



# TORINO PROCESS 2016-17

## ALBANIA

EXECUTIVE SUMMARY

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

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## Acronyms

<b>ALL</b>	Albanian lek
<b>AQF</b>	Albanian Qualifications Framework
<b>ETF</b>	European Training Foundation
<b>EU</b>	European Union
<b>GIZ</b>	Gesellschaft für Internationale Zusammenarbeit
<b>ILO</b>	International Labour Organisation
<b>INSTAT</b>	Institute of Statistics
<b>IPA</b>	Instrument for Pre-accession Assistance
<b>IPMG</b>	Integrated Policy Management Group
<b>IT</b>	Information technology
<b>MoSWY</b>	Ministry of Social Welfare and Youth
<b>NAVETQ</b>	National Agency for VET and Qualifications
<b>NESS</b>	National Employment and Skills Strategy
<b>UNDP</b>	United Nations Development Programme
<b>VET</b>	Vocational education and training
<b>VTC</b>	Vocational training centre

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### EXECUTIVE SUMMARY

#### 1. Introduction

The Torino Process 2016–17 report summarises the main developments in vocational education and training (VET) in Albania since the previous Torino Process round in 2014. It cites the nationally agreed vision for VET and provides a brief overview of the economic, demographic and social factors that shape the demand for skills. The report also elaborates on the progress made in the key areas that determine the internal efficiency of the VET system, notably teaching and learning, teachers and their skills, learning conditions, quality assurance and learning outcomes in VET. Finally, it looks at issues and developments in the governance and financing of VET.

#### 2. Main findings

One key achievement since the 2014 Torino Process round has been the establishment, for the first time, of a process and structure to monitor progress against the targets and measures of the National Employment and Skills Strategy and the related Action Plan 2014–2020 (NESS 2020). A working group composed of members of the Ministry of Social Welfare and Youth (MoSWY) and the National Agency for VET and Qualifications (NAVETQ) has compiled a comprehensive Annual Progress Report 2015 (MoSWY, 2016), which informs the present Torino Process report.

An Integrated Policy Management Group (IPMG) has been set up to oversee policies affecting the entire employment and skills (VET) sector, bringing together different ministries, agencies, social partners and other actors. The IPMG has reviewed and approved the progress report. Monitoring progress against the Albanian national strategy is one of the conditions for the European Union (EU) IPA budget support of the sector, and this will be carried out on an annual basis.

Efforts to modernise VET provision are continuing in a number of VET schools, with the help of the EU and bilateral donors from Switzerland, Germany, Italy and Austria.

#### Overview and vision for VET

VET reform, together with active employment and job creation policies remain high on the Government agenda, which is reflected in budget increases for both areas. On 26 November 2014 the Albanian Government adopted NESS 2020, which frames the actions of both the Government and donors. Compared to the latest Torino Process round, the vision to develop ‘higher skills and better jobs for women and men’ remains unchanged, as do the four pillars of the strategy, namely:

- fostering decent job opportunities through effective labour market policies;
- offering quality VET to young people and adults;

- promoting social inclusion and territorial cohesion;
- strengthening the governance of the labour market and qualification systems.

By the end of 2015 the Government, together with various donors, had initiated actions on 42 out of the 52 NESS measures aimed at modernising employment services and policies, as well as improving the governance framework for VET and its provision.

The most important process that the MoSWY launched during 2015–2016 was the overhaul of the entire legislative framework, taking in VET and employment promotion, the Labour Code and a new Law on Crafts (for more details see the section on Governance below).

## Addressing economic and labour market demand

The previous decade was characterised by changes in the structure of economic output. Currently, construction and services account for over 60% of GDP, while industry comprises roughly 10% and agriculture under 20% (a fall from 23.5% in 2001). Agriculture is still the largest provider of employment, especially for women, although it shows a decreasing trend compared to 2000. Employment in the service sector represents over one third of total employment, while industry employs roughly one sixth of all workers, with men more than twice as likely to be working in industry than women.

Over the last decade some improvements have been made in agricultural practice, but more needs to be done to transform agriculture into a modern, commercial and competitive sector.

The private sector continues to be dominated by micro and small enterprises. Over 90% of active enterprises employ up to four workers, primarily in the service sector.

Slightly over 40% of Albania's workforce is employed in agriculture (41.3% in 2015)<sup>1</sup>. This proportion has declined in recent years, but remains at a high level compared to other countries in the region, which indicates a lack of job creation in other sectors: the service sector, for example, employs less than 40% of the workforce. The employment rate is relatively low (only 59.3% of those aged 20–64 in 2015) and is marked by a sizeable gender gap. The employment rate for women (50.7%) is some 17 percentage points lower than the rate for men (68.1%).

Unemployment in the working age population (15–64 years) remains high and has increased over recent years (17.5% in 2015, up from 14.0% in 2010), although the latest data show a downward trend from its peak in 2014. Rates are almost the same for women and men (17.4% and 17.5% respectively). Unemployment levels are highest in the north-eastern regions of Albania. Youth unemployment (15–29 years) has also remained high, at 33.2% in 2015, an increase of 0.7 percentage points over the previous year. Almost 60% of the unemployed were first-time jobseekers in 2015. In terms of the level of education, the latest trends show an increase in unemployment among people with primary, but also with tertiary education (by almost 2 percentage points between 2014 and 2015). In 2015 some 70% of jobseekers were long-term unemployed.

Ongoing efforts by the Government and its labour inspectorate are attempting to address the problem of high informal employment. In 2015 the share of informal employment in the non-agricultural sector was 34.1%, a drop of 5.3 percentage points compared to 2014.

Despite the dependency on donor funding due to limited budget availability, the National Employment Service, together with the Albanian Institute of Statistics INSTAT and the MoSWY, have conducted regular skills needs analyses based on employers' surveys. They have continuously improved the

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<sup>1</sup> The source for this figure and other data cited below is INSTAT, *Labour market 2015*.

survey methodologies to provide more detailed information on skills needs in Albania. Thus, the National Employment Service, previously supported by the ILO-EU IPA 2010 on Human Resources Development project and currently by the Swiss-funded UNDP Skills Development for Employment project, has engaged in skill needs analyses at national and regional levels. To a certain extent, the findings of such analyses inform decisions about which training courses for unemployed jobseekers will be funded. The Swiss-funded Risi Albania project has carried out skill needs analyses covering three sectors (hotel-catering-tourism, IT and agriculture-food processing). The European Training Foundation (ETF) has commissioned national and regional skill needs analyses to inform a national list of occupations and the shaping of VET provision in the regions (Rama and Matja, 2012; Gishti and Shkreli, 2015). In 2014 GIZ and the ETF, together with the MoSWY and NAVETQ, undertook a baseline survey of all public VET providers (GIZ and ETF, 2014), which included an assessment of the external effectiveness of the VET offered by individual institutions. The final report specifies how VET provision could be reorganised with a view to making economies of scale and better suiting the needs of the labour market and individual jobseekers.

The MoSWY is making efforts to adjust the enrolments of public VET providers in line with the needs identified. Thus, the Ministry is proceeding to close inefficient schools, further reducing the number of small, less cost-effective vocational schools, from the current figure of 39 to probably 33 in the coming years. Initial VET programmes not in demand have been closed down or are being phased out, and new courses are being offered. The first multifunctional VET centres have been set up – in Kamza (with support from GIZ) and in Elbasan, by merging two schools and one vocational training centre (VTC) (with support from the IPA 2013 VET project).

NAVETQ, together with employers' representatives and experts, continues to identify skills, design qualifications and adjust framework curricula according to the skills needs identified.

A tracer system is currently being introduced for the first time, which, by the end 2016, will cover both VET school and VTC graduates. Despite a difficult budget situation in Albania, the 2016 budget for Employment Promotion Programmes (ALL 490 million) was further increased compared to 2014 (ALL 270 million) and 2015 (ALL 450 million). With these funds, upwards of 9 000 unemployed people will be able to benefit from Employment Promotion Programmes in 2016, although the coverage still remains limited. The focus is on subsidised employment and on-the-job training, and also includes first-time jobseekers without work experience. In addition, a new employment promotion measure was designed to support entrepreneurial skills and business start-ups by young people. A comprehensive career information and counselling system, which would serve students and graduates, as well as employed and unemployed people, is not yet in place.

During 2015 and 2016 new course materials were developed, and five teacher trainers and 65 teachers from 35 VET schools received training on entrepreneurial learning, as part of the Entrepreneurship subject.

Due to the specific economic and employment structures in place and a weak demand for labour, a large number of graduates cannot find jobs that match their formal qualifications. Hence, many of those with higher levels of skills try to find jobs abroad.

### Addressing demographic, social and inclusion demand

Albania has a relatively young workforce, with 26.4% of the population aged between 15 and 24 years in 2015.

Access to VET – or secondary education in general – remains an issue for people living in rural, mountainous or isolated areas. In addition, there are concerns regarding access to secondary education for young people living at the margins of the bigger cities, which have been the target of internal migration movements over recent years, for persons with disabilities and young people from

vulnerable families, as well as Roma and Egyptian minorities. However, there is a lack of comprehensive data for the accurate identification of such marginalised groups and their specific needs.

The Ministry of Education and Sports is taking some measures to include children from vulnerable groups in elementary and lower secondary education, the completion of which is a pre-condition for moving on to upper secondary education.

The MoSWY is running a major publicity campaign, with TV spots and skills and job fairs, to attract young people into VET. They are also encouraging vocational schools to enrol more pupils. As a result, enrolment figures in secondary VET rose from 30 458 in 2014 to 35 262 in 2015 (MoSWY, 2016). As a share of total enrolment in upper secondary education, enrolment in VET programmes increased from 14.2% in 2010 to 17.6% in 2014, and to over 20% in 2015 and 2016.

According to an assessment by the EU Investment Projects Facility from 2011, only 4.1% of school buildings in Albania were wheelchair accessible. Support for students at risk and those who struggle academically may be considered inadequate, in terms of both attracting greater numbers into upper secondary education (which is not compulsory) and retaining students until they complete their studies. The National Employment Service offers adult training courses free of charge for jobseekers from vulnerable groups; however, funds are insufficient to meet the demand. There are no arrangements in place such as flexible pathways to higher levels of education or the recognition of non-formal and informal learning.

Members of the Roma and Egyptian communities suffer from high rates of unemployment, poor quality housing, limited access to health services and the justice system, school abandonment, and problems related to civil registration, among other difficulties.

The rate of young people aged 15–29 who are neither in employment nor in education or training (NEETs) has remained very high (32.8% in 2015, compared to the EU average of 14.8%). This confirms the existence of skills imbalances and the serious problems faced by young graduates in finding jobs. The rate of adult participation in training (for those aged 25–64) stood at a low 1.0% in 2015.

### Internal efficiency of the VET system

A significant proportion of the VET theory and practice teachers and trainers need to upgrade their specialist and pedagogical competences. A total of 40 (5.7%) out of the country's 700 VET teachers and trainers underwent a basic pedagogy programme in 2016. Efforts in this area are ongoing and the target for 2017 is to have 50% of all VET teachers and instructors trained in basic pedagogy skills.

Most of the continuing professional development that is provided only loosely matches the actual needs of teachers. According to a recent ETF survey, only 25% of the VET teachers and trainers participated in specialised continuing professional development relating to their vocational specialism (Konini, 2016). More privileged are the schools supported by donor projects, which have been able to implement a considerable number of training courses for certain groups of VET teachers.

In Albanian society VET tends to be less highly esteemed than general secondary education. One problem is that, up to now, VET teachers have been paid lower salaries than gymnasium teachers. Trainers/lecturers in vocational training centres are even worse off, as they are paid on an hourly basis, receiving ALL 300 (ca. EUR 2) per lesson. For this kind of pay it is not possible to attract highly qualified people to initial VET or to deliver adult training. The Government has announced an increase in salaries, including teachers, to become effective from 1 March 2017.

Teaching methods are traditionally teacher-centred, which is due to the high number of academic subjects included in VET curricula, together with a lack of space and/or facilities for more practical learning and overcrowded classrooms (in bigger urban centres). There is also a shortage of practical skills among teachers and a lack of experience in active types of learning.

The baseline survey of public VET providers in Albania (GIZ and ETF, 2014) provides a detailed account of the conditions in all 52 public VET institutions (42 vocational schools and 10 vocational training centres). The survey states that:

‘Due to the generally poor condition of facilities and equipment, learners are unable to familiarise themselves with technologies, tools and instruments used in the workplace. Our in-depth assessment showed that some vocational schools have no equipment at all for the trade areas they offer. Some vocational schools have equipment but do not use it. Tools and accessories nearly do not exist. Equipment available for practical skills training is not enough for all students enrolled in the trade area. Some vocational schools have too many classrooms (or even buildings), but they do not have appropriate workshop facilities. Vocational training centres are in general better equipped and more oriented towards practical skills training.’

The Albanian Government, through the MoSWY and the EU, has invested substantial resources in constructing new vocational schools or rehabilitating and extending existing ones. Several donors, including the EU (specifications have just been finalised for new equipment worth EUR 2.5 million to be procured for VET institutions), GIZ, and the Swiss and Italian Development Cooperation are assisting the Ministry in the upgrading of workshops and equipment in VET. GIZ, for example, has installed four IT labs and provided other technical equipment for the Kamza multifunctional VET centre. The Ministry has bought furniture and lab equipment to support the teaching of physics, chemistry, biology, tailoring, IT and food technology in vocational schools, as well as some items of equipment for vocational training centres (MoSWY, 2016).

In terms of assuring the quality of VET, the current emphasis is on defining the quality criteria for including qualifications in the Albanian Qualifications Framework (AQF), a self-assessment manual for VET providers, as well as the criteria for the accreditation of public and private VET providers. The Swiss-funded UNDP Skills Development for Employment project is undertaking a mapping of private VET providers. Data will be stored in a national database.

The National Curriculum Framework for Pre-University Education from 2014 lists seven key competences, which are (or will be) included in the new competence-based curricula for primary and secondary education. However, teachers have a great deal of academic subject matter to cover and are not sufficiently trained in using active types of learning, which presents an impediment to developing key competences.

Assessments in general subjects as well as in VET, still focus on written tests and reproducing facts, rather than, for example, delivering a project or product. In the practice-related VET subjects, which mostly take place in school workshops (if any), students’ occupation-related skills are tested. Although a legal regulation stipulates the involvement of employers in the testing of VET students’ practical skills, this is not a universal practice. Certificates often attest to attendance and the subjects taken, rather than the skills acquired.

An AQF is not yet in place. At the time of writing this report, amendments to the 2010 Law on the AQF were being drafted.

## Governance and financing of VET

Following a restructuring of Ministry portfolios in 2013, the Government transferred all responsibilities for VET to the MoSWY. However, this led to a disruption of the established procedures for administering the school system. The Ministry lacks the capacity for effective administration, and VET schools complain that their issues, including settling bills, are not adequately addressed.

During 2015–16 the Ministry began an overhaul of the entire legislative framework, including a focus on VET and the promotion of employment, the Labour Code and a new Law on Crafts. The new base law for VET has been finalised and was scheduled for adoption by the end of 2016. It aims to bring all VET providers under one legal framework, thus potentially achieving better coordination of public VET provision in schools and vocational training centres.

The law assigns a number of new or revised functions to national and regional bodies and VET providers. This includes the creation of a National Agency for Employment and Skills, with four regional employment services and 61 local offices, which will be not only in charge of delivering employment services, but also responsible for the day-to-day management of all public VET institutions (schools and vocational training centres). The intention is to create bigger and more autonomous VET institutions – or multifunctional VET centres for that matter – which will be established within agreed national frameworks of qualifications, quality assurance and accountability. The financial base of public VET providers is to be improved by officially allowing them to generate and retain income. The new Law also introduces EU and other modern policy orientations.

As a separate initiative, a new Law on Crafts was adopted on 30 June 2016, which envisages the setting up of a Crafts Chamber and a dual training system (apprenticeships) for crafts trades.

All these innovations will require elaboration and consolidation before they can become rooted in the system.

The VET budget increased considerably for 2016.

## 3. Recommendations for action

The reform of VET provision focuses on completing the new legal framework for VET, expanding and developing institutional capacities, providing training for all staff and gradually filling the gaps between labour market needs and the skills and qualifications offered.

Priorities for action were discussed in connection with the drafting of the terms for the next EU IPA intervention in VET in November 2016. They include:

- Revising existing or drafting new pieces of sublegal acts to implement the new VET and Crafts laws;
- The MoSWY designing and implementing a mid- to long-term national VET provider development and investment plan, and making further adjustments to the network and training offers of public VET providers for different target groups, with a view to reducing skills mismatches;
- Adopting provisions for the governance and implementation of the AQF, including the creation of a national database of quality-assured qualifications;
- Adopting a coherent model of involving social partners in the design and implementation of employment and VET policies, and further, in this context, establishing Sector Skills Committees as a means of directly involving the private sector in the development and implementation of the AQF;



- Defining and implementing quality assurance criteria for the VET system at national and provider levels;
- Developing or revising existing (frame) curricula in accordance with the AQF qualifications and levels to ensure that they are competence-based and incorporate a higher degree of practice orientation, as well as adjusting courses to different target groups;
- Further upgrading the facilities and equipment in VET institutions, using state and donor funding;
- Providing continuing professional development for all categories of staff in the VET system (and for in-company trainers) to develop managerial, pedagogical and specialist skills in line with the National Roadmap (MoSWY and GIZ, 2015);
- Developing the institution- and capacity-building of key actors in schools/vocational training centres and local government units, as well as other stakeholders, from the regions where multifunctional VET centres are to be established (in Vlora, Berat and Golem under IPA Sector Reform Contract; additional multifunctional VET centres supported by other donors);
- Establishing partnerships and capacity-building at regional and local levels to increase the relevance and quality of VET provision, enhancing links with employers and integrating work-based learning schemes with a view to improving graduates' employability and job prospects;
- Setting up a Crafts Chamber and adopting provisions for the implementation of a dual training (apprenticeship) system in the crafts sector.





# MORE INFO

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