



STUDY ON
**YOUTH
EMPLOYMENT**
IN
ALBANIA

Annex 1

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better.
regional.

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LABOUR MARKET DATA-METHODOLOGY NOTE

All labour market data in the RCC ESAP Youth Employment Study, Albania Annex are for the 15-24 age bracket for youth and the 15-64 age bracket for the general population, unless it is specifically indicated that the data presented is for a different age group. The source of data is indicated in notes to the individual figures; where the source is indicated as the [RCC ESAP Observatory](#), the data is from the Institute of Statistics-INSTAT (LFS data), the National Agency for Employment and Skills (NAES) or EUROSTAT, unless specifically indicated otherwise under the figure and/or at the RCC ESAP Observatory.

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Abstract

This Chapter outlines the nature and challenges of the youth labour market in Albania, among which the lack of job opportunities in the private sector especially for highly educated young people, the consequent migration of young people and subsequent difficulties in integrating returning migrants into the labour market, weaknesses in the vocational training system at secondary school level, a high prevalence of self-employment and informality, and a high incidence of young people neither in employment, nor in education or training (NEETs) have been identified as key factors creating difficulties in the youth labour market. The Albanian youth labour market is also characterised by large gender gaps in labour market participation and employment. The Annex analyses the existing youth employment measures, showing that while many existing measures are relevant to the creation of a Youth Guarantee, they need to be refocused on youth, scaled up, and appropriately financed. The Annex has mapped the main dimensions of the NEET phenomenon and made suggestions

how policies towards NEETs could be improved. It also identifies the capacity issues in the main agencies that are responsible for implementing youth employment policies and make some recommendations about what should be done to ameliorate the identified deficiencies. A comprehensive set of labour market policy measures has been outlined, building on the European Union (EU) policy approaches to the Western Balkans and policy recommendations. A roadmap has been developed, tailored to local circumstances, to implement a Youth Guarantee in Albania to ensure that no young person is left without a job, or a place in education or training for more than four months after leaving school or university. While this roadmap is an important analytical input, this roadmap cannot replace or prejudice the Youth Guarantee Implementation Plan for Albania. The implementation of an Albanian Youth Guarantee would make a large contribution to eliminating social exclusion experienced by many young people living in Albania today and in the future.

1 INTRODUCTION

Among a total of 2.9 million inhabitants in Albania, 1.4 million aged from 15 to 64 are in the labour force, of which 44% are female.¹ Of these, 1.3 million were employed in 2019 and 165,000 were unemployed (also 44% female). The labour force participation rate (activity rate) was 69.6%, being higher for males at 77.6% than for females at 61.6% indicating a large gender gap in engagement with the labour market, while the employment rate was 61.2% with a gender gap in favour of males of 13.8 percentage points. In 2019 the unemployment rate was 12.0% which increased to 12.2% in 2020.²

In 2020, the activity rate for the working age population decreased to 69.1% (in 2019 was 69.6%). In 2020, the employment rate for 15-64 age group decreased to 60.6% (in 2019 was 61.2%), while the unemployment rate for the same age group increased to 12.2% (compared to 12% in 2019).

In its assessment of the Economic Reform Programme of Albania 2020-2022 the European Commission states that Albania still has a high share of the active population with a low level of education although the situation improved over recent years. Almost half of the population aged 25-64 has a low level of education (45.1%). This is a legacy of long-term under-investment in education and training and of high early school leaving rates.

1.1 Youth in the labour market

In 2019, there were 165,000 young people aged 15-24 in the labour force (see Figure 1) with half as many young men as young women. About half of the youth labour force is having a medium level of education, while just over a quarter have

a low level of education; there were relatively few young people in this age group with a high level of education, presumably because many young people in this age group are still studying at university and have not yet entered the labour market. Notably, there are more young women than young men with a high level of education in the labour force, while the opposite is true for those with a medium or low level of education, where young men predominate. The 15-29 age group had 661,365 youth, representing almost a quarter (23.2%) of the population.

Labour market performance indicators for young people vary by gender and by the level of education (see Figure 1). This can be seen in detail in Figures A1 to A6 in the Appendix. Labour force participation rates are far higher for young men than for young women, the former being 43.2% in 2019 while the latter was only 30.2%. This is a reflection of the distinct gender divisions in Albanian society. Survey

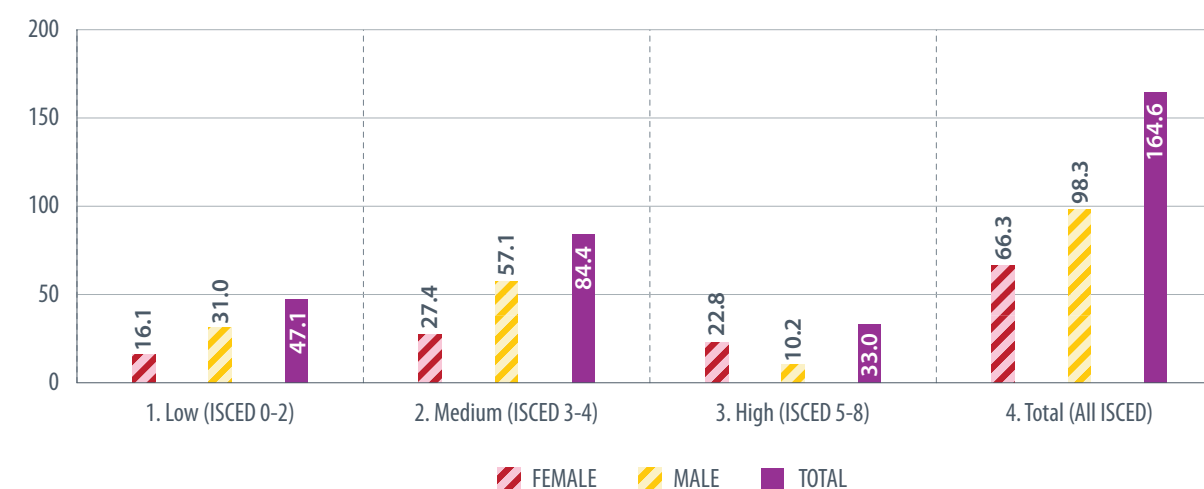
carried out by INSTAT in 2011 found that women accounted for 86% of unpaid work time in the household, mainly involved in food preparation, cleaning, and child care responsibilities, while men contributed just to 14% (INSTAT, 2012). The European Foundation for Living and Working Conditions observed from a survey of Living Condition carried out in Albania in 2016:

"The traditional division of roles, and the burden of household work and care that falls to women may also affect the gender gap in employment: either women's care responsibilities at home prevent them from entering the labour market or there is a belief that they will not be able to manage the household duties if they are working" (Eurofound, 2019: 14).

The effect varies by the level of education, as young women with a low level of education have a labour force participation rate of only 18.2%, while young women with a high level of education have a labour force participation rate of 49.3%.

The youth employment rate has increased over the last few years to 26.7% in 2019, although still far below the overall employment rate since many young people do not participate in the labour market due to their educational activities (see Figure 2). This positive performance has reflected the growth of the economy during this time. The youth employment rate for 15-24 year olds has large gender differences (see Figure A2). The employment rate for young men was 31.2% and for young women just 22.2%. The employment rate also varies by educational level. Youth with medium and high levels of education have a relatively high employment rate at 32.9% and 3.1% respectively. The employment rate is especially high for young men with a medium level of education at 41.1%. Young people with only a low level of education are far more detached from the labour market with an overall employment rate of just 19.1% which is only slightly higher for young low-educated men and slightly lower for women.

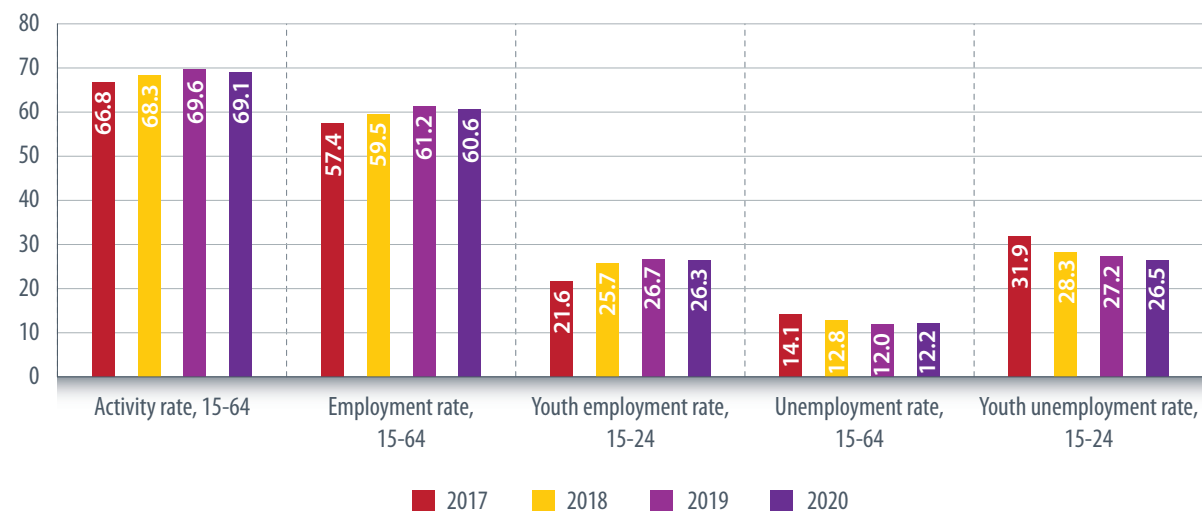
Figure 1: Labour Force 15-24 age group by gender and educational level, Albania 2019 Q2



Source: World Bank Jobs Gateway in Southeastern Europe, online data

¹ See INSTAT online data: http://www.instat.gov.al/media/6943/njoftim-per-media-lfs-vjetore-2019_eng.pdf

² See ESAP online employment observatory: <https://www.esap.online/observatory/>

Figure 2: Labour market performance indicators, Albania 2017-2020 (%)

Source: [Observatory on employment in the Western Balkans](#), RCC's ESAP 2 project

The youth unemployment rate fell from 31.9% in 2017 to 27.2% in 2019, reflecting the general fall in unemployment; even so youth unemployment still remains stubbornly high. There is little overall gender difference in the unemployment rate (see Figure A3). Not surprisingly, the unemployment rate is far higher for those with a low level of education (on average their unemployment rate is 29.5% compared to 16.4% for those with a high level of education). The relative equality of youth unemployment between the genders disappears once we take education level into account. The data show that even among the highly educated, strong gender disparities exist with young highly educated men having a far higher unemployment rate than women, while a completely opposite picture emerges considering young men and women with a medium level of education, among whom women are far more likely to experience unemployment. Finally, low educated men have a higher rate of unemployment at 33.2%, compared to 24.4% for low educated women jobseekers.

About one in five employed young people are self-employed, either as entrepreneurs in the sense of setting up a business as an entrepreneur capable of creating jobs for others or in the more traditional role of craftsman, working on their own account in a trade or in agriculture. The highest share of self-employment is found among the less educated youth, of whom 29.5% are self-employed, of whom more are young men than young women. These are likely to be mostly working as tradespeople. In contrast, among the highly educated youth, only 10.9% of employees are self-employed, possibly working mostly as entrepreneurs, with a higher proportion of young men falling into the category than young women. The medium educated hold an average position with one in five being self-employed, but there are more women than men in this position. Youth employment policies should take these differences into account when design policies to support business start-ups, which may not have the same characteristics for young people with different levels of education and of different genders.

Young people are paving the way in relation to non-standard forms of employment, with about one in five having a part-time job and one tenth having a temporary job (see Figures A5 and A6). Young women are more likely to be engaged in both these forms of employment with the exception that young men predominate more among the low skilled who work as temporary employees.

1.2 Effects of the COVID-19 pandemic

The pandemic has caused a triple shock to young people. First, through job losses or a reduction in working hours and wages; second, through disruption to vocational education and training, and third, through the creation of additional barriers to entering the labour market or moving from one job to another. Over the course of 2020, the number of registered jobseekers increased by 39.1% from

66,371 in January, 2020 to 92,326 in December, 2020.³ The youth unemployment quarterly rates continued to decline throughout the third quarter, despite the pandemic situation, reaching 25.6% in the third quarter of 2020 (see Table 1), likely due to the government employment support measures including wage subsidies and a furlough scheme for laid off workers introduced in support packages for businesses in March and April 2020.⁴ However, the effect seems to have been uneven, since the unemployment rate of young men increased from 25.8% in the first quarter of 2020 to 26.1% in the third quarter of 2020. For young women, the unemployment rate fell from 26.4% to 24.7% in the third quarter of 2020. Given that overall, there was a substantial increase in the number of jobseekers, it is likely that the fall in the unemployment rate for women until the third quarter of 2020 was brought about by withdrawal from the labour market and return to households to look after children who were unable to attend school due to the lock down.⁵ Youth may have been harder hit by the crisis, if the government had not introduced support

Table 1: Youth unemployment rate, 15-24 age group, 2017-2020

	2017				2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	32.6	32.4	33.8	28.8	30.5	27.3	27.7	27.9	27.4	26.7	27.3	27.4	26.0	26.4	25.6	28.3
Male	35.4	35.1	35.4	30.8	31.0	30.2	28.6	28.9	29.7	27.1	27.0	27.3	25.8	27.0	26.1	29.1
Female	27.5	27.8	30.6	25.0	29.6	21.9	26.1	26.3	23.7	26.1	27.6	27.5	26.4	25.5	24.7	26.9

Source: INSTAT online data

³ INSTAT (2020) Quarterly Bulletin, January 2021,

⁴ For details of the support packages see: <https://www.esap.online/observatory/measures/1/socio-economic-measures-for-the-coronavirus-crisis-in-albania>

⁵ The government announced the closure of schools in the economy during the first wave of the pandemic.

2020 UPDATE

For 2020, the youth employment rate decreased to 26.3%, while the youth unemployment rate increased to 26.5%; in previous three years (2017-2019), the youth unemployment rate was continuously decreasing.

measures. In September 2020, the government launched an additional employment support programme to provide a subsidy to employers up to the level of the minimum wage, and social and health insurance for those who lost their jobs due to the COVID-19 pandemic. In May, 2020, the annual 2020 labour market data has been released and for 2020 labour market data, see the box with 2020 Update for Labour Market figures.

1.3 Key challenges facing the youth labour market

The weakness of the labour market and the high level of inactivity among young people pose numerous challenges to policymakers in Albania. Among the greatest challenges is the lack of suitable jobs in the private sector leading to large scale migration and obstacles to the development of youth entrepreneurship. In this section we identify some of these key challenges, which will inform the development of a Road Map of policies to address them and improve the situation of young people in Albania.

1.3.1 Lack of private sector jobs

There is a lack of private sector jobs especially for young people. This is revealed by the large surplus of young people with higher education. Young university graduates have a difficult transition to the labour market, incentivising many to migrate abroad (Xhumari et al., 2016). For example a large number of health workers including doctors and nurses migrate to Germany and other EU Member States, even immediately after finishing their education (Druga, 2020).

1.3.2 Migration and integration of returning migrants to the labour market

Lack of jobs and weak social protection system has led to Albania having the highest rate of emigration in the Balkans (Xhumari, 2019). As a result of the financial crisis that affected the main destination economies for Albanian migrants, there was an increase in return migration rates after 2008 and again after the COVID-19 pandemic crisis. Most returnees had lost their jobs in the host economy or had decided to return to their home economy. Involuntary returns also occurred due to the refusal of their asylum application in EU Members States (Kopliku, 2019; Kerpaci, 2019).

1.3.3 Weaknesses in the vocational training system

The Vocational Education and Training (VET) school system in Albania is weak with a low proportion of young people attending

vocational schools (Xhumari and Dibra, 2013). In 2019 only 18% of school students attended VET school compared to over half of all secondary students in the other Western Balkan economies.⁶ Although the participation of students in vocational education is low, it has increased compared to 2013 when it was between 13-14%, which is due to the investments made by the government budget and donors in the infrastructure, equipment and capacity building. Responsibility for public VET provider administration was shifted to the Ministry of Finance and Economy in 2017. Staff shortages in the VET and employment departments of the latter ministry limit its capacities to effectively monitor and steer the system (ETF, 2020). A recent survey among teachers and instructors in vocational schools and vocational training centres in Albania shows that access to work-based learning still exists for only a minority of vocational learners. According to teachers, only 38% of students receive at least 10% of their learning in the workplace, and 46% say that only some of their students have placements in companies (ETF, 2020). Currently, the Ministry of Finance and Economy is waiting for approval of the proposed increase in the number of staff employed in the labour market directorates (employment, VET, social security and social dialogue). In addition, with the support of donor projects each vocational school has cooperation agreements with entities and private businesses to carry out professional internships of students. To facilitate this process, a Regulation

on conducting professional internships in the workplace has recently been adopted.

1.3.4 Precarious jobs and informality

Almost one third of young people have “self-employment” status (see Table A4). These young people are unlikely to have formal work arrangements and so are less likely to have access to social security system or trade union representation. Participation in the informal economy is inversely related to a person’s level of education (Gerxhani and de Werfhorst 2013). Informal sector workers are not covered by labour legislation or social insurance, nor do they contribute to the social insurance system. Informal employment is important to the welfare of many households, but it is also significantly correlated with low earnings, poverty and vulnerability (Pere and Bartlett, 2018).

1.3.5 A high incidence of youth neither in employment, nor in education or training (NEETs)

Albania has the second highest incidence of NEET status among young people in the Western Balkans. Yet, NEET youth are not included in the current set of youth labour market activation measures (Memia, A., 2020).

⁶ UNESCO online data.

2 YOUTH EMPLOYMENT MEASURES

A **Law on Employment Promotion**, approved in March 2019, is designed to increase employment through public programmes for employment, self-employment and professional training.⁷ The law has extended employment promotion measures to people with disabilities, who face special obstacles in integrating into the labour market. Active labour market policies (ALMPs), called employment promotion programmes (EPPs) in Albania, are designed to increase employment, reduce unemployment, decrease informality, support vulnerable groups, and pave the way to sustainable and formal employment. Several EPPs target youth and are regulated and implemented via specific Decisions of the Council of Ministers (DCM). Each programme is identified by its DCM number.

In 2020, following programmes were approved:

- ▷ DCM 608 “On procedures, criteria and rules for implementation of employment programme for unemployed persons as result of Covid-19”⁸. The focus of this programme are persons that became unemployed as a result of the Covid-19 pandemic from 10 March to 23 June 2020. The employment programme for this category is implemented in compliance

with the individual needs of the unemployed jobseeker and his individual plan of job seeking. This employment programme is a programme of 4, 8 and 12 months, where the profile and needs of the jobseeker are adapted to the current vacancies and cover health and social security contributions (100% calculated based on the national minimum salary), salary reimbursement in the amount of the national minimum salary for the programmes lasting 4 and 8 months, with a different reimbursement scheme applied in each programme.

- ▷ DCM no. 17/2020 “On procedures, criteria and rules for implementation of employment programmes through employment, on the job training and professional practices”⁹. The subject of this bylaw are jobseekers that are registered as unemployed and active, and registered at the employment office for at least three months. The employment programme covered by this EPP is a one-year programme of employment for selected categories¹⁰, and includes reimbursement of salary in the amount of 100% of the national minimum wage,

which is reimbursed differently for different categories of beneficiaries. The employers are also entitled to monthly reimbursement of compulsory social and health contributions (part of employer’s contribution), calculated on the basis of the national minimum wage, provided throughout the whole duration of employment.

- ▷ DCM no. 348/2020 “On procedures, criteria and rules for implementation of programmes self-employment programmes”¹¹. This decision defines criteria, procedures and rules for implementation of the self-employment programme, which aims to promote self-employment through the creation of new enterprises for interested unemployed jobseekers. The self-employment programme is a one-year programme supporting new enterprises, through which entrepreneurship training, business plan development and a grant are provided. To benefit from such a programme, the unemployed person should be registered as jobseeker in the local agency of employment. The grant for the beneficiaries of this programme is ALL 500,000 (around € 4,000).
- ▷ DCM 535/2020 “On procedures, criteria and rules for the implementation of the public works in the community programme”¹². The programme on public works in the community is a 12-month programme, which aims to include long-term unemployed jobseekers in the labour market by providing training and part-time employment opportunities in community service-focused activities (such as child care services, health and social care services, youth services,

sports, tourisms etc. Participants in this programme are engaged 20 hours/week, and the rest of the working hours they can engage in additional trainings. The beneficiaries of this programme can be a jobseeker that is registered as unemployed and active for at least 12 months in the employment office and over 25 years old. The programme covers: (i) Salary at the amount of 50% of the national minimum wage; (ii) Compulsory social and health contributions (part of employer’s contribution), calculated on the basis of the national minimum wage, provided throughout the whole duration of employment; (iii) Coupon in the amount of ALL 20,000 (around € 160) for trainings that are not provided by public authorities. Special provisions are foreseen for orphans over 25 years old, single parents with children up to 6 years old, parents of children with disabilities, victims of trafficking, domestic and gender-based violence, beneficiaries of government aid, Roma and Egyptian community members that get additional support as follows: (i) Bonus for transport in the amount ALL 1,600 (around € 12); (ii) For parents with children up to 6 years, a bonus of ALL 3,000 (€ 25) for kindergarten and nurseries; (iii) Reimbursement in the amount of ALL 100,000 (€ 800)/person, but not more than ALL 200,000 (€ 1600), for employers that employ more than two people, with the purpose of adapting the work place to fulfil the needs of people with disabilities.

All these programmes are financed from the budget and implemented via the National Agency for Employment and Skills (NAES).

⁷ Law No. 15/2019 “On Employment Promotion”

⁸ <http://akpa.gov.al/wp-content/uploads/2020/08/VKM-608-e-C19.pdf>

⁹ <http://akpa.gov.al/wp-content/uploads/2020/08/VKM-17-date-15012020.pdf>

¹⁰ These include: Youth under 29 years old; Jobseekers that have been unemployed for a long term; Jobseekers over 45 years old; Unqualified unemployed jobseekers; Returnees from migration in the last two years; Jobseekers that are currently in the economic aid system; Jobseekers that take unemployment payment for more than 3 months; People with disabilities; Victims of trafficking and domestic and gender-based violence; Jobseekers for the Roma and Egyptian communities; People who have finished programmes of vocational trainings and are still unemployed

¹¹ <http://akpa.gov.al/wp-content/uploads/2020/08/VKM-348-dt29042020.pdf>

¹² <http://akpa.gov.al/wp-content/uploads/2020/08/VKM-Nr.535-date-08.07.2020.pdf>

Table 2 shows the distribution of funds for programmes for 2019. It is important to highlight that EPPs in 2019 differ from those implemented in 2020 (detailed above). However, since the NAES annual report for 2020 was not available when this Annex was drafted, data presented below are from the 2019 NAES Annual report. In 2019, 600 entities and 5,338 individuals benefited from EPPs (National Agency for Employment, 2019). Table 2 shows that in the 2019 the most significant youth employment policies have been DCM 873 and DCM 48.

Table 2: Employment Incentive Programmes for Young People, 2019

	Number of projects	Number of unemployed jobseekers	Approved fund for the budget year
DCM 48 (jobseekers in difficulty)	167	1,282	183,825,400
DCM 64 (orphans)	0	0	16,008
DCM 199 (new entrants)	14	20	2,660,245
DCM 873 (graduate internships)	242	1,379	49,717,406
Total	423	2,681	236,219,059

Source: National Employment Service, Annual Work Report 2019

Select 2019 EPPs:

- DCM 48: A programme to encourage employment of unemployed job-seekers “in difficulty”. Employers receive a subsidy of 100% of social security and health insurance, and four months of funding covering 100% of the minimum wage. Unemployed jobseekers in difficulty include, inter alia, those entering the labour market for the first time and young people between the ages of 18-25.
- DCM 64: A programme to encourage employment for young unemployed orphans. The programme is offered to young unemployed jobseekers under the age of 30 years who have the status of orphan. It provides on-the-job training and subsidised employment.
- DCM 199: A youth employment programme for first-time entrants to the labour market. This programme, which was enacted in 2012, targets young unemployed people (16-30 years old) who were previously registered as unemployed jobseekers. Beneficiaries receive on-the-job vocational training and their social security and health insurance costs are subsidised for up to 12 months, on condition that the employment contract is for no less than six months.
- DCM 873: an internship programme in government public institutions or private enterprises for unemployed university graduates. Interns receive a payment equivalent to 100% of the unemployment benefit for up to six months.

According to a recent evaluation study, the greatest impact on the probability of being employed is in the programme for unemployed jobseekers in difficulty (DCM 48).¹³ Being involved in this programme increases the probability of becoming employed by 33.8%. The programme also shows positive gains to society at the end of the programme and has the lowest cost per person, the highest employment percentage after the completion of the programme, and a social return on investment of 3.5 years. The Ministry of Finance and Economy (MFE) is in charge of employment and VET policies. The MFE prepared the **National Employment and Skills Strategy (NESS) 2019-2022** and an accompanying Action Plan. One of the key priorities focuses on youth employment and VET reform and development. The NESS and Action Plan provide for introduction of work-based learning in the VET system and for involvement of social partners in curriculum development. Some of the ambitious targets regarding modernisation of the public employment service (PES), expansion and outreach of services, and diversification of ALMPs for different target groups have been achieved. The NESS provides support to the VET system in order to raise workforce skills. The reform of VET focuses on the legal framework for VET, developing institutional capacities, providing training for all staff and gradually filling the gaps between labour market needs and the skills and qualifications of VET graduates. It supports the network of VET providers to ensure high quality education, to strengthen work-based learning, and ensure relevance of education to facilitate school to work transition. The Ministry of Education, Sports and Youth implements the **National Programme of Internships (2020)**, which offers internships to university graduates to gain work experience in the public or private sectors. The programme

13 NAES website.

started in 2007 and is open to young professionals aged 21 to 26 who have completed at least the first cycle of bachelor studies. The internship period is unpaid; however, it is recognised as work experience for recruitment in the public administration. So far, around 2,500 internship positions have been taken up through 16 central and 10 dependent government institutions including Ministries, the Parliament and other public institutions and agencies, 10 independent institutions, 61 local government institutions including all municipalities, and 20 large private companies such as commercial banks and telecommunication companies. The programme has two main phases: the first phase is called ‘the internship period’ which lasts for three months, and the second phase based on the intern’s performance and the demand of each institution provides for the possibility to enter into a one-year contract. However, only few individuals have benefited from it (4,500 since 2007) and the main challenge remains its scalability. **The National Action Plan for Youth (2015-2020)** was adopted in 2015. Youth employment was treated under priority 2 – ‘*Employment and Youth Entrepreneurship*’ - which proposed that Local Government Units (LGUs) should join forces with other stakeholders in order to support youth employment by providing grants for youth start-ups and seasonal job opportunities for students. In 2019, Local Youth Action Plans were drafted in all 12 Districts of Albania in cooperation with 12 municipalities. The current state of youth employment policies in Albania is summarised in Table 3, against the key measures that have been implemented both those targeted at youth and more general measures.

Table 3: Summary of youth employment policies

Policy area	Measures targeted at youth	Non-targeted measures
Joined-up policymaking and implementation involving multi-agency work	The National Action Plan for Youth (2015-2020)	National Employment and Skills Strategy (NESS) 2019-2022
Wage subsidies, social insurance relief, and tax incentives for employers who take on young people	DCM 17, DCM 348, DCM 535	DCM 608
Vocational training programmes for inactive and unskilled youth, including developing digital skills	DCM 17	DCM 162 / National Employment and Skills Strategy (NESS) 2019-2022
VET reform involving improving the quality of education in vocational secondary schools	National Employment and Skills Strategy (NESS) 2019-2022	n/a
Work-based training and apprenticeships	DCM 17	DCM 17
Unpaid internships and work experience placements	DCM 17	None
Youth entrepreneurship programmes	National Action Plan for Youth	n/a
Improving public employment services for youth		

Source: Section 2 above

2.1 Challenges of youth employment policy

A major challenge for youth employment policy is to improve the labour market relevance, quality and targeting of ALMPs, which are currently underfunded. Public expenditure on these measures is equivalent to just 0.065% of GDP, a proportion which has not increased since 2016 (European Commission, 2019). While

there is some focus on young jobseekers, ALMPs did not adequately target the most vulnerable youth such as those suffering long-term unemployment, young women with children, low-skilled youth and unemployed Roma/ Egyptian youth. In addition, ALMPs did not reach out to the remote areas, even though the highest level of youth unemployment is in the northern, northern-east and southern regions (European Commission, 2019).

The new Law on Employment Promotion is focused on vulnerable groups which are targeted by the EPPs implemented in 2020¹⁴. Vulnerable groups that are covered by the EPPs include:

- ▶ Young people under 29 (twenty nine) years;
- ▶ Long-term unemployed jobseekers;
- ▶ Jobseekers over 45 (fourty five) years;
- ▶ Unqualified unemployed jobseekers;
- ▶ Unemployed jobseekers, who have returned to Albania not more than 2 (two) years ago;
- ▶ Jobseekers who receive economic assistance, treating with priority beneficiaries of economic assistance, who are expected to graduate from the economic assistance scheme in the respective year and during the following year;
- ▶ Jobseekers who receive unemployment benefits for more than 3 (three) months;
- ▶ Persons with disabilities;
- ▶ Victims of trafficking, gender-based violence and victims of domestic violence;
- ▶ Jobseekers from Roma and Egyptian communities;

- ▶ Persons who have completed a vocational training course or on-the-job training programme

Albania has the lowest share of secondary school pupils attending vocational school in the Western Balkans. Consequently, graduates from secondary school who do not proceed to university often lack the practical skills required on the labour market. For this reason, the NESS focuses heavily on the development of VET education and training. However, this is a challenging area since the links between the education system and the business sector are weak and fragmented and will need to be rebuilt to ensure that the VET system is providing education and training that is of practical use on the labour market. A further challenge is the high level of informality. Young people working in the informal sector do not enjoy rights to health insurance and social security, either because they are self-employed, employed as family members, work at home, work seasonally or in part-time or temporary jobs, or work in agriculture. Informal, undeclared work involves a job without a contract, avoiding payment of social contributions and failing to declare wages, or only declaring the minimum wage to the tax authorities.

14 Other expenses (for example assistance with transport costs) are covered for orphan beneficiaries, single parents with children under 6 years, for parents of children with disabilities, victims and potential victims of trafficking, victims of violence in domestic or gender-based violence, beneficiaries of economic assistance

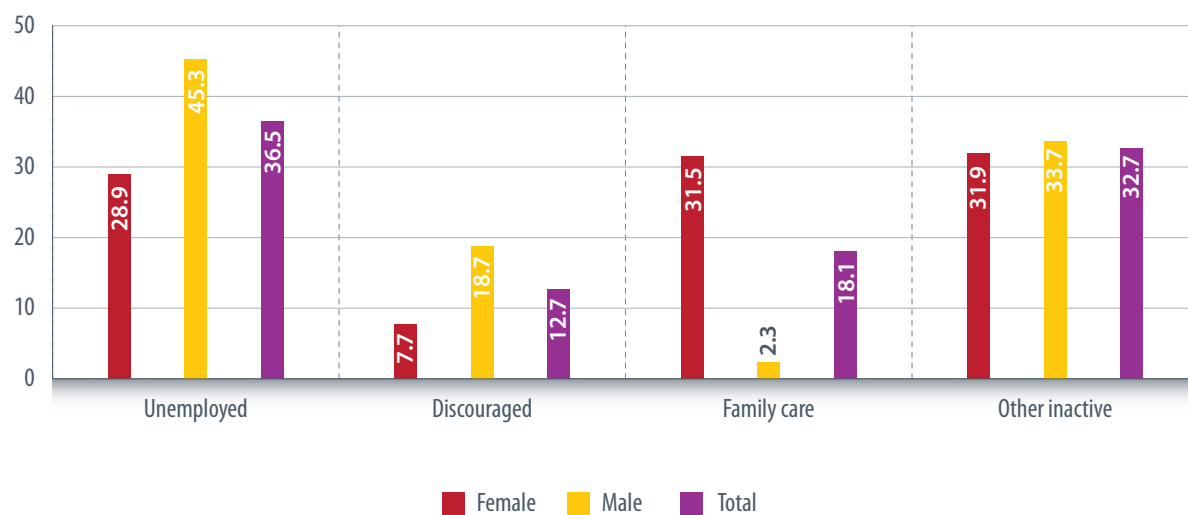
3 MAPPING THE SITUATION OF NEETs IN ALBANIA

Many young people in Albania are neither in employment, nor in education or training (NEETs). According to the European Training Foundation (ETF), young people from households with economic difficulties (for example, low income, unemployed parents), from an immigrant background, or from groups that are at risk of being marginalised have higher prospects of becoming NEETs (ETF, 2016). This section maps the extent of the NEET phenomenon in Albania and offers proposals to modify the design and delivery of policies to integrate non-registered NEETs, including tailored outreach mechanisms to identify and assist the most vulnerable NEET groups.

3.1 The situation of NEETs in Albania

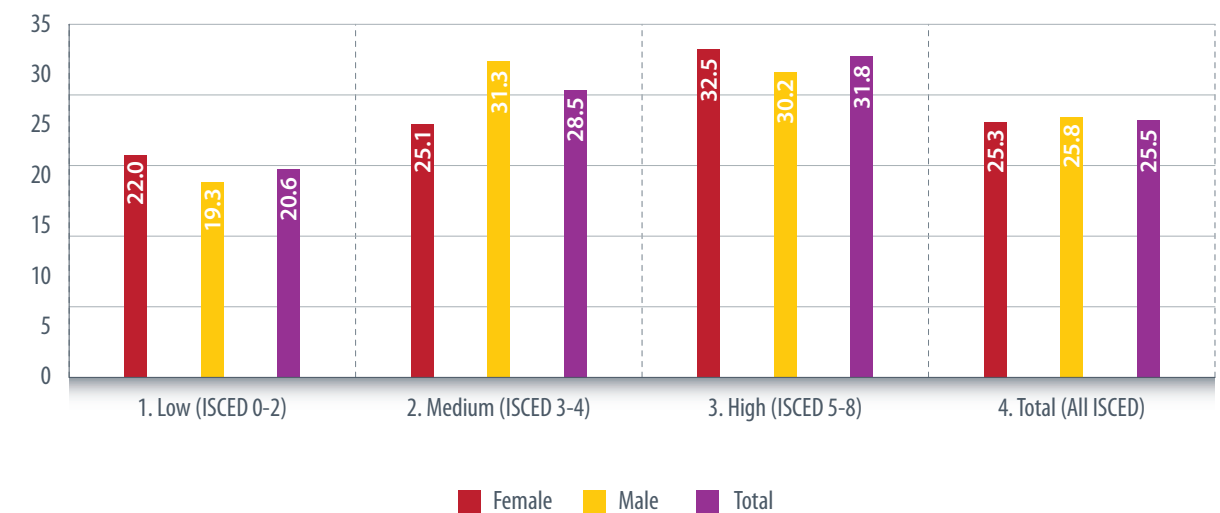
The NEET rate provides a useful metric through which to focus on disadvantaged youth so that appropriate policies can be targeted at the various sub-groups of this category of young people (ETF, 2016). The main groups of NEETs are unemployed youth; young people who have become discouraged from searching for a job due to the difficulty in accessing the labour market whether for financial reasons, discrimination on the basis of gender or ethnicity, or a simple lack of available jobs; family care responsibilities for example looking after children or other family members; and various

Figure 3: Reasons for being NEET, 15-29 years old, 2019



Source: INSTAT, Labour Market 2019.

Figure 4: NEET rate among 15-24 year olds by gender and educational level, Albania 2019 (%)



Source: INSTAT online data

other reasons for being inactive including disability (see Figure 3).

Among 15-24 year olds the NEET rate was 25.5% in 2019, with a relatively small difference between males and females (see Figure 4). Considering educational attainment, the NEET rate was highest among those with a high level of education. The NEET rate is lower among those with a low level of education.

NEETs aged 15-29 years old accounted for 28.9 % of their population age group in 2019 (INSTAT, 2020). Over one third (36.5%) of NEETs aged 15-29 years old are unemployed, some are inactive because they are discouraged workers (12.7%) or carrying out domestic and family responsibilities (18.1 %), or for other reasons (32.7 %) (see Table 3). Female NEETs are far more likely to be engaged in family responsibilities than male NEETs, while male NEETs are more likely to be either unemployed or inactive due to discouragement.

However, few policies have been developed to support this group of disadvantaged young people. Most of the youth employment policies and measures in Albania target unemployed youth as a general category without a specific focus on the most marginalised youth.

ALMPs have had a positive effect in reducing the number of NEETs, but they are still insufficiently targeted on unemployed youth. They are underfunded, and the training programmes are limited in scope and unavailable in remote areas. Most strategic documents regarding youth employment have failed to include NEETs as a specific target group, and in those cases when they have done so defining them as being 15-24 years old. A more detailed profiling of youth groups and sub-groups would be a good starting point, and a bottom-up approach of collecting information would serve as a good mechanism.

3.2 Proposals to modify the design and delivery of policies to integrate non-registered NEETs

The government should consider improving its strategies for integration of NEETs. The overarching national strategies aim to ensure that activities are responsive to the situation

on the ground and deliver the services needed (European Commission, 2018). There are many unreliable platforms for job seeking, and often youngsters are uncertain about the jobs they are applying for because there is not much information given. Employers often provide unreal information regarding work placement conditions. The following policies could be considered:

- ▷ Periodic monitoring of the Advisory Board at secondary schools and encourage pupils not to leave school at that stage
- ▷ Tailor Made Training (TMT) programmes for vulnerable youth to rapidly acquire new skills for the labour market, which could be provided by municipalities in collaboration with NGOs
- ▷ Career guidance for young people should be strengthened in order to ease the process of transition from education or training to work. Such services could be offered by local employment offices in the municipalities.
- ▷ Create tailored programmes to support businesses that hire young people, especially from vulnerable groups. The programmes could be provided at both central and local level in collaboration with NGOs and businesses, by providing fiscal incentives to them
- ▷ Engage youth organisations to undertake awareness campaigns, and further support the launch of youth start-ups to promote youth entrepreneurship.

3.3 Tailored outreach mechanisms to identify and assist the most vulnerable NEET groups

Improving outreach and engagement with non-registered young NEETs is a priority area for action. Albania has implemented several new NEET policies in line with the ETF Partner Countries' guidelines. Various strategies should be used to identify and contact unemployed NEETs including tracking and data exchange mechanism. Partnerships that build on networks and include various governmental and non-governmental organisations should be established to identify and contact youth, who should be counselled and guided on training and on employability skills.

Tracking unemployed young people should be a priority, applying appropriate methods to identify, reach, engage, and activate them. A coordinated action plan should be established by the relevant responsible governmental structures, in partnership with NGOs and the private sector, which would help to ensure that NEETs are reached and reintegrated. Once they are contacted, a report of their needs should be drafted by the local social services, after which tailored made programmes can be designed. In addition, several channels should be used to identify and reach NEETs including social services, youth clubs, the use of mobile units, peer to peer communication, cooperation with youth councils, youth NGOs and all stakeholders and institutions that are in contact with young people.

4 CAPACITIES TO IMPLEMENT YOUTH EMPLOYMENT PROGRAMMES

This section identifies the institutional capacities of main stakeholders which implement youth employment programmes and identifies areas to enhance their performance. The National Agency for Employment and Skills (NAES) plays a key role in public employment programmes and services, self-employment and development, management, monitoring and quality assurance of VET.

The **National Agency for Employment and Skills** (NAES) was established under the Law on Employment Promotion of 2019 and has 90 employees.¹⁵ Its central Directorate is supplemented by 12 regional Directorates of Employment and Skills and 24 local offices. However, in 2020, there were only 422 staff in the NAES employment offices to meet the needs of 92,032 jobseekers. NAES has developed a 3-year work plan for 2020-2022 in line with the revised NESS 2019-2022. Service protocols and tools based on a three-tiered service model have been designed, and an IT system that adequately profiles jobseekers is in place. Furthermore, cooperation agreements have been signed with at least three municipalities in uncovered areas and progress has been made with the system of referring job seekers to Vocational Training Centres. Notwithstanding progress,

enhancements are needed in the training of staff to implement employment measures, in preparing, adopting and monitoring the progress of employment plans and in the allocation of funds in accordance with territorial needs. Less than half of the unemployed seek employment through PES, demonstrating that the economic aid scheme, labour offices and ALMPs need to be better structured to support the unemployed.¹⁶

The 10 public **Vocational Training Centres** (VTCs) under NAES which offer vocational training are located in the most important cities, making it difficult for youth in more remote and rural areas to benefit from their services.¹⁷ There is only one mobile VTC, established in 2008 which serves the North-Eastern part of the economy. The European Commission assessment of the Economic and Reform Programme (ERP) of Albania also notes that the VTCs have a low impact on improving skills and integrating young people into the labour market. The transition from vocational education schools to work is also difficult, and only 46.9% of VET graduates are employed one year after graduation. Despite investments in VET, the system does not have the capacity to address the problem of skills mismatch.

¹⁵ NAES Structure and Organigramme is approved via the Order No. 172 dated 24.12.2019. The DCM No. 554, dated 31.7.2019, on the Establishment, organisation and functioning of the National Agency of Employment and Skills provides details on its set up.

¹⁶ See: Albania's Economic Reform Programme 2021-2023.

¹⁷ Two are located in Tirana city and one each in the regions of Gjirokastra, Korce, Fier, Elbasan, Durres, Shkodra, Vlore and one mobile unit serving the Northern Eastern area of Albania.

The European Commission (EC) Assessment notes the limited capacities to implement employment policies, primarily due to the insufficient staffing of the **Directorate of Employment and Skills Development Policies**. Instead of being in charge of policy making and strategy development, it is often overwhelmed with operational tasks which go beyond its scope of work.

The State Labour Inspectorate (SLI) was set up in 1995 as a public institution under the Ministry of Labour and Social Affairs.¹⁸ Since 2006, it has operated as an autonomous institution with 12 regional labour inspectorates, and local inspectorates are soon to be established in the 36 Districts. The SLI has improved the detection of undeclared work, but its capacities have not increased, resulting in partial implementation of the inspection of undeclared work of youth. In order to ensure its efficient operation, the number of staff should be increased and their capacities should be developed.

4.1 Enhancing the performance of the public institutions

The performance of all these public institutions could be further enhanced through:

- ▷ Further strengthening the capacities of civil servants dealing with youth employment issues, at central and local level
- ▷ The number of staff at the Directorate of Employment and Skills Development Policies of the Ministry of Finance and Economy should be increased
- ▷ All increases in the staff working in youth employment policy areas should be

accompanied by sufficient infrastructure
and capacity development activities

- ▷ A retention policy should be designed and implemented to prevent personnel changes. This way continuity will be preserved and best use of experienced civil servants dealing with youth unemployment issues would be achieved.

The modernisation of the public employment service through the new NAES which is in charge of both Employment and Skills is a positive development. However, timely information should be collected from young people on the quality of the services they receive. This can be done via call centres (as already in the government action plan), interviews, and surveys. In addition, NAES should:

- ▷ Regularly monitor youth receiving support under specific programmes (e.g., recipients of start-up grants should be monitored with visits to their business up to 1.5 years after establishment)
- ▷ Organise focus groups of youth who have received targeted support to evaluate impact
- ▷ Implement a tracer system to monitor youth employment situation
- ▷ Advise NEETs about the opportunities that are available to them.

Success with the mobile VTC in the north-east of Albania should be replicated in order to provide unemployed youth in other remote regions with opportunities for training and decent employment in the future. Either smaller satellites of the current providers, or smaller independent units as well as mobile units, such as a mobile VTC, and online/virtual learning opportunities should complement the current VTCs.

5 A ROAD MAP FOR YOUTH EMPLOYMENT IN ALBANIA

Youth employment policies have been developed in Albania through partial measures implemented over several years. Experience from the EU and around the world identifies a number of essential components of effective policies in this field. These are summarised in Box 1.

Several of these policies have already been implemented in Albania as identified in section 2 above. There are several remaining gaps that would need to be filled to enable a coordinated and coherent policy approach to addressing the youth employment problem. These could best be addressed by implementing a Youth Guarantee scheme along the lines that has been suggested by the European Commission

for the EU Member States, with appropriate modifications taking into account Albania's level of development and extent of progress in the EU accession process.

This section presents the roadmap for Youth Guarantee in Albania, and while this roadmap is an important analytical input, it cannot replace or prejudice Albania's Youth Guarantee Implementation Plan.

Box 1: Components of youth employment policies

- Joined-up policies involving multi-agency work
- Wage subsidies and tax incentives for employers who take on young people
- Training programmes for inactive and unskilled youth
- Apprenticeships and work-based training
- Developing the digital skills of young people
- Self-employment incentives
- Youth entrepreneurship programmes
- Career guidance, information and networking
- Outreach programmes to the most marginalised and disadvantaged NEETs
- Building the capacity of public employment services to provide services for young people
- Monitoring and evaluation

18 The Law covering its organisation is Law No. 9634 on Labour Inspection and State Labour Inspectorate, dated 30.10.2006.

Guarantee measures should be developed for the long-term unemployed and inactive persons who would nevertheless consider working or attending further education or training if an opportunity were available.

To ensure the success of the Youth Guarantee scheme, it will be paramount to ensure the coordinated engagement of stakeholders, including employment centres / social work centres, employers and employers' organizations, trade unions, local authorities and sector bodies, NGOs and youth organisations, education and training institutions, and social services.

5.2.3 Stage 2: Preparatory Work

In this phase, capacity building of stakeholders and authorities needs to take place as well as resources made available, mechanisms and systems enhanced, feasibility and technical studies completed.

The capacity of the NAES to provide the services to be offered under the Youth Guarantee will require a period of capacity building and preparation of new activation measures involving training of NAES staff to deal with the particular problems of young unemployed jobseekers and NEETs. The NAES should aim to be in a position to provide labour market information on vacancies, to deliver improved career counselling and guidance services, and to deploy tools for independent career management. The Youth Guarantee should ensure that all young people are supported by NAES to access the labour market through the provision of high-quality public employment services, including the provision of labour market information on vacancies, improved career counselling and guidance services, and tools for independent career management.

5.2.4 Stage 3: Pilot Phase

An initial pilot programme should be adopted to test the measures that have been planned on the new intake of NEETs who have been identified through the outreach programme in a selected number of local authority areas (cities/towns/municipalities). The participants in the pilot Youth Guarantee should be given individual career management plans by dedicated and trained officers of the PES. These plans should contain information about opportunities for employment, education or training, with specific offers for each individual participant. The effectiveness of the pilot phase should be assessed through carefully designed evaluation studies to identify which measures work best for NEETs and which do not. This would inform an adaptation of the Youth Guarantee in preparation for its full roll-out and implementation. The Youth Guarantee should then be (re)designed on the basis of the evidence gathered, and in a final stage, stage 4 rolled out to the entire economy.

5.2.5 Stage 4: Full Rollout

On the basis of the findings from the evaluation study of the pilot phase of the Youth Guarantee, the package of measures should be adjusted to take into account those measures that have proved to be most effective and relevant to the needs of different NEET groups. These will be entered into a modified Youth Guarantee which should then be rolled out to cover the entire economy.

5.3 Youth Guarantee-Thematic, Policy Phases, according the Council recommendation of 30 October 2020

5.3.1 Phase 1: Mapping

The NAES should further develop mapping systems, early warning and tracking capabilities to identify young people at risk of unemployment or inactivity. Research should be carried out to identify the different needs of the various categories of young people, including those already at school and university, the early school leavers without a job or inactive, the graduates from secondary school level who face difficulties entering the labour market as first-time jobseekers and those who are either long-term unemployed or inactive but would like to work, and university graduates who do not have a job, especially young women graduates without work or who would like to start their own business but face financial or other barriers to doing so. While current youth-related ALMPs target young people who have completed a relatively high level of education, the Albania Youth Guarantee should instead target mainly disadvantaged youth and NEETs.

Effective cooperation and integration with social partners, representatives of young people's association and youth clubs, municipalities and the NAES will be crucial for successful implementation of the Albania Youth Guarantee. The NAES must establish effective communication with schools and other providers of training and education institutions.

Cooperation with institutions working with young people, such as municipalities, schools and universities, youth organisations and NGOs that operate within the youth sector is essential in order to inform and encourage young people to register with the NAES as soon as possible after they complete schooling or graduating from university, or if they are in a NEET situation.

5.3.2. Phase 2: Outreach

In order to receive an offer of employment, continued education, apprenticeship or traineeship within the Albania Youth Guarantee framework, a young person among the eligible categories should be obliged to register with the NAES. Some categories of youth would need special assistance prior registration with the NAES, which may include assistance from social services and NGOs. The capacity of NAES to reach out to encourage more young people to register for the Albania Youth Guarantee will need to be further developed. Outreach programmes should be developed for the hard-to reach NEETs. These may be young people with low skills who have only completed primary compulsory education, or members other marginalised groups. An Outreach Strategy should be developed to identify the best way to involve partnerships between the social services, employment services, community groups and youth NGOs to reach out to marginalised NEET groups.

5.3.3. Phase 3: Preparation

In this phase, new activation measures should be implemented including prevention measures to tackle early leaving from education and training by disadvantaged. Existing measures of active employment policy will need to be strengthened and more intensive measures will

need to be developed and implemented for less advantaged young people such as NEETs with low and medium levels of education.

For more advantaged young people such as graduates from school or university, job referral procedures and career counselling and mentoring are already available and should be strengthened. For less advantaged young people such as NEETs with low and medium levels of education, more intensive measures of active employment policy should be provided, including opportunities for further education, skills development and apprenticeships.

After registering with NAES, all eligible young people within the target group should be provided with information and basic career counselling by a Youth Guarantee Counsellor. An initial career counselling session should aim to identify the specific needs of the client, their employability, interests and competences. This should lead to an agreement on the client's employment targets and follow-up activities, including the type of offer that would provide the best match to the identified needs. The counsellor should check the job search skills of the client and agree an individual plan to improve their skills. For those who have completed profiling and are ready for employment, appropriate support should be provided, including the creation of a high-quality CV and profile on relevant job portals and provision of job referrals to employers who are partnered to the Albania Youth Guarantee. Young people enrolled on the Albania Youth Guarantee should be provided with information on possibilities and opportunities for training, education or realisation of their business ideas. After three months of unemployment, another round of career counselling should be provided which would involve checking the effectiveness of the activities already carried out, and all job or training application documents including profiles in a job portal. A further agreement on

activities to be carried out under the Albania Youth Guarantee should be drawn up after an intensive set of job-search or training/apprenticeship application activities have been agreed. Such activities will comprise intensified career counselling, the creation of new employment objectives and intensified job search activities, as well as inclusion in a group workshop on career management skills provided by NAES. In this phase, the measures of the Albania Youth Guarantee should introduce a greater focus on the available opportunities for education and training, with the aim of increasing the client's employability. Training should be adjusted to specific target groups and individual needs in connection with the needs of those employers who are partnered with the Albania Youth Guarantee. Job referral should be continued as well as other methods of presentation to employers.

After four months of unemployment and/or after conclusion of different forms of training the client should be offered a more intensive service and additional measures of support within the Albania Youth Guarantee scheme. The intensified services should include in-depth career counselling and/or enrolment in a group learning workshop and training in career management skills should be provided by specialised private consultants or companies. The measures should also include more intensive incentives for employers (e.g., employment subsidies, co-financed traineeship in certain sectors, mentoring schemes) to encourage them to provide a suitable offer of employment or training to eligible young people from the various target groups.

5.3.4 Phase 4: Offer

The core activity of this final fourth phase of youth labour market integration should be focused on making quality job offers to young people. These may include regular employment, subsidised employment which offers income and work experience, short-term work schemes, paid apprenticeships, or support for entrepreneurial start-ups. Such offers should be sensitive to the needs and preferences of young people and should adopt a youth-centred approach addressing barriers to employment in local labour markets.

5.3.4.1 Employment including self-employment

Creating jobs

Existing short-term work schemes targeted at unskilled young people with only primary education and medium skilled leavers from secondary school should be further developed. The Law on Employment Promotion envisages public employment programmes, which include direct hiring subsidies combined with training provision. These should be further developed and scaled up. Unregistered NEETs should be supported in employment by wage subsidies for employers who offer jobs to hard-to-reach NEETs for a specified period of time.

Providing entrepreneurial opportunities

The creativity, entrepreneurship and innovativeness of young people should be supported through incubator services and provision of support to innovative social companies. Business start-up is already encouraged through the Law on Employment

Promotion of 2019, the National Action Plan for Youth, and EPPs²⁰ as described above. A new DCM no. 348/20120 "On procedures, criteria and rules for implementation of self-employment programmes" has been approved and will be implemented for the first time in 2021.

Measures should be further scaled up through the provision of business spaces for networking and exchange of ideas and experience among youth entrepreneurs. Young people should be offered opportunities to network in common premises such as innovation hubs or business accelerators. Youth entrepreneur networks should be established for young people including women and marginalised groups. Social entrepreneurs should be supported to establish business incubators for youth entrepreneurs, with a focus on women, NEETs and marginalised groups. Youth entrepreneurship programmes should be developed and supported by training and mentoring by professional entrepreneurs, through partnerships between the public employment services, chambers of commerce and other employer associations.

Start-up grants and loans can be additionally leveraged through engagement of the relevant authorities with providers of start-up finance for youth entrepreneurship such as the European Bank for Reconstruction and Development (EBRD) through its Economic Inclusion Strategy in order to finance youth entrepreneurs through micro-loans and business advice.²¹ The Western Balkan Enterprise Development and Innovation Facility (WB EDIF) should be engaged to provide support, advisory services, and low-cost finance for youth enterprise start-ups.²² The IPA III funding can support the introduction of the Youth guarantee, and can also finance a-priori

²⁰ DCM no. 348/20120 "On procedures, criteria and rules for implementation of self-employment programmes" (<http://akpa.gov.al/wp-content/uploads/2020/08/VKM-348-dt29042020.pdf>)

²¹ See: <https://www.ebrd.com/what-we-do/projects-and-sectors/economic-inclusion.html>

²² See: <http://www.wbedif.eu/about-wbedif/>

employment creation and entrepreneurship programmes. Moreover, of relevance is the Western Balkan Investment Framework (WBIF) in the context of funding opportunities.²³ Existing enterprises owned by young people should be supported by providing tax holidays and relief from social insurance contributions. Young people should additionally be supported to set up social enterprises and cooperatives through the provision of youth social enterprise start-up grants and youth cooperative start-up grants backed up with business advisory services and training and mentoring support. These should be partnered with universities to provide training in finance and management skills.

Enabling self-employment

It is also important to design self-employment measures for aspiring young craftsmen and craftswomen. Training programmes should be developed to enable young people to become self-employed craftspeople. Self-employment of young crafts persons as sole proprietors should also be supported through start up grants and mentoring support.

5.3.4.2 Vocational education and training

Second chance education

Pathways for reintegration of NEETs into education and training should be developed, including second chance education programmes for early leavers from education and training and low-skilled young people.

VET reform

The NESS 2019-2022 provides a strategic framework for the improvement of vocational education and training. It aims to improve quality of education provision at vocational

(VET) schools. The Economic and Reform Programme 2019-2021 envisages substantial VET reforms (Council of Ministers, 2019). For 2021 these include improving the quality of VET through investment in infrastructure, programmes, and professional development of teachers and introducing elements of the dual system of vocational education.

This should be supplemented by provision of adequate teaching materials and broadband infrastructure and up-to-date computer equipment for practical teaching. This is particularly important since the PISA study demonstrated that a lack of teaching materials and infrastructure and equipment is holding back learning opportunities for a large proportion of school pupils in Albania. Now, more than ever, it is essential to invest in youth digital skills development, in order to accelerate and promote the digital transformation to respond effectively to new challenges and to ensure a competitive and sustainable long-term recovery. The focus of the VET curriculum should be shifted towards the skills of the future and in fast growing sectors and should emphasise the role of soft communication skills. Work-based training programmes should be organised for young jobseekers in private companies. This should be based on cooperation between VET schools and the business sector to develop the skills of young people in accordance with employers' needs.

Career guidance should be provided to VET school students as a preventative measure to increase the probability of a favourable labour market outcome on graduation from school. To enhance skills for a smoother transition to work a more diversified VET education and training system should be developed in line with employer needs. Information about job opportunities should be shared with VET students through specific career days, site visits to businesses, and

job fairs. Youth job search should be supported by improved career guidance and job search counselling services. Youth networking should be supported to design solutions for the challenges they face. Youth networks should be activated locally so that they can serve as a catalyst for more active engagement and participation in local communities.

5.3.4.3 Apprenticeship, internship and work experience

On-the-job training providing work experience is provided through DCM no. 17/2020, together with wage subsidies for employers. As a principle, measures should be supplemented and scaled up through the design and implementation of an apprenticeship scheme to provide young people with paid high-quality work-based learning opportunities to develop practical and transferable vocational skills that will match the practical demands of the labour market.

5.3.4.4. Traineeship

The quality of professional practice outside school should be enhanced by developing partnerships between employers and vocational schools. This should be designed to introduce work-based training schemes and dual education programmes, through which VET students spend part of the course in practical training in a business environment. In this way students will gain work experience while still at school and will learn practical skills relevant to the labour market. The quality of professional practice outside school should also be enhanced by providing subsidies to employers who provide work experience placements for vocational school pupils, and for providing internships for university students. Work-based learning programmes should be

supported by partnerships between schools and the business sector. In the longer term, VET schools should be supported to partner with the business sector to develop work-based training programmes and apprenticeship programmes. The existing graduate internships should be expanded through business-university collaboration agreements to ensure the quality of the training and work experience that is provided.

Training sessions of short duration should be provided to NEETs for immediate labour market integration including digital and green skills, entrepreneurial skills, and career management skills. Relevant authorities should engage with the EU's Digital Agenda for the Western Balkans²⁴ to provide Digital Opportunity Traineeships to students and young people and to provide NEETs with training in digital skills. The EU Code Week should be additionally promoted to young people in Albania.

5.3.5 Youth Guarantee-crosscutting enablers

Effective use of the three cross-cutting enablers is key for successfully implementing the Youth Guarantee scheme and achieving the delivery of quality offers to young people.

5.3.5.1 Mobilising partnerships

Policies to address youth employment have a cross-cutting nature and should be designed and implemented jointly by governmental institutions at all levels, the private sector, the business sector, NGOs and youth associations. In order to implement the Youth Guarantee, government ministries and agencies will need to forge more intensive partnerships with the business sector, youth organisations,

²³ See: <https://www.wbif.eu>

²⁴ See: https://ec.europa.eu/commission/presscorner/detail/en/IP_18_4242

municipalities, and private job agencies and new partnerships will need to be developed. Effective cooperation and integration with social partners, representatives of young people's association and youth clubs, Centres for Social Work, and the Employment Agency will be crucial for successful implementation of the Albania Youth Guarantee. To achieve this, NEAS should establish effective communication with schools and other providers of training and education.

Intensive cooperation with employers is also vitally important. NAES should collaborate with NGOs and businesses to maximise effective identification of the needs of the labour market. Businesses should be involved in the design of youth employment policies, as they are in a prime position to define labour market demands and to hire unemployed youth and NEETs. Therefore, formal partnerships should be developed with employers who are willing to offer jobs, work-experience training opportunities and apprenticeships to young people within the framework of the Albania Youth Guarantee. Partnered employers should benefit from government subsidies, but should also be regulated to ensure that the jobs they offer are decent high quality jobs and that their training provision and apprenticeship schemes offer added value to each involved young person's human capital.

5.3.5.2 Improving the data collection and monitoring of schemes

Monitoring and evaluation: Progress on all of the above actions would be difficult to measure without a proper monitoring and evaluation mechanism in place. A strong focus should be put in the following:

- ▷ Assess the effectiveness and impact of the current Employment Promotion

Programmes (EPPs) for better, diversified and tailored youth employment promotion programmes. This should be a dynamic process regularly supplying evidence to the policy-making process, enabling good practices and identifying aspects of policy that need to be improved

- ▷ Assess whether youth groups in more remote and isolated areas are better reached and provided with improved employment and VET/VT services due to a greater territorial coverage
- ▷ Assess the implementation of the Youth Law and Employment Promotion Law

All youth labour market measures and employment programmes implemented by NAES and other institutions and special programmes for NEETs, including outreach programmes, should be regularly monitored and evaluated. The Youth Guarantee implementation plan should be regularly monitored by a working group in which representatives of all sectors responsible for the Youth Guarantee implementation will participate. The providers of the measures will report to the working group on a regular basis on the implementation of the measures under the Youth Guarantee Scheme.

5.3.5.3 Making full and optimal use of funds

Albania needs dedicate adequate own resources to the implementation of the policy measures put forward by the Youth Guarantee. The EU funding through IPA III can support the introduction of the Youth Guarantee, in line with the European Commission Economic and Investment Plan for the Western Balkans, Flagship 10, Youth Guarantee.

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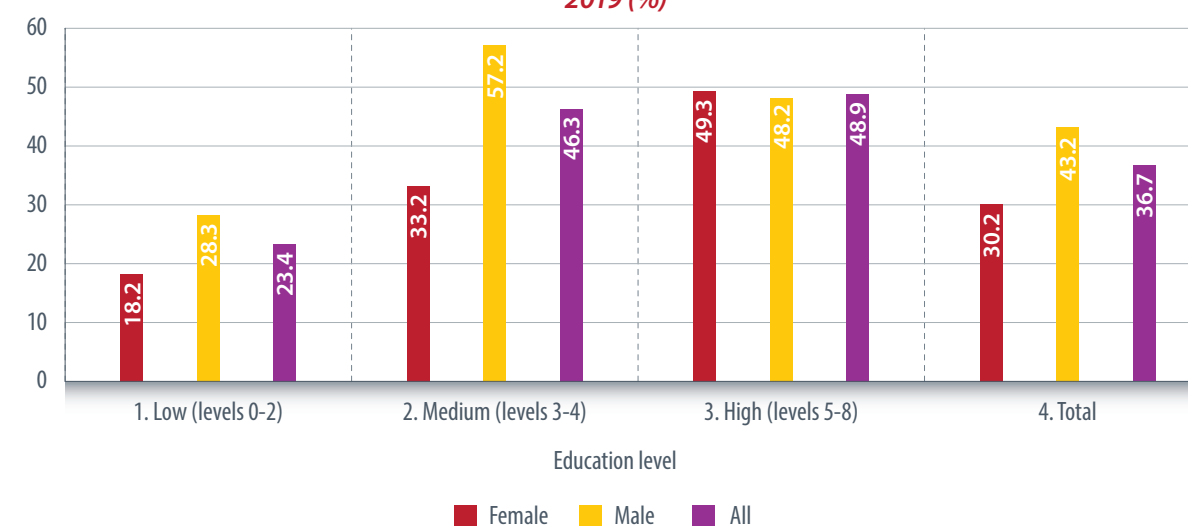
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6 APPENDIX: LABOUR MARKET INDICATORS BY GENDER AND EDUCATION

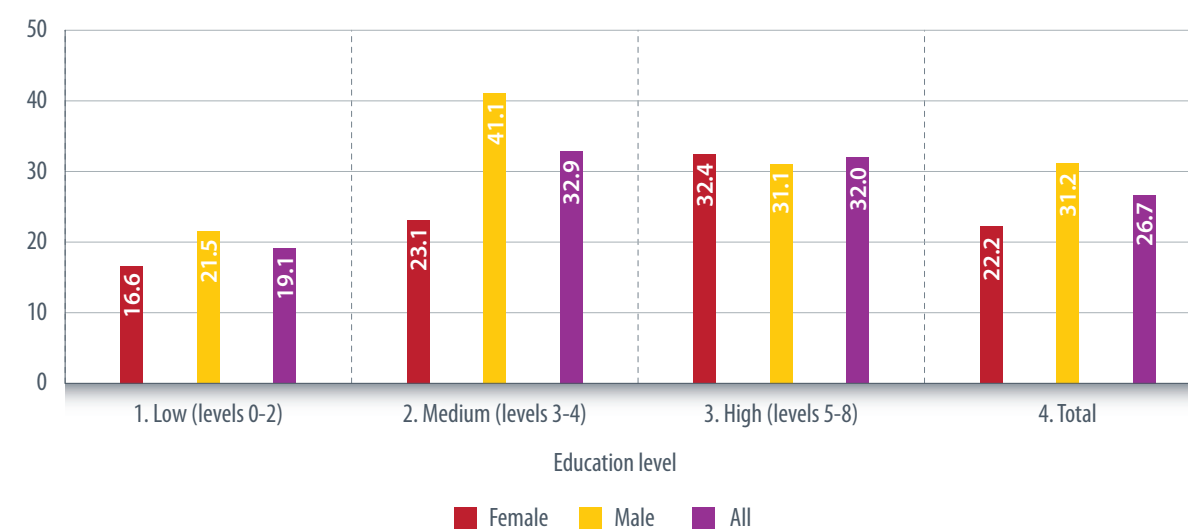
This appendix shows the main labour market performance indicators for 15-24 years age group in Albania in 2019.

Figure A1: Albania, Labour Force Participation Rate 15-24 year olds by gender and education level, 2019 (%)

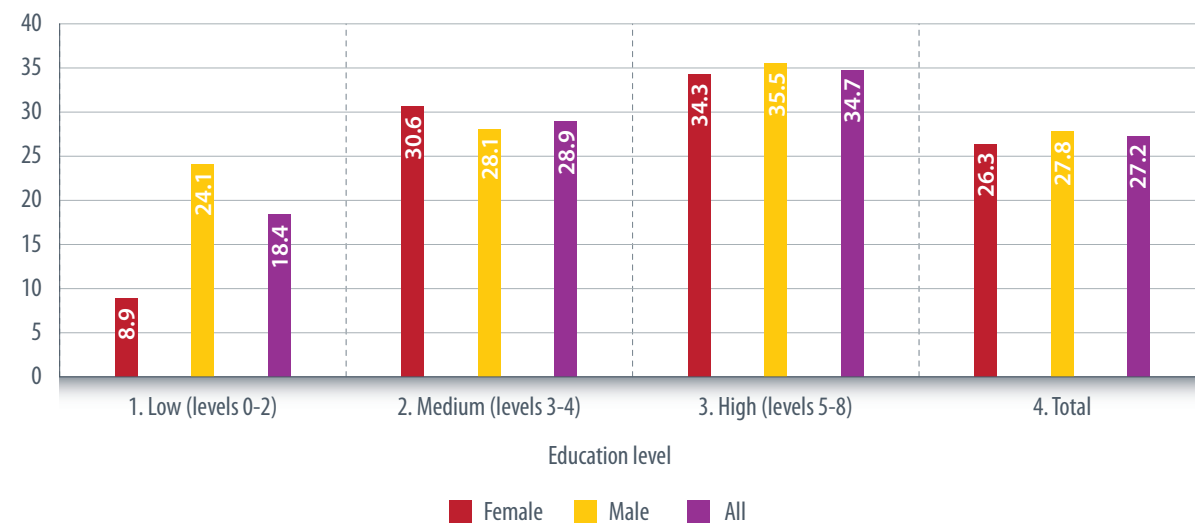


Source: INSTAT online data from the Labour Force Survey 2019

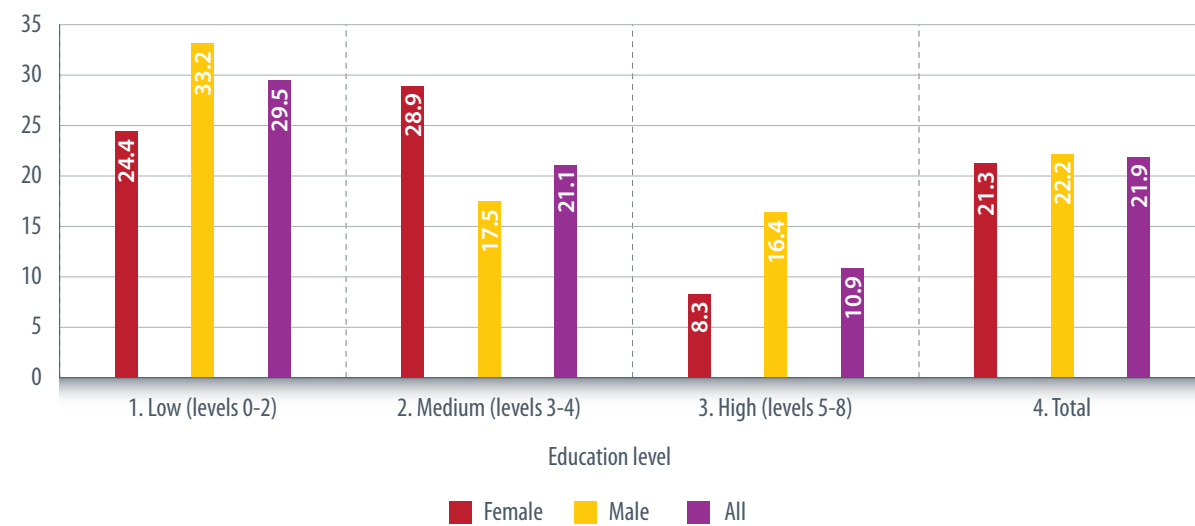
Figure A2: Albania, Employment Rate 15-24 year olds by gender and education level, 2019 (%)



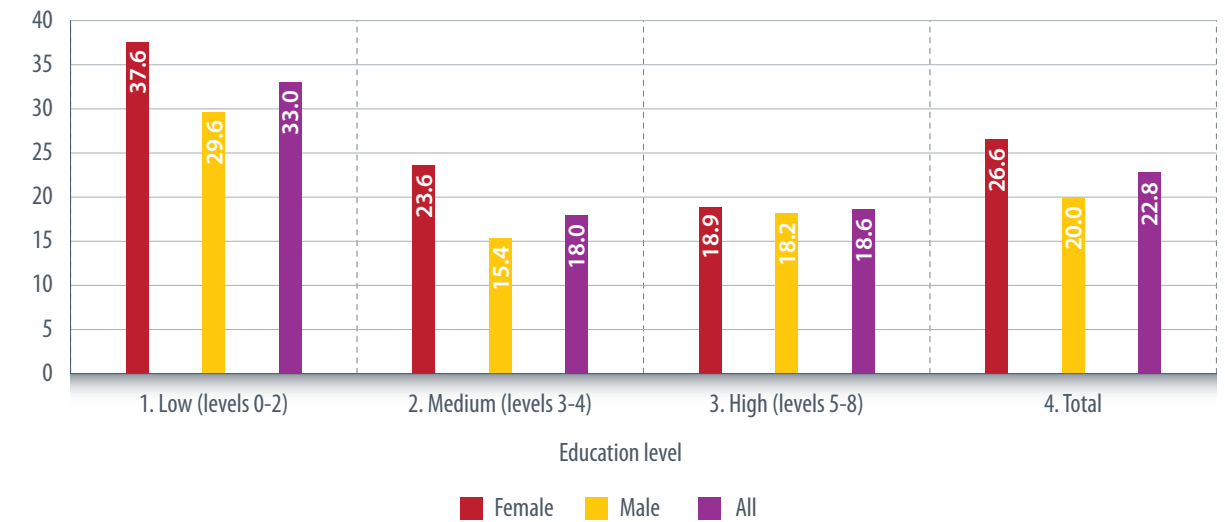
Source: INSTAT online data from the Labour Force Survey 2019

Figure A3: Albania, Unemployment rate, 15-24 year olds by gender and education level, 2019 (%)

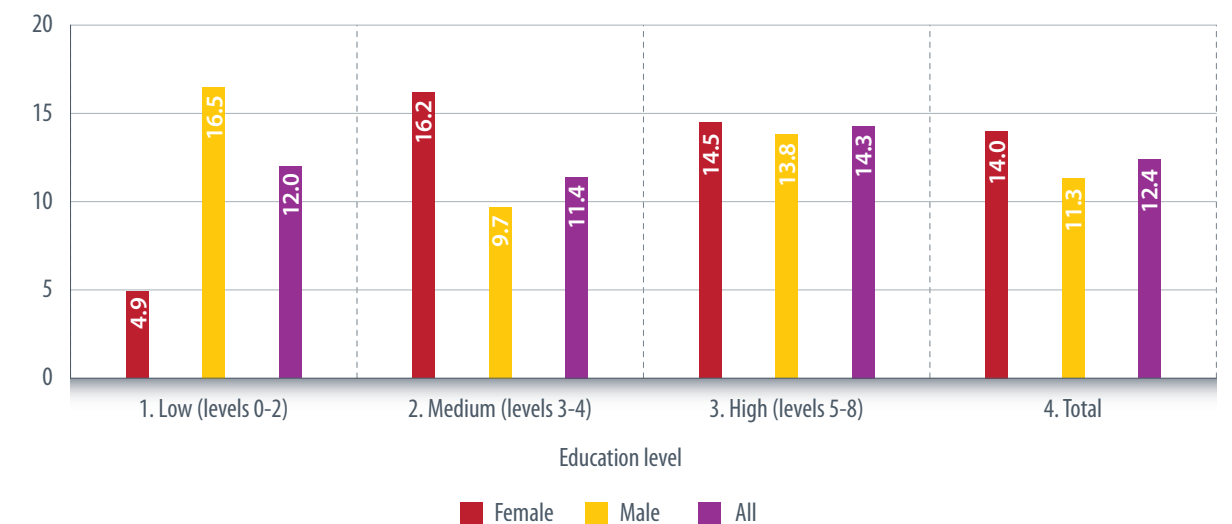
Source: INSTAT online data from the Labour Force Survey 2019

Figure A4: Albania, Share of self-employed to total employment, 15-24 year olds by gender and education level, 2019 (%)

Source: INSTAT online data from the Labour Force Survey 2019

Figure A5: Albania, Share of part-time employees to total employees, 15-24 year olds by gender and education level, 2019 (%)

Source: INSTAT online data from the Labour Force Survey 2019

Figure A6: Albania, Share of temporary employees to total employees rate, 15-24 year olds by gender and education level, 2019 (%)

Source: INSTAT online data from the Labour Force Survey 2019

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