

ALBANIA

VET GOVERNANCE COUNTRY PROFILE 2021



1. INTRODUCTION

Albania has made progress in its path towards membership of the European Union (EU). In 2003, Albania became a potential candidate country. Considerable efforts have continued to be made over the years to achieve the necessary degree of compliance with the membership criteria. As a result, in 2014 Albania was awarded EU candidate status. In 2018, the European Commission issued the recommendation to open accession negotiations. In March 2020, the Council decided to open accession negotiations for Albania based on the European Commission recommendation. In July 2020, the European Commission presented to the Council draft negotiating framework laying out the guidelines and principles for the accession talks. The Commission monitors 33 chapters regarding the ability to assume the obligations of membership, and VET is part of Chapter 19.

An ETF study was conducted in May–November 2020 in Albania, using an ETF VET Governance Inventory Tool (4.0) and an assessment methodology to understand VET governance and financing

effectiveness. The self-assessment process in Albania involved 21 key stakeholders, including ministries, government VET advisory bodies, employers, unions, and VET institutions. It focused on 65 key indicators to enable analysis and self-assessment based around seven core VET governance functions: formulation and implementation of overall policy framework, including strategic policy tools; provision of the legal and regulatory framework; management of VET and skills provider networks; alignment and coordination of financial arrangements; management of public-private partnerships (PPPs) for VET and skills development; monitoring, evaluation and review of VET and skills policies, including research and development; management of information systems, including data and statistical provision.¹

This country profile paints a picture of VET governance in Albania based on the findings of the ETF VET Governance Inventory tool.

¹ Results of the assessment on 65 governance indicators are presented in the VET Governance self-assessment results in Albania: Assessment Report, 2020 ETF. The analytical framework is published in: <https://ejournals.eupublishing.ekt.gr/index.php/hapscpbs/article/view/26495>

COUNTRY CONTEXT

Albania is located on the Balkan Peninsula in the south and south-eastern Europe. The population of Albania on 1 January 2020 was 2 845 955. 31.8% of the total population is found in the Tirana prefecture, which is the most populated prefecture in the country, followed by Durres and Fier. The country's economy has grown remarkably in the past three decades, moving Albania into a middle-income country status and increasing its human development index from 0.72 to 0.79 over the past ten years.

Before 2020 and the COVID impact, labour market data had shown marked improvement in outcomes since 2013. The employment rate for people aged 15–64 in Albania grew from 50% in 2013 to 59.5% in 2018, one of the highest in the Western Balkans. Employment rates have improved, notably for women, from 40% in 2013 to 52.4% in 2018. After being hit by a devastating earthquake on 26 November 2019, the Albanian economy continued to grow in 2019 by 2.9%, slower growth than in the previous year (4.1%). Like the rest of the world, the country is undergoing an unusual situation caused by the COVID 19 pandemic situation, with an unprecedented impact on the lives of citizens and businesses.



2. VET AND SKILLS POLICY

Albania has established an integrated planning system, which guarantees coherent, efficient, and integrated policies and public financial planning. The two main processes are used within the integrated planning system. This includes the National Strategy for Development and Integration, which defines the medium-term and long-term priorities according to a macroeconomic framework of 6 years. In addition, the medium-term budgeting programme (3 years) is in place. Furthermore, sectorial, and cross-sectorial strategies are harmonised with the above planning system.

Albania's employment and skills policy is based on the National Strategy for Skills and Employment (NSSE) 2014-2020. The mid-term review of the strategy undertaken in 2018 concluded that almost all settled indicators have positively progressed. However, the progress achieved for some of them was not sufficient to reach the strategic objectives defined for 2020. As a result, the action plan was revised. A new plan was approved for the period 2019-2022, which aims to complete the major reforms initiated in skills and employment. Four policy objectives are at the core of the NSSE. Two have a special focus on VET. Strategic Objective B: 'Offer quality vocational education and training to young people and adults' and Strategic Objective D: 'Strengthen the governance of the labour market and qualifications system'. A set of indicators, to be achieved by 2022, is also part of the approved strategy. The strategy sets clear mid-term strategic priorities and was formulated through a good consultation process with different stakeholders, including business representatives and social partners.

A monitoring framework is in place that informs the Government the progress in the implementation of the strategy. The strategy is properly updated after a mid-term revision. The strategic timeframe is conditioned by the National Strategy for Development (6 years) and the medium-term budgeting programme (3 years). Wider participation and enhanced contribution are expected by business representatives and social partners in the formulation process. At the same time, ways should be found to establish a fruitful

cooperation with the local authorities regarding VET and skills.

The ETF VET Governance Tool, assessed the quality of policy process (Indicators A, see Table 1). The results indicate that stakeholders agree (score of 1.7) that 'the national policy for vocational education and training (VET) and skills has been developed involving both state and non-state stakeholders policy formulation process has involved both state and non-state actors'.² The process of initially designing and subsequently revising the NSSE has been consultative, with non-public actors. The Ministry has established a series of best practices for consulting the progress and results of the strategy with a wide range of stakeholders, including social partners and civil society organisations. For several years now the VET policy has been developed in collaboration with various stakeholders, national agencies, donors, VET providers and business partners. This is organised through workshops, consultation sessions, individual discussions, etc.³

2 Indicator A1, ETF VET Governance Inventory Tool

3 Results of the self-assessment of the policy framework are available in VET & Skills Governance Inventory 4.0. Assessment Results Report: Albania. ETF, 2020 (unpublished)

METHODOLOGY

ETF VET Governance Inventory 4.0 is a pioneering tool for assessing institutions' readiness to advance policy priorities in the VET and skills sector. In 2020 it was implemented in five ETF partner countries – Albania, Jordan, Kazakhstan, Moldova, and Uzbekistan. This exercise's key focus is on a set of 65 governance indicators measuring progress in overall VET policy, management, and financing. The key objectives are: to keep abreast of ETF analytical and operational actions carried out in good multi-level VET governance; to provide analytical information and a comprehensive picture of the governance of VET to complement the findings and policy analysis provided by the ETF Torino process; to implement regular updating and monitoring of VET governance functions & arrangements focusing on VET overall planning, management, and financing, etc.

TABLE 1: VET SKILLS NATIONAL POLICY FRAMEWORK (GOALS, STRATEGIES, PLANS, ETC.)

(1) Strongly agree; (2) Agree; (3) Neither agree nor disagree; (4) Disagree; (5) Strongly disagree

Goals, Strategies, Plans	Min	Max	Mode	Mean	Mean	
					Public	Non-Public
(A.1) The national policy for vocational education and training (VET) and skills has been developed involving both state and non-state stakeholders.	1	2	2	1.7	1.8	1.6
(A.2) The policy for VET combines long-term objectives and short-term targets.	1	3	2	2.1	2.1	2.1
(A.3) The policy can be updated to include new developments in both initial trainings for young people and further training for adults.	1	4	2	2.0	1.9	2.1
(A.4) The national policy for vocational education has a multi-year perspective.	1	3	2	1.8	2.0	1.4
(A.5) There is effective cooperation and coordination between national and sub-national (regional, local) public departments and agencies.	2	4	2	2.7	2.8	2.6
(A.6) Cooperation between Government and non-government organisations (including social partners) is transparent and effective.	2	4	2	2.4	2.2	2.7

3. INSTITUTIONAL ARRANGEMENTS AND LEGAL FRAMEWORK

Over recent years, important institutional changes have occurred concerning VET. Thus, in 2014, VET responsibilities were transferred from the Ministry of Education, Sports and Youth (MoESY) to the Ministry of Social Welfare and Youth (MoSWY). This emphasised the need to redesign the institutional arrangements and responsibilities and clarify the roles and responsibilities of management and oversight of the VET sector.

In September 2017, the entire employment and skills institutional set-up was transferred to the Ministry of Finance and Economy (MoFE), along with subordinate institutions such as National Employment Services (NES), the State Labour Inspectorate (SLI) and the National Agency for VET and Qualifications (NAVETQ). The first institutional change referred to the need for the VET system to be more closely aligned to the labour market. The second change was motivated by reducing bureaucracy between institutions with interlinked activity and increasing their cooperation and efficiency. Currently, all previous responsibilities regarding employment and skills at the policy level are under the umbrella of the MoFE.

The MoFE is responsible for developing the sector strategy aligned with the National Strategy for Development and Integration and the National Plan of European Integration. It oversees developing the legislative framework and the supervision of the implementation of that framework and the adoption of

national VET qualifications, the opening and closure of VET providers, and the provision of infrastructure and human resources for VET providers. One general department in charge of employment and skills comprises four units in charge of vocational education, employment policies, social dialogue, and pensions and wages.

The MoFE closely cooperates with the MoESY and the institutions that report into it (the Agency of Quality Assurance in Pre-University Education and the Centre of Education Services) in VET-related areas, such as the recruitment and continuous professional development of teachers of general subjects, or the organisation of the Matura exams for secondary VET students. This cooperation is based on a set of shared responsibilities defined by legal and sub-legal acts, followed by common instructions endorsed by ministers.

There are two government agencies under the MoFE. These are the NAVETQ and the National Agency for Employment and Skills (NAES), which play a key role in VET development, management, monitoring and quality assurance.

The NAVETQ was established in 2006, initially as an entity under the Ministry of Education and Science in charge of creating a unified system for qualifications and implementing the Albanian Qualification Framework. In 2011, the functions of the NAVETQ were revised



to be better harmonised with its mission. In 2014, the NAVETO was transferred from the MoESY to the MoSWY. The roles and functions were extended. In 2017, it was transferred to the MoFE. The NAVETO's mission is to create a unified national system of vocational qualifications based on the Albanian Qualifications Framework (AQF) that supports the alignment of training programmes with the needs of the labour market.

The National Council of Vocational Education and Training (NCVET) is a tripartite advisory body established by the VET Law. Its main contribution is to reform the VET system, enhance cooperation with businesses, and strengthen their VET engagement. Currently, the National VET Council is not active. Instead, the NAVETO oversees activating the Council and reporting on its activity in the MoFE.

Social partners in Albania include: (i) the Chamber of Commerce and Industry, representing businesses at the regional level; (ii) the National Chamber of Crafts, established in December 2017; (iii) employers' associations⁴; (iv) trade unions. There are around 80 recognised trade unions in Albania⁵. As social partners, the Government consults them on critical strategic issues related to employment and VET. However, despite the substantial number of social partners, they have truly little involvement in VET. There is no clear role assigned for them in the legislation. Hence VET does not form part of their agenda, and their contribution is limited.

In Albania, social partners are also represented at the national level in the Integrated Policy Management Group (IPMG), within its subgroup on employment and skills policies, which takes a broader sectoral perspective. The IPMG discusses the progress made against the objectives and targets of the National Employment and Skills Strategy and its 2014-2020 action plan (now extended to 2022) and includes all the mechanisms and tools for

4 Union of Albanian Business is affiliated to International Organization of Employers (IOE) and EUROCHAMBERS

5 The Confederation of the Trade Unions of Albania (KSSH) and the Union of the Independent Trade Unions of Albania (BSPSH) are both affiliated to International Trade Unions Organisation (ITUC)

the integrated planning of all public policies, to ensure effective allocation of financial resources. The Minister of Finance and Economy chairs the IIMP on employment and skills. There are 11 Government representatives and more than 17 other invitees, representing the NAVETO, NAES and the ASCAP, the Ministry for Europe and Foreign Affairs, the Department of Public Administration, trade unions, municipality associations, Higher Education institutions, employers' associations, donors etc.

There is a sound legal framework in place regarding VET and skills. Vocational Education Law No 15/2017 is considered an essential legal milestone in restructuring the VET system. It strives to orient the VET system towards the Albanian Qualification Framework (AQF) and learning outcomes and not on VET programmes. In addition, a specific by-law on sectoral skills committees (SSCs) was approved on 26 June 2019, which regulates the functioning of SSCs. The SSCs are the fundamental mechanisms to help bridge labour demand and supply and involve the private sector in defining key qualifications.

The ETF VET Governance Inventory Tool assessed the provisions of the legal and regulatory framework⁶ for VET and skills (Indicators B, see Table 2.) The stakeholders indicated that 'there is a good understanding of the legal framework by all stakeholders, which facilitates policy implementation'⁷ (score at 2.5). However, public stakeholders agree less strongly than non-public stakeholders about this (2.7 vs 2.3). Stakeholders suggest that there is a need for better communication and understanding of the legal and regulatory framework. This need applies not only to experts and stakeholders but is broader. Communities, especially youth groups, should be involved as much as possible.

6 Results of the self-assessment on institutional and legal framework indicators are available in VET & Skills Governance Inventory 4.0. Assessment Results Report: Albania. ETF, 2020 (unpublished)

7 Indicator B2, ETF VET Governance inventory Tool

4. FINANCING ARRANGEMENTS

Financing of public VET is regulated under VET Law No 15/2017, Chapter VI, Articles 30, 31 and 32. The law stipulates four sources of funding: (i) the state budget; (ii) income generated by public VET providers; (iii) donor contributions; (iv) sponsorship. The state budget is the primary source of funding for public VET. It is dedicated to funding secondary VET schools and the VTCs. In addition, VTCs receive some additional small tuition fees when the participant is not a registered unemployed jobseeker.

The total public expenditure on education as a percentage of GDP is slightly above 3%, which is still low compared to the Albanian government target of 5%. The MoFE offers special scholarships to students in vocational schools who come from low-income families, live in deprived areas, or belong to specific vulnerable groups. These scholarships cover the cost of food and accommodation in a dormitory. The transfer of VET responsibilities to the MoFE has helped the budget-setting process for VET & skills. Budget planning targets 3-year strategic priorities, and the budget has constantly increased every year. Optimisation of the network is expected to guide future investment decisions toward a long-term vision for what will be offered. School performance is not yet considered during the budget allocation process.

The VET Law foresees giving VET providers a higher degree of autonomy about their

programmes, cooperation with companies, and income generation activities. It also entrusts the providers with a broad range of responsibilities. Capacity building is needed to ensure an effective rollout. There is a need for clear regulations on income-generation activities and the related financial autonomy of VET providers, which are not yet in place. In addition, there is a lack of incentives for employers to support VET and skills policies.

Since 2008 an important set of educational competencies, including VET, were transferred from the Ministry of Education to the Local Government Units (LGUs), such as (i) ownership of pre-university facilities; (ii) responsibility for the security of facilities and financing their maintenance; (iii) planning and executing investment funds; (iv) dormitory administration and financing via transfers from the state budget to the LGU budgets, as part of the unconditional transfers to the LGUs; (v) student scholarships; and (vii) participation in the school boards. Currently, investments and another financing for VET rely on the funds transferred from the central Government. Increased local autonomy and local finances would also enhance local government contribution to education, including VET.

Local governments are responsible for dormitory maintenance. Employers are not required by law to make any financial contribution for the initial VET financing. However, it is quite common for cooperating

TABLE 2: PROVISIONS OF THE LEGAL/REGULATORY FRAMEWORK FOR VET AND SKILLS

(1) Strongly agree; (2) Agree; (3) Neither agree nor disagree; (4) Disagree; (5) Strongly disagree

Provision of legal/regulatory framework	Min	Max	Mode	Mean	Mean	
					Public	Non-Public
(B.1) The legal framework for VET aims to meet the expectations of both public and private stakeholders.	1	4	2	2.4	2.4	2.3
(B.2) There is a good understanding of the VET legal framework by all stakeholders, which facilitates policy implementation.	1	4	2	2.5	2.7	2.3
(B.3) The legal framework responds to the needs of women.	1	5	2	2.5	2.3	2.7
(B.4) The legal framework supports lifelong learning (LLL), not only initial VET (I-VET).	1	5	2	2.3	2.3	2.2
(B.5) It is common practice in the country to involve VET stakeholders in the updating of regulations and standards.	1	4	2	2.3	2.5	2.1



companies to offer internships to contribute in-kind by providing mentors, food, or transport for the intern. Donor funding is still

indispensable for the system's functioning. It exceeds national funding resources for VET for the components they cover.

5. QUALITY ASSURANCE AND MONITORING FUNCTIONS

The following quality assurance procedures apply to Albanian VET:

1. The opening and closing of public VET providers is the responsibility of the MoFE based on criteria and procedures set by the Council of Ministers. The VET department at the MoFE is developing a DCM.
2. The licensing of private VET providers is a joint responsibility shared with the National Business Centre.
3. Regular self-assessment is a requirement for public VET providers. The self-assessment process ensures that they comply with external evaluation procedures such as accreditation or inspection.
4. Inspection is a function defined by the VET Law and the legislation on pre-university education. The MoESY, through its specialised agencies, is responsible for the inspection of the teaching of general education subjects within VET schools.
5. Accreditation. The VET Law entitles the minister responsible for VET to adopt procedures, criteria, and standards for the accreditation of VET providers. The NAVETQ has proposed an accreditation model to be implemented in Albanian VET, which was conceived as a complementary process to the self-assessment system. No further developments are noted in this respect.

Provision of training occurs at public VET providers (35 VET schools and 10 VTCs), nine private vocational schools offering initial secondary VET, and 112 private training centres offering short-term vocational training for adults. There are 23 VET programmes and 87 profiles offered in the public VET system. Most of the vocational providers are concentrated in Tirana, Durres, and the Elbasan area. The VET Law foresees the establishment of multifunctional centres (MFCs) that will

optimise the VET offer by merging two or more public VET systems offering initial and further VET for young people and adults under one roof. By 2020, a total of nine MFCs were planned. Although several feasibility studies and pilots were carried out, development in this area has stalled. No multifunctional VET centres have been formally established apart from the one in Kamza, which is the only operational one. In line with the Europe 2020 Strategic Framework, the Riga Conclusions, and the NESS 2014-2022, the MoFE, the NAES and NAVETQ, in collaboration with several other partners, have designed the Optimisation Plan VET Offer. The process consists of re-organising the VET network by transferring and/or merging institutions, programmes, the respective resources, and physical infrastructure. The expected result of this process will be a revised network of institutions that deliver vocational and education training programmes based on curricula designed to respond to regional labour market needs, reshuffled organisational structures, improved physical infrastructure and appropriate utilisation of teaching capacities.

There is a monitoring system for VET and skills in place. Still, a comprehensive management information system (MIS) for VET is lacking, which is a real barrier to realising an efficient monitoring process. The information collected is segmented to different institutions such as the MoFE, NAVETQ, NAES, VET providers, INSTAT, etc. A functional VET data portal is not yet in place, and there is truly little data available on the websites of institutions.

The ETF VET Governance Inventory Tool assessed the monitoring, evaluation and review of VET and skills policy. (Indicators F, see Table 3.) The findings indicate that this is one of the most challenging parts of the overall system⁸.

⁸ Results of the self-assessment are available in VET & Skills Governance Inventory 4.0. Assessment Results Report: Albania. ETF, 2020 (unpublished)

6. POLICY POINTERS FOR MOVING FORWARD

The main policy messages for further moving agenda forward are:

- Increase awareness and information concerning different stakeholders on the VET governance indicators framework and what role each stakeholder plays. Enhance the monitoring of governance aspects in VET & skills as part of the monitoring framework based on the DCT indicators. Include governance indicators in the annual plans of the VET & skills institutions. Periodically assess the activities of VET institutions to guarantee that they have the human capacities, financial means, and operational procedures to play their roles effectively.
- Establish a management information system for VET & skills and build capacities to use it as a powerful instrument to inform the policy processes.
- Accelerate the completion of the sub-legal acts and regulations necessary to operationalise the VET and AQF Law primarily centrally and at the level of the providers. Set up a consultation framework for the preparation process of sub-legal acts and ministerial regulations to guarantee that the relevant stakeholders are appropriately informed and involved during the preparation of the regulatory framework.

- Enhance the cooperation and involvement of business representatives and social partners in VET & skills at all levels. It is essential to make the NCVET operational and transform it into an effective social dialogue forum. Prepare meetings well and challenge them on the importance of their role in the sector at the national, regional, and local level, formalise relationships with businesses to implement WBL and start discussions on how to motivate businesses to increase their contribution to VET.
- Optimise the VET providers network so that services and skills are developed in line with the needs of the private sector.
- Improve the public budget allocation to VET & skills providers considering criteria beyond predictions based on historical data. Link the public budget allocation to providers' performance and place the necessary mechanisms for mobilising other funds stipulated by the VET Law. Make the financial autonomy of VET providers effective in all its aspects and build schools' capacities to manage it.

TABLE 3: MONITORING, EVALUATION, AND REVIEW OF VET & SKILLS POLICIES

(1) Strongly agree; (2) Agree; (3) Neither agree nor disagree; (4) Disagree; (5) Strongly disagree

Monitoring, evaluation, and review	Min	Max	Mode	Mean	Mean	
					Public	Non-Public
(F1) There is a recognised and sound monitoring and research system.	2	5	3	3.0	3.0	3.0
(F2) Monitoring is used to support evaluations and policy review in the country.	1	5	3	2.6	2.7	2.6
(F3) Different types of evaluations (e.g. on different policies such as qualifications, school operations, occupations, adult learning, etc.) are conducted to inform VET policy implementation.	2	4	2	2.6	2.7	2.6
(F4) Evaluation and reviews of VET & skills policies involve the participation of different stakeholders.	1	4	2	2.5	2.6	2.3
(F5) Research, development and innovation are used to support VET & skills policy development.	2	5	3	3.2	3.1	3.3



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