



Employment and Social Affairs Platform

Peer review workshop on youth employment programmes

Report on Albania

Prepared in May 2018

ALBANIA

The youth (15-29) labour market in Albania is characterized by relatively low youth unemployment rates (22 per cent) – mostly long-term (63.1 per cent), but substantial vulnerable employment (over 60 per cent) and underemployment (14.2 per cent). Contrary to what occurs in other Western Balkan countries, the unemployment rate increases with educational attainment: university graduates have an unemployment rate of 30 per cent, whilst among secondary educated youth the unemployment rate is 23 per cent and 18 per cent for those with just primary education. This is due to the strong negative relation between education and labour market performance of young women, whereas for young men the unemployment rate changes only slightly with the level of educational attainment. Skills mismatches are widespread, with over 40 per cent of young workers (15-29) working in a job for which they were either under-qualified or over-qualified.¹

Table 1: Total number of young NEETs by labour market status (2016, annual data, thousands)

	Total
Total NEETs (15-29)	142,532
Unemployed (LFS), 15-29	83,338
Registered with the NES, 15-	22,591
Inactive, 15-29	59, 194

Source: Labour Force Survey, 2016

1. PES ALMPs Targeting Youth

The active labour market programmes available in Albania are aimed at supporting individuals back to the labour market. Some labour market integration measures are available to all unemployed (such as off-the-job training), whilst other specifically target young people (for example the employment programme for young graduates). The NES regularly conducts monitoring exercises to measure the effectiveness of service delivery, while the National Qualification Authority for VET (NAVETQ) is responsible for the definition of vocational standards and the certification of the learning outcomes acquired.

Further education (and training)

In Albania the Ministry of Social Welfare and Youth has overall responsibility for the vocational education and training system (i.e. both formal VET and adult training). The formal VET system is currently under reform to improve programme offer and their flexibility. Vocation schools cooperate

¹INSTAT, *Youth in Albania: Challenges in changing times*, Tirana, 2015.

with the local business community to organize internship periods for students and the current reform also envisage that each VET school be equipped with a development unit responsible to organize work-based learning for students. Currently, there is a plan to open multi-functional centres (catering to the needs of students and adults) in Shkodra, Fier, Tirana and Elbasan. The ten vocational training centres operating under the aegis of the Ministry of Welfare and Youth provide combined vocational training programmes (off- and on-the-job) of flexible duration (3-9 months). Most beneficiaries of these training centres' activities are young graduates of secondary education.

Employment and self-employment

The country has been implementing employment promotion programmes since 1999 and considerable progress has been made in the recent years in terms of design, eligibility criteria and implementation procedures. The most noticeable change has been the increase of the funding envelope available (to roughly €3.6 million annually).

The NES offers three programmes targeting young people: (i) the *Employment of young graduates* programme that comprises on-the-job training (three months) and employment subsidies (for additional nine months); (ii) the *Professional practice for new graduates* programme (two years), which offers subsidized work experience in the beneficiary's career area (as required for certain occupations), and (iii) *Employment promotion of young orphans*, which combines subsidized training (three months) with subsidized employment (15 months).

Other programmes are available to all registered unemployed and to specific groups. The *on-the-job training programme*, for example, provides training in the occupation of choice (six months) and subsidized employment (for additional six months). Job subsidies of one year are available for the recruitment of vulnerable groups, women head of households and persons with disabilities.

An apprenticeship scheme was introduced in 2016 in cooperation with the National Chamber of Handicrafts. This programme combines theory learning (done in a vocational training centre) and practical work in handicraft enterprises. The programme includes an external assessment and provides a recognized qualification.

Traineeship

So far, traineeship programmes have been implemented only as pilot projects with EU funding. There is a roadmap for the introduction of internship prepared by NAVETQ (Erasmus programme), currently being piloted in the tourism industry. The *Professional Practice for young graduates* provides a period of subsidized work practice (as required by law for performing certain occupations).

2. Activities of other Institutions Promoting Youth Employment



Although the country has no comprehensive outreach strategy, there are some initiatives currently being implemented to provide access to employment services and programmes to the most vulnerable groups of the youth population. The National Youth Service (NYS) – established in 2014 – is tasked to provide aggregation facilities for young people (Youth Centres are already operating in Tirana, Vlora and Korça). At the same time, the National Action Plan for Youth (NAPY) 2015-2020 envisages that the National Employment Service (NES) of Albania detach to the Regional Youth Centres employment counsellors responsible to organize and deliver activities targeting youth (e.g. traineeship).² In addition these Centers are expected to provide resources also for a number of youth activation services, including profiling and individual employment planning, information on job vacancies, job search training, employment counselling and vocational guidance.

3. Evaluation of ALMPs

Performance monitoring exercises are conducted annually and also include the running of tracer studies on beneficiaries of vocational training programmes. The evaluation conducted in 2014 shows that only a small share of registered unemployed has access to labour market programmes (1.5 per cent annually). The on-the job training programme has the largest annual intake, followed by work practice for graduates and subsidies for vulnerable groups. In terms of outcome results, the subsidy for vulnerable groups has good returns (63per cent increased employment probability, possibly due to the precise targeting mechanism), followed by training (55 per cent) and work experience programme (29 per cent). Also in terms of cost-benefit these programme yield a positive return (higher for on-the job training and lower for the work experience programme).³

² See Decision of the Council of Ministers no.377 (June 2014) and Order no.259 (November 2014) on the approval of the structure and functioning of the National Service for Youth.

³ *Employment Promotion Programs in Albania: Evaluating Their Quality in the Designing and Implementation Processes (2008-2014)*