



THE MOST NEEDED PROFESSIONS ◀▶ ALBANIAN ECONOMY NEEDS GOOD SKILLS

Outcomes and Recommendations of the National Conference 3rd of November 2015

Frank Hantke (Ed.)

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(ed.) **Mr. Frank Hantke**, *Director Friedrich Ebert Stiftung, Tirana –Office*



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National Conference

THE MOST NEEDED PROFESSIONS ◀ ▶ ALBANIAN ECONOMY NEEDS GOOD SKILLS

A P P E A L O F G O O D W I L L

Albanian economic growth needs future-oriented education and training

Albania is a rich country in human and natural resources. To use them properly and to achieve sustainable growth, Albania needs an education and training system which develops the necessary skills for the country's economy today and tomorrow.

Employers need a skilled workforce in order to be competitive

Being an attractive investment location and raising the quality of products and services ensures the competitiveness of the economy in the local and European context. Therefore, Albania needs to fast-track the implementation of its education and training policy which prioritizes strengthening of the employability of its young generation in both the non-academic and the academic sector in equal measure.

Future-oriented education and training needs employers' input

Employers are the most competent actors capable of defining the skills needed for today and tomorrow. Hence, they need to play an important role in developing curricula for vocational education and training at all levels. Furthermore, employers need to get involved in school policy and sit on examination boards.

Offers for practical work experience – a key element in education and training

The workplace of tomorrow needs skills and competences that are not only taught at school, but also acquired through practical work experience in companies. Combining theory and practice is fundamental in preparing the workforce for the labor market. This should become a principle for education at all levels.

Employers need to offer opportunities to future employees

Employers have a responsibility in shaping tomorrow's workforce. They are to open their doors to offer internships, traineeships, apprenticeships and other opportunities for practical and structured learning in line with the education and training policy of the Albanian government.

Cooperation with companies must be made viable

In cooperation with the employers' representatives, the government needs to develop mechanisms to cope with obstacles preventing employers to host interns, trainees and apprentices. Solutions have to be found on various issues, including health, life and social insurance, coverage of damage, human resources in charge of supervision, logistics and transport costs.

Schools and training centers need to be mediators

Schools and training centers need to take up their role as intermediaries between their students/trainees and potential employers. This requires financial and human resources, dedication and knowledge.

Recognition of joint responsibility by all partners

Quality vocational education and training is crucial for the Albanians' future. Therefore, the government, schools, universities, science and economic partners are expected to commit themselves to a close cooperation and common responsibility in order to equip the workforce in Albania with the necessary skills to be fit for the future.

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Note by the organizers

The Conference on „**The Most Required Professions ◀▶ the Albanian Economy Needs Better Skills**” was organized on 3 November 2015 in Tirana Business Park, a place where new opportunities for economic developments are created.

This is the second conference related to this important topic. In October 2013, a conference entitled „**Economic Development ◀▶ Vocational Education ◀▶ Welfare for Albania**“ launched the first step on the projects and about stakeholders of vocational education in Albania.



Anette Kasten

Sabine Hartig

Frank Hantke

At that time, the same organizers emphasized the theme of “vocational education and its importance in economic development” and brought it to the political agenda. Since then, the question of how education and training can be adapted to the needs in the country is part of every serious political discussion on the economic development of Albania.

The next step was taken with the November conference. The main stakeholders for the development of a modern and job-oriented qualification for the labor world gathered to discuss how to give life to combination of theory and practice, cooperation between businesses and schools, or between state structures and representatives of the economy.

German Society for International Cooperation (GIZ) has worked for over 10 years in the field of vocational education. In addition to its contribution in the Albanian politics regarding introduction of the dual vocational system, it promotes the dual elements at the vocational school level qualification, as is the case with the vocational school in Kamza, in particular in the fields of care for the elderly and IT. At the same time, GIZ has helped in the project, funded by Erasmus +, “Apprenticeship for Youth Employability”, within which NACETQ, with the support of the Hamburg Institute of Vocational Education, has tested a dual system in hotels and tourism sector and has developed a plan for a general presentation of the dual qualification in the country.

What are the characteristic features of the dual system in general? The system is characterized by close cooperation between schools and enterprises, and also by integration of theoretical and practical components of the vocational education and training. Learning in the workplace in enterprises serves students a lot and opens new horizons for a successful transition into the labor market. Companies qualify young people according to their specific needs. This cooperation is beneficial to both parties, the employer, who would have a qualified workforce, and the young people, who receive practical modern and labor-oriented training, moving towards the needs of the future in the labor market. At the political level, cooperation between the private sector, schools and education and economic policies enables a common responsibility for vocational training. In the end, it is the country itself the one that benefits, as through a better skilled workforce, it becomes more attractive for investors.

From many conversations, potential investors repeatedly made it clear that in most cases they require skilled labor, but their efforts go in vain. This happens because they need skilled workforce (**with experience**) for non-academic fields, but also academic field specialists. All specialists in administration and craftsmanship, followed by metal processors and up to engineers and experts with interdisciplinary qualifications are needed in many sectors, such as electronics, or IT. But still, what they find in the labor market in Albania is mainly lawyers, journalists, political scientists or economists. The fact is that labor supply and demand in Albania and the investors’ demands vary greatly from one another. In many areas of the economy, it has significant potential to growth and

development. Part of the sectors ensuring growth are: clean energy, recycling, water and sanitation, tourism, agriculture and their processing industries, existing sectors of light industry as well as unused and innovative annexes, which are not yet developed.

Modern employers know that the better the quality of products and services is, the higher their profit will be. This is proven by the impressive example of Germany, whose economic stability relies heavily on two strong pillars, on the one hand, the skilled workforce in non-academic fields and, on the other hand, the equally qualified labor force in the academic field. The ability of economic development is based on a harmonious and balanced interaction of both fields of competence.

At the conference organized on 3 November 2015 in Albania, selected entrepreneurs presented their positive experiences with modern dual qualification, based in theory and in practice. Thus, they gave an impressive example for other companies and sectors in the country. Participants discussed how to improve the general education framework and professional practice, so that such examples may be followed by others.

Of course, the first contact partner on the topic of vocational education is youth. Comparing age structures of Albania with those of EU countries, Albania is in a comfortable situation, because it has a young population having the willingness to learn. As such, it has a considerable potential for growth, both quantitatively as well as qualitatively. However, the country has an extremely high unemployment level of young people, which is as high as a few years ago, or even higher. One should not neglect the fact that a large share of the younger generation has lost hope for a good future in the country.

Therefore, what we should seek for, on the one hand, is to satisfy the needs of a modern economy oriented towards the EU and, on the other hand, think on how we can reduce youth unemployment. Better prospects are possible through a fundamental review. This requires cooperation between politics, economy, school and university, but also among young people and their parents. Even foreign experts may work closely with decision-makers and actors on the “social and economic model of Albania”. Such model gives hope to youth in rural areas, while it provides attractive alternatives for study programmes and highlights unattractive study programmes with no prospects for the youth in the city. Also it creates the link between vocational and academic educational programmes.

This would be a model for a profession-oriented education, which politics and economics can promote together! It is important for young people to qualify and refine their skills and competencies for a better education system. This is where the present leading generation is indebted to the future generation. Such model will also show that this is the right path for Albania towards the European Union.

This brochure on the conference aims at reflecting its most important discussions and outcomes. It should also serve as an incentive to increase the demand for experts and practitioners, as a commitment in the daily life for work practices in enterprises and cooperation between schools and enterprises, or serve as courage to develop new branch qualifications and certificates. Also, it needs to convince parents and their children that a sustainable professional qualification, more often than one might think, leads to a stable labor and family situation in the future.

Program

Registration and Coffee

Welcome

Ms. Etleva Sakajeva, General Manager, Tirana Business Park, Lindner Group

Introduction

Ms. Sabine Hartig, GIZ - Ms. Anette Kasten, DIHA - Mr. Frank Hantke, FES

Employment needs Skills – Economy needs Employment

H.E. Edi Rama, Prime Minister of the Republic of Albania

Vocational Training and Good Skills as Backbone of a Successful Economy

H.E. Hellmut Hoffmann, Ambassador of the Federal Republic of Germany

General needs of a Developed Economy - Balance of Academic and Non-Academic Skills

Mr. Jürgen Hollstein, CEO, German Employers' Organization for Vocational and Further Training

Panel Discussion

How to combine Business Needs and Labor-Orientated Skills for the Youth

- *Mr. Arben Ahmetaj, Minister of Economic Development, Tourism, Trade and Entrepreneurship of the Republic of Albania*
- *Mr. Blendi Klosi, Minister of Social Welfare and Youth of the Republic of Albania*
- *Mr. Jürgen Hollstein, CEO, German Employers' Organization for Vocational and Further Training*

Moderation: Mr. Ardian Hackaj, Director of ShtetiWeb

Coffee break

Introduction into the Working Groups

Ms. Sabine Hartig, GIZ

Working Groups:

| Construction & Infrastructure | Textile & Light Industry | Health & Elderly Care | Tourism |
|---|---|---|---|
| Moderation: <i>Ms. Anette Kasten, DIHA</i> | Moderation: <i>Ms. Sonila Limaj, NAVET</i> | Moderation: <i>Mr. Skender Dule, SANUS</i> | Moderation: <i>Ms. Etleva Vertopi, GIZ</i> |

Lunch-break & Market of Possibilities – Examples of the collaboration between the VET providers and businesses, opportunities to enter in the labor market, etc.

Presentation of the Findings of the Working Groups

- *Ms. Anette Kasten, DIHA*
- *Ms. Sonila Limaj, NAVET*
- *Mr. Skender Dule, SANUS*
- *Ms. Etleva Vertopi, GIZ*

Analysis and Conclusions for Further Cooperation

Ms. Anette Kasten, DIHA

Final Remarks

Mr. Frank Hantke, FES

Reception with a key-note Speech of Ms. Dafina Peci, President of National Youth Congress (NYC)

Vocational Training and Good Skills as Backbone of a Successful Economy

Z. Hellmut Hoffmann, Ambassador of the Federal Republic of Germany



I am delighted to make some observations on vocational training. Indeed, this is one of my favorite subjects. Why is this so? The answer is simple: I am convinced that the economic and social progress of a country depends in many ways on the availability of a well skilled workforce. I would argue that the economic success of countries like Germany, Austria and Switzerland can be explained in large measure also by the fact that these countries have a long tradition of a well developed system of vocational training.

“Well trained workforce” means: a good mixture of people trained on the academic level *and* on the vocational training level, that is people who are trained in various trades, crafts and skills. It is my distinct impression that the Albanian economy needs more people who are competent in a wide range of trades, crafts and skills, from waiters, builders, welders, plumbers, mechanics, electricians, farmers and health workers to people who are experts in electronics or who are able technicians or medical assistants.

Having said that I hasten to add: All these competences must be relevant for the labor market! That is the key point! People should only be trained with a view to real labor market demand!

There is also an interesting sociological point to make here: Apart from the fact that trained people perform better and therefore create more wealth, trained and skilled people who tend to have higher incomes than non-trained workers and employees become factors of social cohesion and political stability.

In the past 25 years there was an excessive focus on *academic* education in Albania. I am aware of the political and historical background of this development. Nevertheless one has to say that it did not help Albania much that so many lawyers and economists were graduated, and this in more than 40 private universities, the quality standards of which – I believe anyone could have foreseen that - could never be effectively controlled, which was in effect an invitation for blatant corruption. At the same time a real engine for the economy, i.e. people with professional and vocational skills, were practically ignored. Just to give one illustration for this: I am told that except for the Agricultural University of Kamza there is no agricultural training institution in the whole of Albania -and on top of that the graduates of Kamza as a rule do not go into farming at all, but work in companies in the business sector. This means in effect that it in agriculture, which in principle has a significant growth potential in Albania, there is hardly any systematic vocational training for future farmers going on at all!

So, what to do? Can a country like Albania build a system of vocational training? Yes, it can! But this requires a determined, well-organized and sustained effort over the longer term. Vocational training is not a field where one can expect to harvest quick political rewards!

To start with: It is important to understand that the vocational training system in the German speaking countries is based on a centuries old tradition which cannot so easily be copied.

Everybody speaks about introducing the German “*dual*” vocational training system in Albania. What do we mean by “*dual*” vocational training? Dual vocational training means very close cooperation between private sector companies, chambers and vocational training schools. In practice this means first and foremost: Companies pay apprentices for 2 to 3 years a basic salary (which is lower than the minimum wage, but still a cost factor), teach them the practical side of the trade or skill in a thought -through and well organized way and let them attend vocational training schools about one third of the time.

Let's be honest: The private sector in Albania is not ready for this probably for quite a long time to come. The maximum we can achieve in the foreseeable future is to get some private sector companies interested in cooperating with vocational training schools in a general way, to offer internships, and to

recruit graduates, who are more expensive in terms of wages. Whether one should still call this “dual” vocational training is another question, but perhaps this is not so relevant.

So what to do?

In my opinion the only realistic option is to create a good nationwide system of vocational training schools *which offer theoretical and practical training in schools* and to see to it that as many companies as possible cooperate with these schools.

Perhaps this proposal sounds trivial at first, but in fact it is not trivial at all, because it is well known, albeit not much talked about in Albania, that in actual fact in the Albanian vocational training schools the practical side of trades, crafts and skills is being taught only by means of textbooks and on the blackboard. To use an image: Students do not have a screwdriver in their hand, they only see a drawing of a screwdriver on the blackboard!

Now, how can one build up an effective vocational training system?

It must be clear first of all: Who is in charge? One needs a corps of competent civil servants who stay in the job even after governments or ministers change to bring continuity into the sustained implementation of policies.

Secondly: One needs a clear plan or strategy. There must be clarity about questions like how many schools there should be in which towns, what kinds of subjects they should offer in line with national, regional and local labor market requirements; one needs to be clear as to what kind of curricula, learning materials and technical equipment it is required, what kind of teachers with what kind of training, what kind of entry requirements, what kind of degrees. The latter is important i.a. so that students do not abuse the vocational training system as an easy alternative to the regular school system to get into university (which is the case today for about half of the graduates, which is a waste of money).

No doubt: There are many issues and points to clarify, to resolve and to decide, but surely one can also say with confidence that it is not rocket science to devise and develop an effective system of vocational training.

I say deliberately “*system*”, because the system character is of key importance. And allow me to add the following thought as well: One should not re-invent the wheel every couple of years! I say this because there is a danger in countries with weak state bureaucracies who are confronted with a variety of donors who are always looking for “investment opportunities” so to speak for their programs and funds and who have ever new and not necessarily congruent concepts and on top of that with consultants in the country itself keen on landing consultancy jobs, that no real *system* can develop, but only a collection of island solutions, which reflect primarily the preferences of individual donors.

Quite a significant number of international partners have supported over many years the build-up of vocational training in Albania. GIZ e.g. has provided long-term experts and continues to do so, in 2014 it has produced a 110 pages study on the situation of vocational training in Albania; furthermore GIZ supports two subjects in the vocational training center in Kamza.

In this connection I would like to underline a fundamental point: It is the *Albanian state* which is in charge of and responsible for the Albanian vocational training system, including its financing! Within defined system parameters, which are determined by the state, donors can endeavor to give a special profile to “their” schools, i.e. the schools where they are particularly engaged, which can help to make vocational training more attractive and also build useful relationships with companies owned or managed by nationals of the donor states.

In conclusion: To make a vocational training system a success requires in my view the following:

- Well-informed and sustained long-term guidance by government,
- Sustained coordination between government and donors including on the operational and practical level,
- Sustained cooperation with private sector companies,
- And above all *continuity!*

I am convinced: If the task is approached in this way an effective vocational training system can be built up in Albania!

“The Most Required Professions”

Z. Edi Rama, Prime Minister of the Republic of Albania



In almost a quarter of a century in transition we almost lost the sense of craftsmanship and transformed all the road of investments in knowledge, in a one-lane street, namely the lane of higher education. We did whatever we could to built a pyramid of illusions, by practically creating to all the young people and to their parents as well the idea that anybody could become a lawyer, an economist or an engineer and that the days when people could live with the “small ambition” of dealing with small trade or having a craft was well gone.

Nonetheless, there is always a moment of start, and we have started by opening the alternative lane of craftsmanship for all those young people, who, for reasons of all kinds, cannot attend university.

It is a system that would need its own time to develop. However, we have already started this process and the first signs are encouraging. The fact that in the first year after the reform the number of girls and boys enrolled in vocational schools has been doubled is encouraging, as is the fact that according to statistics of the ones hiring others, those who have finished a vocational school are almost required in the same level in the market as the ones having a university diploma.

Of course, in order to built a reliable vocational education we need to do everything from the beginning, because what we used to call vocational education in Albania was just a ruined system of classes.

In the meantime, the dual system we have addressed in this reform is the ambition to connect the student with the market, from the time a craft is on the way of being acquired, and to give the companies the possibility to refer to vocational schools to recruit their future staff since the beginning of their education, sharing education time between schools and businesses every week.

Vocational schools are a solid bridge of employment, providing a clear perspective through a safe career, which is not something that can be said for general high education, or university education. The guarantees of such systems are companies, not teachers in the class.

There is, of course, a long way to go. Our vision is now much clearer and the idea to built a network of vocational schools of excellence, in cooperation with a number of selected donors, not because they have the money, but because they have the required knowledge, from Germany, Austria and Switzerland, is the best way to give a message and a very clear road of development to all those children enrolled in vocational education and all those parents who invest for their children and have no reason to feel inferior to their neighbors who invest for making their children lawyers of sociologists.

This is an intermediary phase that shall, of course, require its own time, upon the precondition is that we constantly strengthen two components, namely competition and merits. It is much easier said than done, but, today, it is no longer easy to become part of the Albanian public administration. Every vacancy in the public administration should go through competitions and there is a fact that objects any kind of nihilism or abuse, that is, according to sectors, on average, over 20 percent of competitions fail, because the candidates lack the skills to pass the competition procedures. There are competitions which fail in 50 percent of cases as no winner is identified after long procedures. It is understandable that an averagely qualitative competition cannot be easily won if one has paid for having a diploma. I am positive that strengthening of this chain, although not perfect, and in fact far from being perfect, is the right chain to be strengthened. It shall release more energy for the private sector and shall pave the way towards knowledge, so that people understand that they have to be well prepared to be able to get a job.

There is no greater misfortune for a nation, for its people, for a country than when the ones leading it are poor in aspirations. This means poor in aspirations for the country, because they may have great aspirations for themselves.

We are in the right direction, but we shall, without a doubt, need a lot of resistance, many efforts and patience. Otherwise there is no other station, but moving backwards.

The challenge we have picked is great, because we have chosen to take the German model, without having Germans as raw material, but Albanians. At the end of the day there is a simple and sufficient fact not to give up; if the Albanians in Germany would not make it, then we could tell ourselves that there is no point in trying to be like Germany, or that there is no point in taking German examples. But, Albanians in Germany have not resulted not capable. They have instead shown that they are successful, are integrated in the German society, work in all levels, according to their skills and possibilities, and have left no reason for us to be regarded as a special nation not knowing what work is, not loving work and not understanding work.

We are lucky as we have nothing to invent. Models are there, our friends are here, our partners are willing to help us built systems.

Once again a heart-felt thank you to our German friends, who are assisting us in this reform with a real willingness and who, as I have observed, once visiting Albania first, want to come back again and again. I hope they get back as frequently as needed, so that they do not become like use before we become like them.

How to adopt business needs to the employment-oriented skills of youth?



Arben Ahmetaj,

Minister of Economic Development, Tourism, Trade and Entrepreneurship of the Republic of Albania

Vocational education is increasingly becoming an imperative requirement of time, in order to adequately reply to the challenges the entire world is faced with today: *global competitiveness, high number of employees with low qualifications, unemployment in young people and aging of population.*

This is the reason why the EU 2020 Strategy considers education on entrepreneurship and training as a primary objective, as a condition supporting growth and establishment of new businesses.

Investing in education on entrepreneurship, the EU considers investment as smart and there is a higher return on this investment.

Now, as the Albanian market is growingly becoming part of the global market through diversification of exports and foreign investments, in addition to the low working force cost, increase of the level of knowledge regarding the need for investments in technology, the need to intensify measures undertaken by the Government, support and strengthening of service quality for businesses and fostering of technical and managerial capacities of companies has become a must.

The Albanian Government has now entered into a very important stage regarding measures for improving the business climate and reducing administrative barriers. An important package of legal measures has been approved recently, including the law on strategic investments, on development of economic zones, tourism and public-private partnerships. This means that based on the priorities of strategic sectors, the Government has to focus much more on building of the professional and managerial skills of such sectors as agriculture, tourism, energy, transport, economic zones, etc. where investors, both foreigners and locals, expect to find a qualified working force.

Preparing workers capable of competing in the labor market based on the knowledge they receive on the economy, requires a new education and training model, the so-called life-long learning which keeps them abreast with and committed in latest advanced technology changes.

In the past, students used to go to school, take a diploma and work in different sectors of industry. This has been operating this way for a long period of time, as the knowledge they had gained in schools was still valid. But times have changed, even at the global level, competition is very fierce, the speed of economic change of knowledge is very dynamic and any qualification level is depreciated with time.

In addition to the efforts on the side of the companies, gaining of knowledge should also be supported by the training institutions to prepare their staff/worker to be able to learn throughout their lives.

An important role in this direction has been played by AIDA, DHTI, ARZH, different business associations, donor training programmes, such as GIZ, USAID, PNUD, BERZH/ BAS, Italian Cooperation, Swiss Cooperation, etc..

One of the main pillars of development of the private sector in the 2014-2020 Development Strategy is learning on entrepreneurship.

Projects supporting learning on entrepreneurship:

- Encouraging competitive business plans: supporting young people with innovative ideas through

competitive business plans. The Government grant fund serves this purpose too. This fund is disbursed by AIDA, where initial businesses can gain grants of up to Lek 300 thousand.

- Through the regional project of the center dedicated on learning on entrepreneurship, SEECEL, learning on entrepreneurship has been piloted in 6 educational institutions.

One of the long-term development strategies for the SMEs is encouraging of the entrepreneur culture, education and training.

- universities are encouraged to provide specialized courses on entrepreneurship in such fields as e-business, innovation technology, etc.

- to encourage development of creative entrepreneurship, with the aim of increasing sustainable economic activities and opening of jobs on the craftsmanship sector, the Government is contributing with the Creative Economy Grant Fund, mainly for craftsmanship with the aim of helping in product development, marketing, as well as qualification and building of capacities representing this sector.

To encourage companies to hire qualified young people according to the market needs, the Government is interested in undertaking assisting policies, such as:

- covering of the social insurance contributions for the first three months;
- have businesses accept internships of 1-3 months for students, where again the state covers the social insurance contribution during the internship period.

The ICT is one of the main instruments for economic growth and, particularly, for a quicker SME growth. Based on the digital agenda and on the flagship initiatives of the industrial EU policies, the focus is directed on: *maximum exploitation of potentials of ICT in the field of digital offers, products and services, and on the demand side for a smart use of such technologies*. Knowing that the Albanian market is part of the demand, investment in digital technology is the only solution, where any SME may become competitive. On the other hand, this is considered a possibility for businesses and a challenge as well, as small businesses are less equipped and need time and financial capital to apply new business models.

- *The work shall be focused on the empowerment and support of start-ups for digital and web services, and alternatives in financial support, such as the "innovation voucher"; schemes to guarantee a better use of European funds as the participation in COSME/EEN.*

A great importance is given to the improvement and addition of services to businesses through completion and empowerment of the SME portals and of the network with the business information centers; performance every two years of a needs analysis for training for businesses, innovation funding schemes management, improvement of online services for training, payment, information, etc. are some of the measures that have an impact on the development of qualification of the business, render it more aware and demanding for the formal education system and for considering the latter a highly attractive offer having an impact on growing competitiveness of the companies.

How to adopt business needs to the employment-oriented skills of youth?



Blendi Klosi,

Minister of Social Welfare and Youth of the Republic of Albania

Unemployment is the greatest problem Albanians have had to face over the last two decades. We are currently living at a time when changes in global economy happen at a swift pace. The impact of such changes in the labor market may bring considerable benefits, but it can also lead to endless problems, such as unemployment and social exclusion of individuals.

Globalization, information technology, and changes in the work organization have produced a combination that has increased the demand for qualified professionals, technical and qualified working force. Some old professions have disappeared and are replaced with new professions, thus leading to the need for identifying these professions in the market and for classifying professions at large. Global change forces, such as global competitiveness and information technology have an impact in this regard as well. Economic liberalization and global competitiveness have added the flexibility of the labor market. Flexibility may take different shapes. It may have an impact on salaries, in the number of employees, in functions, in required skills and in geographical movement.

The impact of high unemployment is mostly felt by the young people, the elderly, the least qualified, or other special-needs groups. The high unemployment rate does not only presuppose a high number of beneficiaries from income support schemes, but it also leads to the increase of the number of those not meeting the requirements for finding a job.

Inequality and social exclusion are partially caused by high unemployment, which keeps people in the conditions of social exclusions and poverty for a long period of time.

There is a high level of exclusion from the labor market, especially for the situational groups of people: the youth, women, and unqualified workers. During 2014, youth unemployment (age-group of 15-29) was 32.5%, against 17.9% of the official unemployment level. Unemployment in young people is related to the lack of new opportunities for employment in the public sector and hesitation of the private sector to hire young employees.

Long unemployment procedures discouraged workers for a long time, hence people tend to be transformed into a burden for the welfare system. In 2014, the number of long-term unemployed people was about 12 times higher than the number of the unemployed getting an unemployment salary, 82,133 against 7,395.

The registered unemployed job-seekers are counted to 152 thousand, of whom about 50% benefit from the income support schemes, economic assistance and unemployment payments. The interest of such groups to be hired in the programmes provided by the employment offices is rather low, which makes one think that this group is not really interested in finding a job, but simply in benefitting from the income support schemes. In the employment encouragement programmes for 2015, despite efforts of employment services, only 7% of the ones employed in these programmes are beneficiaries of economic aid.

In order to reply to such situation, the Ministry has drafted and approved in principle in the National Labor Council a draft-law "On the unemployed job-seekers", which main aim is to better help the process of their assessment. Through this draft-law, the Ministry aims at changing the relation between those who want to have a decent job and those who only wish to take economic aid or social assistance.

For some time now there has been a fragmentation between the labor market needs and the vocational education and training system.

Problems of this system are numerous, but I will halt the attention in only a few of them.

- i) The VAT system is outdated, old and not capable of helping in integrating in the market the working force that is not part of it.

- ii) Level of employment of the ones educated in the public system has been and continues to be low, below 20%, that is 3-4 times lower than the EU average.
- iii) The VAT system used to be conceptualized as a public system, supported only by public funding. Private entrepreneurship used to consider support of the VAT system with funding as a burden, rather than an investment.
- iv) Competition between the public and private VAT system has been inexistent.
- v) The labor market remains fragmented and lacks elasticity even for the educated young people. Conclusion of high or higher education and the ever growing needs for employment from this contingent does not reply to the absorption capacities of the labor market. This phenomenon increases the number of unemployed graduates.
- vi) The vocational education and training systems were characterized by a deep absence of synergy, communication and interaction between them.

It was exactly this situation that led us to the start of reconstruction of the vocational education and training system from scratch.

Reformation of the vocational education and training system will pave the way to production of professionals that may be accredited by the EU vocational schools' system, thus making them competitive in the labor market through creation of the excellence professional schools.

A characteristic of the labor market in Albania is the very high level of informal employment, which is fed by several circumstances:

High level of informal economy; workers do sometimes accept to work in the informal sector because of the lack of alternatives to be hired in the formal sector; entrepreneurship considers informality as a solution providing a better environment; some of the ones employed in the informal sector do not give a lot of importance to benefits and social protection that is offered through legal and institutional instruments.

Amongst the most typical features of informality in the labor market are:

High level of informality in the modern sector compared to the traditional sector -- agriculture; sector-based diversity of informality, having a growth tendency in construction and services; mostly felt consequences of informality on the ones employed and receiving a salary; a very low level of salaries in the informal sector compared to the formal sector; higher differentiation of salaries in the informal sector compared to the formal sector; evasion and confusion in reporting and payment of labor taxes; contradictory impacts of dynamics of the minimum salary in the formal and informal sector.

The above features hinder or lower the pace of the establishment of an encouraging environment for promoting employability, labor productivity and improving the quality of living of informal workers.

The high level of labor and economy informality obligated the Government to launch the harsh struggle with feeders of informality: political, cultural, economic, human and other types of feeders.

Lack of synergy between employment policies and pension policies.

The high level of informality used to feed contributive evasion and made the pension scheme a non-contributive scheme, but instead a redistribution scheme of budgetary funds. *This led us to the undertaking of the courageous step of reformation of the pension scheme.*

Unequal distribution of unemployment

From the territorial perspective, unemployment is higher in northern areas (Dibër, Kukës, Shkodër, Lezhë); than in the central area (Durrës, Korçë, Berat, Elbasan) and in the southern part (Gjirokastrë, Vlorë, Fier) of the country. *Such situation has led the Government to programme priority support programs for the regions having a higher unemployment rate as an instrument to strengthen social and territorial cohesion in the country.*

How to adopt business needs to the employment-oriented skills of youth?



Jürgen Hollstein,

*CEO, German Employers' Organization for Vocational
and Further Training*

Vocational Education and the German model of “dual vocational education” have since long now taken an importance that was not expected before and enjoy a high reputation worldwide. The decisive factors for such success are of course the quality of vocational education in Germany, successful transfers from general schools to vocational schools and from vocational schools to jobs. A result of this is the constant reduction of unemployment in Europe. In Germany vocational education is not only considered as an important component of competition and innovation of the German economy, but also as a key element of social cohesion.

A great contribution for this is given by the continuous update and modernization of dual professions, started together and in partnerships from the employees and employers. Modern and contemporary professions ensure the needs of the future for a qualified working force, ensuring an attractive alternative, equal in value with academic education. Despite of the numerous challenges (such as for instance, demographic development, lack of qualified labor force, inclination towards the academic education, etc.) which the German practice of vocational education has to be faced with as well, the German model of dual vocational education continues to be attractive. Nonetheless, all the parties included in it have come to understand that there is no point in copying the „German model“ or applying it strictly in another country. The traditions established partially in centuries, sustainable structures have proven that reliable cooperation of social partners creates ethnic conditions, which should not be transferred according to the „copy-and-paste“ method. Conversely, it is important to identify and empower the existing dual structures in the country.

So far the interest in the model of dual vocational education has also suffered its first disappointment, when it has become clear that the responsibility for vocational education ceases to be (only) a state responsibility, but a significant role should be played by social partners too. Funding of vocational education will mainly be shifted to companies. This essential element of the German model requires a review by all stakeholders.

Vocational schools continue to play an important role in the education process, but they should be coordinated with the training companies and be engaged in a dialogue, which, for some involved stakeholders is somewhat unusual.

Companies need to understand that the commitment to vocational education has got certain costs organizationally, staff-wise and financially. Such education is an investment for the future and the results cannot be expected within a short time. But, the “benefits” in the medium to long-term perspective are enormous. An essential element in the model is the fact that in dual education, student interns are not simply interns, but employees of the company concerned, who, certainly do not only have a training **contract**, but also the right to receive a **wage** during that time. Direct personnel costs for trainees make up for 60% of the costs of the training, 25% of other expenditures go for the training staff and the remainder for training materials, fees, etc.

At the same time, we must take into account the fact that parallel to the extension of duration of the training, the benefits of the company where the training is carried out increase as well. In addition to these factors having a direct impact, factors with an indirect impact should be considered too. Inclusion of trainees in the company practice reduces the company's efforts to find and train future workforce (from the outside), as well as gives them some flexibility in assigning tasks to employees. In addition, this approach has the tendency to boost loyalty and stay in the same enterprise. Taking into account these effects, the German economy, with about 1.4 million practitioners in the companies, invests around Euros 7.7 billion annually in education, which in turn shows of a very good medium to long-term investment.

This long-standing trend for academic education in Germany occurs in many other countries, which are interested in dual education model. One of the most important challenges for all stakeholders is to strengthen the image of practical training in enterprises, non-academic professions and professional activities. Lack of knowledge about the variety of professions, development opportunities and career development as well as reputation, seemingly higher for academic professions contribute significantly in this direction.

However, the solution is not found by complaining about “over-academization”, or by putting vocational and academic education against each-other. Rather, it is necessary, even in mainstream schools, to establish advisory centers to guide on professions and programmes of study which will inform on the equivalence of different paths to career and will open up opportunities of development of all different kinds. It must be admitted that there could be no “one” recipe for every society on the “right” and balanced relationship of the diverse vocational training. Free choice of professions, the real appreciation of personal interests and skills, market requirements as well as current structures are the result of a social discussion, which can often be long and tedious.

How to combine Business Needs and Labor-Orientated Skills for the Youth



Summary of questions and answers

Moderation: Ardian Hackaj, ShtetiWeb

Rapporteur: Leonard Dalipi, GIZ

Panel: Mr. Arben Ahmetaj, Minister of Economic Development, Tourism, Trade and Entrepreneurship of the Republic of Albania

Mr. Blendi Klosi, Minister of Social Welfare and Youth of the Republic of Albania

Mr. Jürgen Hollstein, CEO, German Employers' Organization for Vocational and Further Training

To both ministers: How is the cooperation between businesses and schools and when did you - your ministries - meet the last time to discuss this topic?

Arben Ahmetaj: We have met several times lately. Business wants the government to fight corruption and to train professionals in needed qualifications. One institution needs to take responsibility for management and overall coordination of the vocational education system. It is clear that this responsibility is with the Ministry of Social Welfare and Youth.

Blendi Klosi: We have met often, especially in working groups. We have done a nation-wide visit to businesses and vocational schools to understand the potential for cooperation among students, businesses, and the government.

To Mr. Hollstein: In Germany, costs for students in vocational education are high but the return is often higher. In Albania only about 5% of businesses participate in the vocational education system. Why is this percentage so low in Albania and how do German businesses receive their investments back?

Jürgen Hollstein: German companies feel socially responsible. That is why many of them participate in the system. We also have a long tradition. As a result, professional education in Germany has a very good image.

German businesses facilitate professional training in their own interest, since trained students become their future skilled employees knowing the needs of the sector and the companies. Therefore, the companies also benefit financially, as well trained employees will enter with full knowledge in the production cycle or in the administration and bring better revenues.

To Mr. Klosi: What is your vision to encourage professional education in Albania? Who are the partners?

Blendi Klosi: We have started to bring public's attention to the professional education. But I am not sure how successful we will be because we still don't have laboratories, know-how, trained teachers, etc. We hope that through vocational education we will create a new generation of professionals who will work and take financial care of their families already from the age of 18. We are already undertaking several reform steps: we increase investments in vocational education, bring business representatives closer to schools and into school boards, etc.

We will also try to create distinguished schools which will be connected with sister schools in EU and offer diplomas acceptable in Albanian and all EU markets. With our current point of view, I believe we can realize these goals because these are not donors' goals - much more they are ours!

To Mr. Ahmetaj: How do you see the effect of the lack of skilled labor on the interest of foreign investments in Albania?

Arben Ahmetaj: The first Free Economic Zone is expected to bring up to 90.000 new jobs. But this can fail because of the lack of skilled labor force. It will take time for our economy to develop but this also can't be done by sleeping and staying at home.

In the next budget, we hope to increase the amount of money by 1.5 times for professional education. The law for Free Economic Zones will state that costs of businesses for training and R&D will be counted as double toward paying business taxes.

To Mr. Hollstein: What do we need to make the Dual System applicable in Albania?

Jürgen Hollstein: The German Dual System can't be exported 1:1, but Albania surely can take the principles of it and adapt to its needs. There are many countries that had lessons learnt and then have tried to adapt it within their systems. In order to function in Albania, you could start with a pilot project, with something small and then learn, develop and expand it. Try to find businesses that are willing to cooperate. By having good results, you will have good examples to show before expanding. You need to create a good image for professional education.

To Mr. Klosi: What are the plans of the ministry for the agriculture industry?

Blendi Klosi: We have several schools in the agribusiness industry. For example, in the Agriculture Vocational School in Fier we have done a targeted investment and the results have been very good. The number of students has grown from a few up to 200. We need more schools like this.

To both ministers: Can public and foreign companies in Albania play a role in supporting the development of professional education in Albania?

Arben Ahmetaj: The government has to take over the role of developing the vocational education system while companies, such as OSHEE, can serve as partners, instruments or platforms.

Blendi Klosi: We have already an existing cooperation with these companies, since they also need skilled labor forces.

To Mr. Ahmetaj: When will Albanian companies work with EU and international standards?

Arben Ahmetaj: We are working in this direction. Professional education will play an important role in the further convergence process.

Key findings

- **General agreement: Connection of practical work and theory is needed – in schools and companies.**
- **There are already good examples of cooperation between business and schools. Ministries will support these necessary processes.**
- **Both ministries cooperate quite well in the development of vocational training and will even deepen it.**
- **Companies should feel responsible for the professional education of the next workers' generation. It is in their own interest, to raise quality of products and services to draw to European standards.**
- **The image of vocational training has to be improved – by campaigns and good examples.**
- **Government feels responsible for developing a professional education system in Albania and also will involve public and foreign companies.**

Panel I: “Construction & Infrastructure”

Moderator: Anette Kasten, DIHA

Panelists:

- **Viola Eski**, Carbone Productions j.s.c.
- **Ivaylo Garbev**, Lindner Group
- **Devis Pllaha**, Korca Construction School
- **Alqi Mustafai**, NAVETQ

Rapporters:

- **Megi Lubani / Brenton Kotorri**

Topics:



The focus of this working group was the construction sector in Albania as an important part of a stable political infrastructure. This sector, particularly in the transformation phase of the country, was the engine of economic development, which in this period has shown high rates of overall economic growth. However, in most cases it devoted more attention to quantity rather than quality. In recent years the construction industry has suffered heavy reduction due to the lack of liquidity in the market, partly caused by the low willingness of the state to pay arrears. The Albanian Government is in the process of payment the long due arrears, which has led the market to gain more liquidity. Due to the excess capacity of new buildings, a blockage of new construction was introduced nationwide, hence growth of the construction sector remains low. This gives rise to deep reflection on improving the quality and competence in this sector. Currently, the sector focuses on new approved plans and on the renovation of existing buildings.

Albania’s construction firms, which tend to have high quality standards, require skilled labor in vain and often are forced to hire qualified specialists from abroad. Albanian skilled workers are mostly old in age, which means that they have been trained before 1990. The training of specialists in the construction sector has declined. Consequently, the impulses of modernization construction, so far, have not been observed in the relevant education.

Panel and discussions: problems, comments and outcomes:

During the presentations from different points of views, professional qualifications were identified by the panelists as an essential element for ensuring sustainable development in the construction sector in the future. For this to happen, it would be necessary to better communication between the construction industry and schools. Only then vocational schools will understand what is needed today for exercising a qualified profession tomorrow. Additionally, exchange of information between relevant vocational schools should happen frequently to enable schools to learn from each other.

Since the image of non-academic professions is still poor, more work is needed in this direction. This is seen from two perspectives:

1. Appropriate information campaigns have to be run for young people and their parents, in order to strengthen the attractiveness of non-academic professional qualification, with the motto of: “Proud to be a craftsman”.
2. At the same time, financial incentives have to be introduced for the qualified specialists, particularly for the excellent graduates of vocational qualification.

Employers require better legal conditions by politics to expand the practice sector. Even construction legislation

is outdated (1974) and no longer conforms to current conditions. Therefore, adjustment of quality in education and products to international standards is required.

In schools life-long qualification of teachers, appropriate infrastructure and institutionalized cooperation with companies is not present. For this to happen, it is imperative to have a sustainable system mandatorily integrating work practices with relevant curricula. Until now work practices or internships have been possible almost exclusively through direct personal contacts.

A “**list of most required professions**” was highlighted by the participants as being important. During the discussion it was not clear which institution should be responsible for this. All agreed that with the growth of public contractors and of the private construction sector in the “public-private partnership” shapes, there are added opportunities to improve quality and standardization.

Key findings

- **Cooperation between different stakeholders, companies, schools and politics should be properly adjusted and clear tasks and responsibilities for each stakeholder should be determined to develop a unique base system for quality development.**
- **Exchange between schools and companies should be institutionalized so as the schools reach the contemporary technology level and students are provided with standard-based work practices; Iso, schools have to better collaborate with each-other to exchange success models.**
- **Attractiveness of construction professions should be increased through information and awareness raising campaigns and through better wages for more qualitative works.**
- **Public-private partnerships shall also serve the improvement of professional qualification in the context of implementation, through work practices and courses in enterprises, and through increased quality standards.**

Paneli II: “Textile & Light Industry”

Moderator: Sonila Limaj, National Education,
Vocational Training and Qualifications Agency (NAVETQ)

Panelists:

- **Bernd Naber**, “Naber” Company
- **Daniel Guçe**, Albanian Investment Development Agency
- **Adriana Cibaj**, High Economic School
- **Brikena Nallbani**, National Employment Service

Rapporters:

- **Sokol Kondi / Fiorin Dervishi**



Topics:

In the light industry sector, with around 31,000 employees, approximately 90% of them are employed in the textile industry. The textile sector contributes with about 3% to the GDP. The percentage it occupies in the total exports is many times higher, at about 34%. Most of the textile companies are joint ventures between foreign companies (from Italy, Turkey and Central Europe) and domestic companies.

The Albanian textile industry serves mainly as a supplier and is found almost at the beginning of the added economic value. The reason for this is the outdated technology and lack of skilled and highly skilled workers in the field of production as well as in technical viewpoint. Attractiveness in the textile sector is not too great for young people, because, on the one hand, the working conditions do not comply with modern standards and, on the other hand, the sector provides only low wages (often the minimum wage amounts to € 160, - per month).

Panel and discussions: Problems, Comments and Results:

From the investors' perspective there is still no good cooperation between schools and the textile industry. The textile industry is willing to offer internships, which can serve to put into practice what the students have acquired as theoretical knowledge. To achieve this, companies, and this it is also in their interests, should invest more in human resources through internal training. For example, in this regard, some companies have received foreign experts. However, school curricula should be changed so as to follow the same pace as the technological development of the sector. Moreover, teaching of English is necessary, especially in rural areas.

In the panel participants stressed that low salaries are attractive to investors, but they are not crucial for undertaking an investment. For two years, the state has invested a lot in vocational education, including specialized fields, for contributing to medium-term improvement of products.

Also, investors in the textile sector should have a better look at other areas of the country, because there unemployment is much higher, thus, the need for jobs in sectors with low qualifications is higher there than in Tirana and in Durres. Because in the past 25 years investment in the field of vocational education is not given the attention it deserved, today we are found in face of almost unsolvable problems regarding training needs of the industry, particularly in areas with large concentrations of industry.

From the perspective of the National Employment Service (NES) there is still no good cooperation between industry and the textile industry. So far, only 30 foreign companies have directly addressed NES, while most companies publish their vacancies by themselves. Although 50% of the registered job-seekers remain unemployed for a long time, many of the applicants reject the offered working conditions and wages, because

of finding them unattractive. However, there should be a very close combination and cooperation between NES and the industry to achieve the best possible results.

There have been constant complaints about the lack of support by the state. This applies to tax-related incentives as well as to other improvements of conditions to attract investment and new investors and innovators.

Furthermore, the participants called for a better offer for the development of vocational education (agriculture, other areas of light industry, etc.) especially in structurally weak areas.

Key-Findings

- **The labor market does not meet the industry demands for qualified staff; there is a need for more information and relevant training activities;**
- **Low-cost workers are an encouraging factor, but, nonetheless, not decisive for economic growth; workers with high qualification are needed for production, technological development and administration.**
- **There is still a lack of cooperation between NES and the industry; a more direct contact and joint organization of training activities is needed; NES may organize special courses and training activities to meet the industry needs.**
- **Direct cooperation between the industry and schools is necessary to learn from each-other on what is needed and offered; schools should visit companies and companies should provide information to schools.**
- **Working conditions in the textile industry should be improved; wages have to be increased according to the demand pace as well.**
- **Investors have to focus on other regions of Albania except Tirana, but these regions have to be better prepared for investments.**

Panel III: “Health & Elderly Care”

Moderator: Skënder Dule, NCCS

Panelists:

- **Daklea Shtylla**, House of Gentlemen
- **Marsela Robo**, NAVETQ
- **Elidona Ukshini**, Multifunctional Center of Kamza
- **Rezarta Shehu**, State Social Service
- **Prof. Kosta Barjaba**, Ministry of Health

Rapporters:

- **Albana Zeqaj / Gentiola Madhi**,



Topics:

So far, the health sector has not been developed based on prevention and care services. Family traditional care, since a long time now, is not enough. The expected demographic development shows that in the care sector there will be a substantial need for skilled manpower, and especially for well-educated specialists under academic level. Besides state institutions for elderly care, there is a steady increase of private organizations providing this type of care. Also, demands on care services are changing. Professional home care is particularly new. This could well be one of the areas in which students of vocational schools could study for.

Beyond this, one should think about building a modern system focused more on prevention and care, which would be less costly than a simple insurance system. In the education of hospital staff and employees, care service for the elderly people is taking a whole different and important sense, while education continues to be oriented on factual knowledge. Employees in the field of care lack adequate qualifications and do urgently need training.

There is a huge gap between technological development and static education in the health sector. There is a lack of technicians who can maintain modern appliances and equipment of hospitals.

So far cooperation between universities (education of nurses) and schools that provide practice is not systematically expanded. There are some good examples, but a curriculum-based practical intervention is still lacking. Institutions providing work practices need qualified personnel to supervise the students. In addition, qualified teachers for different branches of the care sector are not there either. The same is true for teachers specialized in maintaining hospital appliances.

Panel and discussion: Problems, Comments and Results:

Participants in this panel urged for a necessary change and shift of education in universities and schools. In particular, more importance has to be dedicated to dual education (theory and practice), and practices, as an integral part of education, should be increased significantly. Care professions need more and more qualifications in non-academic fields; the practical part here should also have a great extension. Work-place practices must be integrated systematically into the entire educational plan. Relevant curricula for the practical education component should contain a social component as well. In collaborative care institutions there should be responsible qualified mentors available to practitioners, even because of the fact that they have an active overview of the entire educational planning. In addition, certificates of performance should be given for the working practice. Education and its curricula should be unified over the country and should be coordinated between the different levels.

For improving appreciation of the citizens for the care personnel, features of such care should be promoted

in public. Inclusion of caregivers for the elderly (non-academic) as a regulated profession in the Chamber of Nurses is an important step in this direction.

Young people having an interest in a qualification in this field should be identified earlier and familiarized more intensively with the requirements of care-giving professions. Not everyone is suitable for the job. Therefore, a preliminary selection of candidates for training contributes to the radical improvement of qualification and, conversely, there must be a more intensive career counseling service.

The attractiveness of professions should be improved through performance-based wages. Changes in wages for academic and non-academic graduates have to be tailored based on performance.

Key-Findings

- **It is indispensable for the state to recognize regulated professions in the field of care giving.**
- **Need for the care-giving sector has increased tremendously; this affects professionals from non-academic fields as well; the labor market needs should be determined and coordinated by the relevant ministries and institutions.**
- **It is observed that, especially in the care-giving sector, better qualification leads to better services; the care-giving providers should be made aware of the qualifications modern vocational education can provide nowadays.**
- **Qualified care-givers should be given priority in filling the vacancies.**
- **Performance-based wages have to be provided in order to increase the attractiveness of potential candidates, despite academic or non-academic education of personnel.**
- **In general, it is indispensable to improve the image and appreciation for vocational education in the care-giving sectors. Joint efforts are needed to achieve this, despite the joint efforts of relevant ministries and of the National Employment Service.**
- **The demand for and diversity of vocational education are increasing. However, practice has to be a compulsory part of vocational education, particularly the intensive 2 to 4 week practice, which should be integrated with the curricula. The relevant curricula need to also include shaping of social competencies.**
- **In order to develop needs-based curricula and to apply them in education, there is a need for an institutionalized close cooperation between care companies, schools and other companies. Part of this cooperation is the correlation between exams and certifications.**
- **For this aim, the companies should contribute in schools; should be part of school boards and the school board members should provide work practice opportunities as well.**
- **It is indispensable to determine the compatibility of candidates for a care-giving profession. Part of the compatibility are as well information activities for the young people (and their parents) in schools and labor offices.**
- **The existing care personnel should regularly receive offers for further qualifications.**

Panel IV “Tourism”

Moderation: Etleva Vertopi, GIZ

Panel:

- **Matilda Naço**, Albanian Tourism Association
- **Silva Banushi**, General Director of Employment and VET Policies, MMRS
- **Pirro Jani**, VTC No 4, Tirana
- **Alma Biti**, Tourism School Saranda

Rapporteurs:

- **Dafina Peci / Enian Lamce**



Topics:

Tourism is the world's largest industry and studies predict its increasing growth. The Albanian government considers tourism as a top priority of its governing program and as a mean to achieve the wider goals of job creation and building a sustainable economy. Today the tourism sector in Albania generates around 4.8 % of the GDP. More than 50,000 people are employed in the sector, a figure that triples during the summer season.

In recent years significant progress has been made, however not enough to efficiently utilize and develop the full potential that the sector offers in order to increase income and create new employment opportunities. The fact that Albania lags behind its neighbors when it comes to the effective utilization of its tourism resources and potentials doesn't mean that Albania has a lack of natural resources. This situation is mostly a result of and relies on the lack of qualified and skilled labor force, the lack of qualitative vocational training as well the limited role of the state as regulator and supervisor.

The idea of the dual system in the branch of tourism is not something new for Albania. In the previous years there have been several attempts to implement this system (case of Durres), but the process remained incomplete due to deficiencies of the legal framework.

Another obstacle that prevents this process is the family business profile of the companies that operate in the tourism industry. Because of the family ties these companies do not see it as a priority to cooperate with vocational schools but instead they look for employees within their family circles. Today in the Republic of Albania there are about 10.000 catering units, most of which are family businesses.

Panel and Discussion: Problems, Comments and Results:

There was underlined the need for the state and the private sector to act in partnership for creating an organic link between vocational education and tourism operators. Since the tourism industry is mainly family owned and seasonal right mechanisms representation criteria's have to be explored to ensure business involvement in identification of needs for qualified staff, curricula development, internships and participation in the exams.

The legal framework that regulates tourism sector in Albania is underdeveloped. There are not licensing or accrediting regulations for service units, which will create an immediate demand for qualified and certified workforce according to national standards.

At VET system level there are two weak points for the development of an effective educational training for an attractive tourism sector. The infrastructure with inadequate facilities, lack of laboratories and lack of other support-materials. And the curricula, which have been repeatedly subject to change. These changes didn't always bring the expected results. The last review of the curricula has brought a shift of focus from practice to theory, thus making the curricula not relevant. As a result of these changes, there is a moving away from the

main objective of vocational education: the practical training and qualification of students.

An additional problem related to education is the certification of students after completing vocational courses. The certification process has turned into a formality and doesn't show the real preparation of students. Certificates neither motivate nor penalize students because they do not categorize the studies leaving so unclear their evaluation in terms of practical skills and service.

Regarding the professional practices the Albanian legislation is punitive toward those serious and qualitative entities operating in the tourism industry. These subjects are charged with fiscal burdens for each trainee they take in. This brings an influx of practitioners towards tourism entities, which are frequently part of the informal economy or operate with low standards.

Also the public perception and the image of vocational schools is a problem, since they are still seen more as a place of lower level students. Because of their low quality and poor teaching standards these schools are seen from some parents and students at the best as a good springboard to increase the average grade in order to make it easier to be accepted to University. All of this has led to the creation of a negative image for these schools. It should be noted that information campaigns should extend not only to prospective students but also to their parents who have a significant impact on their choices.

Key-Findings

- **There is a need for professionals in all chain links in tourism sector (service, hostess, tourism etc.)**
- **The legal framework for tourism has to be developed. There is a need for accreditation and guidelines to guaranty a minimum standard of offers and services. Therefor the tourism-business has to be trained, and curricula tailored in line with established standards.**
- **The legal framework also should ensure that vocational training is possible within business companies. Relevant legal provisions should be revised to address the need for practical work of youngsters at the company, while respecting the existing laws on minimum working age, inspection and safety at work.**
- **To develop a better service there should be an objective certifying and ranking of the hotels and restaurants. Also helpful could be a competition-system based on merits and professionalism.**
- **The recent curricula have to be redesigned and there is needed an active business involvement in professional certification practices. There should be developed countrywide certificates which ensure employers which qualifications applicants have.**
- **The teachers' functions in the schools have to be evaluated. Additionally to testing there should be offered trainings and also a certification for the teachers and instructors.**
- **Increase the active participation and role of the business in the school board, by establishing transparent and merit based membership criteria.**
- **There should be offered more incentives for business to develop vocational training in practice on workplaces.**

A comprehensive vocational education oriented policy is the key to Albania's economic development



Frank Hantke Director, FES-Tirana-Office

More than 60% of the Albanian youth wishes to leave their country the soonest possible. This is not because they do not love their country, but because they see no professional perspectives offered by it. The economic development of the country can be considered more as in a stagnation, rather than prosperous, although many domestic and foreign experts, donors and others have tried since over 20 years now to install a sustainable economic development in the country. But both these allegations are sides of the same coin!

Economic stagnation and youth unemployment are a common problem

Of course, there are a number of reasons why the economic boom has not progressed as it was supposed to be, taking into consideration the promising potential of the country. This is because Albania is rich in natural resources and is one of the youngest populations in the whole Europe. However, without talking about the political will of the elites of the country, which is still missing, they must find a common language and act together on common grounds on the most important issues of the future and not mutually block one-another. Also, it should not be forgotten that the initial situation of Albania after 1990 was very bad in comparison with its many neighboring countries. So, it is not a question of finding the guilt, or identifying banal excuses, but of identifying ways to more effectively use the potentials mentioned above.

To build a house one needs not only an architect, but 20 craftsmen as well

There were times in Albania when economic growth has even reached the level of 6% or 7%. But, growth was due to some short-term developments in some sectors, such as the construction industry, and there was no evidence of a structural modernization of the economy as a whole. In recent years, the growth rate fluctuated between 0% and 3%, which means that the country is still far from the real pace of the EU growth. To achieve the lowest level of the EU economy, the country needs a sustainable growth rate of 6% or more. But, structurally, the economy has changed very little so far. This applies particularly to the manufacturing sector, while only the consumer sector is expanding. However, an economy that is essentially based solely on service and consumption cannot be regarded as healthy and stable. Potentials for production are still untapped. This is true for agriculture, energy, industry, the craftsmanship, and for the tourism sector. Why is there so little investment? Why are so many assistance programs and funding mechanisms wasted?

University education often leads nowhere

Despite serious political and administrative deficits, mentioned above, it is evident that a whole generation of young people is illiterate, is educated in the wrong way or, at least, not with a clear purpose and chances are that the situation will continue to be such in the future as well. The law on higher education will not bring any change! The totally one-sided orientation of the education policies towards quantitative expansion of higher education supply has led to further worsening of the situation. This has happened for two reasons: first, today everywhere there is a lack of educated non-academics such as craftsmen, workers in the industrial sector, secretary or maintenance personnel and, on the other hand, young people see themselves almost forced to have a degree whatsoever, regardless of whether it will be needed in the future, or if it meets certain relevant interests. Today's generation of parents, including politicians, have created an illusion on education and the future, which promotes insecurity in their children, or feeds their wish to leave the country.

Craftsmanship as an alternative to education is almost inexistent so far

Almost no one wants his child to have “only” a good craft, even though under such circumstances he or she would have better premises. Parents think they can financially afford to send their children to college. Otherwise, the parent considers himself a failure, as he has left his child in poverty. What a great stupidity! Look at the high number of the unemployed amongst young academics! Even worse, thousands of unemployed academics compete in the non-academic job market with limited jobs, regardless of the job, in call centers, for secretary or hostess positions, as waiters, or in other branches of entirely non-academic fields. The only losers are those who do not have a university degree, despite the low value the degree has. Often, these are young people from rural areas, or young people from the poorest strata of population.

The Albanian labor market is not a market at all, as investors seek skilled workforce, but the labor market in Albania can only provide academics and unqualified working force.

If we turn to the definition of “labor market”, it consists of two important terms: “work or manpower” and “market”. The labor market should be considered as a regulated market, in which interested buyers are provided with goods and services. The “buyers” of the workforce, entrepreneurs or investors, demand skilled workforce from the labor market, while the “sellers” – namely the job seekers and the unemployed, offer qualifications, for which, unfortunately, the buyers have little or no interest at all. Consequently, the process of “buying” does not happen. More specifically this means that those who do not employ new people, do not create new jobs and, thus, do not contribute to economic growth. Under these circumstances, investors go and search for other more promising labor markets, such as in the neighboring countries. If we asked the investors, they would respond that they require particularly specialists in the middle segment of the market, meaning people educated in the field of industry, administration or craftsmanship. A joint survey of the “Friedrich Ebert” Foundation and the National Employment Service shows that the companies prefer to hire young people who have attended and finished vocational schools. This, despite the current vocational education, with the exception of few very good sides, still has major deficits. But, one thing is certain: the more we practice during the education circle, the greater chances are to find a job latter in life. Unfortunately, this is not something politicians or people dealing with education, or parents and their children talk about!

Specialists are needed for all the labor market levels, not only for the „senior positions“

If one views developed economies, such as, for instance, in Central Europe, there is a striking balance between academic and non-academic specialists. The need for skilled workforce extends to all areas of the economy and administration. In these countries they have since long understood that different needs require different qualification profiles, not better or worse, but just different! Any engineer can bring numerous examples from his working life, where the expertise of a highly qualified worker has solved him many troubles. Thus, in Germany, an electrician learns his profession for almost as long as the majority of students need to study in Albania – that is for 3 years. Many of them continue studies for getting the title of a Master, thus gaining the right to teach other young people. Moreover, the “Master” title is equivalent in status with the “Bachelor” degree in the so-called Bologna system!

To combine practice with theory there is a need for creativity, ability to work in a team and competence to plan

This is true not only for vocational schools, but also for all other educational institutions, from kindergarten to university. In Albania, the transmission of knowledge is still done based on outdated and hierarchical models. Still many facts are learned by heart, much more than in modern education systems. Given the fact that almost every day, the volume of information and evidence grows facts subject to learning are outdated. During the learning process more importance has to be cast on the continuation of the learning process independently later in life. This means that one needs to know where to get the information needed in the future and, moreover, to combine such information properly and apply it independently to new tasks.

So, the issue at hand is not about the knowledge of facts, but, mostly about the so-called key qualifications

(such as how to continue to learn and to ensure information) and about “process-related knowledge.” But, processes are not learned only from books, they should be built and tested by us during the course of the learning experience. It is only in practice that we can learn from mistakes.

Today and in the future, strategic skills are just as important as the ability to work in a team. These two enable both modern working and efficient cooperation. As much as theoretical this may sound, the advantages of such skills are very tangible if systematic organization of work processes is aimed at. With employees working only with static knowledge, complex work processes can hardly be performed. Unfortunately this is often proven if a look is cast on the practice of Albania. Economic development of a country is in dire need for young people with creative skills, able to work in a team, with personal accountability and strategic planning competencies. The workers receiving orders and oriented mainly towards hierarchy in the working place are much less in demand in the market.

Basically, an education based on preparation for the profession should be based on two pillars: practice and theory.

Cooperation between vocational education and labor market policies creates a proper “labor market”

It is clear that professional education needs to work closely with the labor market in order not to have erroneous developments. Who is interested in thousands of lawyers, at a time when more engineers, planning experts, craftsmen or secretaries are needed? The labor market policy is determined not only by the labor offices, but mainly by companies and investors. This means that employers must play a crucial role in shaping vocational education, if they want to have qualified staff in the future. So, labor market needs have to be recognized first, and only afterwards can the necessary conclusions for the qualifications and professional competence be drawn, which should be then forwarded to educational institutions. But, this is not enough either, because employers should play an important role too in the development of the curricula. Employers are the ones who know better than anyone else what the labor market needs. And the employer must take some responsibility in the certification, so that diplomas are recognized nationwide and, later, also internationally. In this way, employers and policies would create proper conditions for the “buyers” in “labor market” to find appropriate offers. This creates jobs and new economic successes.

“Plan B” for the youth and their parents – alternative to the unfinished „Plan A“ path

Since ancient Latin writings we encounter the phrase that parents always want the best for their children. Therefore, after the political changes in the country, “Plan A” was for parents to send their children to university. This was often accompanied with great difficulties, as in higher education, which was increasingly privatized, studies were expensive, as universities were moving towards a more profitable business! Nevertheless, the children were given very little attention. Their talents and desires were almost not taken into account at all, and having them enrolled in a study programme, no matter what it was about, was enough. In this way, many young people began the cavalcade of endless sufferings. This because no interest was shown for the curricula and the study objectives, as only certificates mattered.

In Germany we count more than 300 non-academic professions, not because this is especially luxurious, but because a developed economy needs these professions. If the economy of Albania aims to evolve towards EU integration, it requires a much broader range of good qualifications, especially in the secondary segment of the labor market.

What is needed should be created and offered.

“Plan B”, namely vocational education, is almost not all familiar for parents and their children and, so far, the efforts of politics and the economy to offer a “Plan B” to the public and to promote it as a real alternative for the future are very slim. (Cynics might claim that this comes as a result of the fact that practice-oriented vocational education does not allow one to gain a lot of many “without a hard working”, compared to studying in universities and paying profusely high fees).

If we want the economy to revive in the future with its professional competence and create a long-term prosperity, a number of measures will have to be taken, which will also deal with vocational counseling and career planning. Besides, in addition to such job counseling offices and schools, the curricula needs to also be oriented to the needs of the labor market, as well as to be practical and binding in all types of schools. The main holders of these measures should be labor offices, in cooperation with employers and schools.

All good reforms require strategic planning, cooperation and patience.

In general, reforms require a long time to deliver results. Who thinks that short-term reforms that are usually announced too loudly would change something is invited to look at the history of diverse reforms in the country. Many things have been introduced too quickly and were just as quickly rejected or changed. On paper (and in public presentations) much more have been done quantitatively rather than qualitatively. Reforms have effect only if they suit the country and its initial conditions. They cannot be copied by other countries, but one can learn from best examples. Reforms will become a reality only if they apply to the country and its citizens and not serve “political shows”. All reforms can bear fruit only if they are undertaken and supported by all stakeholders. The previous policy, from the top down, is no longer stable and is destined to fail. Today, all stakeholders (employers, relevant experts, scientists, civil society etc.) should be included in the process because their knowledge will enrich relevant results and accountability will enable the implementation of reforms.

The same applies to the reform on vocational education. If all actors contribute their best for an improved vocational education, appropriate criteria will then be required: for some, financial investments (equipment and materials for the school, placements for internships, incentives and advisory policies) are needed, while for others time will be required (additional qualifications for teaching staff etc.). What is even more important is to start with planning of the work as soon as possible!

Vocational schools: still a fragmented reality ...

Out of 400 vocational schools in the past, today the country counts only 40 such schools. The number of schools has reduced mainly due to the considerable negligence of educational policies of the last decades. This remaining „fragmented reality“ is composed of several interesting and successful models of foreign support organizations, especially of the EU, Europe and other schools, which continue operation as before (not making steps forward). This has all been attested sufficiently through analyses of foreign and national experts.

Any reform should be proceeded by „lighting pillars“, which means that the models should be established and implemented in practice. Such „lighting pillars“, although a few in number, are good experiences and have yielded good results. Here I am talking about „multifunctional centers“, „practice-oriented centers“ for different levels, or about specific collaborations in the labor market. Another phase of the reform should be aimed at transmitting these models in other schools, which do not yet have a good understanding of modern vocational education. Thus, more „lighting pillars“ have to be established and this is not something to be left to foreign donors, as they should not be given the mandate to built sections of the national education system in another country. This is and should remain a task of the state itself, which, together with the donors, should build an inclusive and public vocational education system step-by-step. There will come a day when this amount of support by foreigners shall no longer be there.

... but, a comprehensive, qualitative and public offer tomorrow!

When Albania becomes an EU member country, it shall need a labor market with a properly qualified working force and a modern economy. In fact, the EU is not a one-course street; on the contrary, opening of its borders for the candidate countries today also means opening of these countries, like Albania, for qualified working force and for entrepreneurship from other EU countries. If Albania does not get ready for this, it will probably be surprised of the foreign working force influx, leaving little space for the national employees if they are not qualified, or badly qualified.

Sub-division of tasks for building a proper vocational education system in Albania

We should initially assume that the vocational education in the country shall be oriented towards the conditions of the country and economic challenges of the future. Different from most of the European countries, which provide their experiences of vocational education, Albania's economy is clearly composed of small and micro-sized enterprises. In order to provide a good and qualitative education and to include relevant enterprises, cooperation of enterprises and branches is very important (almost no stakeholder is capable of providing a qualitative practical education all by itself; in addition, it is exactly here that the Albanian future model will clearly differ itself from many models of the Western European countries), but such model may learn a lot from other experiences and adopt them to its needs. Another peculiarity is related to the current differences in regional needs. There are parts of the region where priority is given to other qualifications for developing the economy, rather than, for instance, in big cities with increasing administrative jobs' interests. A full labor market analysis and economy's strategic planning for each of the regions should be a component fundamental part for the development of respective qualification profiles.

Not a copy of existing models – partnership between the state and foreign providers for an independent development

Given that the Albanian conditions and needs should be in the first plan of vocational educational policies, a close and long-termed cooperation between the state and foreign experts is imperative. Both on an individual basis and together, both parties cannot develop a suitable model that makes Albania's economy compatible in the EU with its qualified workers. A fundamental aspect to be tackled in a comprehensive vocational education offer in the future are the extreme differences between urban and rural areas in Albania's development. There is a reason behind a threatening rural exodus, as households in the rural areas see no future for their children. Hence, it is exactly there that measures should be taken to provide qualification and employment possibilities, as cities cannot provide jobs for all and means to living. By taking into account the numerous local difficulties, more campuses need to be built for vocational schools.

Good things need time, therefore work should be started immediately

For many reasons, the topic of labor-oriented vocational education is not suitable to short-term initiatives. First and foremost, almost all the participants should start changing their way of thinking, or, at least, start to think of it. Parents and their children should be introduced to clear and reliable alternatives, employers should reflect over mid-term and long-term development of their enterprises through a better qualified staff; teachers should be constantly trained, schools should be equipped with modern means, as learning through practice cannot be taught by the didactic means of the previous century and experts, politicians, teachers and employers should work together for the curricula of the vocational education of the future and for best orienting the learning process. This is the only way for attaining a properly qualified working force for the different needs of the economy, which should be capable and willing to be constantly educated in an independent manner. Also, special branches should be tackled in such a way that gradual extension is ensured. A car mechanic should be given the possibility of studying for engineering in the future; an ambitious secretary should be given the possibility of studying for economy. In this case, an escalated vocational education and training model would also be suitable for the integration with the level of diplomas in the EU.

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List of further publications (links)

- Economic development-Vocational Education-Wealth for Albania
<http://www.fes-tirana.org/media/publications/pdf-files/2014/p-140207wirtschafts-broschure-eng.pdf>
- BEOGRANA - CHALLENGES OF EDUCATION IN ALBANIA AND SERBIA, SEEN FROM THE PERSPECTIVE OF YOUTHS <http://www.fes-tirana.org/media/publications/pdf-files/2015/t-150519-beograna-eng1.pdf>
- YOUTH EMPLOYMENT TRENDS IN ALBANIA: WHAT IS THE MARKET LOOKING FOR?
<http://www.fes-tirana.org/media/publications/pdf-files/2015/t-150427-tregu-punes-eng.pdf>
- ALBANIAN YOUTH 2015: Slow change, Internet dependency and ...EU trust!
<http://www.fes-tirana.org/media/publications/pdf-files/2015/t-150915-albanien-youth-eng.pdf>

“Friedrich Ebert” Foundation in Tirana (FES)

FES Office in Tirana was established in 1991. Our main fields of activities are:

- Active Civil Society:** We work with organizations and associations that are actively engaged in social and democratic development of the country.
- Socio-Economic Development:** We work together with different actors of the economy. We create platforms of dialogue that are contributing to balance the interests of fair and sustainable development.
- Democratization of Institutions:** We help institutions to be competent and work independently for the benefit of the Albanians. Law and regulations should be respected by all.
- Dialogue and participation in labor world:** We provide a platform for discussion and dialogue. Trade Unions need to be competent and employers can find the best solution to economic problems.
- The future of youth:** Most of the Albanian population is under age 30. Young people need to be heard, to have good education and real perspective. They want and can build the future of Albania.
- EU Integration:** We help Albania to be a worthy member of the European Union as soon as possible. For this we offer regional and international exchange of experiences.

www.fes-tirana.org

German Association of Industry and Trade in Albania (DIHA)

In late 2008, it was founded in Albania the German Association for Industry and Trade, which has been operational since mid-2009. DIHA represents the network of German and Albanian companies in the country and mediates all German companies wishing to enter Albanian market. With more than 60 Members, DIHA is one of the most important bilateral economic associations in Albania. DIHA members are being offered by the following services:

- Contacts:** advantages to enter our network with our business, economic organizations, state institutions and companies in Albania and Germany.
- Register of membership:** Your Company will be listed in our regional online membership database, which is used by many companies to establish contacts. Members have access to these contacts.
- Networking:** Through our activities you can create an active network.
- Representation of interests:** The Association represents the interests of German companies with business interests in Germany.

www.albanien.ahk.de

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) në Shqipëri

GIZ has been working in Albania on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) since 1988. GIZ's work focuses on:

- Sustainable economic development:** Such as Vocational Education, promotion of small and medium enterprises, improving the investment climate.
- Water supply and sanitation**
- Agricultural and rural development:** improvement of revenue opportunities in the countryside, including the poorest marginalized mountain regions.
- European Integration:** Approximation of legislation in the sector of the economy (with BMZ funds) and the establishment of structures to promote rural development (as a mandatory with EU funds).
- Open regional grants for southeast Europe:** a flexible tool for regional employment promotion enhancing the legal reform, foreign trade, modernization of communal services and efficiency of energy and renewable energies.
- Integrated experts:** Centre for Migration and International Development (CIM) offers by request of the Albanian institutions professionals in different areas.

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