

# VOCATIONAL EDUCATION AND TRAINING IN KOSOVO: CHALLENGES AND OPPORTUNITIES







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## Vocational Education and Training in Kosovo: Challenges and Opportunities

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April 2019

**Prishtina**

**Published by “Kosovo Education and Employment Network – KEEN” project**

For more information: [www.keen-ks.net](http://www.keen-ks.net)

Design: *envinion*



This study was drafted with the support from the European Union funded Project “Kosovo Education and Employment Network – KEEN” managed by the European Union Office in Kosovo. The Project is implemented by the Kosova Education Centre (KEC), in cooperation with the Employment Promotion Agency Kosovo (APPK), Balkan Sunflowers Kosovo (BSFK), the Academy of Training and Technical Assistance (ATTA) and Stichting SPARK. The contents of this publication can in no way be taken to reflect the views of the European Union.

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# LIST OF ABBREVIATIONS

<b>ALMM</b>	Active Labour Market Measures
<b>AI</b>	Administrative Instruction
<b>AVETAE</b>	Agency of Vocational Education and Training and Adults' Education
<b>CVETA</b>	Council of Vocational Educational and Training and for Adults
<b>EARK</b>	Kosovo Employment Agency
<b>EO</b>	Employment Office
<b>EQF</b>	European Qualification Framework
<b>EU</b>	European Union
<b>GDP</b>	Gross Domestic Product
<b>KCF</b>	Kosovo Curriculum Framework
<b>KESP</b>	Kosovo Education Strategic Plan 2017 - 2021
<b>KSA</b>	Kosovo Agency of Statistics
<b>MED</b>	Municipal Education Directorate
<b>MEST</b>	Ministry of Education, Science, and Technology
<b>MLSW</b>	Ministry of Labor and Social Welfare
<b>MoH</b>	Ministry of Health
<b>MTI</b>	Ministry of Trade and Industry
<b>NDS</b>	National Development Strategy
<b>NEET</b>	Neither in Education, Employment, or Training
<b>NQA</b>	National Qualifications Authority
<b>ISCED</b>	The International Standard Classification of Education
<b>NQF</b>	National Qualifications Framework
<b>VET</b>	Vocational Education and Training
<b>VTC</b>	Vocational Training Centres

# 1. EXECUTIVE SUMMARY

The main purpose of this study is to review the existing state of the vocational education and training in Kosovo with the purpose of identifying the challenges of VET education and exploring the opportunities to improve VET system to help reduce youth unemployment. The methodology used in this study is qualitative based on the review of policies, laws, administrative instructions and existing reports conducted for the VET sector in Kosovo. Data from Labor Force Survey and Ministry of Education, Science and Technology is used to present the current state of the VET system and labor market in Kosovo. Other reports and articles produced by international organizations are consulted as well.

The analysis of the current situation in the VET education shows that the sector faces various challenges that impede the development of a competent labor force which in return hinders companies' productivity and overall growth of the economy. The challenges that characterize the VET sector suggest the VET should undergo a drastic restructuring as one of the key routes by which the persisting skills gaps could be plugged and inclusive growth could be pursued in the midst of social and economic efforts for development. One of the challenges of the VET system is the misalignment of VET education with the private sector. The non-adequate development of VET, specifically the discrepancy between the curricula content and labor market needs result in the mismatch between skills supplied and demanded in the labor market. Furthermore, there is a widespread concern that VET schools specialize in profiles that do not match the market needs because the central decision-makings and organizational field are seldom supported by an in-depth analysis and research. Another challenge identified in the VET sector is the revision of VET curricula and its alignment with the curriculum framework of pre-university education. Even though the need for the development of VET specific core curriculum is identified as a necessary investment to be undertaken for improvement of the relevance of school programmes to labor market needs, the VET curricula is still not updated in response to changes that take place in the economy and the labor market which suggests that the current situation will continue to exist until the implementation of strategic documents in Kosovo improves.

Furthermore, quality of teaching is considered a serious obstacle in most VET schools. Teaching and learning methods are commonly theoretical with limited access to practical training in schools or enterprises. The practical learning is hindered because schools lack teaching and learning materials. Despite substantial investments done by donors, most vocational schools are poorly equipped with teaching and learning materials. Despite that such situation is negatively impacting the quality of education VET students receive, no concrete actions have been undertaken for addressing this problem. Furthermore, limited access to professional practice in companies is considered to be a major impediment for quality improvement of teaching and learning in VET schools. Finally, career guidance and counseling services are not present in the VET system, neither in educational institutions or public employment services. Students are given little to no support in making educational and occupational choices which infers that young people make uninformed career choices by

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pursuing education and training programs without close deliberation of their talents, interest, or prospective employment opportunities. The lack of career guidance and counseling is a challenge that prevents the improvement of the VET system.

Considering the importance of VET education in addressing the problem of skills gaps in the labor market as well as reduction in unemployment, the study offers some recommendations that, if implemented properly, could offer potential opportunities to improve the VET education in Kosovo.



## 2. METHODOLOGY

The methodology used in this study is qualitative based on the review of policies, laws, administrative instructions and existing reports conducted for the VET sector in Kosovo. Data from Labor Force Survey and Ministry of Education, Science and Technology is used to present the current state of the VET system and labor market in Kosovo. Other reports and articles produced by international organizations are consulted as well. The information used to outline the challenges of carrying out work-based learning programs, specifically practical learning in VET schools and professional practice of students in companies, derived from two focus groups conducted with representatives of VET schools and businesses from eight municipalities of Kosovo (Prizren, Ferizaj, Viti, Kamenice, Skenderaj, Gjakove, Vushtrri, and Gjilan).

The main laws and bylaws that outline the regulation of the VET education in Kosovo are public and accessible for everyone and are listed below:

- Law No. 04/L-183 on the Vocational Education and Training<sup>1</sup>
- Law No. 03/L-060 on National Qualifications<sup>2</sup>
- Law No. 06/L-046 on Education Inspectorate in Kosovo<sup>3</sup>
- Law No.03/L-068 on Education in the Municipalities of Kosovo<sup>4</sup>
- Law No. 04/L-205 on the Employment Agency of Kosovo<sup>5</sup>
- Administrative Instruction (MEST) No. 14/2014 Agency of Vocational Education and Training and Adults' Education (AVETA) in Kosovo<sup>6</sup>
- Administrative Instruction (MEST) No. 28/2914 on Criteria and Procedures for the Verification of the Occupational Standard<sup>7</sup>
- Administrative Instruction (MEST) No. 32/2014 on Criteria and Procedures for Quality Assurance in the Vocational Education and Training Institutions – Internal Processes<sup>8</sup>
- Administrative Instruction (MEST) No. 35/2014 on Criteria and Procedures for the Validation and Approval of National Qualification and Accreditation of Institutions Providing Qualifications in Kosovo<sup>9</sup>.

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1 <https://www.kuvendikosoves.org/common/docs/ligjet/Law%20for%20vocational%20education%20and%20training.pdf>  
2 <https://masht.rks-gov.net/uploads/2015/06/11-ligji-kualifikimeve-2008-03-l-060-en.pdf>  
3 <https://gzk.rks-gov.net/ActDetail.aspx?ActID=17744>  
4 <https://masht.rks-gov.net/uploads/2015/06/09-2008-03-l-068-en.pdf>  
5 <https://www.kuvendikosoves.org/common/docs/ligjet/04-L-205%20a.pdf>  
6 <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10187>  
7 <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10228>  
8 <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10263>  
9 <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10433>

## 3. CONTEXT

As the youngest country in the region, Kosovo has undergone important transitions; from being a communist country to a new democracy, the economy has changed from a centralized and closed economy to an open and free market one. Since its independence in 2008, Kosovo has experienced steady economic growth; however, it continues to be one of the poorest countries in Europe. The youth generation comprises the majority of Kosovo's population, and they encounter various hurdles that make the living conditions in this young country a challenging battle. The most severe challenge youth face in the Kosovo's labor market is high unemployment rate. The youth unemployment rate is a chronic disease that has characterized the labor market for several years. The reasons for this range from lack of job opportunities to inefficient labor force. This being said, most of the young people are not equipped with the adequate skills because they pursue careers without deliberately examining the needs of the market for those particular professions. The disparity between labor supply and demand exemplifies the inefficient labor market that is not capable to reach equilibrium.

Considering that human capital is a vital component of economic growth, it is of an utmost importance that government addresses the problem of mismatch of labor supply and demand. The high youth unemployment rate, which in turn represents idle human resources, poses immense economic damages in the long-term that can hinder the revival of the economy. To address the unemployment crisis, various countries have put Vocational Education and Training (VET) as a priority of their educational policies. The purpose of VET schooling is to prepare individuals for a vocation or specialized occupation, and it is associated with a country's labor productivity and competitiveness<sup>10</sup>. The benefits of VET extend beyond just economic growth, to increases in labor participation, lower unemployment rates, more opportunities for young people who lack skills, resources, or incentives to continue tertiary education, and a smooth transition from school to labor market by equipping youth with valuable skills that are more closely associated with labor market needs<sup>11</sup>.

Galvanized by the potential of VET schooling to contribute towards economic growth and the development of a country, the Ministry of Education, Science, and Technology (MEST) in Kosovo, for consecutive years has initiated reforms in the VET education with the aim of preparing the future workforce with the right skills needed in the labor market. In the recent years, the VET system has been subject to continuous reforms concerning curriculum revisions, cooperation with businesses, teacher trainings and so on. Yet, the VET system in Kosovo continuously fails to meet the emerging needs of the market economy and is predominantly school based, which affect the likelihood of students' employability. Kosovo continues to face high level of unemployment, particularly among youth. The unemployment rate in 2018 reached 29.4%, where unemployment rate

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10 European Union (2011). "The benefits of vocational education and training." European Centre for the Development of Vocational Training. [http://www.cedefop.europa.eu/files/5510\\_en.pdf](http://www.cedefop.europa.eu/files/5510_en.pdf)

11 Quintini, G., & Martin, S. (2006) "Starting Well or Losing their Way? The Position of Youth in the Labour Market in OECD Countries." OECD Social, Employment and Migration.

among young people (15-24 years of age) is even higher – at a rate of 55%, thus, reducing the likelihood of young people to be employed as compared to adults<sup>12</sup>.

The high level of unemployment demonstrates that human resources are not being utilized efficiently. According to World Bank, Kosovo's economy would need to grow at around 6% per year to experience a reduction of overall unemployment by half in 10-year period, presuming an annual labor force participation growth rate of 1.9% and growth productive employment elasticity of 1.6%<sup>13</sup>. However, as statistics indicate, during 2009 – 2017 real GDP grew on average by only 3.5%<sup>14</sup>. The high rates of unemployment denote the loss of human capital that the economy will never be able to recuperate. The young population is usually deemed as an asset for a country's economy because they are the future workers who will theoretically contribute towards growth. Yet, inefficient and weak economies, like the one in Kosovo, do not offer opportunities for young people to utilize their potential. Hence, it is crucial for the country to address this issue and prevent further damaging economic effects. Knowing the potential of VET education in the development of a skilled labor force and unemployment reduction, improvements in the system are pivotal for a more efficient use of human resources which will, in return, benefit workers through employability and the overall economy through increase in productivity.

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12 Kosovo Agency of Statistics. Labor Force Survey Q3 2018 <http://ask.rks-gov.net/media/4551/labour-force-survey-q3-2018.pdf>

13 UNDP (2016). "Making the Labour Market Work for Women and Youth." Kosovo Human Development Report 2016 [http://hdr.undp.org/sites/default/files/human\\_development\\_report\\_2016.pdf](http://hdr.undp.org/sites/default/files/human_development_report_2016.pdf)

14 World Bank in Kosovo. Country Snapshot (2018). <http://pubdocs.worldbank.org/en/222151539289515672/Kosovo-Snapshot-Oct2018.pdf>

## 4. OVERVIEW OF THE VET SYSTEM IN KOSOVO

The development of a skillful labor force is primarily the responsibility of the government through the education system. Therefore, the government has integrated a VET system in the upper-secondary level of education. The MEST, acting in conjunction with the Ministry of Labor and Social Welfare (MLSW), provide VET to young people with the aim of equipping students with the necessary competencies and skills to be more competitive and position themselves in the labor market. Kosovo Education Strategic Plan 2017-2021 (KESP) as the key document for the development of the education sector in Kosovo, outlines the VET sector as one of the seven areas of planning along with the main challenges to be addressed for improving the sector<sup>15</sup>. The document acknowledges the flaws of the sector and focuses on system improvements through enhancing the relevance of school programs to labor market needs, developing of VET specific core curriculum aligned to the Kosovo Curriculum Framework (KCF), and providing high quality work experience and professional practice to VET students.

VET qualifications must be based on the requirements of KCF<sup>16</sup>, the VET core curriculum, and National Qualifications Framework<sup>17</sup>. The VET system covers several levels of the education to support the needs of young people in their continuous professional development and employment. Various partners are involved in this process to provide young professionals who pursue vocational professions a smoother transition to the labor market. Formally, chambers of commerce, teachers' union, and different ministries should be involved in the process of planning, development, and implementation of VET policies. This suggests that VET sector is very complex and therefore it requires clarification and division of tasks and responsibilities among key stakeholders in order to have a system that is well managed and effective.

The VET system consists of formal and non-formal provisions. The formal education refers to the approved education programs provided by licensed educational institutions using curricula approved by MEST<sup>18</sup>. These programs are offered by upper secondary vocational schools (grades 10-12) and post-secondary institutions accredited by National Qualifications Authority (college-based provision for those with completed upper secondary education)<sup>19</sup>. The formal qualifications in VET sector ranges from level 3 to 5 as regulated by the NQA. The level 3 is achieved after successful completion of school grades 10 and 11. Through an internal examination students are assessed for progression to the next stage of formal VET or to the labor market. Acquiring certification at this level allows individuals to immediately join the labor market for their specific profile, but

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15 MEST (2016). "Kosovo Education Strategic Plan 2017-2021" <https://masht.rks-gov.net/uploads/2017/02/20161006-kesp-2017-2021-1.pdf>

16 [http://www.ibe.unesco.org/fileadmin/user\\_upload/archive/curricula/kosovo/kv\\_alfw\\_2011\\_eng.pdf](http://www.ibe.unesco.org/fileadmin/user_upload/archive/curricula/kosovo/kv_alfw_2011_eng.pdf)

17 [https://akkks.rks-gov.net/uploads/national\\_qualifications\\_framework.pdf](https://akkks.rks-gov.net/uploads/national_qualifications_framework.pdf)

18 Law No. 03/L-060 on National Qualifications

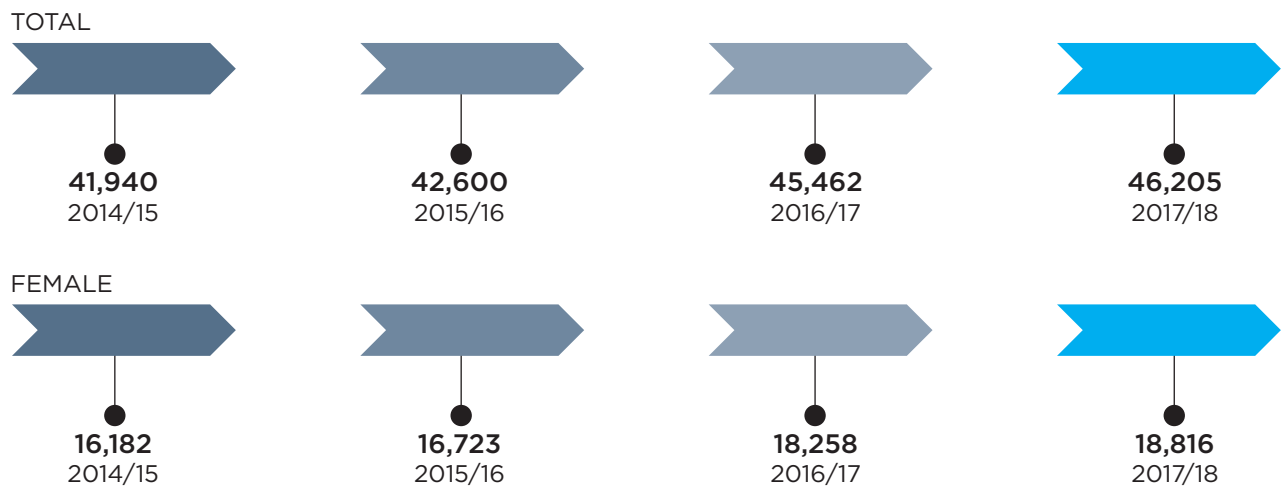
<https://masht.rks-gov.net/uploads/2015/06/11-ligji-kualifikimeve-2008-03-l-060-en.pdf>

19 This paper focuses on formal VET education provided by public and private licensed institutions.

not continue to higher education. The qualification at level 4 is reached when students complete the 12<sup>th</sup> grade through obtaining a certificate as part of an internal evaluation. Upon completion of this level students are entitled to take the Matura exam in order to continue to higher education. However, students are not required to take the Matura exam if they wish to join the labor market immediately or continue to post-secondary level. The level 5 qualifications can be achieved over one or two years and can include post-secondary vocational course that qualify students as senior technicians, specialists, members of a team of associate professionals, or junior managers. To receive the diploma in this level, students must go through an internal examination. This qualification can then lead to university programmes.<sup>20</sup>

The enrollment in VET has increased in recent years. The 2017/2018 statistics show that 86,813 pupils are enrolled in the upper secondary level, of which 46,205 students are enrolled in vocational education schools compared to 40,608 students enrolled in gymnasiums, or 53% enrolled in VET schools compared to 47% enrolled in general schools (gymnasiums). It is estimated that students are enrolled in 17 vocational fields and 140 profiles<sup>21</sup>. Segregating by gender, data shows that males are more likely to enroll in VET schools as compared to females. In this vein, education statistics in 2018 show that 27,389 males are enrolled in VET schools compared to 18,816 females; whereas the number of male students in gymnasiums is 16,982 compared to 23,626 females<sup>22</sup>. Converting into percentages, 58.2% of females are enrolled in gymnasiums in comparison to 40.7% enrolled in professional schools. The recent changes in the enrollment of students in vocational education could be attributed to external factors, namely the opportunity for migration after visa liberalization to labor markets in European countries that demand labor with technical skills.

**Figure 1. Number of students enrolled in secondary VET education from 2014 - 2018**



Source: Education Statistics in Kosovo, KSA

20 EQF Referencing Report of the Kosovo Qualifications Framework (2016). [https://akkks.rks-gov.net/uploads/kosovo\\_eqf\\_referencing\\_report\\_2016.pdf](https://akkks.rks-gov.net/uploads/kosovo_eqf_referencing_report_2016.pdf)

21 EQF referencing report for the Kosovo NQF, NQA, 2016. [https://akkks.rks-gov.net/uploads/kosovo\\_eqf\\_referencing\\_report\\_2016.pdf](https://akkks.rks-gov.net/uploads/kosovo_eqf_referencing_report_2016.pdf)

22 Kosovo Statistics Agency (2018) <https://masht.rks-gov.net/uploads/2018/07/statistikat-e-arsimit-ne-kosove-2017-18.pdf>

The number of vocational schools in Kosovo that offer ISCED 3 level programs is 68, majority of which are managed by respective municipal authorities whereas the number of teachers in VET schools is 3,154, of whom 1,287 are females.<sup>23</sup> Throughout years the number of students enrolled in VET has increased, denoting that more young people are enrolling in VET education than in general education. The preferred fields of study are engineering, manufacturing, and construction, followed by business, administration, and law, and health and welfare (Table 1).

**Table 1. Number of students in secondary VET education by programme and gender<sup>24</sup>**

ISCED Fields	2014/15		2015/16		2016/17		2017/18		2018/19	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
Arts and Humanities	951	517	1,143	677	1,323	832	1,558	1,024	1,448	1,023
Business, administration and law	13,855	6,181	13,627	6,146	13,550	6,346	13,817	6,609	12,381	5,762
ICT	5,260	1,643	5,104	1,604	5,460	1,729	5,299	1,602	4,772	1,388
Engineering, manufacturing and construction	13,514	3,071	13,754	3,151	15,342	3,595	15,288	3,578	14,534	3,391
Agriculture, forestry, fisheries and veterinary	1,473	434	1,716	549	1,301	404	1,824	656	1,541	536
Health and welfare	6,085	4,212	6,464	4,400	7,152	4,822	7,591	5,161	8,022	5,495
Services	1,057	220	1,165	300	1,258	363	1,306	338	1,087	319
Other	366	120	37	20	0	0	83	24	18	2
<b>Total</b>	<b>42,561</b>	<b>16,398</b>	<b>43,010</b>	<b>16,847</b>	<b>45,386</b>	<b>18,091</b>	<b>46,766</b>	<b>18,992</b>	<b>43,803</b>	<b>17,916</b>

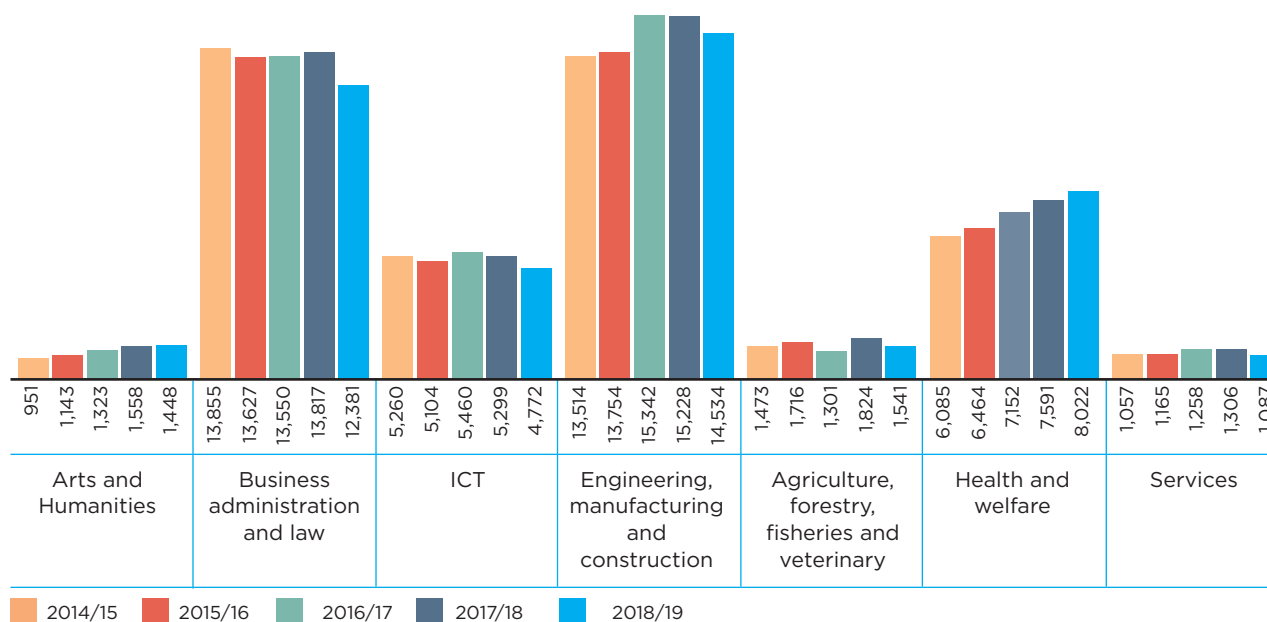
<sup>23</sup> Torino Process 2018-2020 Kosovo.

<sup>24</sup> Data provided by MEST/EMIS, December 2018.

Table 2. Share of students enrolled in VET schools by programme<sup>25</sup>

ISCED Fields	2014/15	2015/16	2016/17	2017/18	2018/19
Arts and Humanities	2.23%	2.66%	2.91%	3.33%	3.31%
Business, administration and law	32.55%	31.68%	29.86%	29.54%	28.27%
ICT	12.36%	11.87%	12.03%	11.33%	10.89%
Engineering, manufacturing and construction	31.75%	31.98%	33.80%	32.69%	33.18%
Agriculture, forestry, fisheries and veterinary	3.46%	3.99%	2.87%	3.90%	3.52%
Health and welfare	14.30%	15.03%	15.76%	16.23%	18.31%
Services	2.48%	2.71%	2.77%	2.79%	2.48%
Other	0.86%	0.09%	0.00%	0.18%	0.04%

Figure 2. Number of students in secondary VET education by programme



25 Ibid.

Even though the latest statistics show an increase in enrollment in VET education and position Kosovo close to the average of EU developed countries, the vocational schools are commonly a second choice, particularly for students who have failed to register into gymnasiums. The perceived quality of education offered in vocational schools, as well as a lack of promotion of its benefits by the government, trigger the low status attributed to vocational schools. With the attempt to improve the quality of vocational schools, the VET system has been subject to continuous reforms concerning curriculum revisions, communication with businesses, teacher trainings and so on. Yet, the effort to improve the quality and align education with the market needs have been inefficient and these inadequacies are affecting the likelihood of students' employability. The ineffective VET sector hurts the private sector as well since around 25% of companies in Kosovo declare that the work force has inadequate skills, that are incompatible with their needs while more than 85% of the investors underline the quality of labour as one of the main factors when considering investment decisions<sup>26</sup>. In addition, there is a widespread concern that VET schools specialize in profiles that do not match the market needs<sup>27</sup>. The better alignment of education with the market needs would be a potential remedy for the chronic labor market failure that has continually characterized Kosovo's economy. Thus far Kosovo with the help of international donors and development agencies has undertaken initiatives that aim to adjust the supply of training and skills to the labor market demand. An example of such initiative is the EU-funded Project ALLED that designed a methodology for the development of a sector profile<sup>28</sup>. A sector profile describes the structure of demand and supply in a national setting. It offers labour market information that shows the movements in employment and unemployment by occupation or groups of occupations and also indicates the flows of graduates from training institutions into the labour market. The sector profile aims to provide evidence for the planning of education and assessment of relevance of standards and training programmes. A better planning of the education would contribute to improvement of the alignment of labour supply and demand which would help in reduction of unemployment by better matching jobseekers with employers. In return, reduction of unemployment levels is accompanied with individual, social, and long-term economic benefits.

## 4.1. Governance of VET Education

The better alignment between the education sector and labor market is amongst the key strategic objectives of the Human Development component in the National Development Strategy (NDS)<sup>29</sup>. The government aims to strengthen the linkage between education programs and labor market needs through the following activities:

- Expedite the process of professional standards development, in conformity with the European Qualification Framework (EQF), National Qualifications Framework (NQF), as well as, the revised National Occupations Classification System.
- Determine high priority areas in Vocational Education and Training (VET) through consultation with Kosovo's development policies and priority sectors. Development and implementation of core curricula in

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26 National Development Strategy 2016-2021. [http://www.kryeministri-ks.net/repository/docs/National\\_Development\\_Strategy\\_2016-2021\\_ENG.pdf](http://www.kryeministri-ks.net/repository/docs/National_Development_Strategy_2016-2021_ENG.pdf)

27 Market Assessment for the VET Skills Market System - Employment prospects for youth, EYE, April 2016. [http://helvetas-ks.org/eye/file/repository/VET\\_Market\\_Assessment\\_FINAL\\_eng1.pdf](http://helvetas-ks.org/eye/file/repository/VET_Market_Assessment_FINAL_eng1.pdf)

28 Methodology for the development of a sector profile. ALLED. <http://www.alledkosovo.com/publications/alled-2016/Methodology-manual.pdf>

29 National Development Strategy 2016-2021, January 2016. [http://www.kryeministri-ks.net/repository/docs/National\\_Development\\_Strategy\\_2016-2021\\_ENG.pdf](http://www.kryeministri-ks.net/repository/docs/National_Development_Strategy_2016-2021_ENG.pdf)



modular form, in line with VET priority areas and implementation of VET teacher training programmes for these sectors, based on occupational standards.

- Implementation of the combined VET pilot system with elements of dual learning (combination of learning in schools and in enterprises) starting with VET priority areas and in compliance with core curriculum. Coordinate the pay subsidization system with priority areas, in order to allow better integration of VET graduates into the labour market.
- Development and implementation of the National Skills Forecast System. This will be done by ensuring connection with the career orientation systems inside the schools and employment services/lifelong learning services. Create conditions for support services and studies in order to track career progress.
- Relate research work at universities with industry by facilitating access to smart specializations in line with Europe 2020 strategy. This provides for public and private investment in research and development (R&D) in a number of specific industrial sectors.

In addition, improving the relevance of school programmes to labour market needs is also a strategic objective of the KESP 2017-2021<sup>30</sup>. Based on the strategic plan the government's focus of work is in the following areas:

- Review of the profiles provided in VET schools and adjustment to market needs and development of professional standards;
- Needs analysis conducted at the local level to meet the conditions for providing profiles from the revised list;
- Collection of best practice models of existing teaching materials prepared by teachers of different profiles;
- Development of the Core Curriculum for VET;
- Development of a Regulation on the Protection of Students' Health during Internship;
- Review of curricula of VET institutions that provide adult education.

The achievement of the above objectives should be done through the work of the relevant bodies responsible for managing the VET system. The VET sector in Kosovo is managed by the Government through ministries and agencies that operate under ministerial supervision. The MEST is responsible for the overall policy making and legislation, including VET education, higher education, and life-long learning. Even though VET law recognizes the responsibilities of other ministries and agencies in managing and providing VET education, the main responsibilities fall under the MEST in collaboration with MLSW. Following the recommendations of the EU supported functional review of MEST<sup>31</sup>, the Government of Kosovo ratified a new regulation for internal restructuring of MEST, which allowed the establishment of a separate department for VET with three divisions: Division for School Infrastructure, Curricula and Labour Market Analyses, Division for VET Standards and Quality Assurance, and Division for Lifelong Learning<sup>32</sup>.

The cooperation between central education authorities with social partners was institutionalized with the VET law entering into force in 2006<sup>33</sup>. The law called for establishment of the Council for Vocational Education and Training and for Adults (CVETA) – a policy body that works under the supervision of the MEST.

30 Kosovo Education Strategic Plan 2017-2021, December 2016. <https://masht.rks-gov.net/uploads/2017/02/20161006-kesp-2017-2021.pdf>

31 Functional Review of the Ministry of Education, Science and Technology, Project Preparation Facility for the Ministry of European integration, Contract N° 2016/375-943, January 2018. <http://birnsource.com/uploads/2018/07/english-mest-functional-review-ppf.PDF>

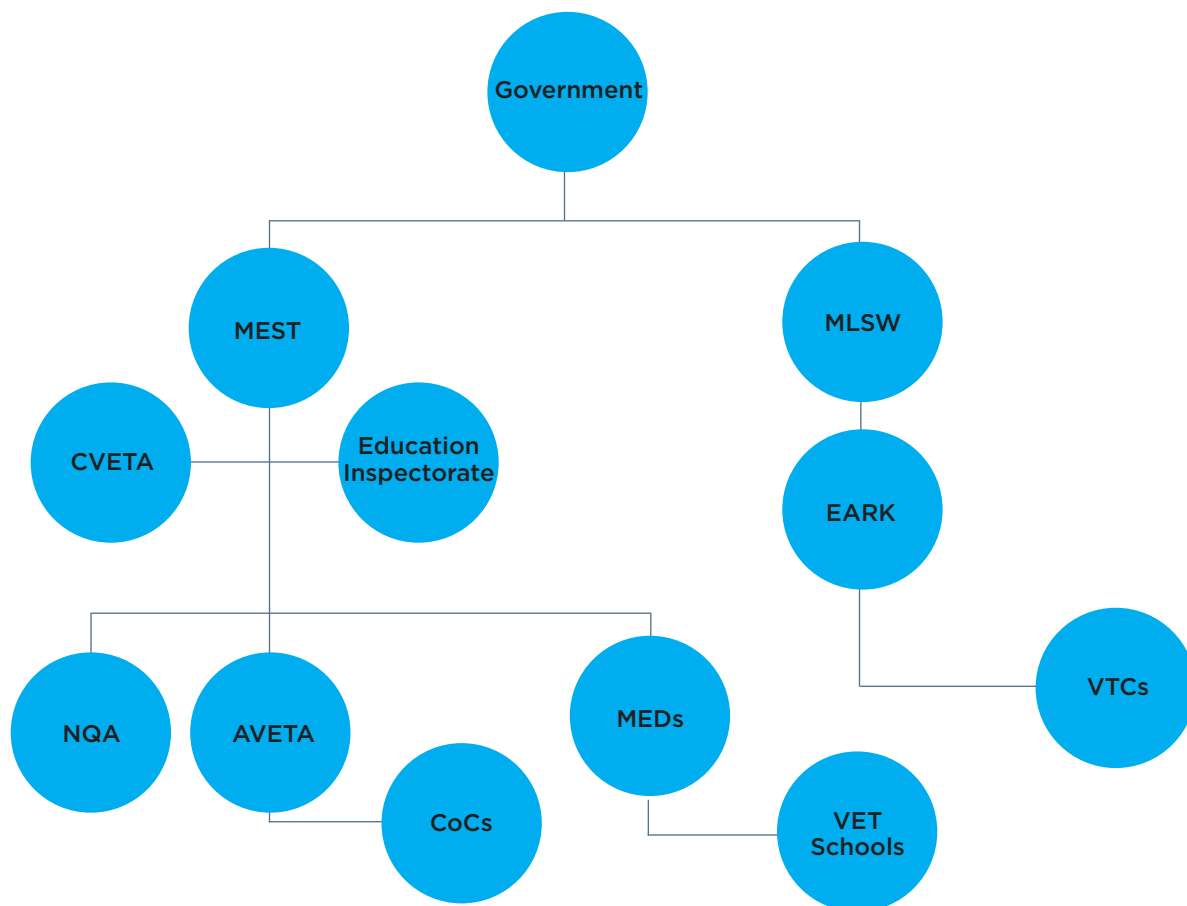
32 Regulation (GRK)- No. 14/2018 for Internal Organization and Systematization of Working Places at the Ministry of Education, Science and Technology, 26 September 2018. <http://kryeministri-ks.net/wp-content/uploads/2018/09/rregullore-nr.14-2018-p%c3%8br-or-ganizimin-e-brendsh%c3%8bm-dhe-sistematzimin-e-vendeve-t%c3%8b-pun%c3%8b-n%c3%8b-ministrin%c3%8b-e-arsimit-shken-c%c3%8bs-dhe-teknologjis%c3%8b.pdf>

33 Law No. 04/L-183 on the Vocational Education and Training <https://www.kuvendikosoves.org/common/docs/ligjet/Law%20for%20vocational%20education%20and%20training.pdf>

It is composed of 15 members including representatives of MEST, MLSW, MTI, MoH, Kosovo Chamber of Commerce, Unions, businesses and non-governmental organizations.

As defined in the law, VET is considered an activity that “*aims to equip students/candidates with knowledge, practical ability, skills and required competencies in specific occupations or wider in the labour market*”.<sup>34</sup> The aim of the law on VET is to regulate the system of formal VET corresponding to the needs of economic and social development including economic and technological changes, labor market demands, and the needs of individuals. The basis of structure, organization, and management of institutions providing VET is outlined in the law. Among other principles for the VET sector are theoretical learning and professional practice, the current and future needs of the economy, and support for career development as an integrated part of lifelong learning<sup>35</sup>. In addition to the ministries, the governance of VET involves also several agencies working under ministerial supervision (see Figure 3).

Figure 3. Management structure of the VET system in Kosovo



34 Ibid, Article 2.

35 Ibid, Article 3.

Below is the list of relevant bodies and agencies under the MEST:

- Council of Vocational Educational and Training and for Adults (CVETA) is an advisory body to MEST. CVETA advises the MEST on the general direction for vocational education and training and adults' education policy in Kosovo and is entitled to approve occupational standards<sup>36</sup>. Although, CVETA was established in 2014, the Council is currently not operational, primarily due to the fact that its members are not getting compensated for their service. MEST is responsible for managing and developing VET programs through its VET unit and CVETA.
- Education Inspectorate is an important body established within MEST that is responsible for administrative inspection in all levels of Education System and for Pedagogical Inspection of the Pre-University Education level<sup>37</sup>. The inspectorate operates through seven regional offices and routinely inspects secondary vocational schools and reports to the MEDs on the performance of VET schools in the respective municipality. Nevertheless, there is no evidence of collaboration with other ministerial bodies for VET e.g. Department of VET, AVETA, or NQA.
- National Qualifications Authority (NQA) is responsible for the oversight of national qualifications of VET. NQA is an independent public body, established in accordance to the Law on National Qualifications<sup>38</sup> by the MEST and acting in agreement with the Office of Prime Minister and other relevant ministries. Its Governing Board consists of 13 member representatives of ministries, organizations, social partners and universities. The NQA oversees and develops the National Qualifications Framework (NQF) in the context of lifelong learning in partnership with students, employers, and providers of VET at all levels in coordination with the needs of society and economy.
- Agency for Vocational Education and Training and Adults Education (AVETAE)<sup>39</sup> is a body established with the purpose of ensuring that the VET sector is organized in a proper manner and quality and sustainability are maintained in order to realize the country's objectives for economic and social progress. The agency is led by the councils consisting of 16 member representatives of ministries, centres of competence, VET institutions, economic chambers, and unions. Whereas, AVETAE Director and staff are civil servants employed by MEST.
- Municipalities are also important stakeholders in VET provision. They operate the education sector by education directorates led by directors who are appointed by mayors of municipalities. MEDs are responsible for operating public educational institutions, including vocational schools. In this regard, their responsibilities include the construction of education facilities, enrolment of students, employment of teaching and management staff, training, supervision, etc.<sup>40</sup>. The employment of school directors and teachers by local authorities is often driven by political favoritisms contributing as such to the politicization of the sector. This often leads municipalities to design qualifications in schools they operate considering the qualifications of teaching staff already employed rather than consulting the needs of the local labor market. Fur-

36 Law No. 04/L-183 on the Vocational Education and Training, Article 14, <https://www.kuvendikosoves.org/common/docs/ligjet/Law%20for%20vocational%20education%20and%20training.pdf>

37 Law No. 06/L-046 on Education Inspectorate in Kosovo. <https://gzk.rks-gov.net/ActDetail.aspx?ActID=17744>

38 Law No. 03/L-060 on National Qualifications, <https://masht.rks-gov.net/uploads/2015/06/11-ligji-kualifikimeve-2008-03-l-060-en.pdf>

39 MEST Administrative Instruction 14/2014. Agency of Vocational Education and Training and Adults' Education (AVETAE) in Kosovo <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10187>

40 Law No.03/L-068 on Education in the Municipalities of the Republic of Kosovo, <https://masht.rks-gov.net/uploads/2015/06/09-2008-03-l068-en.pdf>

thermore, no lines of accountability exist from schools to AVETAE or NQA, except when schools undergo the accreditation process in which case, they should submit applications to NQA and would be monitored by NQA. In addition, most municipalities in Kosovo are unable to offer professional support to vocational schools because they have no staff appointed specifically for that purpose.

The structure of the MLSW is completely detached from the management of the VET system and there is no functioning body to coordinate activities in the field of VET between MEST and MLSW. The responsible body for VET under the MLSW is the Kosovo Employment Agency (EARK) which is established by the Law<sup>41</sup>.

- EARK is the public provider of services in the labor market. Responsibilities of the agency extend to implementing employment and vocational training policies. The agency provides its services through 38 employment offices at municipal level and 8 regional vocational training centres (VTC).

With the establishment of the above-mentioned authorities the aim was to create a structured link between vocational education providers and local economic environment. Nonetheless, in practice this structure does not function very effectively. As a result, the VET system faces challenges to improve and is still not aligned with the emerging needs of a market economy. At the school level no staff has responsibility to specifically liaison with employers or social partner organizations. Linkage with the local labor market is also very poor or non-existent. Furthermore, decision makers are still new to the idea of making evidence-based decisions, therefore, the labor market information is rarely used for planning and development purposes.

## 4.2. Financing of VET Education

Education in Kosovo is mainly public and as such it is financed by the public budget. The willingness of policy-makers to provide access to education and offer high quality education indicates allocation of sufficient budget which comes from the overall tax revenues. Therefore, to justify expenditures on education and overall tax burden, the investment in education should yield adequate return. However, often times spending in education does not result with provision of quality education which in turn hurts students by hindering their future educational and employment opportunities. Considering that investment in education does not only benefit individuals but spillover effects positively impact the economy and overall society, the government of Kosovo has put education as the main priority areas for investment. Of particular importance is the development of human capital which is planned to be achieved through investment in education and employment. Despite that theoretically the government has pledged to improve the education and employment of young people as the future human capital of the country, the reality portrays that our education system fails to prepare young people for the labor market. To address the chronic labor market failure and offer a better linkage between the education system and labor market, the government planned to develop professional standards and enhance vocational education and training quality. These goals are anticipated to be achieved by increasing the capacity of Counselling Centers for Career Guidance, implementation of the concept of Core Curriculum, development of new curricula and review of all VET curricula, improvement of the quality of training services offered in vocational centers, and implementation of the pilot VET combined system with dual learning elements. Nevertheless, the reforms undertaken thus far do not contribute to the goals indicated. For example, despite that the new VET Core Curriculum has been among the main objectives for several consecutive years, the existence of a new VET curriculum is still lacking. The reasons for the delay in approval of the curriculum is

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41 Law No. 04/L-205 on the Employment Agency of Kosovo, <https://www.kuvendikosoves.org/common/docs/ligjet/04-L-205%20a.pdf>

because relevant stakeholders are not satisfied with the first draft that has circulated because it does not tailor to specific needs of different VET fields. These delays in ratifying the VET Core Curriculum affect the alignment of VET programs with labor market needs which is further hindering the employability of students who pursue VET education.

The improvement of VET sector through harmonization of VET with labor market requirements is a strategic objective of the KESP 2017-2021<sup>42</sup>. To achieve the objectives set forth in the strategic plan an action plan is developed with indicators of success to assist the monitoring of the implementation of KESP. For the objective on the VET sector the action plan contains 43 measures (activities) with specific schedule and responsibilities for implementation with an estimated cost of € 6.78 mil. of which € 4.7 mil. are anticipated to be provided from the Kosovo Budget<sup>43</sup>. The indicators and targets for the strategic objective of VET sector are shown in Table 3.

**Table 3. Indicators and targets for the VET strategic objective from KESP 2017-2021<sup>44</sup>**

Indicator	Target 2021
Percentage of vocational education trades for which there are approved occupational standards	100%
Gender parity index in vocational education	0.7
Gender parity index in technical trades	0.40
Increasing the number of students in underrepresented trades	50%
Average of the overall number of professional practice classes per student	170 hours/year
Percentage of students that benefit from career guidance processes	30%/year
Learning mobility in initial vocational education and training	1%
Total number of classes in adult education programmes	200,000 hours/year
Gender parity index in adult education	1

42 MEST (2016). Kosovo Education Strategic Plan 2017-2021. <https://masht.rks-gov.net/uploads/2017/02/20161006-kesp-2017-2021-1.pdf>

43 Torino Process Kosovo 2018-2021

44 Ibid

Despite that strategic documents have been developed aiming the improvement of the VET sector, in reality schools face difficulties in delivering quality education to students mainly due to the lack of financial resources. VET public institutions are financed by the central budget through the specific grant for education. Even though this formula entails financial autonomy, further decentralization for VET schools is necessary to allow schools better planning, guidance, and independent management by linking school priorities with budget allocation. It is essential to establish a more flexible budget of VET schools to meet various demands of VET profiles since the expenditure change in large scale. The current education formula does not consider the specifics of VET education. Even though the current legislation allows VET schools to obtain additional financial funds from program activities such as offering of courses other than those funded from public funds, or through donations, gifts and other sources permitted by law, the administrative and bureaucratic procedures on generating own revenues must be simplified and VET institutions should be encouraged and stimulated in this regard.

Financing for the education sector has increased throughout years. However, the allocation of budget for the VET sector of the overall spending in education is exceedingly low. When considering the amount of expenditures allocated to VET sector of the total expenditure, data show that it is less than 10% and this investment has remained almost the same throughout years. The insufficient budget for the VET sector directly hurts students because as a result of low budget schools lack financial resources to invest in adequate school supplies e.g. learning materials, labs, equipment and so on, that would directly impact and facilitate students' learning process.

**Table 4. Public spending in education in Kosovo**

	2013	2014	2015	2016	2017
GDP	€ 5,326.6	€ 5,567.5	€ 5,807.0	€ 6,070.1	€ 6,413.9
Government spending	€ 1,515.9	€ 1,513.1	€ 1,615.7	€ 1,766.5	€ 1,837.2
Education expenditures	€ 203.1	€ 230.6	€ 261.9	€ 280.2	€ 265.7
% of GDP	3.8%	4.1%	4.5%	4.6%	4.1%
% of Government spending	13.4%	15.2%	16.2%	15.9%	14.9%

**Table 5. Public Expenditures for Vocational Education**

	2014/15	2015/16	2016/17	2017/18
VET expenditures (in mil. €)	22.364	25.241	25.833	25.692
VET expenditures as % of Education exp.	8.5%	9.6%	9.6%	9.6%
VET expenditures as % of Government exp.	1.4%	1.6%	1.5%	1.4%
Salaries as % of VET expenditures	89.3%	95.4%	95.2%	95.7%
Capital outlays as % of VET expenditures	4.6%	0.0%	0.0%	0.0%
Per-student expenditures in VET (in €)	526.9	587.4	560.5	557.4

(Source: Torino Process Kosovo 2018- 2021)

### 4.3. Quality Assurance in VET Education

According to the Law on National Qualifications quality assurance refers to the process by which the quality and consistency of qualification standards, assessment and certification are maintained<sup>45</sup>. It involves planned and systematic processes that are necessary to offer adequate assurance that the vocational learning provision will satisfy the special requirements for quality. The Quality Assurance system in VET is regulated by the following bylaws:

- MEST Administrative Instruction No. 28/2014 on criteria and procedures for verification of occupation standards<sup>46</sup>;
- MEST Administrative Instruction No. 32/2014 on criteria and procedures for quality assurance in the VET institutions – internal processes<sup>47</sup>;
- MEST Administrative Instruction 35/2014 on criteria and procedures for the validation and approval of national qualifications and accreditation of institutions providing qualifications in Kosovo.<sup>48</sup>

45 Law No. 03/L-060 Law on National Qualifications [https://akkks.rks-gov.net/uploads/law\\_on\\_national\\_qualifications.pdf](https://akkks.rks-gov.net/uploads/law_on_national_qualifications.pdf)

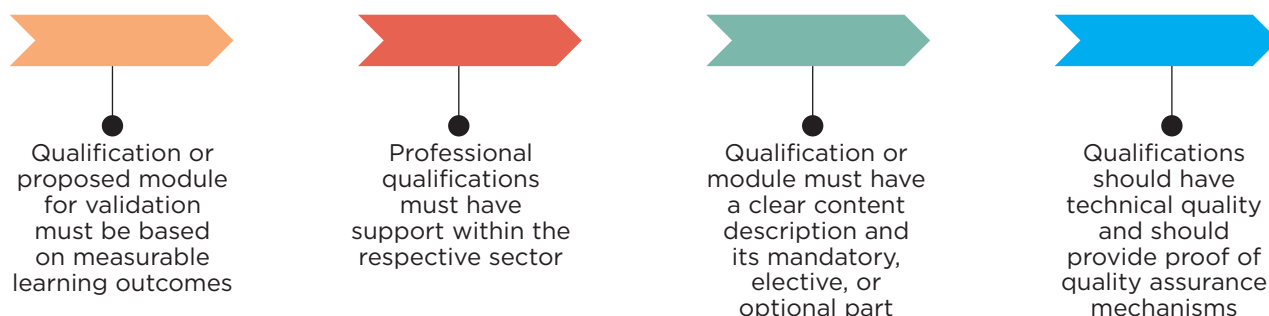
46 MEST Administrative Instruction No. 28/2014, <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10228>

47 MEST Administrative Instruction No. 32/2014, <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10263>

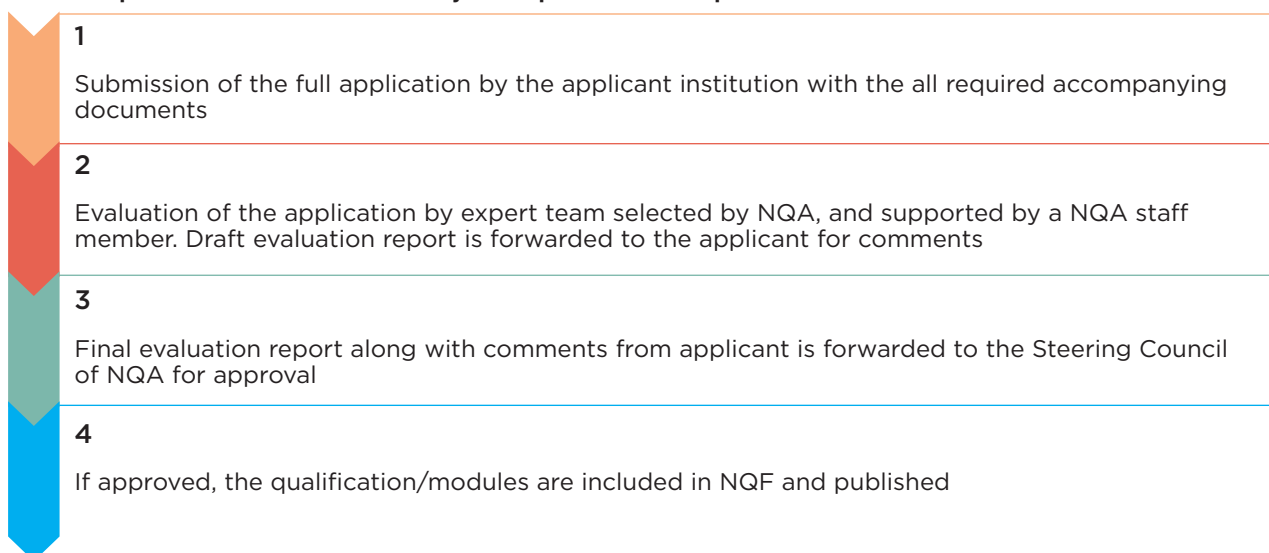
48 Administrative Instruction (MEST) No 35/2014 on Criteria and Procedures for the Validation and Approval of National Qualification and Accreditation of Institutions Providing Qualifications in Kosovo <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=10433>

Quality assurance system in VET comprises of internal mechanisms established within VET providers and external quality assurance under the responsibility of NQA. The internal quality assurance is prescribed in the AI which describes that VET institutions should have quality assurance offices responsible for progress, monitoring, counseling of the heads of school departments on quality assurance matters, coordinating monitoring of teachers, undertaking satisfaction surveys with relevant stakeholders, including students, and coordinating institutional self-assessment for accreditation purposes.<sup>49</sup> Despite that quality coordinators exist in most vocational schools, the communication and exchange of information among MEST and quality coordinators lack. The MEST is not proactive in holding responsible stakeholders involved for this purpose and as such the lines of accountability, and quality of education along with it, are hindered.

Criteria and procedures for the validation and approval of qualifications and for accreditation of the VET providers is outlined in the AI on the criteria and procedures for the validation and approval of national qualifications and accreditation of institutions providing qualifications in Kosovo which among others include:



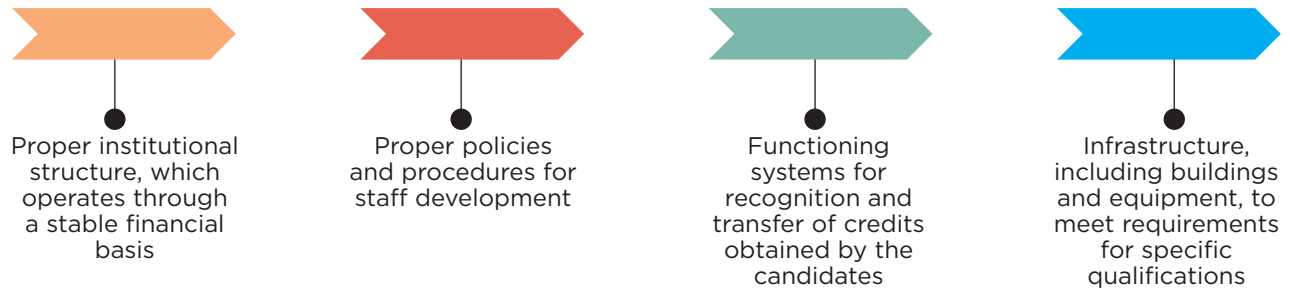
**The procedure contains 4 major steps to be completed in 6 months which include:**



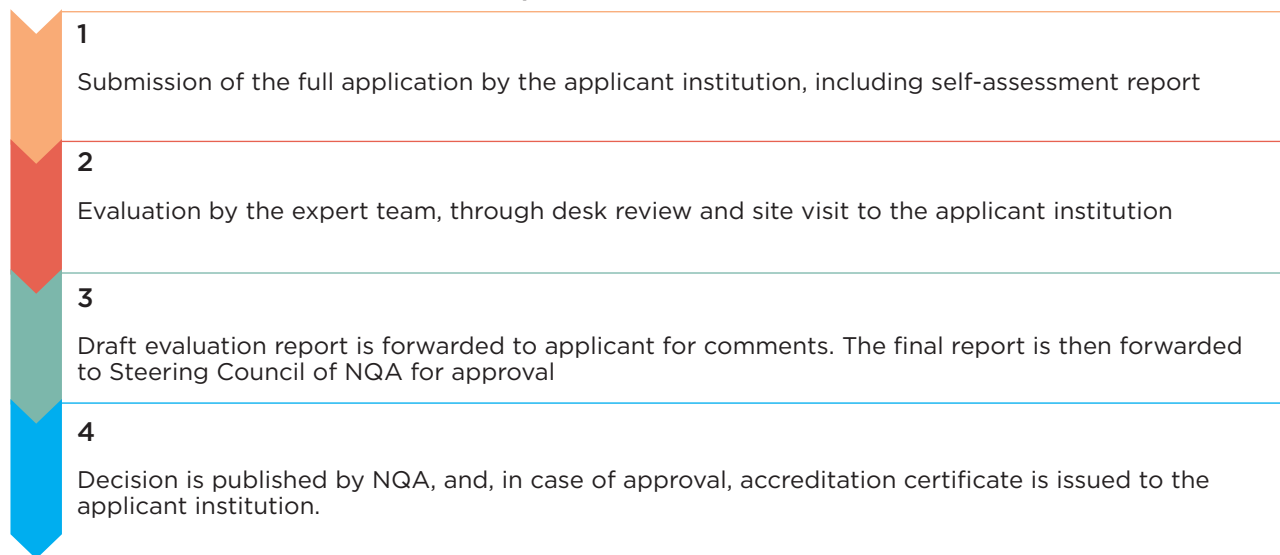
<sup>49</sup> Ibid.



Whereas the criteria for accreditation of VET institutions include:



**The accreditation consists of four phases:**



#### 4.4. National Qualifications Authority

The NQA is the national authority for assessing qualifications and quality of VET institutions through validation of qualifications and accreditations of VET providers.<sup>50</sup> The NQA has developed the necessary materials and operational tools regarding the legal framework of qualifications and quality assurance, as well as introduced procedures that guide the validation of qualifications and accreditation of VET institutions based on external assessment. The NQA also supports VET providers for preparing self-evaluation reports and publishes a range of guidance on topics such as carrying out self-evaluations, developing occupational standards and developing qualifications. The legal obligation on VET schools is to organize a self-evaluation process and publish annual self-evaluation reports as an important step in improving national standards of quality in VET. NQA provides feedback on these reports and also provides recommendations for improvements. NQA works to act as a regulatory body for qualifications and quality assurance agency in the field of VET, and as an authority seems to be rather functional and productive in fulfilling its mission. NQA routinely validates occu-

50 Law No. 04/L-183 on the Vocational Education and Training <https://www.kuvendikosoves.org/common/docs/ligjet/Law%20for%20vocational%20education%20and%20training.pdf>

pational standards, approves qualifications, and accredits VET institutions that apply for accreditation. NQA is also responsible to verify occupational standards developed by an industry prior to their formal approval by the CVETA<sup>51</sup>. However, due to limited capacities NQA faces obstacles to enforce implementation of legislation which requires all qualifications to be approved and all VET providers to be accredited. Up to now, the NQA has validated around 100 qualifications, accredited 40 providers, and verified 93 occupational standards. The occupational standards have not been approved yet by CVET because of the non-functioning of this body.

## 4.5. Professional Practice and Practical Learning

According to the KCF, professional practice programs are an integrated part of the VET secondary school curriculum, which is based on competence-based education and learning outcomes. The framework for professional practice includes grades 10-12 and is organized as following: Grade 10: Theory 60% vs. Practice 40%; Grade 11: Theory 50% vs. Practice 50%; Grade 12: Theory 40% vs. Practice 60%. Programs for professional practice have been designed with the purpose of enabling students to spend a certain period of time in enterprises to gain as such practical experience that would assist their career choices and build upon their industry skills. VET secondary schools in Kosovo provide two main types of work-based learning programs: work-based learning in VET schools own workshops and professional practice in enterprises. Generally, VET students are placed in an enterprise of their choice which reflects the kind of work they wish to continue doing after completing their studies. Usually, for VET students the professional practice is their first workplace experience where they have the opportunity to see how things work in real life. Professional practice in enterprises should offer a strong and high-quality learning environment, allowing students to gain practical skills with the assistance of trainers familiar with the most recent working methods and technologies.

Nevertheless, from the interviews with VET schools and businesses it is understood that in practice the professional practice and practical learning do not take place as effectively as they should. As a result, students do not acquire the required skills for work. The problems for carrying out the work-based learning programs are various and come from the school side as well as businesses side. Despite the willingness of businesses to accept students for professional practice, generally they do not have the capacity to accommodate a large number of students. Therefore, students are divided into groups and time spent in the company is divided among each group during the school year. Furthermore, even in cases when students conduct professional practice in the company, it is rarely done with adequate planning that is based on the requirement of the curriculum, no final evaluation of the competences achieved by the student in the company takes place, and the practice is only a visit or observation of the working processes rather than engagement of students in performing real work. In addition, when the professional practice takes place the monitoring of students in the company is not conducted on regular basis as there is no specific guidance on how often the monitoring should happen. Monitoring of students should be done by the teacher of professional practice but companies claim that there are instances when the teacher never goes to the company and students are supervised by an assigned employee of the company. Further challenges that hinder the professional practice are lack of a national strategy and adequate legislation to regulate the school-enterprise cooperation to carry out work-based learning programs, lack of long-term developmental plans in most of the companies, lack of a coordinator in schools who would serve as a facilitator between the school and companies. Also, in many cases when the professional practice

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51 Law No. 04/L-183 on the Vocational Education and Training <https://www.kuvendikosoves.org/common/docs/ligjet/Law%20for%20vocational%20education%20and%20training.pdf>.

or visits to companies happens in a considerable distance from the school or the municipality then cost implications pose an obstacle for businesses and schools. Because of the schools' lack of sufficient budget, the transportation cost for students is seldom covered.

With regards to the work-based learning in VET schools, all professional schools consider that the budget for professional schools is not sufficient to realize the practical learning. The lack of literature and other necessary materials for the delivery of practical learning in schools' workshops poses an immense problem for students' learning. The allocation of budget among VET schools does not consider the specific needs of the profiles that different schools offer; therefore, some of the VET schools incur high cost for materials to be used for the practical learning. When the budget does not suffice for providing the necessary materials, students are left without the opportunity to practice the theoretical part in schools' own workshops. As a direct result, these students will enter the labor market as unskilled or low-skilled, having very low prospects to find employment and as a consequence, their future prospect for employment and advancement in career will be undermined. Hence, considering the importance of the practical part of VET education in improving and reinforcing students' skill development and its role in supplementing classroom curriculum with relevant learning experiences in enterprises, supporting the development of a mutually beneficial and supportive partnership between VET schools and businesses, should be central pillar of the VET reform in Kosovo.

## 5. KOSOVO'S LABOR MARKET SITUATION

Understanding the needs of the labor market and investing in human capital skills that meet the market demand is a crucial mechanism for economic growth and development. The immense contribution of human capital can be relished only when the economy is able to extensively utilize its resources. To this point, the labor market is efficient when the supply of labor meets the demand. A distinctive characteristic of Kosovo's labor market is the continuous high unemployment rate accompanied by low levels of job creation. A low employment rate hampers long term economic growth as long-term unemployed workers risk depreciating skills and knowledge which in turn makes it more challenging for them to find employment in the future. As a result, a vicious circle of poverty and low growth is created<sup>52</sup>.

Data from the Labor Force Survey 2018 show that around two-thirds of the population belongs to the working age group (15-64 years) and this category of labor is anticipated to grow rapidly over the next ten years<sup>53</sup>. The demographically young labor market is characterized with a strong supply of labor since estimates suggest that 30 to 35 thousand young adults enter working age annually<sup>54</sup>. Nevertheless, the labor force participation rate which shows the portion of working age people who are either employed or actively seeking for jobs is remarkably low. Recent statistics show that Kosovo's labor force participation rate is 40.4%. The labor force participation rate is fairly low in Kosovo compared to other European Countries that have participation rate of 71.8%. Compared to the region Kosovo also registers the lowest rate, as in Western Balkan countries labor participation rate ranges between 60 to 64%, except Bosnia and Hercegovina which also shows a rather low participation rate – 44.1%<sup>55</sup>. The remaining 62.4% of working age population are economically inactive, including students, housewives, discouraged workers, and individuals who are not actively searching for a job. Even though the inactive labor force is not accounted in the labor supply, it is important to consider because it can have a great impact on the future labor supply. The longer the individuals are out of the labor market their skills depreciate, and their future employability is negatively impacted, which in turn impacts the economy in the long run.

According to the latest statistics, Kosovo's unemployment rate is 29.4% of working age population (15-64 years) which is the highest in Europe and the region. As seen in Table 6, concerning is particularly the high level of unemployment among youth age 15-24 years old which currently stands at 55%.

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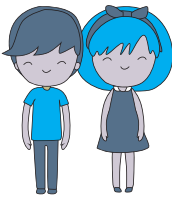
52 Hanushek, E. A. & D. Kim (1995) "Schooling, Labor Force Quality and Economic Growth," NBER Working Paper 5399. 33 Hanushek, E.A., & Kimko, D.D. (2000) "Schooling, Labor-Force Quality, and the Growth of Nations." *The American Review*, Vol. 90, No.5, 1184-1208

53 Labor Force Survey 2018. Kosovo Agency of Statistics <http://ask.rks-gov.net/media/4416/labour-force-survey-q2-2018.pdf>.

54 Labor Force Statistics. "Results of the Kosovo 2015 Labour Force Survey". Kosovo Agency of Statistics, June 2016 <http://ask.rks-gov.net/media/3593/lfs-2016-anglisht.pdf>

55 Ibid.

Table 6. Key indicators of the Labor Market<sup>56</sup>


	 Male	 Female	 Total
Key indicators of the labor market (%)			
Rate of participation in labor force	63.1	17.4	40.4
Inactivity rate	36.9	82.6	59.6
Employment to population ratio (employment rate)	44.8	12.0	28.5
Unemployment rate	29.1	30.6	29.4
Unemployment rate among young people	51.8	63.2	55.0
Percentage of young people NEET youth population (15-24 years of age)	30.7	29.6	30.2
Percentage of unstable employment to total employment	19.4	16.7	18.8

Another concerning characteristic of Kosovo's labor market is the high level of youth outside of the labor market which is represented by the NEET ratio. The NEET ratio measures the percentage of individuals who are not in education, employment, or training. Despite the decrease in NEET ratio during 2012-2017 from 35.1% to 27.4% respectively, the inactivity rate of young people has slightly increased to 30.2% in 2018<sup>57</sup>. This group of people who are completely disconnected from the labor market pose a dire risk to the long-term unemployment rate as their employability in the long-term decrease. Since they are not investing in skills either through education, training, nor employment, they face the possibility of skill depreciation and remaining an idle resource for the economy. The long-term consequences are harmful for the economy by losing human capital that the economy will never be able to recuperate.

56 Labor Force Survey 2018. Kosovo Agency of Statistics <http://ask.rks-gov.net/media/4416/labour-force-survey-q2-2018.pdf>.

57 Labor Force Survey 2017. Kosovo Agency of Statistics <http://ask.rks-gov.net/media/3989/labour-force-survey-2017.pdf>

Table 7. Employment by educational level<sup>58</sup>



Employment Rate (%)	Male	Female	Total
No formal education	5.9	2.5	3.3
Primary	20.6	3.1	9.5
Secondary education, vocational	48	14.4	34.9
Secondary education, gymnasium	51.9	9.8	35.2
Tertiary	75.6	54.2	66.4
Total	44.8	12	28.5

Facing serious challenges of getting employment, attaining more levels of education remains the safest path for young people to a position in the labor market. As seen in Table 7, the highest unemployment rate is among people who have no education (73.9%) and lowest among people with tertiary education (19%). Even though having a degree increases the chances of getting employed, the transitioning period from school to labor market is still challenging for graduates since data show that 35% of people with tertiary education degree do not possess the adequate skills demanded by the labor market. The unemployment rate is particularly high for individuals with vocational education as they face unemployment rate of 34.9%. The great difference of unemployment rates between individuals with tertiary education and those with lower levels of education explains the high interest of young people to pursue tertiary education.

The presence of inefficiency in the labor market is further supported by the high level of long-term unemployment rates. This labor market indicator measures the percentage of the labor force who have been unemployed for more than 12 months. Even though the long-term unemployment rate, has decreased from 73.8% in 2014 to 60.2% in 2018, the rate is still considerably high compared to other countries of the region. High and persistent long-term unemployment rate signifies the structural nature of unemployment in Kosovo. Individuals hurt by this risk experiencing depreciation of skills, declining motivation to seek employment, and potentially exiting the labor market completely in the long run. A possible explanation for this is the lack of opportunities for individuals to get employment. They feel discouraged to search for jobs, or even invest in their skills, knowing that such investment will not provide economic returns to them.

<sup>58</sup> Labor Force Survey 2018. Kosovo Agency of Statistics <http://ask.rks-gov.net/media/4416/labour-force-survey-q2-2018.pdf>.

Moreover, the shift in social values that has occurred in recent years also contributes in individuals' choice of professions. Young people are more inclined towards academic professions that offer social prestige; if they lack financial resources, skills, or motivation to continue higher education, they detach themselves from the labor market. These social ideas explain the lack of people involved in agriculture, despite the reality that 60% of the population lives in rural areas. The young population is usually deemed as an asset for a country's economy because they are the future workers who will theoretically contribute towards growth. Yet, inefficient and weak economies, like the one in Kosovo, do not offer opportunities for young people to utilize their potential. Hence, it is crucial for the country to address this issue and prevent further deleterious economic effects.

To mitigate unemployment, since 2017 the EARK provides employment services and active labor market measures to jobseekers through its mechanisms at regional and local level: 38 employment offices (EO) and 8 VTCs. Active labor market policies play an important role in decreasing unemployment, creating a motivating environment for existing businesses and opening of new businesses, raise the capacity of knowledge at an appropriate level according to the market economic trends, financing programs that have impact in creating new jobs etc. The EO's mandate is to register unemployed people and provide counselling and mediation in regular employment or access to ALMM such as wage subsidies, internships, etc., whereas the VTCs provide vocational training and retraining through modular short-term training. The types of ALMMs are presented in Table 8 and as data indicate the most active priority measure is vocational training as most job-seekers have benefited by this measure. Of the beneficiaries of the ALMMs, 65.2% in 2017, 70.5% in 2016 and 56.5% in 2015, benefited by the Vocational Training while smaller numbers were exposed to on the job training and combined training in companies.

**Table 8. Number of job seekers benefited from Active Labour Market Measures**

Type	2017	2016	2015
Vocational Training	5,979	6,736	4,055
Public work	873	819	1,865
Wage subsidies	713	474	498
Self-employment	35	54	49
Internships	728	434	188
On the job trainings	478	951	281
Combined training in companies	367	90	244
Total	9,173	9,558	7,180

Source: Labour and Employment, Performance Report, MLSW, 2015 and 2017

The fact that ALMMs mostly include trainings indicate that the measures are not effectively addressing the unemployment challenge that youth face. This is mainly because trainings offered by VTCs are limited to basic levels which do not meet the demands of the firms for labor qualifications. Therefore, active labor market policies for youth should be focused on improving the education system, in supporting policies for self-employment, as well as enhancing the way of transferring knowledge, and adjusting knowledge and skills according to the trends of the market economy.



## 6. CHALLENGES OF THE VET EDUCATION

Being still a developing country, Kosovo faces both opportunities and challenges for its growth story. While opportunities are in terms of demographic dividend, the challenges are posed by persistent skills gaps, particularly among youth. The Kosovo government has set the improvement of the linkage between the education system and the labor market as a priority. To achieve this, government pledged to enhance vocational education and training quality by further reviewing the curricula for VET and providing conditions to implement these curricula, so the system provides students with relevant skills required in the labor market<sup>59</sup>. Despite the efforts undertaken hitherto, the VET education in Kosovo faces various obstacles that hinder the placement of young people in the labor market as well as expansion and growth of private sector due to low productivity as a result of lack of qualified labor force. The challenges that characterize the VET sector suggest the VET should undergo a drastic restructuring as one of the key routes by which the persisting skills gaps could be plugged and inclusive growth could be pursued in the midst of social and economic efforts for development.

One of the challenges of the VET system is the misalignment of VET education with the private sector. The analysis of the labor market situation depicts the existence of discrepancy in the skills supplied and demanded in the labor market. The existence of such problem derives from both the demand side i.e. private sector, and supply side i.e. labor force. From the demand side, the private sector has still difficulties in defining its needs and skills required for the sector to grow. Whereas, from the supply side schools, particularly VET sector is not adequately regulated to provide the labor market with potential employees who possess skills that make them immediately attractive for prospective employers. The non-adequate development of VET, specifically the discrepancy between the curricula content and market needs result in the mismatch between skills supplied and demanded in a market economy<sup>60</sup>. The existence of a skills mismatch was confirmed also in a 2015 survey among Kosovar business companies which shows that firms consider lack of the required skills and work experience as the two main problems when hiring.<sup>61</sup> Employers report dissatisfaction with the level of skills for workers with VET qualifications including a wide range of professions e.g. technicians, professionals, managers, service workers, agricultural, construction and craft workers, as well as adequate general skills e.g. communication, problem solving, numerical and math skills, customer service etc., as shared weaknesses of the workforce.

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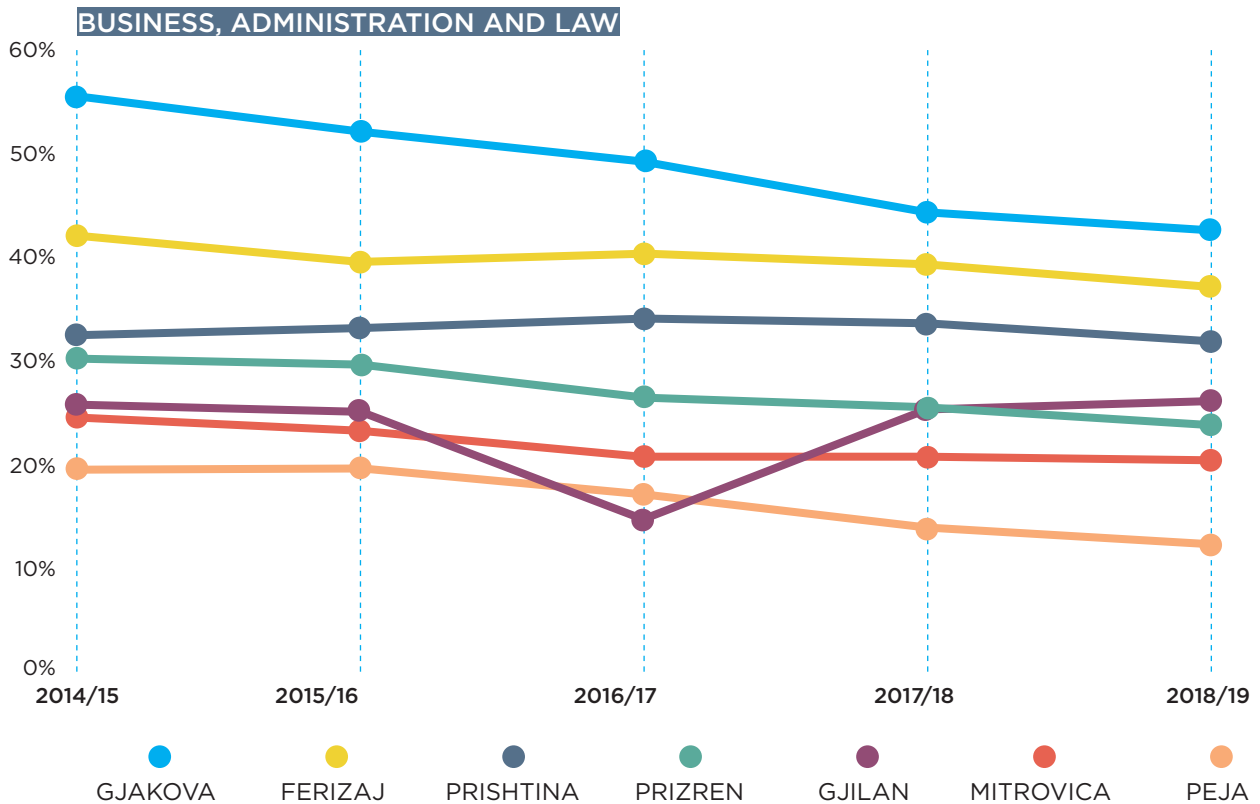
59 Medium Term Expenditure Frameworks 2019-2021. <https://mf.rks-gov.net/desk/inc/media/F41E6181-8CC0-4E79-A797-B5B5FEBC-D82A.pdf>

60 Economic Reform Programme (ERP). <https://mf.rks-gov.net/desk/inc/media/575DDCA8-52DD-451F-AFE8-F5DBBC247F7A.pdf>

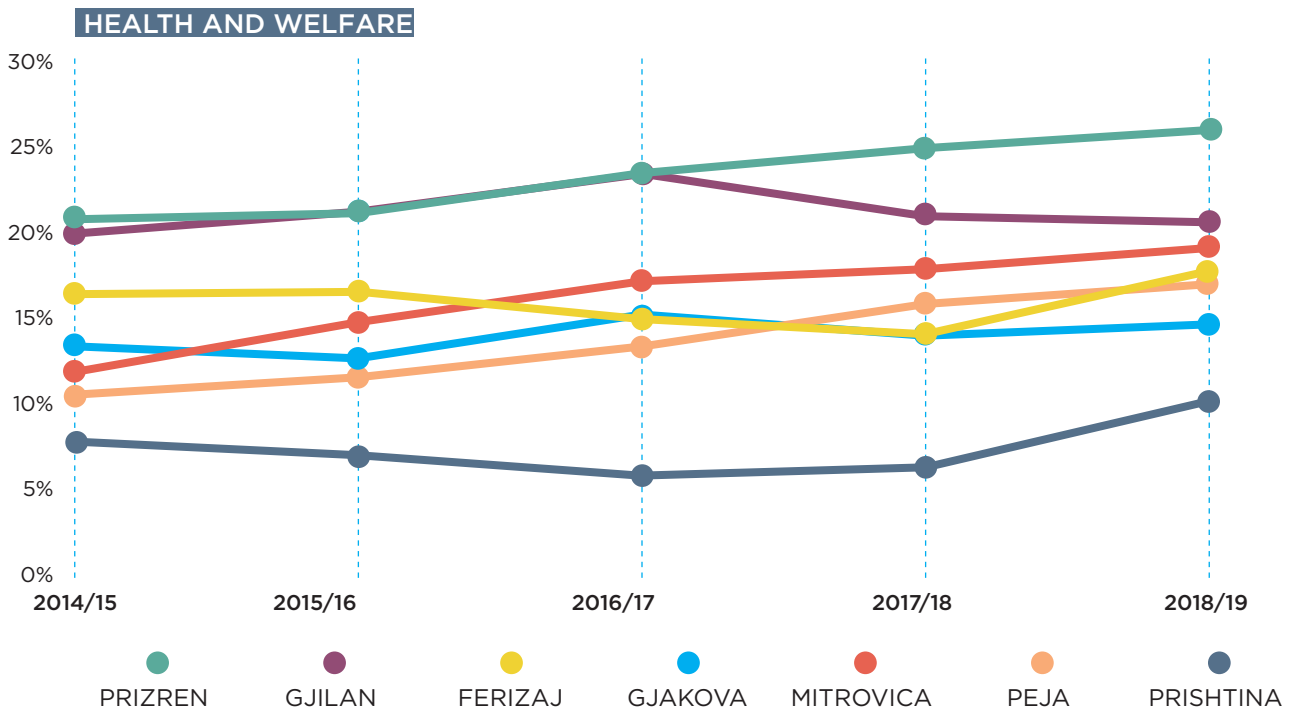
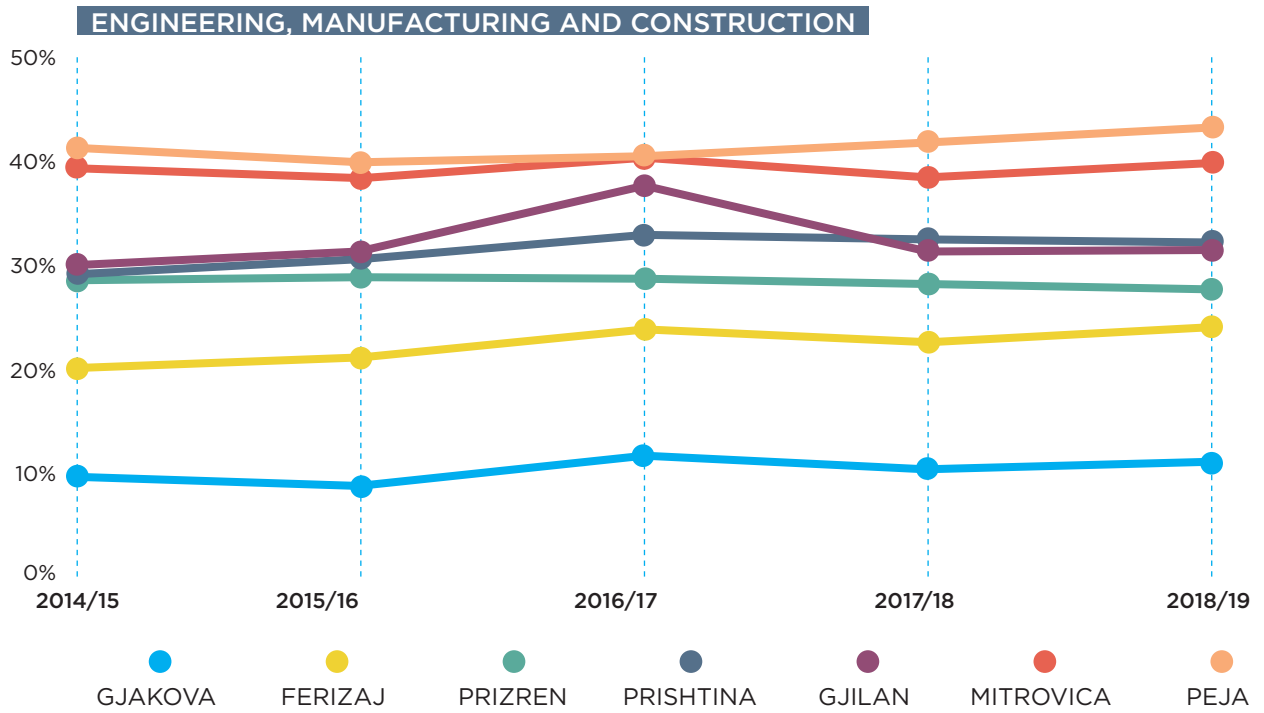
61 Cojocar: Jobs Diagnostic Kosovo, WB Jobs Series Is. 5, 2017. <http://documents.worldbank.org/curated/en/814361497466817941/pdf/ACS21442-WP-PUBLIC-ADD-SERIES-KosovoJDWEB.pdf>

Furthermore, there is a widespread concern that VET schools specialize in profiles that do not match the market needs. As data indicate three fields that account for 80% of students are: business administration and law; engineering, manufacturing and construction; as well as health and welfare. Considerable discrepancies in enrolment in all three fields exist among seven regions of Kosovo. For instance, in Gjakova region the enrolment of students is extremely high in the field of business, administration and law while low enrolment is observed in the engineering, manufacturing and construction profiles. Whereas, in Prishtina region which is characterized with the most developed health sector, only slightly more than 10% of VET students attend health and welfare profiles, compared to Prizren region where more that 25% are enrolled in those profiles<sup>62</sup>. Since there is no in-depth analysis conducted in this regard, it is difficult to infer on the impact of the differences in enrolment in the employability of graduates. However, differences in enrolment cannot be attributed to the trends in local economies, a fact that supports the existence of the skills mismatch in the labour market.

Figure 4. Share of students enrolled in three most popular study fields by Kosovo Regions



62 Torino Process 2018-2020 Kosovo.



(Source: Torino Process 2018-2020 Kosovo)

This fact should draw attention for further deliberation on the needs of the local labor market for these skills. In addition, the findings of the monitoring of the KESP implementation suggest that around 47% of the upper secondary vocational education students are enrolled in economic-law and health care sectors, which have significantly lower opportunities for employment, whereas the number of students with better prospects for employment continues to remain under the desired level<sup>63</sup>. Thus far, no proper actions have been initiated by the MEST and MEDs to alter this situation while the existence of this challenge in the market is hampering the growth of the private sector and along with it the overall development of the economy.

Another challenge identified in the VET sector is the revision of VET curricula and its alignment with the curriculum framework of pre-university education. The KESP 2017-2021 outlines the need for development of a VET specific core curriculum, aligned to the KCF, as one of the necessary investments to be undertaken for improving the relevance of school programmes to labor market needs. In order to address the source of the problem regarding existing skills gap in the labor market, a thorough analysis of profiles offered in VET schools has been conducted with the aim of drafting occupational standards as a link between labor market and VET. This would enable the revision of VET curriculum and provision of necessary conditions to implement the curriculum in practice<sup>64</sup>. Nevertheless, VET curriculum is still not updated in response to changes that are taking place in the economy and the labor market which suggests that the current situation will continue to exist until the implementation of strategic documents in Kosovo improves. Planning strategic measures in the annual plans of ministries and other implementing agencies and allocating the necessary budget and human resources would contribute towards an efficient implementation of strategic documents.

Furthermore, quality of teaching is considered a serious obstacle in most VET schools. Teaching and learning methods are commonly theoretical with limited access to practical training in schools. As it is currently regulated, the theoretical part of the curriculum is subject-based with lessons taking place in the classroom and practical training that takes place in school workshops. Nevertheless, VET schools lack teaching and learning materials which hinders the delivery of quality and effective teaching. Despite substantial investments made by donors, most vocational schools are poorly equipped with the required materials. Appropriate teaching and learning materials are available for only 24 out of 135 profiles of vocational education. In other profiles materials that are used for teaching are prepared and developed by teachers themselves<sup>65</sup>. However, these materials are not structured, neither have they gone through a verification process. Despite that such situation is negatively impacting the quality of education VET students receive, no concrete actions have been initiated for addressing this problem. In addition, schools lack raw material needed for workshops and practical work in the school. Schools rely on per-capita allowance of € 27/year to supply students with materials they need for learning, but this amount is not sufficient<sup>66</sup>. Even though the current legislation allows VET schools to obtain additional financial funds, the administrative and bureaucratic procedures on generating own revenues are considerable difficult for schools to pursue.

Moreover, limited access to professional practice is considered to be a major impediment for quality improvement of teaching and learning in VET schools. Despite improvement in the participation of students in professional practice, many obstacles prevent students from carrying out professional practice and as a result students fail to develop practical skills that would facilitate their integration into the labor market. The

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63 Implementation of the Kosovo Education Strategic Plan in 2017, Evaluation Report, KEEN, December 2017. [http://www.keen-ks.net/site/assets/files/1345/raporti\\_i\\_vleresimit\\_psak\\_eng-1.pdf](http://www.keen-ks.net/site/assets/files/1345/raporti_i_vleresimit_psak_eng-1.pdf)

64 Economic Reform Programme (ERP). <https://mf.rks-gov.net/desk/inc/media/575DDCA8-52DD-451F-AFE8-F5DBBC247F7A.pdf>

65 Implementation of the Kosovo Education Strategic Plan in 2017, Evaluation Report, KEEN, December 2017. [http://www.keen-ks.net/site/assets/files/1345/raporti\\_i\\_vleresimit\\_psak\\_eng-1.pdf](http://www.keen-ks.net/site/assets/files/1345/raporti_i_vleresimit_psak_eng-1.pdf)

66 Torino Process 2018-2020 Kosovo

practical part, particularly in the companies is necessary for students to master the skills they need to join the labor market. Therefore, many policies were drafted towards improving the professional practice to enable students to conduct the practical work while undergoing their studies. Such effort is outlined in the Strategy for Improvement of Professional Practice in Kosovo 2013-2020<sup>67</sup> which focuses on enhancing opportunities for professional practice, improving the quality of professional practice, and building partnerships between VET schools, private sector and local communities. To aid a successful implementation of professional practice two manuals have been developed for schools and businesses defining steps for organizing an effective professional practice. However, there are currently no monitoring mechanisms that would ensure the implementation of the strategy and manuals that accompany it. The need for improving the practical training was further emphasized in KESP<sup>68</sup> which anticipates few additional measures to this end e.g. offering transportation to students and instructors to companies where students are accepted to finish the professional practice, insurance payment for students, development of training manual or organization of trainings for business cooperation office staff, drafting of a document with the criteria for establishment of public-private partnerships in the field of education, etc. However, not all activities anticipated have been implemented yet.

Finally, career guidance and counseling services are not present in the VET system, neither in educational institutions or public employment services. Students are given little to no support in making educational and occupational choices which infers that young people make uninformed career choices by pursuing education and training programs without close deliberation of their talents, interest, or prospective employment opportunities. The lack of career guidance and counseling is a challenge that prevents the improvement of VET system. Therefore, KESP 2017-2021 foresees activities to introduce career guidance in all vocational schools in Kosovo. The MLSW Sector Strategy 2018-2022 also anticipates the provision of career counselling services through the employment offices and improvement of the recently introduced Labour Market Information System. Nevertheless, these services are not yet effective to assist students in selecting and developing skills pertinent to the labor market needs. Functioning of such centers in all VET schools is deemed as necessary for a better coordination with the sectors of the economy, thus ensuring a better integration of VET and other graduates into the labour market. Therefore, certain VET schools and municipalities have established career guidance and counseling offices with their own initiatives and support of external donors. For example, during 2014-2016, the EYE Project supported establishment of two pilot career guidance centers, one operating in the vocational school Bahri Haxha in Vushtrri and the other one in Prishtina serving 7 vocational schools operating within the municipality. Because the assessment of the two centers concluded that school-based models are more effective to be replicated in other schools, a profile for future career centers in vocational schools was developed to assist schools in establishing their career centers<sup>69</sup>.

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67 Strategy for Improvement of Professional Practice in Kosovo 2013-2020, MEST, 2013. <https://masht.rks-gov.net/uploads/2015/06/a-strategjia-e-pp-ne-kosove-2013-2020-eng.pdf>

68 Kosovo Education Strategic Plan 2017-2021, December 2016. <https://masht.rks-gov.net/uploads/2017/02/20161006-kesp-2017-2021.pdf>

69 Profile of School-Based Career Centre or VET Schools in Kosov , EYE, March 2018 [http://helvetas-ks.org/eve/file/repository/Profile\\_School\\_Based\\_Career\\_Center\\_ENGI\\_3.pdf](http://helvetas-ks.org/eve/file/repository/Profile_School_Based_Career_Center_ENGI_3.pdf)

## 7. OPPORTUNITIES FOR IMPROVING THE VET EDUCATION

VET education in Kosovo faces numerous challenges that negatively impact the quality of the labor force supplied in the labor market. This reality suggests the VET should undergo a drastic restructuring as one of the key routes by which the persisting skills gaps could be plugged and inclusive growth could be pursued in the midst of social and economic efforts for development. Even though there is no VET system applied in other countries that would perfectly suit for replication in the context of another country, identifying the most useful aspects of VET system in other countries and offering customized solutions which have to be adapted to the needs of a specific country is an effective approach for system improvement. In this regard some of the elements of the German dual system of VET could be relevant for Kosovo and could be successfully integrated into Kosovo VET system. Therefore, some of the opportunities identified that could potentially contribute to improvement of the system are based on the dual VET system in Germany.

The dual system features predominantly the international discussion for its success in tackling youth unemployment. Countries that have adopted dual VET systems record lowest youth unemployment rates. The dual system does not only ensure that private sector will have access to skilled workers with real-world training, but it also facilitates the transition of youth into the labor market. Therefore, it is argued that the dual model assists in reducing the skills gaps and unemployment as well promoting growth.

As known the main objective of the VET is to produce skilled workers that will address the needs of the labor market. What makes German dual system effective is the fact that it is created on the three-fold elements: economic productivity of the workforce, social integration, and individual development of the apprentices. It also incorporates the three major stakeholders such as the government, business community, and students and parents, therefore balancing their different goals. Since borrowing the entire model would not be suitable for the context of Kosovo, below are listed some of the identified elements that could be imbedded in the VET system in Kosovo.

- 1. Alternating learning situations in accordance with the dual principle.** In Germany the vocational training and apprenticeships are offered by vocational education schools and companies according to the framework curricula and training curricula which provide an effective combination of theory and practice. A mechanism that combines the theory and practice effectively is among the key elements of the dual system that is needed in the Kosovo context. Even though the current system foresees professional practice as part of the education, its implementation in practice lacks. Training and learning that alternates between the school and business setting offers opportunities to students to combine theory and practice and allows them to learn in real-life situations by becoming part of a company's work culture.

The in-company training can be implemented in different companies with varying amounts of time spent at each, in different ways and to differing degrees, to allow young people develop vocational skills that are relevant to the labor market, but not limited to a certain company.

2. **Vocational training as a task to be carried out in private-public partnership.** Close cooperation between the private sector and government is a key feature of the dual vocational training in Germany. The public-private partnership between different levels of government and social partners is effective in terms of curriculum development, certification, and training. In this regard, an institutionalized-legalized form of private-public partnership is required for the Kosovo context. Curricula should be developed with participation of the private sector as well because this is the only way to meet the demands of the Kosovo industry and ensure compatibility of acquired skills. Close cooperation between the government and businesses should be particularly present in developing occupational profiles, administering examinations, and finding training positions for students. This collaboration would add on the improvement of the perception of VET profiles and their acceptability by the public.
3. **Joint funding of VET.** The private-public partnership extends to financing also as the costs of dual VET system are borne proportionately by the government and business sector. Though in Kosovo the VET law allows for schools to generate their own funds, businesses are not encouraged at national level to financially contribute in the trainings offered. The contribution of the private sector in financing VET education could be done in different ways e.g. by providing the site and trainers for the students. Private enterprises would directly benefit from providing vocational training to VET students as this investment would be offset by the increased productive contributions of their trainees. In addition, investment in VET programs can serve as an investment in business's recruitment strategy as after the completion of VET education, company can hire the trainees as full-time qualified employees which in the long-term would increase their economic productivity.
4. **Creating a solid basis for decisions and design.** Another important element of the German VET system is that many of the central decision-making and organizational fields are supported by an in-depth analysis and research. This suggests that the country provides various research, planning and statistical tools and monitoring instruments related to vocational training. In the Kosovo context, decision making based on evidence is particularly necessary for detecting the needs of the private sector. This would help in planning the occupational profiles provided in formal education by focusing on the forecasting of skills demanded by the labor market. Various research regarding vocational training can be carried out using the existing institutions e.g. universities, government agencies, or research institutions that would be assigned specific topics and tasks for research for conducting research and in-depth analysis.
5. **Social acceptance of VET.** In different countries VET is characterized with differing degrees of social acceptance which is affected by economic, social, pedagogical and cultural setting. Generally, the acceptance of VET in countries with a high level of dual system is higher compared to countries where the dual VET does not exist. In Kosovo the VET education is usually the second choice and pursued by students who fail to enrol in general education (gymnasiums). This situation stems by the low reputation attached to VET sector because of the low quality of education offered in VET schools. The reputation of VET education can improve with effective promotion of the sector by political stakeholders as well as private sector. An alternative method this promotion could take place is by developing formal agreements between governmental institutions and private sector for services that different government intuitions need

and that are offered by private enterprises. The agreement could ensure preferential treatment for services required to companies that offer trainings to VET students so the particular services the institutions need are performed by students themselves. This way the perception of the quality of education received in VET schools would potentially increase. Further recommendations that are relevant in overcoming the current challenges of VET education in Kosovo are:

6. **Advancing Career Centres in VET Schools.** The earlier youth gain access to career development resources and support for career paths the better equipped they will be to pursue relevant educational trainings and employment opportunities that advance their professional and technical skills. To ensure this, VET schools should establish career offices that offer various supporting services to students starting from career guidance to in-class lessons that would enhance their soft skills. In addition, to enhance students' understanding and exposure to the world of work students can be required to scout employment opportunities in the local economy and the sector of their field which would afterward help them in finding companies of interest to do the practical work. Career centres could be established in cooperation with MEDs and employment offices in the particular municipality.
7. **Introducing a more entrepreneurial competence of VET school management.** VET schools have their own specifics and should be run according to different needs of the schools. Therefore, school managers should be more entrepreneurial in order to ensure effective management that would lead to provision of a more quality teaching and practical training. To achieve this, it is mandatory that school managers establish and maintain close connection with local business and be willing to enter into joint ventures with private firms to improve the learning conditions of VET students.
8. **Assisting public VET providers to meet the criteria for accreditation.** The internal quality assurance mechanism in VET providers should be strengthened. A strong quality assurance within the school would require quality coordinators to perform monitoring and evaluation of teaching delivery through peer-to-peer support and classroom observation. In addition, VET schools should have development plans in order to guide school management in achieving school needs, e.g. teacher professional development, improvement of infrastructure, supply with equipment for practical training, and establishment of links with the private sector.
9. **Improving the quality of employment services and expanding the scope of ALMMs.** Services that are provided to job seekers should improve in order to ensure a better linkage between jobseekers and job providers. The Public Employment Office should be offered support in building staff capacity, improving infrastructure, and expanding and diversifying the employment services by offering timely information for jobseekers and career counselling for them. Furthermore, ALMMs should be expanded to reach out to more jobseekers targeting particularly the most vulnerable groups: long-term unemployed, youth and women.
10. **Improving integration among VET stakeholders.** CVETA should be functional and have the support of MEST in delivering its duties and responsibilities. Through this body MEST will exercise its policy making function more effectively by recognizing the role of all relevant stakeholders, including the non-state actors. A better functioning of CVETA would contribute to a better cooperation among VET stakeholders. Interaction among VET stakeholders should also take part in development of occupational standards and qualifications where involvement of business sector is necessary. Private sector should also



be involved in other decision-making processes organized by responsible government actors e.g. development of VET curricula.

- 11. Reviewing the funding formula for VET to give schools more financial autonomy.** As it is currently regulated the VET schools are funded based on the formula used for the funding of Pre-University Education. However, VET schools have different needs based on the area of specialization. This requires further decentralization for VET schools to allow them better planning, guidance, and independent management by linking school priorities with budget allocation. It is essential to establish a more flexible budget of VET schools to meet various demands of VET profiles since the expenditure change in large scale. The current education formula does not consider the specifics of VET education. Even though the current legislation allows VET schools to obtain additional financial funds from program activities such as offering of courses other than those funded from public funds, or through donations, gifts and other sources permitted by law, the administrative and bureaucratic procedures on generating own revenues must be simplified and VET institutions should be encouraged and stimulated in this regard. While reviewing of the financial formula, real-cost models of calculation per student should be considered and different levels of funding should be created for different groups of profiles. With more financial autonomy, schools would be able to allocate the necessary financial resources in supplying with the required learning materials and other necessary materials for the practical learning in schools' workshops.
- 12. Enhancing the collaboration among VET schools and companies for professional practice.** The professional practice and learning in the workplace are critical for students' success in gaining the necessary skills. For overcoming the challenges of a successful implementation of professional practice, all VET schools should appoint a coordinator or a responsible person for school-enterprise collaboration. This would enable a better communication and exchange of information between companies and schools. The coordinator would also ensure that companies have a professional trainer who will work with students during their time in the company. This better collaboration would also contribute in matching of students and companies considering the needs of the companies and the interest and skills of students. Assigning a coordinator for communication with businesses would serve in better identifying the challenges that hinder successful realization of professional practice as well as detecting the needs of businesses and companies. Therefore, the coordinator would serve as a facilitator between relevant stakeholders and schools in their effort to overcome the obstacles faced and improve the practical learning of students in companies.
- 13. Quality Assurance/Accreditation.** The vocational school's accreditation process should start in a form of piloting for 10% of vocational schools expressing their readiness voluntarily (including Centers of Competence). The accreditation process is also important for policy makers, to scan the status of vocational schools, linkage to the labour market in concrete terms, quality assurance, curriculum assessment, involvement in a new phase of implementation of the NQE, policy verification and the manner of the so far investments in vocational schools and many other processes. School accreditation should go through levels, to move to this process, firstly, the ones that are known for higher performance, based on students results (as an indicator there can be used: internal evaluation, final test, connection to the labour market - the number of students attending apprenticeship in the company and then get hired, etc.) and then continue with other schools at other levels, with mentoring from the network of schools that have undergone this process as well as from the NQA. The pilot process in some schools can also raise awareness among other schools about the procedures and the importance of accreditation.

## 8. CONCLUSION

As the youngest country in the region, Kosovo has undergone important transitions; from being a communist country to a new democracy, the economy has changed from a centralized and closed economy to an open and free market one. Since its independence in 2008, the economy has experience steady growth; however, the country remains the poorest one in Europe. The youth generation comprises the majority of Kosovo's population, and they encounter various hurdles that make the living conditions in this young country a challenging battle. The most severe challenge youth face in the Kosovo's labor market is high unemployment rate. Most of the young people are not equipped with the adequate skills to be competitive in the labor market because they pursue careers without deliberately examining the needs of the market for those particular professions. The disparity between labor supply and demand exemplifies that the labor market is inefficient and is not capable to reach equilibrium.

Having into consideration the vital role of human capital for economic growth and development, Kosovo has put human capital development as a priority. One of the ways to reach the formation of a capable human capital is the investment in VET education. The rationale behind investing in VET sector is that VET education offers a smoother and quicker transition from school to labor market and provides the possibility to invest in skills that are identified as demanded in the labor market. In the recent years, the VET system has been subject to continuous reforms concerning curriculum revisions, communication with businesses, teacher trainings and so on. Yet, the VET system in Kosovo continuous to face inadequacies that affect the likelihood of students' employability.

Challenges of the VET system are various and range from misalignment of VET education with the private sector, lack of VET specific curricula that is aligned with labor market needs, low quality of teaching and learning, lack of teaching and learning materials, limited access to professional practice and practical learning in schools, and lack of career guidance and counseling services. These challenges are negatively impacting the quality of education offered to students and as such the labor force supplied in the labor market. This reality suggests the VET should undergo a drastic restructuring as one of the key routes by which the persisting skills gaps could be plugged and inclusive growth could be pursued in the midst of social and economic efforts for development. Therefore, the government along with other relevant stakeholder should focus in improving the role of the private sector in the VET education by involving companies in developing occupational profiles, administering examinations, and finding training positions for students, reviewing the financing formula for VET schools to account for specific needs of schools based on the profiles the offer, creating a joint funding for VET to include the private sector as co-financer, developing occupational profiles based on in-depth analysis and research of labor market needs so the skills gap existing in the labor market would disappear, instilling an entrepreneurial competence among VET school management to ensure effective management that would lead to provision of a more quality teaching and practical training, advancing career centres in VET schools to of-

fer supporting services to students starting from career guidance to in-class lessons that would enhance their soft skills, and improving the reputation attached to VET sector through effective promotion of the sector by political stakeholders as well as private sector.

Even though there is no magical formula that would improve the existing state of VET education instantly, undertaking the abovementioned recommendations would be a starting point for restructure of the system that contributes in the development of a skillful labor force which in the long term would aid unemployment reduction. The improvements in the VET system would lead to more efficient use of human resources which will, in return, benefit workers through employability and the overall economy through increase in productivity.

