimulating better cooperation with business at various levels of education. Approved in 2007, the Law on Higher Education adopted a bachelor and master structure following the recommendations for first- and second-cycle studies of the Bologna Process. For both public and private universities, the scheme 3+2+3 (exceptions are some areas like health, veterinary, etc.), leading to a bachelor or first-level diploma, master or second-level diploma and PhD degrees, is used (EACEA, 2010).

From 1992 to 1999, Tempus played a vital role in bringing the academic community into the European network of higher education institutions, mainly by supporting retraining and upgrading for academic staff (70% to 80% of academic staff have retrained abroad through Tempus). Tempus has also been

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³ For more information on the NVETC, see Chapter C of this report.

⁴ For the individual sector and cross-cutting strategies, see www.aidharmonisation.org.al/?fq=mesi&gj=en&kid=195. The National Strategy for Development and Integration is based on 37 sector and cross-cutting strategies.

⁵ Law no. 8872, 29 March 2002.

⁶ MoES, Draft Law on Vocational Education and Training in the Republic of Albania, May 2010.

⁷ Albania joined the Bologna Process in 2003.

instrumental in supporting the reform process and the development of the capacity of universities to upgrade institutional management. Tempus has contributed to the harmonisation of higher education in terms of the development of unified curricula, with 70% of higher education institutions stating that over half their curricula comply with the Bologna criteria as a result of Tempus. Curriculum development projects also support the development and introduction of credit and accumulation systems in Albanian institutions. A round table arranged in March 2010 expressed concern that there is a lack of financial resources and awareness, on the part of both the public administration and society, in relation to the significance and implications of establishing the AQF.

The **Law on Employment Promotion** also places emphasis on cooperation with business in the implementation of vocational training polices. It stipulates that vocational training is a service not only for unemployed job seekers but also for businesses, which are given incentives for offering training places. More concretely, the law allows the stimulation of business by subsidising or crediting enterprises' activities when they provide vocational training for unemployed people. The law envisages that the training can be provided through public and non-public training centres, and regulates the modalities for participation fees to be paid by trainees attending courses in public VTCs. This scheme is implemented through the National Employment Service (NES), with the support of the network of local labour offices. In this way, businesses are considered important partners for delivery of on-the-job training for adults. The **Law on Licensing, Authorisations and Permits** (amended in 2009) regulates the accreditation of all training providers, with the aim of increasing the transparency and quality of training programmes.

Although the strategic framework paves the way for developing education and business cooperation, this area remains a challenge in Albania. The implementation of education and business cooperation will be analyzed in the next chapter.

B. Structures / Methodologies / Approaches

1. Map of institutions: impact on education and business cooperation policy

The **MoES** is responsible for policies, administration and management of the education system. The **MoLSAEO** is responsible for policies, administration and management of social and labour market issues. The **Ministry of Economy, Trade and Energy (METE)**, among others, coordinates and monitors the implementation of the European Charter for Small Enterprises, a process that Albania joined in 2003. METE has designed the Strategic Programme of SME Development 2007–2009, and is also advocating the promotion of an entrepreneurship culture.

NAVET is responsible for elaborating and maintaining the Vocational Qualification Framework and the list of occupations and qualifications, elaborating the VET curriculum model, preparing VET teacher training standards, etc. The NAVET mission is to ensure better social partnership in VET at all levels and to develop and implement demand-driven VET programmes. NAVET is responsible for VET qualifications as well as a frame curriculum which is a basis for further development of detailed programmes for vocational theoretical subjects and practical modules in every VET school. VET schools will have more autonomy to introduce new content and new teaching and learning approaches. Each frame curriculum description states that VET schools must help students 'to develop intellectual and professional curiosity and entrepreneurial abilities' and 'show courage and entrepreneurial abilities necessary for his/her future life'. One guide on methods of teaching states that 'team work and project work should be the two main forms of theoretical and practical instruction, in order to better develop key competences necessary for solving professional and life problems of the students'. In most practical module descriptions it is recommended that 'the module should be implemented in the school workshop or, possibly, in the real working conditions of local businesses'.

⁸ Tempus impact assessment, Albania Country Report, http://eacea.ec.europa.eu/tempus/participating_countries/impact/albania.pdf.

⁹ Ibid.

¹⁰ Law no. 7995, 20.Septmber 1995, partially modified by Law no. 8862, 7 March 2002, and Law no. 9570, 3 July 2006.

¹¹ Information retrieved from http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1050, 19 October 2010.

The **Institute of Educational Development** drafts curricula for pre-university education and is in charge of qualification and training of teachers and managers of pre-university schools. It has started important restructuring of the secondary education curriculum. The new curriculum includes entrepreneurial learning philosophy, where community engagement as well as work in enterprises is foreseen as playing a key role in building the capabilities of Albanian youth. A promising new initiative is the planned introduction, from 2010/11 onwards, of two subjects into secondary education – 'Skills for life' in the 10th grade, and 'Career education' in the 11th grade. Until June 2010, **Albinvest** was a subordinate institution of METE, and had three strategic goals: assisting and accelerating the inflow of foreign investment into the Albanian economy, improving the competitiveness of Albanian business, and providing professional services to assist the growth of SMEs.

In March 2010, a new **Agency for Research, Technology and Innovation** was set up in Albania. The agency's main mandate is to manage national and international projects, including the EU's FP7 programme. The agency aims to fund projects with a view to supporting the technological advancement of SMEs; a boost in research funding will enhance the chances for university students and researchers to become involved in applied, industry-related research. Recently, a number of so-called **Centres for Technology Transfer** and more practice-oriented technical facilities have been created, including the IT Faculty of the Polytechnic University of Tirana, the Faculty of Biotechnology and Food of the Agricultural University of Tirana, and the Applied and Nuclear Physics Centre and Biotechnology Department of the University of Tirana.

2. Social partnership: framework for education and business cooperation

The role of social partners in education and training is mostly confined to their participation in the national tripartite structures (HDPC, 2007). Several important consultative bodies exist at the central level of government, which bring together government and employers' and employees' organisations.

The **NVETC**¹⁴ is an advisory and tripartite structure in charge of VET coordination among the MoES, MoLSAEO and other related public and non-public institutions. Its functions and responsibilities include promotion of social dialogue in VET, recommendations on VET policies and strategies, and proposals for professional standards and VET financing. There have been some challenges to the NVETC's functioning, mainly attributed to the unclear role of the technical secretariat, the organisation of sessions, and to some degree a very general and restrictive role related to advising the government on VET policy. The new draft VET Law proposes a slightly different approach for the NVETC. It stipulates that the organisation should include 15 members: seven from the government and eight from the social partners, making the social partners a majority. The chairing role is assigned to the MoES and MoLSAEO.¹⁵

The **National Labour Council (NLC)** is the highest institutional tripartite structure in Albania and acts as an advisory body to the MoLSAEO. It is composed of 27 members including representatives of seven related ministries, 10 representatives of employees' organisations and 10 representatives of employers' organisations (see Annex 2). The adoption of the Employment and VET Strategy 2007–2013 after a long process of policy dialogue is considered by the social partners as a good example of social dialogue. The **Tripartite Administrative Council (TAC)** is a governing body of the NES and is chaired by the Minister of Labour, Social Affairs and Equal Opportunities. It is composed of representatives of six other ministries, three representatives of employees' organisations and three representatives of employers' organisations. These two councils are places where businesses can voice their concerns about the needs of the labour force.

The **AQF Council** is responsible for strategic planning of the development of the AQF, including consultation policy and its implementation, and advice to the Council of Ministers on issues related to the AQF. It is an overarching council responsible for all levels of education, chaired by the Minister of Education and Science. Its members include a representative of the Union of Chambers of Commerce

¹² In the period of writing this report, AlbInvest carried out a restructuring, and the functions of the agency will most probably be transferred to the METE.

¹³ See http://wbc-inco.net/object/news/90645.html and http://cordis.europa.eu/fetch?CALLER=MSS_AL_FP7NCP_EN. ₁₄ Law No. 8872, 29 March 2002.

¹⁵ MoES, Draft Law on Vocational Education and Training in the Republic of Albania, May 2010.

₁₆ Law No. 7961, 13 March 2006.

¹⁷ A list of employers' and employees' organisations in Albania is presented in Annex 2.

and Industry of Albania, and two Representatives of trade unions to be determined by the NLC. ¹⁸ The **Council for Higher Education** advises the government, among others, on national strategies and study programmes, budgets and legal acts. The Council for Higher Education does not include social partners' representatives, but their participation is envisaged in the governing bodies of higher education institutions. According to the Bologna progress report (Xhuvani, 2009), both the Albanian Bologna Follow-Up Group and the Bologna Promoters' Group include employers' representatives. Social partner representatives are involved in the development and verification of both the definition of knowledge and skills to be acquired by students in specific study fields, and the design and revision of curricula. By and large, however, social partners play a *pro forma* role rather than delivering real contributions to these processes, while the major role is given to academic actors.

The business community is organised in different forms and under the umbrella of different bodies. The **Business Advisory Council** was established in 2006 in order to institutionalise the public—private dialogue; it is a consultative body for both the government and Parliament. It is chaired by the Minister of Economy and consists of 18 members, 11 of whom are representatives of the business community. In 2007, 19 draft laws were discussed and four recommendations of legislation were put forward to the Council of Ministers. Some business associations have also been established that operate mainly as lobby bodies and are involved in the consultations on SME policy. Business incubators are still sparse, and Albania does not yet have a network of business information centres across the country (SME Policy Index, 2009).

3. VET and higher education institutions: trends in education and business cooperation

VET is generally considered an unattractive option, and one for poor achievers. From 75% in pretransition times, enrolment in VET is currently down to 12–13% (or 17–20% if arts, music and sports programmes are included). The network of VET schools has been reduced from about 308 in the 1990s to 41, under the responsibility of the MoES. School boards, which have recently been established in all VET schools, do not involve employers, unless parents or board members happen to be entrepreneurs. They have limited functions, such as approval of four-year and annual work plans, collecting financial contributions from parents, and approval of detailed curricula. A number of VET schools have been implementing a wide spectrum of different activities in recent years, such as fairs and exhibitions of pupils' works, website design for local businesses, fund raising for charity purposes and school needs, and establishing and running fast food corners in schools. Some VET schools have succeeded in establishing real relations with local businesses, and both teachers and students have benefited from cooperation with business. This has been a very difficult objective to achieve by most VET schools.

Instead of enrolling in secondary VET, some young people attend short courses at VTCs. The MoLSAEO runs a network of 10 public VTCs and a mobile centre that offers short training courses for registered unemployed people or other adults. Most participants (77%) belong to the 16–34 age group. They enrol on courses as an alternative to attending formal secondary education or to acquire additional or new skills that they could not gain through initial education. The VTCs have established active relationships with companies, and there are a number of courses that VTCs implement in cooperation with businesses, sharing the costs of training. There are about 150 accredited private training providers or NGOs. The latter obtain licenses through the National Licensing Centre, which is a one-stop shop for licenses in all areas, and are monitored through the regional structures of the NES.

Adult learning participation in Albania stands at a low 3%; for young adults, the figure is 4%. Companies themselves are usually seen as a viable location for training. The government subsidises, as part of its active labour market policies, employers who take on jobless people and train them on the job. By and large, companies do not yet recognise training as a strategic investment (Viertel et al., 2010) and are not used to paying for training for their staff. This is partly because of the size of the companies and the fact that many operate in the low-skills sector, where there is an oversupply of labour – although companies still complain that they cannot always get people with the right skills and working attitudes.

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¹⁸ For more information on the NLC, see Chapter B of this report.

¹⁹ Different and concrete examples are presented later in the chapter.

There are in total 11 public universities and about 25 private accredited institutions that offer higher education courses. There are some higher professional courses offered by universities, and some are implemented in cooperation with industry; some of these are offered at the Faculty of Applied Sciences (formerly the Higher Vocational Education School) of Durrës University. Seven specialities are offered: IT network specialist, construction management, transport management, vehicle technology, legal assistant, administrative assistant and dental assistant. State Matura graduates can enrol on two-year courses with a substantial practice element. In the academic year 2009/10, around 1 200 students were enrolled on these courses. Cooperation with businesses for the implementation of practical training was still an issue, however.

4. Implementation of education and business initiatives: a mix of different examples

Cooperation in education and business can be implemented through various activities including involvement in decision-making processes, regular dialogue, joint training needs analysis and development of curricula, joint research, teacher training and staff exchange. The Albanian environment is rich with different examples of education and business cooperation. The value of having these examples, which are often on a pilot basis, is the opportunity to learn about potential difficulties in implementation. Some of these examples are presented below.

Social partnership and education and business cooperation: VET planning and PASOs

Since 2007, under the leadership of NAVET, the CARDS VET 3 programme has established a policy dialogue platform with the main social partners' organisations in Albania, represented in the NLC and NVETC. In March 2010, this dialogue culminated in the so-called **Initial Agreement for Social Partnership in VET**, signed by three sides – government (represented by the MoES and MoLSAEO), employers and trade unions. It states that: 'The **Government's** main interests in social partnership are related to: Conditions for effective economic development and employment growth; Assuring the quality of the VET system in involving business life; Creating commitment for VET policies with operational cooperation in return. The **Employers'** main interests are: Access to the connection between (internationally) competitive businesses and education; Upgrading the conditions for business development by better-qualified staff (operational level). The **Unions'** main interests in this are: Upgrading competitiveness offers better conditions for sustainable employment [and] counteracts unemployment; More qualified workers that strengthen the capacities of enterprises and provide better conditions for collective bargaining.'

In terms of providing support for local involvement of businesses in VET planning and delivery, stakeholders in Albania have invested significant time and resources. The main idea is linked to the so-called Regional VET Centres. Several different approaches have been piloted – one in Durrës and Berat (AlbVET, SwissContact), one in Elbasan and Shkoder (CARDS), and the VE in North East Albania programme (GTZ). The implementation of these pilots has been problematic to varying degrees, mainly due to the difficulty of gaining consensus among stakeholders, which is necessary for the concept to yield meaningful results.

Thanks to NAVETA, in the framework of the CARDS VET 3 project, a model for public–private partnership was elaborated and 12 VET teachers from 12 VET schools were trained to act as **coordinators for social partnership (PASOs)**. Their task was to discuss and establish agreements with local companies in order to facilitate curriculum development with the input of industry specialists, including practical training (internships) for students in the companies. They helped change attitudes towards social partnership, identified businesses for more structured cooperation, and developed networking in the regions where the selected VET schools function. Another initiative that has been proposed is the establishment of so-called Development Units in VET schools that will provide better institutionalisation of the idea of active cooperation with companies and planning of VET programmes in schools.

The few examples provided above are initial but important steps towards operationalising more effective VET planning. Both new structures piloted – the VET Advisory Committee and Regional VET Management Board – have included a tripartite mechanism for VET planning and have provided a new approach to better use the limited resources available in VET. With regard to the PASOs, whose functioning was discontinued after the end of CARDS VET 3, the policy makers' point of view is that success was limited and that the initiative faced a sustainability problem. The major reason for this, as

pointed out by the VET schools, is the lack of budget and lack of legal autonomy on the side of the schools, which forms a major bottleneck for cooperation with local businesses.

Box 1: VET planning in cooperation with businesses

The purpose of VET planning is to establish objectives for knowledge and skills development and translate them into a schedule of operational activities for a set period of time. At the same time, proper VET planning should ensure appropriate budgeting and distribution of resources. Good VET planning should respond to the needs of both students and businesses. While it is difficult to predict demand for VET beyond a period of five years, and even more challenging to forecast business trends, it remains important to be aware of the possibilities for better VET planning.

Under the leadership of NAVETA, the CARDS VET 3 project undertook an analysis and provided recommendations for decentralisation of regional VET planning. Labour market analyses were undertaken for the regions of Elbasan, Vlorë and Korçë. A tripartite VET Advisory Committee was established in Elbasan, where the Regional Council took full ownership and a VET plan was drafted.²¹ Progress has also been made in Durres in the frame of the Swiss AlbVET project, During 2009, a feasibility study for a pilot model for a Regional VET Centre was prepared. An initiative of the Regional Council of Durres and MoES proposed the following approach: (i) establishment of a Regional VET Centre that will unify all existing institutions providing vocational education and vocational training;²³ (ii) changes in management and administrative dependency - a shift away from the MoES and MoLSAEO and towards the so-called Regional VET Management Board; (iii) building new relationships between the Regional VET Centre and local government.

A recent new initiative which is related to better VET planning in Albania is the VET Jour Fixe, which is organised by DACHplus, the VET donor's network in Albania. The initiative consists of an informal gathering of businesses, policy makers, NAVET experts, school directors, etc., where the challenges of labour force availability are discussed.

Vocational schools and education and business cooperation: entrepreneurship and entrepreneurial learning

Albanian vocational school directors can point to a number of successful cases where apparently strong and influential school directors fill up the informal space and establish constructive cooperation with businesses. Some vocational schools in certain VET profiles are able to attract businesses to cooperate, while others' efforts are unsuccessful. For instance, in the Hotelier and Tourism School of Tirana, the businesses that offer hotelier and tourism services are interested in cooperating and providing practice sessions for students, and are also interested in participating in curricula development and student examination. The situation is completely opposite regarding VET profiles in alimentary technology. The main reasons for the low interest of businesses in this area are the use of highly automated technology that requires a limited number of highly specialised employees, the risk involved for the students in using this technology, and various legal issues related to labour inspection which can result in fines and penalties to the business if the presence of unspecialised workers is identified.²⁴ This issue points to the core of the problem of meaningful cooperation between education and business – it is easier to achieve for some VET profiles, especially those related to services, than for others.

'Students' companies', with OSI and USAID support: This initiative consists of the establishment and management of companies by students of secondary schools as a way for them to learn about business, entrepreneurship and the real world of labour, with the help of teachers and advisors from private businesses. Students' companies aim to deliver products or services to pupils or local communities, and the duration of the activity usually is six to nine weeks. Through participation in these activities the students are encouraged to develop creative thinking, to learn entrepreneurship skills and to explore their talents.

²⁰ VET CARDS 2006, final report, May 2010.

²¹ VET CARDS 2006, final report, May 2010.

²² The Durresi region includes two districts: Durresi and Kruja.

²³ This includes two VET schools and two secondary socio-cultural schools that are under the responsibility of the MoES, the existing VTC that is under the responsibility of the MoLSAE, and the two existing dormitories in Durrës.

²⁴ See Annex 1.

<u>Training firms' in vocational</u> <u>schools, with KulturKontact support:</u> The approach of 'training offices' is applied in most Albanian economic vocational schools. The main idea of this approach is to 'establish a simulated professional environment' that allows students to practice vocational techniques, processes and behaviours similar to the real professional environment, and this approach requires consultation with and support from companies on an almost daily basis. A similar project implemented by the Austrian group KulturKontact has promoted the introduction of 'training firms' in tourism and agro-business schools in Albania. The teaching and learning process has been positively affected by this approach;²⁵ it has had a very positive effect in developing the entrepreneurial behaviour of teachers and students, and it has supported the development of real cooperation between educators and companies in various different ways.

Beqir Çela Vocational School in Durrës to move towards more close cooperation with business, with Swiss Agency for Development and Cooperation support: The first AlbVET project (until 2009) completely renewed the school and introduced a model for on-the-job training. Business representatives were involved in curriculum development and participated in exams. An important element of the package was training of trainers within industry. The current AlbVET project (2009–11), under its Partnership for Learning component, introduced informal apprenticeship systems in craft areas like bakery, hairdressing and handicrafts. The project's pilot bakery now even trains other instructors.²⁶

Higher education institutions and education and business cooperation: initial steps

Although higher-level VET opportunities are not central to current reform efforts in Albania, an expansion of the system would be an important element in ensuring a better match between people's aspirations and the needs of businesses. The government has supported important initiatives where there is direct cooperation between education providers and companies.

Box 2: Dual Study Programme in higher education, in cooperation with employers

In 2006 the Albanian government decided to establish a Dual Study Programme based on the system of the University of Cooperative Education (Berufsakademie) of Baden-Wurttemberg. The programme offers three main profiles: bank management, catering/tourism management, and SME/construction management. Each profile lasts for three years or six semesters, including 12 weeks of academic studies and 12 weeks of practical training in each semester, implemented at a private company. The content is structured as a combination of academic studies with university standards and practical training implemented at an appropriate business, with a business-focused curriculum.

The main partners are: (i) **public institutions** – the MoES and Albanian higher education Accreditation Agency; (ii) **business associations** – the Albanian Banking Association, Konfindustria, the Albanian Association of Construction Companies and the Durrës Chamber of Commerce and Industry; and (iii) **private companies** – banking sector: National Commercial Bank, ProCreditBank, Raiffeisenbank and Credins Bank; catering and tourism: four hotels in Durrës, three hotels in Tirana and three hotels in Vlora; construction: two private construction companies in the Durrës region.

Partners have agreed to cooperate on an equal basis in a public–private partnership by sharing responsibility for the whole academic- and practice-oriented study programme, including sharing of costs. The government is covering the academic costs, while private companies pay for the trainee (i.e. adequate salary, social insurances) and also the training expenses. The experience from the implementation of the Dual Study Programme confirmed that (i) it could be considered a successful model from the point of view of labour market needs; (ii) there are private businesses interested in being partners in this system; and (iii) there are possibilities for bringing professors from well-known international universities to teach in the Dual Study Programme, and students significantly benefit from the experience.

Tempus 2008 implemented the **Entrepreneurship and Local Economic Development in Albania**, **Kosovo and Macedonia** project, ²⁷ which aims to develop the capacity of universities in these

²⁵ See www.kulturkontakt.or.at.

²⁶ See www.albvet.al/web/index.php?lang=2.

²⁷ Tempus IV first call for proposals, selected projects involving Albania, 2008, retrieved from Tempus website.

countries by strengthening their links with the labour market and offering programmes for entrepreneurship. The objectives are to develop an academic programme in entrepreneurship and local economic development, to develop a training programme in entrepreneurship for the relevant state and local government institutions, and to establish and consolidate the three cycles of the Bologna system. This project is particularly important for Albania due to the fact that apart from the University of Tirana, a number of Albanian companies are involved in the activities: Albanian Refining & Marketing of Oil, Albpetrol, Birra Tirana and Global Servis.

In the framework of higher education reform, government has supported public universities in the establishment of career centres on their premises, but their sustainable functioning and effectiveness in terms of advising students and graduates on employment is difficult to judge. The private universities are much more active in this aspect. One good example of career services for students is a private university called the University of New York Tirana. One example in which a university faculty engages (higher-level) students in research projects and is actively looking for joint ventures with industry is the Centre for Research and Development of the Faculty of Information Technology at the Polytechnic University of Tirana. NAVET, though CARDS VET 3 and with the help of employers, developed two curricula for post-secondary VET (AQF Level 5) in food processing and car mechanics (services), but these programmes so far exist only on paper; the idea is that some VET schools or higher education institutions will have the opportunity to implement these courses in the foreseeable future. Nevertheless, in all cases mentioned above there are considerable possibilities for cooperation with business, although to varying degrees depending on the sector.

C. Challenges

- Although there is an orientation towards establishing links between education and business, the common view is that there is a persistent divergence between the legislation, policies and enforcement in practice. Apart from a formal participation in national tripartite structures, ³¹ there are no major initiatives in terms of the practical implementation of education and business cooperation outside donor projects. Social partners in Albania find it difficult to translate policies into real practice, and the **implementation gap** is present over the long term.
- Another challenge is the fact that education and training are traditionally considered (by both government actors and social partners) as the responsibility of 'the state'. It thus appears that despite the many advances that have been made, the underlying logic of governance still entails a high degree of centralisation in terms of government bodies' decision making, and this has an impact on education and business cooperation. Among social partner organisations and businesses there is a considerable lack of awareness of the need to make education and training cooperation a priority.
- The capacities of social partners have often been developed in a spontaneous fashion, without being considered an important component of the economic growth of the country. Social partners' limited capacities to engage in meaningful activities are a major obstacle to education and business cooperation. Far greater effort is needed to turn the principle of social partnership into a real working mechanism, especially at the regional and local levels, as well as the sector level.
- Ongoing reform in VET and higher education supports the creation of new pedagogical environments that promote self-directed learning. At the same time, the curricula, which rely heavily on business, can be challenging for teachers in both VET schools and higher education institutions.

²⁸ See www.unyt.edu.al.

²⁹ See www.futurematch.cebit.de/index.php?page=cat_tech&action=detail¶ms%5Bid%5D=80.

³⁰ See www.upt.al.

³¹ See Chapter B, 'Social partnership: framework for education and business cooperation' section.

- While higher education institutions have more flexibility in terms of curriculum implementation and undertaking research, VET schools have more limitations. It is also important to point out that very few companies can absorb more than one or two trainees at a time, and introducing education and research polices where massive engagement of enterprise is required, if not carefully planned, could become a major challenge for implementation. VET and higher education institutions' readiness to engage in cooperation with business therefore becomes crucial.
- By and large, schools and teachers, as well as universities and professors, are not equipped to engage in an innovative and meaningful relationship with businesses in order to create better opportunities for students. **Teachers' preparedness** for this kind of cooperation thus becomes instrumental to achieving objectives. While donors and government are trying to address the problem as regards VET teachers in VET schools, in the higher education institutions this process is still in the very early stages.

D. Recommendations

To tackle the persistent implementation gap in education and business cooperation, and lack of awareness and lack of capacity among social partners, the following is recommended:

- All councils regulated with legislation NVETC, NLC, TAC, AQF Council, Council for higher education should be made more operational and productive. It is important to ensure that all potential misunderstandings and overlapping functions in this complex plethora of advising bodies are clarified as soon as possible. Careful revision of the roles and responsibilities of social partners that participate in a number of different councils can be a good starting point for acquiring a clear picture of potential overlaps.
- To be able to make useful contributions to VET and higher education policy implementation, council members must be familiar with regional and/or sector needs and issues in the country. A major capacity-building effort on related education and training issues is a sine qua non for increasing the role of social partners in VET and higher education policy implementation.
- It is important to provide enough space for social partner businesses to voice their labour force needs at the regional level. A representation of local businesses and/or employers' organisations in decision-making bodies, such as the Regional Management Board, Regional VET Committees or VET school boards, even on a pilot basis and where applicable, can provide relevant options for a concrete focus on regional and local education and training needs.
- To respond to the latest sector developments, NAVETA, together with social partners, could review existing VET programmes implemented in both VET schools and VTCs, including private training providers, and develop an inventory that could be made accessible to all interested parties.

To tackle the challenges of effective implementation of education and business cooperation at the level of providers, the following is recommended:

- Support to VET schools and higher education institutions in developing modalities for close cooperation with businesses. Effective practical experience for students can only take place when there is a close relationship between that experience and the curriculum being delivered. In the case of VET schools, NAVETA could certainly have a key role to play.
- Development of programmes for teachers in VET schools and higher education institutions for effective engagement in cooperation with individual companies. Both sectors have their own specificities; while in VET these mostly involve the development of learning and training tasks for students, in higher education they can include big research projects that engage entre industry sectors. Many companies, particularly SMEs, cannot provide sufficient developmental learning tasks on their own without the support of VET schools, nor can they design research projects

alone. Teachers could have a crucial role in this respect, and this will require careful training and preparation of teachers to undertake that role.

ANNEX 1: TECHNICAL REPORT FROM THE FOCUS GROUP MEETING

1. Background

The focused group discussion was organised in NAVET premises on 19 May 2010 with the participation of representatives of VET schools and business associations, NAVET experts, ETF local expert Lindita Xhillari and ETF Country Manager Margareta Nikolovska.

The main aim of the focus group discussion was to get an update on the status of relations between VET schools and business from the perspective of the schools and businesses themselves, to identify successful initiatives involving such cooperation at the school level, and to reflect on the main favourable and unfavourable conditions that influence the current situation.

2. Main issues discussed

- 2.1Cooperation between vocational schools and businesses is generally poor except in some specific schools, which exhibit cooperation mostly based on personal contacts between school directors and business owners. The market domination by very small businesses (most of which are organised on a family basis), as well as the presence of the informal economy, are additional factors that make cooperation difficult. In addition, there is a need to increase autonomy and decision-making power in VET schools by transferring more responsibilities from central government institutions to those schools. Experts participating in the focus group discussion considered that the new draft VET Law under approval will significantly improve public–private partnership in this area.
- 2.2Partnership between vocational schools and private businesses can function if both parties share a common understanding not only of the mutual benefits to themselves but also of the advantages that cooperation creates for long-term human resources development in Albania. Currently, businesses' understanding on this issue remains low.
- 2.3Positive curriculum reform measures are being implemented in order to respond to the needs of the new VET structure and to create good-quality frame- and school-based curricula. However, the opinion of VET experts is that the *module-based curricula* that are introduced in the reforming process will make more difficult cooperation between schools and businesses because these curricula heavily rely on businesses. A more efficient solution in this respect might be the use of *school-based curricula*.
- 2.4The new draft VET Law foresees some amendments aimed at making the social dialogue more effective. These amendments deal mostly with the national level; for instance, the change in composition of the NVETC by increasing the number of social partner representatives within it from two to four. VET reform should be more strongly based on the local level, however, covering a wide variety of issues ranging from speciality adjustments based on labour market needs to close cooperation in curricula design and implementation.
- 2.5In March 2010 an agreement was signed between the MoES and MoLSAEO and six employment associations and confederations, formulated by a joint working group on VET social partnership with the support of the EU CARDS VET project. The agreement specifies the responsibilities of the social partners at the national level, such as contribution to policy development and VET guidance, as well as at the sector level, such as professional standards, needs analysis according to sectors, curricula development, organisation of training, qualifications and testing standards. The agreement also specifies some main aspects of the national qualification framework such as its principles, functions and needed infrastructure for implementation. An action plan up to 2012 has also been developed, but the participants mentioned that more efforts are needed to progress in its implementation.
- 2.6The schools' directors indicated that for some VET profiles they are able to attract businesses to cooperate, while for others their efforts are without success. For instance, in the case of the Hotelier and Tourism School of Tirana, businesses that offer hotelier and tourism services are interested in cooperating by accommodating practice hours for students and participating in curricula development and testing. The situation is quite the opposite in the field of alimentary technology, however. The main causes of businesses' low interest in this sector are the use of highly automated technology that requires a limited number of highly specialised workers, the risk involved for the students in using this

technology, and controls enforced by the Labour Inspectorate, which charge fines and penalties to businesses if the presence of unspecialised workers is identified. As a result, students in these specialties are in some cases interested in acquiring a formal diploma or having the possibility of going to university rather in entering a profession. The same was admitted by other schools' representatives.

- 2.7Labour Inspectorate controls seem to have made most businesses hesitant to accept students for practice hours. The VET schools' representatives and social partners are of the opinion that there is no legal justification for this. According to the law, the schools provide the businesses with a list of students that will attend practice hours in the business premises, but the labour inspectors ignore these documents and often accuse the businesses of hiding the employees, for which the businesses are penalised. It was suggested that there is a need for more communication between national-level institutions such as the MoES and the MoLSAEO.
- 2.8Introducing fiscal incentives for businesses that cooperate with VET schools is another important suggestion that was mentioned. It was emphasised that there is a law on sponsorship that can be used for this purpose, but bureaucracy has prevented it from becoming functional. The participants were unable to mention even a single case of the use of this law in VET-related issues.
- 2.9The representatives of the social partners suggested that VET-related institutions such as the MoES, NAVET and MoLSAEO should ensure social partner participation as beneficiaries in international donors' projects, as social partners are in need of knowledge and technical assistance on the issue of public–private partnerships.
- 2.10 The participants considered that the selection of social partners' representatives by the MoES and MoLSAEO is not based on criteria that support VET development. As a result, there are cases where social partners' representation level is very low and their participation is largely formal and unproductive. On the other side, there are no formal rules and procedures for cooperation with VET schools within the social partners' associations.
- 2.11 The participants mentioned several good examples of partnerships with private businesses. The schools' directors presented some successful experiences of cooperation with businesses, such as the cooperation between the economics school and the private banks, insurance companies and tourist agencies; between the electrical school and the telecom company and VeVe Business Centre; and between the Durrës VET school and automobile service centres.
- 2.12 All participants evaluated the round table discussion as being very useful, and the director of NAVET was engaged to present the main concerns to the MoES and MoLSAEO for consideration by their relevant departments. All participants in the focus group will be invited to the validation seminar of the findings of the ETF Education and Business Cooperation conference.

3. List of people in the focus group

Ilia Paluka Director of NAVET

Alqi Mustafai HDPC

Flutura Vagarri Hotels and tourism vocational school

Merita Zylja VET expert

Lindita Xhillari Economics vocational school
Shefki Sharra Vocational school of Kamez
Nikolle Doci Employment Confederation

Ismail Varoshi Council of Employers' Organisations of Albania (KOPSH)

Marjana Aliko Construction Association

ANNEX 2: EMPLOYERS' AND EMPLOYEES' ORGANISATIONS IN ALBANIA

Labour unions

The Confederation of Trade Unions is the largest of the unions, comprising 110 000 members. It has 12 sectoral federations, in education, health, mining, telecoms, agriculture and other sectors. Its headquarters are staffed by 24 employees, with an additional 12 regional branches and 25 district sections employing another 26 full-time staff.

The Albanian Independent Trade Union is one of the largest unions in Albania, comprising 90 000 members. It consists of 22 sectoral organisations, has 15 employees at its headquarters, and has 12 regional branches and 24 district sections employing a total of 37 full-time staff.

Employers' associations

The Albanian Employers' Organisations Council is the most important of the 14 registered employers' organisations. It has 12 regional branches and 10 sectoral employers' organisations (e.g. SMEs, construction materials, tourism, hoteliers, Tirana Business Employers Association, Women's National Association).

The Union of Albanian Business Organisations covers mainly industry, construction, trade and media. The organisation is mainly active at the national level, with no presence at the local level.

The Confederation of Employers' Organisations Council was established in 2004 and is composed of eight regional employers' organisations.

The Albanian Constructors' Association was established in 2001 and is composed of about 500 construction firms throughout Albania out of about 1 300 in total.

The Albanian Confederation of Industrialists (Konfindustria) was established in 2005 and is composed of 80 businesses.

The Albanian Union of Industrialists and Investors was established in 2004.

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