HRD country analysis
Kosovo

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Draft working paper
Manuscript completed on 2 July

1 As defined by the United Nations Security Council Resolution 1244 of 10 June 1999.
2 Reproduction is authorised provided the source is acknowledged: Kita, L... HRD country analysis – Kosovo, ETF working paper, May 2008.
1. List of acronyms and abbreviations

AIE  Agency for European Integration
ALMM  active labour market measures
BSPK  Union of Independent Trade Unions of Kosovo
CARDS  Community Assistance for Reconstruction, Development and Stabilisation
CC  candidate countries
COE  Council of Europe
CoM  Council of Ministers
CVET  Council for Vocational Education and Training
DLE  Department of Labour and Employment
EC  European Commission
EES  European Employment Strategy
EGP  Employment Generation Project
EPIIP  Education Participation and Improvement Project
EQF  European Qualification Framework
ESF  European Social Fund
ETF  European Training Foundation
EULEX  EU Rule of Law mission in Kosovo
HD1  Human Development Index
HDR  Human Development Report
HRD  human resources development
ILO  International Labour Organization
IMF  International Monetary Fund
IOM  International Organization for Migration
IPA  Instrument for Pre-Accession Assistance
IPS  Integrated Planning System
KCC  Kosovo Chamber of Commerce
KES  Kosovo Employment Strategy
KFOR  Kosovo Force [NATO]
MCYS  Ministry of Culture, Youth and Sports
MEST  Ministry of Education, Science and Technology
MEO  Municipal Employment Office
MIFF  Multi-annual Indicative Financial Framework
MLSW  Ministry of Labour and Social Welfare
MTEF  Mid-Term Expenditure Framework
NIPAC  National IPA Coordinator
NQF  National Qualifications Framework
OEC  Kosovo Chamber of Commerce
OSCE  Organization for Security and Co-operation in Europe
PCC  potential candidate countries
PES  Public Employment Service
PISG  Provisional Institutions for Self-Government
RAE  Roma, Ashkali and Egyptians
REC  Regional Employment Centre
SAP  Stabilisation and Association Process
SIDA  Swedish International Development Agency
SME  small and medium-sized enterprise
SOK  Statistical Office of Kosovo
SWAp  sector-wide approach
UNDP  United Nations Development Programme
UNFPA  United Nations Population Fund
UNICEF  United Nations Children’s Fund
UNIFEM  United Nations Development Fund for Women
UNMIK  United Nations Mission in Kosovo
UNV  United Nations Volunteers
VET  vocational education and training
WB  World Bank
2. POLITICAL AND SOCIOECONOMIC BACKGROUND

2.1. Political background

On 17 February the Kosovo Assembly adopted a resolution which declared Kosovo to be independent. At its meeting of 18 February 2008, the European Council took note that the resolution committed Kosovo to the principles of democracy and equality of all its citizens, to the protection of the Serb and other minorities and of the cultural and religious heritage, and to international supervision. Kosovo’s independence, so far, has been recognised by a number of countries, including some within the European Union. Kosovo has made further progress towards a democratic and multiethnic society. The new coalition government includes ministers from the Serb and Turkish communities and has made commitments concerning the well-being of minorities, in particular Kosovo Serbs. It has pledged to implement the plan for conditional independence devised by the UN Secretary-General’s special representative, Martti Ahtisaari, and invited the International Civilian Representative (ICR), the EU rule of law mission (EULEX) and NATO (KFOR) to assume major responsibilities for implementing that plan.

The Kosovar parliament adopted the first Constitution of independent Kosovo on 9 April nearly two months after the proclamation of independence and it went into force on the 15 of June. Based on the approved Constitution, the Kosovar institutions will take over the responsibilities being managed at present by the UN mission, which has been administrating Kosovo since 1999; it defines Kosovo, mostly inhabited by Albanians, as a parliamentary republic and a ‘State for all citizens’ that guarantees the respect of minority rights. The official languages are Albanian and Serb. The Constitution received the approval of the EU Kosovo envoy, Pieter Feith, who directs the International Civilian Office, and who is responsible for the establishment of an EU mission in Kosovo.

Kosovo is engaged in regular dialogue with the European Commission on reforms, and progress is regularly monitored. The EU will support Kosovo’s future development through an international civilian mission, headed by an EU Special Representative, an European Security and Defence Policy (ESDP) rule of law mission, and substantial support to economic and political development. The Kosovo government has also underlined the importance it attaches to reforms in line with the European agenda. Like the rest of the Western Balkans, Kosovo has a clear and tangible EU perspective. The Commission will intensify its support for institution-building and development and will organise a donors’ conference to mobilise funding to address Kosovo's most pressing needs. It will also seek to promote people-to-people contacts and Kosovo's involvement in regional cooperation. The indicative EU assistance to Kosovo for the period 2007–2009 amounts to €199.1 million for the transition assistance and institution-building component and the cross-border cooperation component. IPA allocation for Kosovo 2007–2009 is agreed in the Multi-annual Indicative Financial Framework (MIFF).

2.2. Demographic developments and trends, including migration

The total population of Kosovo is estimated at 2.5 million and the number of permanent residents is estimated to be 1.9–2.1 million inhabitants. The natural population growth has shown a tendency to increase further in Kosovo but starting from 2008 it has given the first signs of falling. Although birth rates appear to be declining, Kosovo’s population continues to grow faster than those of neighbouring countries. According to the report of the Statistical

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4 The last population census in Kosovo took place in 1991. This census was done on assessment of the population of Kosovo, since the Albanian population boycotted it. In 2003, The Statistical Office of Kosovo (SOK), in cooperation with national and international institutions, prepared the Law on Population Census, Family Households and Dwellings. In the following years 2005 and 2006, pilot censuses were organised as a preparation for the whole population census.
Office of Kosovo (SOK), ethnic Albanians comprise 92% of the population, ethnic Serbs 5.3%, Turks 0.4%, Roma 1.1% and other ethnic groups 1.2% (Bosniaks, Ashkali and Egyptians). Kosovo is considered to be a lower middle income country, with a Human Development Index (HDI) of 0.734. More of the population lives in the rural areas than the urban areas, in a proportion 63:37. The population is young, with the 0–14 age group representing 33% of the population, the 15–64 age group 61%, and those 65 and older 5%. It is estimated that 50% of the population is under the age of 25 and 40% under the age of 18. In 2002, approximately 37% of the population lived in poverty on €1.42 per day and 15.2% of the population lived in extreme poverty on €0.93 per day.

Kosovo’s population trends have a big impact on the Kosovo education policy and related expenditure throughout the system. As reported by the World Bank, the school-age population in most transition countries of Eastern Europe shrank by at least 20% between 1989 and 2003, and in some countries (such as Estonia, Georgia, and Moldova) by more than 30 per cent. Kosovo’s demographic figures show that it has an exceptionally large proportion of its population at school age even though it is experiencing an ongoing demographic transition similar to other countries in south-eastern Europe—which implies that this population will shrink over the medium to long term.

Migration issues are just starting to be on the policy agenda. Producing accurate estimates of the scale of emigration is especially difficult in the case of Kosovo. Being rooted in Kosovo’s history and tradition, migration has been both praised for its contribution to development and seen as a cause for alarm for its role in underdevelopment. The 1999 mass migrations of Kosovar populations has come to an end. Since 1995, over 100,000 people have been forced to return from diaspora. So far the Kosovo economy has been supported by remittances from the diaspora. These have been filling a major gap in Kosovo’s balance of payments, but also providing an informal social safety net for poor households, making up for the absence of a welfare state. Remittances and pensions from abroad form a significant source of income for Kosovars in general, and Kosovo Albanians in particular. Almost €400 million came into Kosovo in the form of remittances in 2007. But the generosity of the diaspora is weakening and the first signs are already there. The current high poverty and unemployment rates continue to make migration an attractive option for many people, especially the young. Surveys show that about 50% of Kosovo’s youth – and the share is similar among all ethnic groups – would emigrate if they could. The main reasons for seeking to migrate are greater economic opportunity and the chance for a better life in general. There are no reliable data or figures on migration. With most legal emigration routes to Europe virtually closed, illegal migration appears to many as the only option. New migration policy develops slowly. ILO, IOM, UNDP, UNICEF, UNV and the World Bank, have committed themselves to supporting the Kosovo government to address youth employment and migration challenges, both by supporting Kosovo institutions in achieving the targets set by the Youth Employment Plan and by supporting youth through increasing their income-generating opportunities and raising their awareness about the options and risks as regards migration. More information is necessary on the links between migration, education and training systems, and labour markets in Kosovo because there is no evidence-based knowledge of the overall consequences of migration in relation to education/skills and labour markets.

5 HDI, according to UNDP Kosovo, Kosovo Human Development Report (Pristina, 2006).
7 Kosovo Statistical Office.
8 UNDP Kosovo, Kosovo Human Development Report (Pristina, 2006).
2.3. Socioeconomic developments and trends.

Kosovo is one of the poorest economies in Europe, with a per capita income estimated at €1,118 per annum in 2006. The economy remains fragile and poverty persists. Even before the conflict of 1999, Kosovo suffered from isolation and a lack of investment, while the conflict itself resulted in damaged infrastructure, a drop in agricultural and industrial production, and a frozen financial sector unable even to make the most basic payments such as wages. Since 1999, large-scale financial and technical assistance from the EU (€2.4 billion in total) and other donors has helped to achieve substantial progress in economic reconstruction and institution-building, much of this being channelled through the European Agency for Reconstruction, which is currently managing aid projects worth over €1 billion from the EU CARDS (Community Assistance for Reconstruction, Development and Stabilisation) programme. In 2007, the Commission launched its successor, the Instrument for Pre-accession Assistance (IPA). A key element in EU efforts to rebuild Kosovo is the country’s inclusion in the Stabilisation and Association Process (SAP) for the Western Balkans, and in particular a European Partnership adopted in 2006. Under the SAP, the EU works together with the Kosovo authorities to identify priorities and reforms, which then form the framework for EU support. Promoting economic development and establishing a functioning market economy is a key element of the SAP.\footnote{Directorate-General for Economic and Financial Affairs, European Economy News, Issue 8, October 2007.}

After an initial post-conflict acceleration in 2000, economic growth has weakened in line with declining donor resources. Six years after the conflict, Kosovo’s economy is still significantly dependent on external assistance, with donor funding and remittances contributing 23% and 15% respectively to GDP. According to the Kosovo national strategic sectorial documents some of the main defined economic sectors are: mining, energy, agriculture, transport, telecommunications and environment. The industrial sector remains weak, and the electricity supply continues to be unreliable.

Fiscal fragility and the lack of ability to borrow externally have also been factors contributing to complexities in social protection, alongside the effects of war, disability, gender issues, rural/urban divides, regional disparities, ethnicity, and demographic factors. There is still no poverty reduction framework in place in Kosovo although the Kosovo Development Strategy contains reference to social exclusion.

With an employment rate of approximately 29% in 2006 (12% for women and 46% for men), Kosovo falls well behind EU Member State performance and is far from the EU 2010 target of 70%. This result reflects the very young age structure of the Kosovo population, extremely high unemployment levels, and very low labour market participation of women in general. In 2006, out of 380,000 employed Kosovars, 75,000 were employed in the public sector and 290,000 in the private sector. It is estimated that only half of employment in the private sector is reported, the other half being informal employment. The majority of all employees are either temporary, part-time or self-employed workers. The private sector consists of predominantly small-scale, low-capital enterprises, with limited capacities for investment in human capital and absorption of new technologies.\footnote{According to the Ministry of Trade and Industry, Pristina, 93% of registered enterprises are micro-enterprises, i.e. with fewer than 10 employees.}

In 2006, agriculture had become the most important pillar of the Kosovo economy with an employment share of 21.4%, followed by trade (16.4%), education (11.7%), construction (8.1%), and administration (7.8%). The unemployment rate is growing but at a slower pace (2.6% in 2007). In 2007 there were 334,000 registered unemployed.\footnote{The unemployment register is, however, inflated by a large number of people who are not actively looking for work, are working informally, or have abandoned the labour market.} Almost half of all unemployed people are women and two-thirds are unskilled workers. The higher the level of education, the lower the risk of being unemployed.

Kosovo is the country with the youngest population in Europe: about half of its population is under 25 years of age, and about 20% is between 15 and 25 years of age. Estimates indicate that about 40% of young people aged 15–19 and 69% of young people aged 20–24 are active...
in the Kosovo labour market. Nevertheless, young people in Kosovo find it difficult to find jobs. According to estimates from the Labour Force Survey (LFS), unemployment among individuals aged 15–24 was 71% in 2005, while the same rate for females amounted to around 80%. Moreover, about half of all unemployed youth are long-term unemployed. The ILO finds that about 43% of all unemployed youth have been searching for a job for more than one year and 19.4% between six months and a year.

Some 70–80% of Kosovar women aged 15–64 remain out of the labour force, although some data indicate that more women are now joining the labour market. The majority of women participating in the labour force are unemployed, however. Unemployment is particularly prevalent among young women. The most important sector of female employment is agriculture, with a share of almost 20%, followed by education (18.5%), trade (16.4%), and health (16.4%).

3. KEY POLICY ISSUES AND STRATEGIES IN EMPLOYMENT

Employment policies are high on the agenda. During recent years employment has become an important issue in the policy agenda of the donors and the Kosovo Provisional Institutions for Self-Government (PISG), since there is a growing understanding that economic growth alone will not necessarily generate employment for all without a set of policies aimed at achieving this end. The Kosovo government supported this view and, in partnership with its development partners, has developed a number of strategies and action plans:

→ Kosovo Youth Employment Action Plan, a mid-term policy framework (2007–2010), October 2006 (ratified by Kosovo PISG);
→ The Kosovo Youth Action Plan and Policy 2007–2010, in the process of approval, but has gained support by PIGS, outgoing Parliament and donors, December 2006;
→ Kosovo Employment Strategy, 2008–2013 (latest draft August 2007);
→ A national Strategy for Entrepreneurship Education and Training 2007–2010 (approved July 2007);

In recent years both the Kosovo government and donors have also produced a number of analyses related to employment and unemployment issues in Kosovo. All of them emphasise the fact that Kosovo is facing huge labour market challenges: compared to EU standards, both labour market participation and employment rates are very low and the unemployment rate is very high. All the government documents agree that unemployment among young people should be seen as a primary challenge for employment policies in Kosovo and as an issue which requires immediate action.

The ‘jobs deficit’ presents a particular challenge on the road to full employment. Decreasing unemployment levels and reducing poverty requires a carefully planned combination of reforms in various areas in order to support job creation. As in many other countries in the region, a source of new employment in Kosovo has been the private sector in general and self-employment in particular. Compared to other countries in the region, the regulatory regime is rather favourable, since custom duties, taxes, labour and social protection costs are one of the lowest. However, an uncertain enterprise regulatory regime, low enforcement of property rights and quality standards for SME products, weak institutions, restricted access to financial services and credit, poor infrastructure, and unfair or informal competition are still barriers to enterprise growth. Labour law is still very basic and provides only limited coverage of areas commonly regulated in most countries. A low level of

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employment protection and inadequate labour law enforcement help to stimulate employment but cause many of Kosovo’s decent work deficits and are counterproductive to productivity growth. Therefore, policy options should be geared to enterprise development and reduction of the informal economy, taking into account, however, that many firms would not be able to cope with the additional costs that formalisation or stronger employment protection would entail.

School-to-work transition and youth access to the labour market is extremely difficult. Although youth employment remains high on the government’s agenda, the policy-making process remains characterised by lack of coherence and coordination between ministries and between central and local government. Hence, the most disadvantaged areas of Kosovo have difficulties in translating the objectives of the youth employment policy into programmes that address the multiple disadvantages faced by young people. The provision of well-targeted active employment measures to young unemployed registered at the Public Employment Service (PES) also depends on the enhanced administrative capacity of public employment services. Furthermore, while creating full employment for Kosovo’s young people in the short to medium term will not be possible, a number of measures (requiring external assistance to establish and support, at least initially) could go some way towards easing the unemployment tension. Some of these measures are oriented towards raising the level of qualifications of young people and better matching between VET and labour market needs such as: developing tertiary non-university education (which currently appears as a gaping omission in the country’s learning framework) or introducing youth-specific and targeted vocational training provision clearly correlated to existing skills gaps.

Other proposals include combining training with employment or self-employment. Some examples are:

- further development of non-statutory training and employment support services for young people to fill gaps and locations which the public employment services have difficulty reaching;
- developing alternative employment schemes (e.g. community voluntary service) to enhance civic responsibility and self-initiative amongst young people, in which training and career development guidance are central features of the provision;
- engaging employers and the private sector in youth employment integration initiatives, e.g. an internship initiative to facilitate work experience and school-to-work transition;
- specific measures for university graduates.

The final option is to encourage, educate and support young people into self-employment, including delivery of entrepreneurship learning backed up with a range of start-up finance schemes and follow-up self-employment coaching.

Too few women participate in the labour market. Another key area of concern is female employment and overall participation rates. Women exhibit low participation and employment rates, often because of attitudes and culture (at least among certain ethnic groups), but also because of labour market inflexibility and the skills acquired. Young women experience higher unemployment rates than men and are more often in low-quality, part-time and fixed-term jobs. Although they have made substantial progress in the last decades in education, their potential is still only partially reflected in labour market performance, including persisting pay gaps which increase with age. Gender stereotypes play a major role in this situation, since women and men follow traditional education and training paths which often place women in occupations that are less valued and remunerated. Women work much less in technical fields, despite the existence of labour market shortages.

The promotion of women’s employment should cover education and training as well as the provision of gender-sensitive occupational guidance to help increase the participation of
women in male-dominated occupations. Young women’s participation in labour market training programmes is hampered by male-dominated occupational profiles, limited information about non-traditional occupations, and rigid training timetables. In general, as with the wider population, women’s employment is particularly skewed towards those with tertiary-level education, while poorly educated women are more likely to suffer from unemployment or unemployment-related poverty or to remain inactive. Programmes targeting women and providing specific labour market assistance, entrepreneurship development, advice on business opportunities and mentoring opportunities should be launched along with the enforcement of anti-discrimination legislation in recruitment at the workplace. Finally, to raise women’s labour supply, a system of childcare facilities and subsidies should be developed to help both men and women reconcile work and family life, in particular in urban settings, where this remains a problem. The lack of childcare provision does not affect the labour force participation of rural women, and other specific measures should be developed to reach them.\textsuperscript{20}

Kosovo is home to an informal economy and precarious employment. Estimates put informal employment at some 50\% of total employment. Job security, employment protection, health and safety as well as options for professional development for those working in the informal economy are likely to be minimal. A second factor affecting quality at work is that 60–70\% of salaried workers are in part-time or temporary employment. In many ways, the notion of a flexible labour market, which is increasingly the hallmark of more developed market economies and is a central feature of the EU’s employment strategy, has already been institutionalised in Kosovo. However, Kosovo’s labour market, set against low wages (the average monthly wage is approximately €190) and a negligible social protection system, is characterised more by precariousness than flexibility.

Labour costs are low and incentives to work for low-skilled people are already present. The low tax wedge at 13\% – much lower than in any EU country – being mainly the result of low social contributions, does not work as a disincentive for low-skilled to undertake work. The minimum wage that could also be a barrier to recruiting low-skilled workers is not enforced in the private sector. Non-wage labour costs are low as well, although they may contribute to informality if the enterprise is operating on the edge of profitability.

Workers’ protection and access for the unemployed to social protection and employability measures are limited. Currently, access to employment services in Kosovo is open to all registered jobseekers, although registration is mandatory only for social assistance beneficiaries. The current legislation does not cover unemployment benefits, and the social safety net is based only on a basic pension system and social assistance scheme. Since 2001, the PES has offered employment counselling and career guidance, together with job brokering and labour market training, but they remain very ineffective. The high ratio of unemployed people to PES staff (1,600:1), the lack of resources, and weak administrative capacity contribute to the difficulties faced by the PES in fulfilling its main functions. The PES is unable to provide accurate information on the labour market and well-targeted job search assistance or to address sex and ethnic inequality in employment. The ratio of placements to total registered unemployed was 1.8\% in 2007, implying that there was one job for every 55 unemployed people. The total number of participants in vocational training reached barely 3,000 in 2007 (i.e. 0.9\%). Employment subsidies and labour-intensive public works remain ineffective owing to the weak capacities of the public administration to coordinate it. There is also a lack of coordination between social assistance and employment services, leading to bad targeting of active labour market measures.

Institutional arrangements for the development, implementation and monitoring of employment policies are poor or non-existent. Kosovo has highly centralised institutional settings in terms of both policy development and policy implementation. Given that employment policies cover a number of different policy areas (such as economic development, social policy, and education and training policies), a first requirement for their

\textsuperscript{20} European Stability Initiative (ESI), op. cit.
successful development and implementation is to achieve strong interministerial cooperation in planning, implementing, monitoring and evaluating. At the programming level of employment policy, Kosovo has made efforts in setting up several interministerial working groups such as the Kosovo NQF Working Group and HRD Task Force or the Employment Working Group, or establishing the Vocational Education and Training (VET) Council.

However, the development of social dialogue and partnership on education and training issues is particularly low. Trade unions are not very interested in, or prepared for, negotiations on human resource development (HRD) issues. The employers’ associations are all new and their performance is poor. Programmes and measures aimed at reducing unemployment remain too modest to respond effectively to employment objectives. Finally, neither clear arrangements nor tools and procedures exist to monitor and evaluate the policies and measures implemented. In summary, labour market reform is an important challenge for Kosovo. Institutional capacity needs to be strengthened with regard to the development, management, monitoring and evaluation of employment policy, which should progressively be modelled on the European Employment Strategy.

Recognising that Kosovo’s policy and financial planning systems have been fragmented, the Government of Kosovo in November 2007 committed itself to the implementation of an Integrated Planning System (IPS). The IPS provides a planning and monitoring framework for the government’s core policy and financial processes. Within the IPS framework two main processes are specified: (i) the National Strategy for Development and Integration, which will provide a single comprehensive strategy covering all sectors; (ii) the Mid-Term Expenditure Framework (MTEF) and budget process requiring line ministries to elaborate their medium-term expenditure plans so to deliver their policy objectives and goals within each ministry’s expenditure plan. The IPS also emphasises a requirement for stronger strategic direction from the Council of Ministers (CoM), which will in future approve the initial fiscal framework and resource ceilings for the MTEF and budget as well as the strategies developed by each ministry.

**Addressing unemployment at the regional level remains a policy challenge.**

Furthermore, given the regional disparities and the fact that municipalities are expected to be the units of local self-government in the new post-Status Kosovo, the Kosovo authorities are becoming more and more aware of the need to promote balanced regional socioeconomic development. This implies a better adjustment of labour market policies to regional and local needs, and this remains one of the greatest challenges for Kosovo. Local partnerships that mobilise local actors and respond to local-level needs and particularities have been supported by a number of projects funded by the EU and other donors. However, these activities have not yet become part of a policy-development / policy-delivery mechanism.

**The social partners are weak and their role in decision-making is marginal.** Kosovo’s employment policies are currently developed without the serious involvement of the private sector stakeholders, and therefore run the risk of being less effective, since the exclusion of private stakeholders could increase resistance to the labour market and employment regulation. However, Kosovo is the only country in the region which there is still no independent employers’ association, the Chamber of Commerce being the sole representative of employers’ interests in the tripartite social dialogue and enjoying privileged relations with government structures. Although the legislative framework and institutional structures with regard to social dialogue are established, this does not guarantee its proper functioning or development. The internal capacities of social partners in general remain very low, their networks are limited, and consequently their impact and role in decision-making are marginal. Kosovo social partners lack the skills and capacities for analysis, negotiation, communication and other capabilities needed for ever more complex policy issues which require integrated approaches. Social dialogue needs to be enhanced especially in decision-

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making processes.

4. KEY POLICY ISSUES AND STRATEGIES IN EDUCATION

There are a great many strategic documents, but the key features of a coherent and comprehensive lifelong learning strategy approach are missing. The previous Kosovo government identified human capital development through education as one of the four priority sectors for Kosovo – Economy, Energy, Education and Europe, or ‘the 4 Es’. The newly elected government has committed itself to continuing on the reforms already started in the Kosovo education system. This political commitment finds concrete expression in the sector strategies, such as the Strategy for the Development of Higher Education in Kosovo 2005–2015; the Strategy for the Development of Pre-University Education in Kosovo (2007–2017), launched in June 2007; the Strategy for Integration of Roma, Ashkali, and Egyptian Communities in Kosovo (Education component 2007–2017); the Vocational Training Strategy 2005–2007; the National Strategy for Entrepreneurship Education and Training, entitled ‘See opportunities and make them work!’; and the draft strategy ‘Enhancing the Employability of Kosovo Unemployed’ and Mainstreaming with Europe – an Adult Education Strategy for Kosovo (2005–2015).

None of the planned activities in the operational plans accompanying the strategies have been implemented as foreseen. This is due not only to unrealistic planning but also to low programming and implementation capacities at all levels of the sector, central and regional. Furthermore, the strategies do not include continuing education or post-secondary and non-formal provision. Although social inclusion, integration and lifelong learning are main guiding themes in each of the strategies, pre-school education, vocational education, science and technology are not addressed sufficiently. There is also little reference made to education outside of the school system. The Kosovo authorities, supported by development partners in Kosovo, are in the process of reviewing all the strategic documents. The process will be enhanced by the operationalisation of the findings of the feasibility study undertaken by the Ministry of Education, Science and Technology (MEST) with support from the Swedish International Development Agency (SIDA). This study, entitled Kosovo Road Map for Improved Education Sector Performance and Aid Effectiveness, will enable the Kosovo authorities to depart from fragmented strategic documents and move towards a strategic framework for lifelong learning as an overarching concept covering all contexts (formal, non-formal, informal) and levels (pre-school, primary, secondary, tertiary, adult, continuing) of education and training.

Enrolment in secondary and higher education remains low and inequity continues between different income levels and between men and women. The absence of reliable data in general, and in this case data for the school-age population, means that accurate statistics on the enrolment rate are also lacking, and the picture is further complicated by shortcomings in the school rolls themselves. One conclusion is that Kosovo’s enrolment ratios are low by regional standards, and especially so at the secondary and tertiary levels.22 The overall enrolment rate has not increased over the last four years, but the gaps by gender and income level have widened.23 The gap widens in secondary education and above; the overall net enrolment rate for secondary education is 74% while it is 81% for males, 66% for females, 81% for the richest quintile, and 67% for the poorest quintile. The tertiary enrolment showed a 1% increase in four years while the gap between the rich and the poor persisted.

Drop-out levels are high. One in two youngsters leaves school before turning 18. Two out of three youngsters leave the education system without any qualifications. An estimated 12% drop out of compulsory education and 28% do not finish secondary education. Especially with regards to girls’ education, Kosovo lags far behind the EU countries and trails most of its neighbours in the region. With only one in two Kosovo Albanian girls continuing secondary education, secondary school enrolment of girls is one of the lowest in Europe. Widespread poverty also translates into poor education outcomes. In theory, education is free for all, but

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23 The study on the reasons for low enrolment in secondary education is planned in the proposed Post-Conflict Fund.
the financial burden to pay for schoolbooks, food and transport rests entirely on families. Some 34% of youngsters drop out of school for economic reasons.\(^{24}\)

**Public financing for the education sector is still low.** According to the World Bank, the level of total public expenditure on education in Kosovo is around the regional average as a proportion of GDP, and relatively high as a proportion of budgetary expenditure.\(^{25}\) Over the past three years there have been significant increases in the education budget as a proportion of GDP (from 3.9% in 2004 to 4.4% in 2006) and in education expenditure’s share of total public expenditure (from 12.6% to 15.2%). Even so, such an increase in future will not be sufficient to finance the programmes.

**Teachers’ salaries and opportunities for professional development are poor.** The current salaries for teachers in Kosovo, which were introduced in 2000, are low and uniform across the profession. The salary consists of a single flat rate, originally €175 per month and later raised to €180 a month for all teachers, regardless of academic qualification or experience. The result is that there are a large number of poorly-paid teachers delivering poor-quality education without adequate physical resources or complementary services. The new management of MEST, supported by the World Bank project document *Institutional Development for Education Project*, has put teachers’ certification and the salary regime as the main priorities to be addressed in the coming years, starting from 2008. The immediate action in the government’s agenda is the introduction of differentiation of teachers’ salaries on the basis of criteria designed to enhance the quality of education. The provision of services for professional development and teacher training needs attention, too. It is estimated that between 60% and 70% of the current teaching body (i.e. between 14,450 and 16,850 teachers) do not have the desired university level qualifications, and they need to be supported by the teachers’ professional development programmes.

**There is urgent need for improvement of school infrastructure.** The huge proportion of young people in the population is placing considerable pressure on resources, which are stretched almost to breaking point. All schools work in shifts. There is a need for significant investment because of a young and growing population and the current low quality of educational inputs. Currently 70 schools in Kosovo (i.e. more than 10% of the total number of schools) operate in three shifts, and the majority of schools operate in two shifts.\(^{26}\) Given the young population and relatively high population growth rate, the demand for school space will continue to increase, and investment needs are expected to be significant in the medium term.

**Higher education.** The University of Pristina began to change the academic course structure – to three years of undergraduate study leading to a Bachelor’s degree, two years leading to a Master’s degree and three years leading to a PhD – in accordance with the objectives of the Bologna process since 2002/03 to facilitate student mobility and credit transfer among institutions.\(^{27}\) In early 2007, the MEST supported the reaccreditation of the Serbian-speaking University of Mitrovica. Ministry representatives, with the support of members of civil society, organised and participated in Bologna process events in Kosovo and in Strasbourg in November 2006, in London in May 2007, and in Brussels in June 2007. The ministry set up a team composed partly of ministry officials and chaired by a civil society activist, to promote the Bologna process. In May 2007, Kosovo signed a memorandum of understanding between the ministers responsible for education, science and research in south-eastern Europe under the aegis of the Stability Pact, enhancing the cooperation provisions of the 2003 memorandum of understanding.\(^{28}\)

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The enrolment of public university students shows a slight dip in 2007 after a steady increase from 2002 to 2005. Although in 2008 it has become a priority for the Kosovo authorities to enable and provide different incentives to increase the number of students enrollment in public universities. However, the biggest change in this sector is the growth in private universities. In 2007 there were 7,797 students attending graduate and post-graduate courses in private universities, equivalent to 27% of the public university population.29

No significant progress can be recorded in the accreditation system. The MEST priorities for higher education include the urgent need to undertake the official accreditation of higher education institutes in Kosovo. Currently both the public and the private universities in Kosovo are not officially accredited.

The MEST is keen to develop the research and development capacity of universities and higher education institutes in Kosovo in partnership with industry. The Strategy for the Development of Higher Education in Kosovo 2005–2015 sets out the strategic objectives of the Ministry of Education in the field of research.

The MEST has created a separate and specific Department of Science and Technology and has established three new bodies devoted to research: the National Council for Science (as a body of the Kosovo Assembly) in compliance with the Law for Scientific and Research Activity; the Center for Innovations and Transfer of Technology and the Centre for International Cooperation in the field of Higher Education, Science and Technology, both under the MEST.

Despite the progress outlined above, the lack of an adequate and appropriate legal framework to support research and the budgetary constraints heavily affects this sector.

**There are no pathways to link VET with higher education.** At present, there is no higher level of vocational training provision (at ISCED Level 4A) to which students can progress after completing upper secondary school-based programmes, and there are no post-secondary technician education institutions in the VET system of Kosovo. However, the recent moves to develop the Education Faculty of Pristina University should be noted. Another achievement that should be emphasised is the establishment of the Joint Task Force for planning, development and implementation of the in-service teacher training programme in the Faculty of Education.30

**Decentralisation remains a key issue given the ethnic complexities.** It addresses the legitimate concerns of the Kosovo Serbs and other minorities in Kosovo. The decentralisation process in the country was set in motion by a UN Security Council Resolution in 1999.31 Then it was decided that local government institutions were going to be created before central institutions. By 2007 a plan had been formulated by UN Special Envoy Martti Ahtisaari and accepted by the local government in Kosovo and its allies. The decentralisation framework is fully fledged in the new constitution of Kosovo and education occupies an important part of it, not only as the right of every citizen but also including specific rights for the identified Kosovo Communities. These legal acts divide Kosovo into 30 municipalities. The capital budget for primary and secondary education is managed by the central MEST, while the administration of the recurrent budget (and a very small amount of capital budget) has been decentralised to municipalities since the Law on Primary and Secondary Education was adopted in 2002. A clearer division of roles and responsibilities and financial flow is under further discussion in Kosovo.

**Better data collection and stronger cooperation between the ministries with the Statistical Office of Kosovo (SOK) are sought.** The SOK Labour Force Survey (LFS) serves as the basis for the data collection and analysis.32 Additional sources of information from international institutions (IMF and WB) and other sources are used. All these sources

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30 Administrative Instruction by the Minister of Education to establish this task force, issued February 6, 2006.
31 UN Security Council Resolution 1244/99, Articles 10 and 11, and UNMIK Regulation no. 2001/9 on Constitutional Framework for Provisional Self-Government in Kosovo, Chapters 1, 2, 4, 5, 8 and 12.
32 As of 2003 LFS were carried in five consecutive years by the Statistical Office of Kosovo.
are treated with caution, owing to the lack of information deriving from a real census of population and households, which has not been held in Kosovo since 1981. The same is true for the labour market information which has been used in the recent labour market information for Kosovo. On the aggregate level, better demographic data – and, most importantly, the completion of a census – is needed to enable more informed projections to be made. Equally important is geographically disaggregated data – since it is most likely that the ongoing urbanisation of Kosovo will generate unequal patterns of growth in the need for school places that may vary significantly from the aggregate average. It is important to note that effective collection and analysis of these data will require collaboration between the MEST and other departments of government, in particular the SOK.

A new framework for vocational education and training has been introduced. In April 2006, the Law on Vocational Education and Training was passed in Kosovo to regulate formal vocational education. The objective of the reform is to gear vocational training to the future needs of the labour market and to EU standards. The VET law envisages a combination of school-based education with in-company training. The current structure of VET is divided into three levels each offering a different level of qualification.

VET functions quite separately from general secondary education. There are in total 56 VET secondary education schools out of a grand total of 108 secondary schools throughout Kosovo. The VET system is predominantly school-based and is still not aligned with the emerging needs of a market economy. With the disappearance of public enterprises through privatisation, the vocational schools of the former Yugoslav system lost their traditional partners for workshop-based training, and the current curricula have been only partly revised to meet the new requirements. As a result of the lack of a sufficient enterprise economy, not enough practical in-company training is conducted and the private sector does not yet participate systematically in planning and implementing vocational training. On the basis of labour market analyses, vocational training qualifications were standardised and their number reduced. Cooperation between the government education authorities and the social partners was institutionalised with the VET law, which called for the establishment of the Council for Vocational Education and Training (CVET). At present, about 60% of students who complete elementary school do not gain a place in general secondary education (gymnasium). Because of this shortage in general education, significant proportions of students following VET are there because of the lack of real choice in education. In 2006, 55% of secondary school students were enrolled in VET, yet the system is still considered a suitable option for low performers only. As mentioned earlier, no structured links exist between vocational schools and the local economic environment, and this undermines the entire notion of vocational education. The external evaluation of VET students upon completion of the 13th grade (namely the Matura) was introduced as a measure to accommodate students who could not secure a place in general education but were interested in continuing tertiary education. Any other post-secondary education and training provision, whether formal or non-formal, is almost entirely absent in Kosovo. The rate of participation in post-compulsory education and training is nearly, if not absolutely, the lowest in Europe. The lack of adult education and continuing training provision is not only the concern of the VET system but, even more, a social problem.

33 See latest LMI report at http://www.ks-gov.net/kos-estia/
34 (1) Two-year vocational education programmes (Level 1: Grades 10–11) – completion subject to internal evaluation (practical part only); if evaluation criteria are met, student is issued certificate of semi-qualified worker, and can then enter the workforce or continue to another level of VET.
(2) Three-year vocational education programmes (Level 2: Grades 10–12) – completion subject to internal evaluation (theoretical 40%, practical part 50%); if evaluation criteria are met, student is issued certificate of qualified worker, and can then enter the workforce or continue to another level of VET.
(3) Four-year vocational education programmes (Level 3: Grades 10–13) – completion subject to internal and external evaluation: (i) Internal evaluation (theoretical 60%, practical 40%); if evaluation criteria are met, student is issued certificate of highly skilled worker and can then enter workforce but cannot continue to university education with certificate only; (ii) External evaluation – students take the Matura test (mandatory for general education) on general topics such as native language, English, and mathematics. Student receives a diploma which qualifies him/her for university education.
35 Post-secondary non-tertiary provision, defined as level 4 of ISCED.
Career guidance and counselling. The responsibility for policy and delivery of career information, guidance and counselling is, in theory, divided between two ministries. The Ministry of Labour and Social Welfare (MLSW) is responsible for provision of services to the unemployed, whereas the Ministry of Education, Science and Technology (MEST) is responsible for students in schools and universities. In the schools the provision of formal career guidance is non-existent except in those institutions where an interested lecturer or teacher may put limited arrangements in place. For the vast majority of young people, career choices are made with little knowledge of the labour market, little assessment of their own attainments and aspirations, and limited support. In May 2007, the National Policy Forum for Career Education and Guidance announced that a memorandum of understanding had been signed by MEST, MLSW and the Ministry of Culture, Youth and Sports (MCYS), stipulating that career education and guidance should be embedded throughout the education and training system.

Support to education and training reform is donor-driven and still in ‘pilot phases’. Kosovo has benefited from the dissemination of the main Copenhagen messages on the preparations for a national qualification framework (NQF). In 2004 Kosovo made the strategic choice to concentrate specifically on policy and structures to ensure the country’s alignment with the European Qualification Framework (EQF), the priority pillar of the EU’s ‘Education & Training 2010’ reform agenda. Key achievements to date facilitated by ETF and supported by EU funding are: (a) a national perspectives paper to promote cross-stakeholder dialogue and consensus building; (b) draft NQF legislation; and (c) a national agreement to establish a Kosovo Qualifications Authority (KQA). Both the legislation and the KQA initiative are now being followed through with CARDS 2006 support. The National Qualifications Framework Law has been adopted by the Assembly in May 2008. The purpose of the law is to establish a national qualifications system, based on a national qualifications framework (NQF) regulated by a national qualifications authority (NQA).

The VET unit in MEST has started to classify the existing VET provision from various public and private providers as part of an NQF, aligned with the EQF principles. More particularly, the Kosovo experts, supported by EU experts, are looking into the reference levels and validation of informal and non-formal learning, and how they can be applied to the labour market. Experience from other EU Member States will be sourced to support Kosovo’s capacity-building. IPA 2008 will be the instrument to support the Kosovo stakeholders in designing their proposal for NQF development.

Quality assurance remains an issue for the system. Improving and monitoring quality in education and training is a challenge the Kosovo society needs to address sooner rather than later. Quality management of public programmes has improved recently, thanks to the EU support and other international programmes providing extensive quality management training to officials, regional education officers and school directors, but there is still considerable space for improvement. In 2004 a pilot National Quality Assurance Framework (NQAF) for VET was developed with the support of EU assistance. Also, the Pedagogical Institute was established with the generous support of the Italian government, supporting the development of education and training methodologies.

According to the VET law, the MEST is the highest authority that approves and issues curricula for formal VET. The existing certification for primary, secondary, vocational and adult education is done by formal education and training providers operating under arrangements of the MEST. There are no standardised assessment arrangements or external quality assurance of certification covering any part of the system. Certificates issued by institutions that are not licensed by the MEST, e.g. the vocational training centres of the MLSW, and by non-formal providers, are currently not recognised. Attempts to develop occupational standards have been limited to date. Initiatives to experiment with vocational standards committees in certain sectors have had little impact, partly because they were ad hoc and transitory and had no institutional status, but also because they had little involvement from employers.
Entrepreneurship learning is gaining more space on the Kosovo policy agenda. Given the economic situation in Kosovo, the way forward is to develop a competitive enterprise economy. Everybody agrees that VET system modernisation should provide opportunities for Kosovo’s learners to enhance their employability and employment / self-employment skills throughout working life. In the framework of the European Charter for Small Enterprises and the Kosovo Development Plan, the first initiative was the development of the entrepreneurship education and training strategy. This strategy embraces the entire education and training programme from primary school to university and non-formal learning, including teacher and trainer training. The development of the strategy was facilitated and supported by EU assistance and supported by social partners and other Kosovo organisations, among them Net/KulturKontakt, GTZ, Millennium Primary School, REA Pristina, SHE-ERA, Smarts Bits, SwissContact, the Economics Faculty of the University of Pristina, etc. Parallel to the development of the strategy, entrepreneurship education and training standards were developed. Both the strategy and standards were formally approved by all three ministries in summer 2007. In order to enhance implementation of the strategy as well as to provide meaning to the standards developed, module descriptors/curricula and teacher/trainer guides for all levels (primary to post-secondary education) have been developed. Teacher and trainer training to familiarise teachers and trainers with the modules and teacher guides were organised in November 2007. Piloting of entrepreneurship education modules at primary, secondary and upper secondary level is envisaged for 2008. Piloting of entrepreneurship education and training modules for youth and adults at the vocational training centres of the MLSW, as well as entrepreneurship training modules for potential business start-ups and SME managers in cooperation with private business service providers, are expected to start soon.

Entrepreneurship education and training is supported by an internet portal for self-learning36 and an interactive business game licensed to MEST and MLSW, which will be provided free of charge to all institutions implementing the modules. The practice firms have been developed by SwissContact and Econet and are currently operating in some VET schools. They have had significant success in making local industry and commerce aware of the school activities and have also aided employment of young persons completing the school programme. The European Business Driving Licence was introduced and funded by donors, particularly SwissContact and GTZ. The introduction of this internationally recognised qualification has been made available for all schools, but initially the approach has been to ensure a regional distribution with schools that meet the technical specifications, although it is also possible for individual students to access the system.

The role of the social partners and the private sector in education and training is very low. As mentioned earlier, the private sector does not yet participate systematically and comprehensively in defining policies, setting priorities or implementing vocational training. Also, with many businesses finding it difficult to operate in the market, it is safe to assume that the role of businesses as providers of workplace training opportunities is not significant. At present, some – but not enough – in-company training is being conducted. The business community and the private sector are represented at CVET by one representative each from the Kosovo Chamber of Commerce and the business community. Meanwhile, there are some private providers of VET which are licensed by the MEST and financed by private sources, mainly fees paid by students. To date, there is no evidence of a combination of public–private partnership forms of financing VET. Beside public funding, donor funding of VET has been and continues to be crucial for this subsector.

Donor coordination is still weak but first initiatives for improvements have started. Donor coordination in Kosovo in general and in the education sector in particular has long been limited, and there is a scope for much improvement in this area. Some first, promising steps have recently been taken in this direction, however. From the government side, a Donor Coordination Centre has been set up as part of the prime minister’s office, whereas at the sector level, an Education Aid Coordinator has been nominated, a post which still needs to be strengthened and to have a clear status within the MEST. From the donor side, progress has also been made by the World Bank, whose new US$10 million Institutional Development for

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36 http://www.edukimi.net/content/entrepreneurship/
Education project clearly supports earmarked components of the education sectorial strategies and grants space for complementary funding on certain activities. Other development partners active in education have agreed to explore sector-wide approach (SWAp) possibilities. At this point, SIDA funded a joint feasibility study on the development of a genuine education SWAp. The first assessment draft results have been shared with the Kosovo authorities and all the development partners in education. The final results and recommendations will have a direct influence on the content of the SWAp, bearing in mind that, in the context of Kosovo, SWAp is for now to be understood as the process related to a national, coherent sector strategy supported by partners, but not yet through national budget channels.

5. KEY POLICY ISSUES AND STRATEGIES IN SOCIAL INCLUSION

There are increasing problems of exclusion, particularly towards the less-educated, young women, ethnic minorities and young people with disabilities. Issues of social protection and social inclusion in Kosovo are of a similar nature to those of the other lower middle income countries of south-east Europe.

The MEST and the MLSW have made efforts to ensure equal access to education and vocational training, but a lot still needs to be done if they are to live up to their commitments, enshrined in laws and strategy papers. The MEST, in particular, has missed an opportunity to build on the Women's Literacy Programme launched in 2002 to effectively combat female illiteracy in the countryside. Public employment services under the MLSW have failed to integrate women into their vocational training programmes and are not responsive to labour market needs. With two-thirds of women out of paid work, there is a considerable amount of work to be done to reverse gender-based economic inequalities.37

Kosovo's multiethnicity before and after 1999 appears to hinge on the maintenance of two separate national communities, Serbian and Albanian, in the hopes that ethnic boundaries will soften and give way to contact and cooperation across national lines.

Some of the characteristics of the situation of social inclusion in education and training in Kosovo are:
- insufficient targeting of social inclusion measures towards ethnic young women;
- rural areas with significant numbers of poor and discriminated ethnic groups;
- insufficient affirmative actions specifically aimed at ethnic groups in secondary education (despite their low educational participation and attainment);
- few projects relating to adult education and training of ethnic groups;
- severely underestimated training provision.

The review of ongoing social inclusion activities in education and training in Kosovo has highlighted the lack of relevant, up-to-date and reliable data on ethnic groups.38 This gap refers to the lack of relevant baseline data on the following: participation/representation of ethnic groups in vocational training; drop-out rates; educational underachievement; and indirect discrimination and mainstreaming. This lack of data hampers the monitoring and evaluation of interventions in particular and of national strategies and action plans in general.

High expectations are put on the education sector, which is considered, in the complex historical, political and social context of the country, to be a key factor for building an inclusive and peaceful society while reducing poverty, promoting economic growth, and facilitating European integration. Although inclusion, equity and respect for diversity feature prominently in the strategies and broadly call attention to groups that are at risk and disadvantaged, these are not made sufficiently operational across the measures described or within the strategic objectives. There is little or no mention of gender and gender approaches in these strategic documents. Action targeting other ethnic minority groups is embedded in the strategic

37 Kosovar Stability Initiative, op. cit.
documents related to certain sector. Each of them makes specific references on ethnic minority groups, and defines specific types of action if needed. For example, the Higher Education Strategy identifies the need for policies that increase participation of ethnic minorities in higher education.

Qualified teachers in minority languages are lacking. The education system for minorities in Kosovo also faces challenges as regards teachers qualified in minority languages, teachers nearing retirement, and physical access to schools – recalling restrictions on the freedom of movement for minorities. In 2003–2004, the Faculty for Education for Minority Communities was inaugurated in Prizren. However, access to education in one’s mother tongue continues to be sporadic throughout Kosovo. The lack of teachers in minority languages restricts education and training delivery to minority communities.

The education and employment system is characterised by parallel structures. All primary and secondary schools in areas where Serbs are in the majority use curricula, school books and diplomas from the Serbian Ministry of Education. Very little is being done to promote minorities’ employment and skills. Initiatives aimed at minority groups are scarce and lack coordination, and cross-ethnic community training initiatives are rare. With the exception of those members of minority communities who live in Pristina, and Serbs living in northern Mitrovica, minorities currently tend to live in rural areas, where their standard of living is lower than that of the majority Albanian community. Access to employment is limited. Employment services in Serb enclaves are linked to employment in Serbia, and the parallel systems for vocational guidance are not sustainable. However, as minority issues are weakly promoted in existing employment- and training-related policies and projects, marginalisation is likely to continue to aggravate relations between ethnic groups.

Following the latest developments – the self-declaration of independence and the departure of the United Nations Mission in Kosovo (UNMIK) – there is a risk that the situation of Roma will become even more critical. According to reports from human rights organisations, many Roma do not have access to adequate education and do not have personal documentation. The problem of civil registration and documentation should be solved as soon as possible; the lack of personal documentation prevents many Roma from exercising their civil rights or accessing social services.

The greatest emphasis on social inclusion in education and training of ethnic groups is being given by international partners in Kosovo. The ethnic groups in Kosovo are not only diverse, but also mixed. They are often geographically concentrated, either in the proximity of the kin-state border or in ghettoised settlements. Poverty and vulnerability assessments indicate that ethnicity is one of the significant factors in shaping poverty. Although enormous efforts are made to promote the rights of ethnic communities, there are still serious obstacles, such as people living in secure enclaves, big discrepancies in access to education, health and employment, parallel systems of services for different ethnic groups, and an unresolved problem of refugees and internally displaced persons.

For the purposes of this report we will concentrate mainly on social inclusion in education and training. Ethnic diversity poses a number of closely interrelated challenges as regards education and training. One of the most important concerns the educational deficit in socioeconomically vulnerable ethnic groups, particularly among young people. Another challenge concerns the improvement of employment opportunities for socioeconomically vulnerable ethnic groups. These disadvantages often have to do with the remoteness, rural nature or economic deprivation of the areas in which the ethnic groups live, but also with their history, traditions, types and levels of skills, patterns of living and working, prospects for employment or self-employment, and other factors.

Unfortunately the inherited reality of ethnic segregation between Serbs and Albanians will continue to have an impact on ethnic coexistence in Kosovo in the future. This is reflected also in the two parallel education systems, which started in the 1980s and are still present.

39 European Roma Information Office (ERIO), Recommendations to the Slovenian EU Presidency on the Social Inclusion of Roma (Brussels: ERIO, January 2008).
today. Serbian community education (at all levels) is funded and managed by Belgrade, while education for the Albanian and other ethnic communities is managed from Pristina.

The Kosovo authorities, with the support of the development partners, are making efforts to address the causes of lower educational attainment, skills gaps and poor labour market outcomes among vulnerable ethnic groups and to design education and training policies and interventions that promote their social inclusion. Many of these interventions in the education and training system are done through sharing of experiences and good practices from the EU and the other countries of the region.

Schools should be transformed in forums where students, teachers, parents and community can debate, recognise, accept and be reconciled with the ethnic Other. It should facilitate and shape the concepts of making room for the Other. Only such a conceptual shift can lead to the acceptance of ethnic neighbours. As long as it is missing, the ethnic classrooms, the ethnic neighbourhoods and the ethnic enclaves will continue to dot Kosovo. The introduction of these concepts into the teaching of history and geography should be a good start.

Under IPA 2007 the Kosovo government is addressing the inter-culturalism and the Bologna Process (EU contribution €1.4 million). The project aims to advance the establishment of sustainable conditions for strengthening multicultural understanding among all communities in Kosovo based on mutual respect and human rights. This will involve support for reforms in primary, secondary and higher education so as to improve intercultural awareness and understanding and to facilitate further the integration of Kosovo into the Bologna Process. Specifically, the project will organise a number of seminars, teacher-trainer courses and conferences involving teachers, school managers, community representatives and leaders in the education sector. Topics will typically include: reviewing and proposing changes to education legislation; promoting education for democratic citizenship and human rights education; teaching multiculturalism; promoting the teaching of Roma, Ashkali and Egyptian culture and language policy; teacher training and curriculum reforms with the focus on social inclusions of ethnic groups.

6. SYNTHESIS OF ISSUES AND CHALLENGES IN THE HRD SECTOR IN KOSOVO

The future challenge for Kosovo is to raise the importance of human capital enhancement in the overall policy agenda for socioeconomic development even further and ensure a well-functioning and well-steered education system that caters to the needs of both the young and the adult population. Broad consensus on the direction of education policies, government commitment to their implementation and the availability of sufficient resources through the mobilisation and better use of public/donor and private funds are necessary. Education reforms must address deficiencies of the education and training system across the whole system, including the following.

With regard to education and training Kosovo faces following challenges:

1. Formulating a strategic framework for lifelong learning as an overarching concept covering all contexts (formal, non-formal, informal) and levels (pre-school, primary, secondary, tertiary, adult and continuing) of education and training with costed prioritised actions. The policy choices should be evidence-based and in continuous discussions with all involved. Policy choices should be made based on a consensus and commitment and should facilitate the process of creation of the necessary level of policy knowlege in the education reform areas of mutual Kosovo/EU interest;

2. Improving the quality of basic education in order to enhance access and ensure better learning outcomes for all children, but in particular for children from disadvantaged socioeconomic backgrounds; broadening access to education of socioeconomically vulnerable ethnic groups, particularly among young people;

41 Ibid.
3. Responding to new occupational needs, promoting a more entrepreneurial culture; reinforcing entrepreneurship education and training; addressing key competences and future skill requirements by improving the definition and transparency of qualifications, their effective recognition, and the validation of NQF/Informal learning;

4. Modernising the VET system by ensuring a better balance between general and vocational education at secondary level, introducing curricula that develop the competences required by the current socioeconomic system and leaving educational options open; diversifying higher education with the introduction or enhancement of post-secondary vocational education and professionally oriented university programmes and ensuring better links between universities and enterprises;

5. Outreach and utilising the offered access to information on key EU policy orientations in education, including the EU’s Copenhagen process and the wider Education and Training 2010 agenda, as a basis for national commitments, capacities and institutional readiness to take forward reform plans within this perspective;

6. Ensuring an enabling environment for the development of adult learning that provides opportunities and incentives for adults to enhance their skills and hence their adaptability and employability;

7. Considering looking into the contribution of HRD to migration policies in Kosovo.

With regard to employment Kosovo faces the following challenges:

1. Creating more and better jobs by supporting further the development of the private sector, enhancing the capacity of economy to innovate and grow, and reducing the informal economy;

2. Broadening access to employment policies (including both social protection and employability measures), thus reducing labour market precariousness and facilitating the transitions between different statuses and jobs;

3. Improving the institutional arrangements for the development, implementation and monitoring of employment policies, and enhancing the administrative capacity of institutions involved in programming and managing of employment policies;

4. Facilitating school-to-work transition and broadening youth access to the labour market, tackling the labour market relevancy of school curricula, facilitating the acquisition of work experience and supporting young people in setting up their own businesses;

5. Attracting and retaining more women in employment, in particular low-skilled women, and tackling the gender bias in education, training and recruitment;

6. Improving employment opportunities for socioeconomically vulnerable ethnic groups, whose disadvantages often have to do with the remoteness, rural nature or economic deprivation of the areas in which the ethnic groups live, but also with their history, traditions, types and levels of skills, patterns of living and working, etc.

7. Strengthening social partners and involving them more in the employment policies programming and implementation.
7. EU AND OTHER DONORS’ POLICIES AND INTERVENTIONS IN HRD IN KOSOVO

The EU has been a very important donor supporting Kosovo’s education and employment systems. Assistance since 1999 totals over €45 million and covers primary and secondary education, vocational education and training, and higher education. The EC is currently going through the approval process of support to primary, secondary and higher education and employment under the Instrument for Pre-accession Assistance (IPA) 2008 programme for Kosovo. The indicative funding available for the period 2007–2009 amounts to €199,1 million for the Transition Assistance and Institutional Building component and the cross-border cooperation component.

The first phase (‘KOSVET I’, November 2002 – August 2004, €3 million) provided technical assistance to the MEST and the MLSW in the development and implementation of new vocational curricula and assessment strategies in business, information technology and electronics. The training of vocational teachers and trainers was a major component, as was the provision of eight pilot vocational schools and five training centres.

The second phase (‘KOSVET II’, September 2004 – September 2006, €2 million) provided continued support to curriculum development and standards, teacher and trainer training, and qualitative improvement of VET delivery. Specific support is provided to the MLSW through the provision of a new building for its vocational training centre in Pristina, which continued to be supervised by ‘KOSVET III’ until mid-2007.

The third phase (‘KOSVET III’, September 2006 – March 2009, €2 million) consists of four components. The beneficiaries of the project are the MEST and the MLSW. The four components of the project provide a basis for modernising the VET system in line with EU and international standards:

(a) capacity-building support to the establishment of a tripartite Council for VET which acts as a national advisory forum on VET policy, support to career education and guidance in Kosovo, including the development and piloting of career education curricula in schools in all regions;

(b) support to the development of a national qualification framework and the establishment of institutional arrangements for its implementation and the development of technical qualifications (at level 5 of the EQF) to be delivered through post-secondary programmes;

(c) technical assistance to the MLSW to develop and implement a labour market information system; support to the Kosovo Chamber of Commerce (OEK) in developing mechanisms for concluding skills need surveys at sector level;

(d) support to the development and implementation of an entrepreneurship education and training strategy in line with the EU Charter for small enterprises in conjunction with the Ministry of Trade and Industry and other stakeholders.

The fourth phase (‘KOSVET IV’, June 2007 – September 2009, €1.5 million) is under implementation. The main purposes of this programme are:

(a) to support the establishment of a demand-led skills development programme for training in Kosovo. Such a programme will be implemented through the OEK to ensure effective links to employers’ needs and the demands for vocational training;

(b) to build capacity of the VET Council and the MLSW to gather, analyse and pilot the use of labour market information identified as being of value to institutions, business and individuals, in their planning of VET;

(c) to develop an advisory service for individuals and enterprises on the availability, relevance and cost of training courses and encourage marginalised groups to engage in such education and training;

(d) to assist the feasibility of establishing a VET scholarship and internship programme with selected Member States.
Under IPA 2007 the Kosovo government is addressing interculturalism and the Bologna Process (EU contribution €1.4 million). The project aims to advance the establishment of sustainable conditions for strengthening multicultural understanding among all communities in Kosovo based on mutual respect and human rights.

Under IPA 2008, the EU is providing support to the Kosovo government in improving the quality and efficiency of the provision of education and training services in a lifelong learning and employability perspective. The total estimated amount is €10 million. This programme focuses on education and employment and will support the improvement of the education and training system both in terms of internal and external efficiency. Component 1 will basically contribute to enhancing the management and quality of the general education system, through the development and implementation of a sound sector-wide approach, while Component 2 will focus on improving the employability of youth, through a comprehensive VET strategy responsive to labour market needs, and company-based training services.

The World Bank is one of the longest-standing development partners supporting the education sector, present since the end of the war in 1999. The first Education and Health Project (2000–03) in Kosovo aimed at improving efficiency and equity in public resource allocation for education by developing and piloting per-student financing formula. The subsequent Education Participation and Improvement Project (2003–06) aimed at improving educational attainment (number of years of schooling, not learning outcomes) at primary and secondary education and to enhance the access of vulnerable groups to education, by providing school development grants to schools to increase enrolment, attendance and retention. The Education Participation and Improvement Project (EPIP) also developed an education management information system for primary and secondary education. The school grant proved to be instrumental in activating the functions of school boards and communities. Building on the success of the EPIP and recognising the critical importance of education in the new status of Kosovo, in December 2007 the Bank granted the Kosovo government a new US$10 million Institutional Development for Education Project to support the earmarked components of the two strategies.

Kosovo receives substantial support from other international development partners, mostly in the form of grants. Key development partners active and/or indicating possible interventions in the sector include the Austria Development Agency (ADA), the Canadian International Development Agency (CIDA), Danish Danida, the European Commission, German GTZ, the Organization for Security and Co-operation in Europe (OSCE), the Swiss Agency for Development and Cooperation (SDC), the Swedish International Development Agency (SIDA), the United Nations Children’s Fund (UNICEF) and other United Nations agencies, and the United States Agency for International Development (USAID). USAID is considering the allocation of a substantial amount for education in Kosovo. SIDA is considering its overall involvement and it is likely that education could become a key sector for support. Other development partners including ADA, Danida, GTZ, SDC, and UNICEF are currently providing support and have indicated that the sector could occupy a prominent role in their future programmes. This list of donors in the education sector is not exhaustive and does not include all development partners in education in Kosovo. In addition many NGOs (including also higher learning institutions) are involved in education sector development activities either as donors or as implementing agencies.

As mentioned earlier, in 2008 SIDA has funded a feasibility study on the development of a genuine education SWAp in Kosovo. The final results and recommendations will have a direct influence on the content of the SWAp, and how development partners will shape their support in the education system.

The ILO has been assisting the Ministry of Labour since 2001 in the design, monitoring and evaluation of youth employment policies and programmes, including responses to child labour and trafficking. From 2005 to 2007, the UNDP Employment Generation Project (EGP) assisted the PES in delivering employment programmes aimed at improving youth employability through labour market training and work experience. The World Bank has been assisting the MCYS in the design of the youth development policy and fostering of youth
entrepreneurship. The IOM is implementing a programme to promote the development of small and medium size enterprises in the Mitrovica region.

Active labour market programmes are supported and implemented by UNDP, MLSW and ILO (capacity-building of PES). The Active labour market programme builds on the lessons learnt from two previous years of the so-called Employment Generation Project (EGP) financed by UNDP. In 2007, the EGP changed into the ‘Active Labour Market Programme for Youth’. The project envisioned five types of measure: on-the-job training; pre-employment training; employment subsidies; internship schemes; and – introduced during 2007 – a scheme for vocational training offered by a private provider (Don Bosco training centre). The programme was implemented over 12 months. Its main objectives were: (i) to provide young people with skills and experience required for the labour market; (ii) to strengthen the capacity of the PES to organise its interventions along the lines of individual case management; and (iii) to provide direct assistance to unemployed youth through a number of active measures, rigorously designed, implemented, monitored and evaluated.

Strengthening Vocational Training is a programme supported and implemented by Lux Development and MLSW. The Grand Duchy of Luxemburg has launched a support programme aiming to strengthen the capacity of public, private, and not-for-profit sectors to provide pertinent vocational training in Kosovo. By the end of 2007, the project had been restructured to focus on the basic needs of the vocational training centres (VTCs): skill training, modernisation of obsolete equipment, rehabilitation of workshops, and transport subsidies for poor trainees in rural areas. The main objective of the programme is to contribute to the long-term reduction of poverty by providing fair and impartial access to good-quality training.

Youth employment through ALMMs is being promoted by MLSW, MYCS and MEST. This project will last 2.5 years and will start in January 2009. The project builds on the knowledge and experience of the UNDP-led EGP and the Youth Business Development Program implemented by the MYCS and funded by the World Bank. The PES will provide counselling and advisory services to unemployed youth in the form of individual action plans and will identify employers who are willing to train or recruit beneficiaries. The programme will offer on-the-job training, vocational training, temporary employment, self-employment opportunities, and internships to beneficiaries. The main objectives are: (i) to increase the employability of young people through business skills training, (ii) to support entrepreneurship in Kosovo, (iii) to provide support and follow-up coaching to newly established businesses; (iv) to develop the quality and capacity of public and private training providers; (v) to strengthen the capacity of PES frontline officers; (vi) to provide individualised and integrated counselling and guidance service to beneficiaries.

UN agencies in Kosovo are currently finalising their joint strategic support programme totalling US$6,661,607 for a period of 36 months. The programme document, Kosovo: from Migration Options to Decent Work for Youth identifies the promotion of employment opportunities in depressed areas and among vulnerable groups as one of the joint strategic outcomes. The programme, to be jointly implemented by ILO, IOM, UNDP, UNICEF, UNV and the World Bank, will address youth employment and migration challenges by supporting Kosovo institutions in achieving the targets set by the Youth Employment Plan as well as supporting youth by increasing their income-generating opportunities and raising their awareness about migration options and risks. The activities centre around providing capacity-building for youth employment policy management; improving systems for analysing employment and migration data; strengthening the labour administration; assisting in the design, monitoring and evaluation of targeted labour market programmes; and developing replicable models for self-employment and entrepreneurial support. The programme will address the needs of youth aged 15–24, who face multiple barriers in the labour market (youth in jobless/poor households, with low education, ethnic minority and victims of trafficking).
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