



INTERNSHIP PROGRAMME

-Report on Albania-

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I. BACKGROUND

In Albania, the majority of firms are facing difficulties with finding employees with necessary skills- they experience difficulties in hiring because of job applicants' lack of skills and work experience. The lack of required skills, often perceived by employers similarly to the lack of work experience, is also reported as a problem most firms encounter when trying to hire professional workers but also lack of required skills and work experience among applicants is an issue for these companies.

Another common issue in Albania is the insufficient relevance of the training, meaning the training programs are not providing the outcomes the companies expect from them. Additionally, an assessment of training providers by the World Bank in 2017 shows that in general, the quality of training by private providers is hampered by similar challenges of low quality and relevance. Beyond the insufficient relevance of training, the current delivery modality of vocational training does not promote work-based learning. One of the reasons why some employers are critical of the VET system is that it does not equip trainees with practical skills. The current adult training programs are limited in scale and diversity and do not respond to the needs of the labour market. With the exception of a pilot apprenticeship program supported by Swiss Contact, VET schools and the general education system in Albania offer school-based learning only and do not promote trainees' exposure to work experience.

At the same time, private sector associations are weak in Albania and not well organized to partner with VET providers to promote work-based learning.

Therefore, very few firms engage with education and training systems at a strategic level. Out of the few firms that are in contact with the education system, most provide work experience for students or recruit new workers from students. There is virtually no contact to provide feedback to the institution on its curriculum, or to help test students. There is no institutional evaluation or feedback on the academic programs based on the practical training programs offered by the education institutions.

Another problem is the capacity of the public employment office. Firms for hiring managers and higher-skilled professional workers rarely use public employment services. Only firms in the construction sector, larger firms, and dynamic firms use these services to some extent, but their use is still below one-third of firms. Private employment offices are slightly more likely to be used, but the intensity of use is limited.

II. INTERNSHIP PROGRAMS

In Albania, the internship programs have been implemented since 2007 but with not very successful and widely spread among the private sector companies. Currently, there is a work experience program for newly graduated students subsidized by the Albanian government between 3-6 months, of which the students get LEK 12,000 (approx. 100 Euros) for each month that students spend at the company.

This Workplace Program supports students who have less than two years of undergraduate studies. Funds for this program are limited and each year 500-600 newly graduated students are enrolled in the program.

The program started in 2007, piloted only in Tirana and then extended all over the country. Labour market providers are both state and private institutions, in the professions of the fields of medicine, technology, teaching laws, and so on.

In addition to the national scheme, the internships usually are offered by the education institutions in both secondary schools and universities, and are part of the study programs of these institutions. However, even though the education institutions have been providing internships for their students, there is still no mechanisms in place that facilitates the internship programs or offers match making services of the HEI students in all of institutions. Usually the match making is done by the Career Centres of these institutions but their capacity is still low which leads to no scalable and sustainable internship programs.

In terms of the private sector, you can't find private companies specializing in offering internship placements to interested parties but rather recruitment and/or headhunting agencies that only list vacancies and job opportunities on their web sites so that job/internship seekers could apply and internships are only add-on services to their current set of services. However, there are no specialized providers to act as a bridge between the education and private sector and support the internship process or match making of private sector companies with both students and unemployed.

III. LEGAL REGULATION OF INTERNSHIPS AND PRACTICAL TRAINING

The internship programmes are currently covered by the law No. 873, dated December 2006 by the Council of Ministers which explains the financing measures, the criteria and procedures for the implementation of professional programs for unemployed that have graduated in or outside Albania. The law has been amended in 2014.

While student employment practices and internships are explained in different law no. 69/2012 on the pre-University education in R. Albania (Amended by Law No.56 / 2015, dated 28.5.2015).

The law obliges the Rectorates, to send the number of graduates in the last 24 months to the relevant offices of employment. Whereas, the respective employment offices are obligated to compile the list of unemployed jobseekers who agree with the terms and conditions of the program, to register them according to the codes of professions and date when registered in these offices.

Their selection of the candidates in the programs is done by the employment offices, however priority is given to students with high academic results during the entire period of studies, socially disadvantaged candidates and special groups.

The respective employment offices, through the National Employment Service, compile the lists of institutions / enterprises, public and private, the number of unemployed to recruit in these institutions, and make them public through various means of communication channels.

In addition to these two laws that regulate the internship outside the education and the other law that regulates the educational practices for students still in the education there is another law that regulates the Volunteering which has been adopted in April 2016 which also regulates the volunteerism as a concept in Albania.

All laws that are regulating these themes have no restriction in terms of the age of who can conduct an internship or be a volunteer and are very liberal on allowing the market to determine the process flow. The form of educational practices is different to internship. The first regulates the practice while in education and is linked to students that are in the education process and regulates only the practice in the profession of the study program of the student whereas the internship has to do with the people outside the education who have graduated from the secondary school or University or are unemployed.

IV. INSTITUTIONAL FRAMEWORK FOR INTERNSHIPS

- The National Employment Service (NES) offers and provides internships in accordance with the decision and the law adopted by the Council of Ministers. There are private agencies that facilitate the internships with private sector companies. Each internship placement is accompanied by the contract between the company and the intern.

One measure focuses on teenagers that have not completed more than two years of education. Internship placements are between 3 and 6 months. The trainee will get 12,000 Albanian Lek per month during the entire period of the internship. The beneficiaries of internship are both public and state institutions and private sector companies. At the end of the internship, the participants are provided with a certificate for successful completion of internship which can be used as a reference for CV to improve the employment opportunities of the candidate.

Every year around 500-600 newly graduated students are supported by this program.

The internships take place all over the country, however because of the absorption capacity of the companies, Tirana region has almost 80% of total internship placements of the country.

The internship process is monitored by NES individual offices which are the program implementers.

The monitoring and evaluation of the program including the effects, benefits and the outcomes are completed by the external experts engaged by NES.

Even though the program has lot of benefits for both interns and companies, according to the results from the evaluation of the program it shows that in the short term, the program has no impact on employment for the interns. However, in the long run the interns have more employment opportunities compared to those that have not gone through the internship program.

The official implementer of the program besides NES is the Ministry of Finance and Economy.

- The internship programs for university students are offered by the career centres of the respective universities, however the number of beneficiaries of the program remains very low.

V. STRENGTHS AND WEAKNESSES OF THE PROGRAM

5.1 Positive aspects of the program

- **Professional practice as part of education:** Currently there are education institutions in both vocational and university level that have included professional practices as part of the education system. It is quite a progress for the general support of the internship program to be part of the education system which is the foundation of the programme. The challenge remains however in terms of the full integration of the internship in all education institutions.
- **National programs for professional practice and practical education:** there is a national program that supports graduates who want to complete professional practice. The government financially supports the program by providing a stipend to interns in the amount of 12.000 ALL for 3-6 months, which is the length of internship as well. Even though it is a good program, only a limited number of individuals can benefit from the program (4.500 since 2007) and the main challenge remains the scalability of the program.
- **Voluntary work:** the law on voluntary work has been adopted in 2016 and it regulates voluntary work of people in the civil and NGO sector.
- **Contracts between parties:** each internship has to be accompanied with a legal contract between parties entering into the partnership. This is good because it specifies the rights and obligations of the parties as part of the agreement. However, it is not clear which authority oversees the implementation of the program.

5.2 Areas for improvement

- **Hiring process.** Firms' hiring problems are more pronounced for high-skilled occupations, pointing to critical issues in employment matching services. Generally, firms face higher constraints to hire qualified workers not just because of the lack of required skills but also because of limited number of applicants (or lack of applicants). In this respect, Albania differs from other countries in the region. Coupled with the high number of university graduates unable to find a job, this finding points to severe information asymmetries and bottlenecks in

employment intermediation services (both public and private), in addition to outdated and inflexible tertiary education.

- **Role of industry associations.** Efforts to reach out to industry associations have apparently not met with success in Albania so far and a discussion on how to best involve the private sector is needed. More specifically, employers' request for more practical or job specific technical skills will require much closer collaboration between education institutions, training providers, and the private sector.
- **Trainings.** Special training tailored to specific types of firm managers would help them better manage their workforce and business by: supporting them to conduct regular performance monitoring of employees; rewarding high-performing workers with bonus and retraining underperformers; understanding skills needs and vacancies; and sensitizing them on the existence and costs of recruitment services (both public and private) to be outsourced.
- **Gender disparities.** There are some gender disparities in employers' perceptions about female workers, not so much related to their skills but to their capacity to focus long term on a task and on the competing time demand stemming from household duties. Labour regulations (maternity and paternity leave, flexible work schedules for parents) could be adjusted to promote more gender equality in hiring decisions.
- **Contract not supervised by authorities.** Even though there is a contract signed between the interns and companies, there is no institution to monitor and oversee the implementation of the contract in case of conflict between parties. I would strongly suggest that the parties deposit a copy of the contract to respective Ministries which have then the role to ensure that rules and regulation of the contract are followed by each of the parties.
- **No internships mechanism in place.** Even though the contract is very important mechanism still there is no systematic feedback and evaluation process from the internship which is provided by the companies or students about the internship.

VI. RECOMMENDATIONS

- **Regulation of internship program:** There must be a legal mechanism that regulates the internship program in Western Balkans including Albania. It is up to each government to decide whether this should be done through by-laws or a special law, but it must be integrated in the system in order for all institutions to respect the new guidelines.
- **Scalability:** the agency and the government must design a model that enables larger number of students and graduates to participate in the program. The model must focus on increasing the pipeline and number of students enrolled in the program without increasing the cost of the program.
- **Internship mechanism process:** the government must make an effort in regulating the internships process, including the selection, contracting, evaluation, feedback and mentorship of the interns. The Employment Agency or

another authority must be selected to oversee the process for any misuse of human resources.

- **Inclusiveness:** in the process of design and implementation of the program the industry associations must take active part, as well as economic chambers of commerce and other professional associations as they have the knowledge of conducting professional practices, which could be shared among other stakeholders.