

VET - Private Sector Structured Cooperation

KCC¹ Medium Term Strategic Document

September 2022

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¹ Kosovo Chamber of Commerce

² Aligning Education and Training and Labour Market Needs - ALLED2 Phase II Project, funded by EU and co-funded by Austrian Development Cooperation

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KCC Medium Term Strategic Document

ALLED2 - “Aligning Education and Training with Labour Market Needs - Phase II” Project, funded by the European Union (EU) and the Austrian Development Cooperation (ADC), implemented by the Austrian Development Agency (ADA)

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How should be cited:

ALLED2 (2022), VET – Private Sector Structured Cooperation; KCC Medium Term Strategic Document. Developed by: Ardiana Gashi, Iraj Hashi and Agon Dula. ISBN 978-9951-8990-9-3

Cataloging in Publication (CIP)

The National Library of Kosova “Pjeter Bogdani”

ISBN 978-9951-8990-9-3

This report was produced within the framework of the project “Aligning Education and Training with Labour Market Needs” ALLED Phase 2, with the financial support of the European Union (EU) and Austrian Development Cooperation (ADC), implemented by Austrian Development Agency (ADA). Its contents are the sole responsibility of the author and do not necessarily reflect the views of the European Union (EU) and of the Austrian Development Cooperation (ADC) / Austrian Development Agency (ADA)

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List of Abbreviations

AI	Administrative Instruction
ALLED	Aligning Education and Training with Labour Market Needs – Phase II
AVETAE	Agency for Vocational Education and Training and Adult of Kosovo
CVETAE	The Council of Vocational Education and Training and for Adults
EARK	Employment Agency of Republic of Kosovo
EQAVET	European Quality Assurance in Vocational Education and Training
ETF	European Training Foundation
EVTA	European Vocational Training Association
EYE	Enhancing Youth Employment
GoK	Government of Kosovo
IVET	Institutions for Vocational Education and Training
QA	Quality Assurance
GIZ	German Corporation for International Cooperation
KCC	Kosovo Chamber of Commerce
KCF	Kosovo Curriculum Framework
KEEN	Kosovo Education for Employment Network
KESP	Kosovo Education Strategic Plan
MED	Municipal Education Directorate
MESTI	Ministry of Education, Science, Technology and Innovation
MoU	Memorandum of Understanding
NQAF	National Quality Assurance Framework
NQF	National Qualification Framework
KSB	Kosovo Skills Barometer
UPCO	Cluster/Hub of University of Prishtina, the Municipality of Prishtina and the Kosovo Chamber of Commerce
VET	Vocational Education and Training
VTC	Vocational Training Centres
WBL	Work Based Learning

1

INTRODUCTION

The private sector in Kosovo is facing a number of serious challenges, especially in the post-pandemic period, now exacerbated by the energy crisis. These challenges include, in particular: the shortage of labour with appropriate range of skills and knowledge to enable Kosovo to transition to Industry 4.0 along with other regional and EU countries; the lack of alignment between the education and training system (in particular the VET system) and the needs of the private sector; the shortage of digital skills and skills needed to adopt new smart technologies; a poor environment for entrepreneurship and the development of entrepreneurial mindset amongst the young people which affects the growth of the economy. The Government of Kosovo (GoK) together with EU and various international organisations recognise these challenges and have been, for many years, engaged in developing policies and support programmes to alleviate the effects of these weaknesses. Some of these programmes are: improvements in the VET system focusing on strengthening quality assurance mechanisms; learning by experience through the application of the dual principles such as work-based learning involving private sector enterprises in the training of VET students; promotion of the practice enterprise scheme in VET schools; and the newly announced Youth Guarantee Scheme.³ International organisations have also promoted the improvement of the VET system through a number of initiatives such as those developed by the ALLED² programme of the Austrian Development Agency (Kosovo Skills Barometer, Kosovo Labour Market Barometer platform; UPCO Cluster Hub; development of new occupational standards; proposal for solutions for VET financing formula, policy proposal for incentives for businesses to cooperate with VET-under preparation; and others), School Based Career Centres⁴ aimed at raising awareness of VET students and their parents of the trends in the labour market and the importance of the entrepreneurial mindset for young people, WBL Pilot project⁵ and other projects.⁶

A major problem which has beset these policy measures and programmes has been the precise mechanism of involvement of the private sector and its representative organisations. The legislation relating to WBL, specifically mentions the Kosovo Chamber

³ In July 2021, the EC/ILO Technical Assistance Facility (TAF) on the youth guarantee scheme in WB-6 was launched, offering participating economies, including Kosovo, technical assistance in the preparation of the Youth Guarantee Implementation Plan. Inter-Ministerial Group at the political level led by Minister of Finance, Labour and Transfers is established to address the process of developing the Youth Guarantee Scheme is established, and also an Inter-Ministerial Technical Team for drafting the Youth Guarantee Scheme. By August 2022, the Youth Guarantee Implementation Plan will be finalized and submitted. As reported in the ERP 2022-2024, the implementation of the Youth Guarantee will commence in 2023.

⁴ Implemented through the project 'Enhancing Youth Employment (EYE)' by Helvetas

⁵ Implemented by GIZ.

⁶ Such as those implemented by LuxDevelopment, GIZ, etc.

of Commerce (KCC) as the representative of the private sector to be engaged in the implementation and monitoring of the WBL programme⁷. According to the Law on Vocational Education and Training, Kosovo Chamber of Commerce is a member of the Council for Vocational Education and Training and for Adult Education (CVETAE). KCC is also a member of the governing board of the National Qualification Authority. KCC has already been involved in the pilot phase of the WBL programme and has developed competences as a certified trainer of company instructors who are responsible for VET students allocated to their companies. While there are several industry associations such as the Kosovo Producers Club, BESA Foundation, and others representing companies in specific branches of industry such as metal processing, wood processing, renewable energy, food processing, etc., their involvement in VET schools is limited. KCC remains the only organisation with its own legal status, seven regional offices and large membership, to represent the private sector in matters related to education and training. Its close relationship and links to members puts it in a unique position to be aware of and cognisant of the skills needs of the private sector and transmit these needs to VET schools and other bodies and organisations. However, KCC's resources under the present form of funding (voluntary membership fees) and the capacity of its VET Department to work with VET schools are limited and it cannot fully engage in all areas related to improvements in the quality and quantity of human capital needed by the private sector. The capacity of the VET Department needs to be enhanced in order for it to be able to monitor and survey the labour market developments and intermediate between the private sector and VET institutions.

It is therefore essential to formulate a strategic approach for the private sector and KCC as its representative so that KCC (specifically its VET Department) can use its full potential in the development of systematic, structured and long-term cooperation with VET schools aimed at improving their ability to train graduates with upgraded skills to match the needs of the private sector over the coming years. If the mismatch between the needs of the industry and the graduates of VET schools is reduced, the productivity of companies will increase and so will their competitiveness and export potential for the country's economic growth.

Another feature of the Kosovo environment acting as a barrier to the growth of private sector is the absence of a strong entrepreneurial environment in the education and training institutions and a desire to develop entrepreneurial mindset amongst the student population in VET schools. This is an important task requiring the engagement of schools, VTCs, private sector and specialist teachers. Here too, KCC and other private sector representative organisations can play an important role by helping to link schools with companies and entrepreneurs who can act as mentors and role models to students. The promotion of entrepreneurial attitudes and learning about self-employment as an alternative to employment amongst the VET students will prepare and encourage some of them to embark on setting up their own companies, contributing to the development

⁷ Administrative Instruction on IVET (MESTI) Number 137, 2020.

of the economy as a whole and private sector in particular.

Human capital development is essential for private sector development in Kosovo and, with this strategic document, KCC will take a further step in supporting this development in the post-Covid period and the rapidly changing technological environment, most recently impacted by energy crisis. KCC and other representatives of the private sector are in the best position to mediate this cooperation. The strategy is based on the recognition of three major challenges to the private sector development: (i) monitoring of the labour market and skill shortage by preparing the Kosovo Skills Barometer which will support the reskilling-upskilling of the workforce; (ii) cooperation with the VET schools through the WBL scheme; and (iii) improving the entrepreneurial environment through entrepreneurship education and strengthening of entrepreneurial mindset.

Currently, there is a new momentum to boost the Vocational Education and Training in Kosovo. VET education is now on top of the government agenda – the Executive Commission for the Development of the Vocational Education and Training System, led by the Prime Minister and composed of key line ministries and institutions was established earlier this year; there is an increased interest from employers to cooperate with VET schools, partly due to labour shortages; and finally, and especially in the post-Covid context, there is increasing recognition of the absolute importance of enhancing skills especially digital skills in enterprises and educational institutions at all levels. This Strategic Document and Action Plan, therefore, come at an opportune moment in a supportive environment and should enable the Kosovo Chamber of Commerce and other representatives of the private sector to use it to speed up their cooperation with VET institutions.

In order to identify the challenges facing the private sector and, thus, the most important strategic objectives of KCC's VET Department and the Action Plan for the next 3 years, it is essential to analyse the present situation in Kosovo and explore the context in which the cooperation with VET schools has to develop. The analysis of the Kosovo context and the important issues in identifying structured cooperation between KCC and VET institutions was undertaken through:

- Reviewing the existing evidence and studies on the state of VET education and skills and qualifications mismatch in Kosovo;
- Analysis of the available data on the distribution of students in different profiles in VET schools and the demand for different skills and qualifications from MESTI, the Kosovo Agency of Statistics (KAS) and the evidence collected through the Kosovo Skills Barometer 1.0;
- Information collected during meetings and discussions with public and private institutions and organisations involved in the VET education⁸; and
- Two Roundtables involving representatives of MESTI, VET schools, KCC, employer associations, employers and the donor community.⁹

The structure of this Document is as follows. In Section 2, some of the features of the current environment relevant to the VET system are discussed. More specifically, the need for upskilling and reskilling is highlighted, the legal aspects of VET education and the institutions for VET supervision and regulations are reviewed and the role of KCC as the representative of the private sector is further explored. In Section 3, the main challenges facing the private sector in Kosovo and, therefore, the strategic responses of the KCC VET Department to those challenges are discussed. In Section 4, the actual strategic objectives of KCC and the related activities designed to achieve those objectives are presented. The Detailed Action Plan for KCC is shown in Annex 1

⁸ Ministry of Education, Science, Technology and Innovation; the Council of Vocational Education and Training and Adults; Agency for Vocational Education and Training and Adult of Kosovo; VET schools; Vocational Training Centres; KCC and its regional offices; sectoral associations; and VET focused development agencies and projects (ALLED2,EYE/Helvetas; GIZ and LuxDevelopment).

⁹ In the first Roundtable, the participants' experiences of VET institutions, employers' organisations, success factors for setting up sustainable cooperation and possible modalities of cooperation between employers, VET schools and VTCs were discussed. In the second Roundtable, the draft of the Strategic Document and Action Plan for KCC was presented to the participants and their views were taken on board in the preparation of this document.

2

THE ENVIRONMENT AND CONTEXT OF THE ANALYSIS

2.1 The Urgency of Upskilling and Reskilling

Kosovo is one of the Western Balkan countries en route the European path, expecting to complete the Stabilization and Association process and moving on to the next stage in near future. As in other Western Balkan countries, and indeed the EU member states, it is in severe need of improving the skill set of its future and also current work force to be able to enhance its competitiveness and growth potential. It is therefore essential that it takes on board the recommendations of the European Commission's report 'Upskilling and Reskilling in the Post-Covid Era: Fostering New Services and Jobs Creation – Three scenarios for 2030'.¹⁰

The pandemic quickly increased the pace of technological change, particularly digitalisation, and changed the behaviour of workers in the labour market. It introduced and popularised working from home, which in turn stimulated the use of online digital platforms facilitating the supply and demand of goods and services in different sectors. Working from home contributed to the spread of the digital and green economy amongst employees and businesses and consumers. It gave many people their first taste of teleworking and ICT experience. Even when the pandemic confinement period ended, people and companies have continued to use digital platforms. Indeed, the use of these platforms has increased, the users have also experienced improvements in the quality and features of platforms. However, this context introduces new challenges for users, policy makers and workers. In a post-COVID-19 recovery, the pace of change will accelerate at a much more rapid rate. This will present tremendous opportunities and many challenges for businesses, government, educational and research establishments, workers and citizens. The need to develop appropriate skills through upskilling and reskilling plans and actions have become essential for all stakeholders in the aftermath of the COVID-19 pandemic. The onset of energy crisis will further increase the pressure to develop more energy efficient technologies and relevant skills.

¹⁰ European Commission (2021), Skills for Industry: Upskilling and Reskilling in the Post-COVID Era: Fostering New Services and Jobs Creation: Three Scenarios for 2030: Final report. This subsection is closely based on this Report.

The Commission emphasises that developing the society's skill base will require comprehensive change in attitudes, actions and mindsets of all stakeholders. In particular,

- Individuals and workers need to develop a mindset where lifelong learning and the ability to adapt to constantly changing work environment become an inherent part of the working life;
- Businesses need to invest in, and take advantage of, opportunities created by smart services and service platforms and ensure that their employees are offered upskilling and reskilling opportunities; and
- The education and training establishments (universities as well as training institutions and providers) must note the changes in the skills and knowledge needs of individuals and businesses and develop new and innovative training programmes at all levels.

A collective change of mindset and adoption of new rules and incentives will put all stakeholders in a better position to respond to economic and societal challenges and to enable workers and citizens to continuously evolve and develop along with emergent skills requirements. A collective approach will enable the economy to achieve more innovations, smart platforms and systems with greater upskilling opportunities for the workforce. This collective approach will require (i) Governments to provide large scale funding and strong incentives to develop new training schemes and tools, such as individual learning accounts (ILAs), micro-credentials, upskilling/reskilling programmes and youth guarantee schemes in their entire industrial ecosystems; (ii) Businesses, particularly SMEs, should actively use these incentives, increase their investments in training of their workforce; and (iii) Universities and training providers (e.g. VET institutions) boost the relevance and the quality of their education and training provisions and make them appropriate to the needs of the industry by developing programmes at all levels with strong involvement of industry and sectoral associations.

2.2 Vocational education and training in Kosovo: a brief overview of legal framework and relevant institutions

Vocational Education and Training in Kosovo is regulated by a number of Laws: Law No. 04/L-138 on Vocational Education and Training; Law No. 03/L-060 on National Qualifications; Law No.04/L-032 Law on Pre-University Education in the Republic of Kosovo; Law No. 03/L-068 on Education in the Municipalities of the Republic of Kosovo; Law No. 06/L-046 on Education Inspectorate in Kosovo; Administrative Instruction (MEST) No. 14/2014 Agency of Vocational Education and Training and Adult Education (AVETA); Administrative Instruction (MEST) No. 28/2014 on Criteria and Procedures for the Verification of the Occupational Standards; Administrative Instruction on IVET (MESTI) Number 137, 2020 and a number of other sub-legal acts.

The Law No.04/L-138 on Vocational Education and Training regulates the national

vocational education and training system in accordance with the needs of the economic and social development of the Republic of Kosovo, including economic and technological changes, demands of the labour market and the needs of individuals during the transition towards a market economy. The Law regulates the structure, organization and management of institutions that provide vocational education and training.

Article 17 on Cooperation with Partners of Vocational Education and Training envisages that MESTI, with other ministries, other partners of VET, municipalities, and social partners¹¹ bind agreement of cooperation with enterprises, training centres, with purpose of realization of joint interests to create links between educational and training institutions and the labour market. Further, the Law under Article 20 foresees establishment of Office for Economic Cooperation with Vocational Education and Training, which will operate within MESTI and will be in charge of coordinating the cooperation with private enterprises.¹²

The Administrative Instruction No.7/2014 on Advancement, Autonomy and Functioning of VET Institutions, stipulates that VET institutions must establish agreements with other institutions and enterprises for the completion of practical learning.

The Law No. 04/L-138 on Vocational Education and Training (2013) allows the implementation of dual forms of vocational education and training in which practical training and experience takes place in the enterprise. AI 137/2020 on Workplace Learning in IVET regulates the manner of organisation, implementation and evaluation of Work-Based Learning (WBL) in IVET. As per AI, WBL is a dual form of organization of vocational teaching and training, organised in partnership between public and private employers and IVET. The person in charge if IVET for WBL may be a Career Centre Officer, coordinator responsible for practical work and deputy Principal responsible for liaison to the labour market. Professional practice teachers/instructors are licensed persons engaged in providing practical training while instructor is a person in the enterprise to guide pupils during implementation of WBL. Detailed instructions for implementation of the AI on WBL have been noted in the WBL Operational Manual published in December 2020. The manual contains information on roles and responsibilities of all parties (schools, employers, and pupils), step by step procedures and necessary forms to ensure consistency and quality through implementation of the WBL by public and private employers.¹³

Article 11 of the AI on the role of social partners recognises the role of KCC and sectoral

¹¹ Social partners include trade unions, employers' representatives, civil society organizations and other non-governmental stakeholders.

¹² The Office would have representatives from respective ministries and social partners. However, to date the Office has not been established and currently the LuxDevelopment is supporting the MESTI to develop the legal framework for establishing and regulating the Office.

¹³ WBL is developed jointly with the professional practice teacher and instructor at employer, which also defined the selection criteria of pupils. Enterprise finds modalities for pupils' compensation for WBL. The enterprise instructors evaluate pupils during implementation of the WBL and issues a certificate upon completion of WBL and indicates the acquired skills. The final grade of a pupil is decided by the professional teacher at IVET, based on the evaluation of WBL by the instructor in the enterprise. The instructor performs the WBL with no more than 5 pupils/candidates and not more than 3 for high-risk profiles. Monitoring of implementation of WBL is carried out by professional teacher, with a workplace visit at least once in two weeks.

associations as facilitators between employers and IVET. KCC is foreseen to collect data on agreements and contracts of WBL and their implementation. KCC is foreseen to update the database for enterprises involved on WBL. WBL is foreseen to be offered to pupils who have reached 15 years of age.

The Law No. 03/L-060 on National Qualifications establishes the legal basis of the system for national qualification at all levels of education and formal and non-formal qualification by regulating the development and maintenance of the National Qualifications Framework and the awarding of qualifications. The National Qualification Authority is responsible for the accreditation of VET institutions.

The above laws and administrative instructions are implemented under the supervision of the following institutions:

The Ministry of Education, Science, Technology and Innovation (MESTI) is the regulatory authority for the functioning and licensing of VET institutions. MESTI regulates the number of pupils, curricula, school infrastructure, capacities, training and other related measures. MESTI develops policies and curricula, implements legislation, is responsible for in-service teacher training, inspection and monitoring of the quality of education, etc.

The Council for Vocational Education and Training and Adult Education (CVETAE) is an advisory body for Vocational Education and Training and Adult Education policies to the Minister at MESTI in Kosovo. Furthermore, it approves occupational standards on the national level. CVETAE consists of fifteen members, representatives of institutions such as: Ministry of Education, Science, Technology and Innovation, Ministry of Labour and Social Welfare (now under the Ministry of Finance, Labour and Transfers), other relevant ministries, NQA, AVETAE, Kosovo Chamber of Commerce and social partners.

Agency for Vocational Education and Training and for Adult Education (AVETAE) is responsible for administration and leadership of Institutions of Vocational Education Training and Adult Education regarding the financial, human sources, construction buildings and infrastructure of all public institutions of VET under its regulatory administration; coordination of studies concerning institutions for Vocational Education and Training and Adult Education; coordination of international projects; engagement of social partners in the relevant institutions for Vocational Education and Training and Adult Education; institutionalised participation of private sector and social partners in institutions concerned with Vocational Education and Training and Adult Education; supervision and coordination of the development of occupational standards. Currently AVETAE is also responsible for Competence Centres.

The National Qualifications Authority (NQA) is an independent public body, in accordance with National Qualifications Law in Kosovo. National Qualifications Authority has the key role for developing and maintaining the National Qualification Framework (NQF). The NQA besides approving VET qualifications and accrediting VET providers is responsible to set the criteria for development of occupational standards and verification of occupational standards until level 5 of the NQA.

The quality arrangements (QA) in VET include: QA for qualifications that are part of National Qualification Framework (NQF), by the National Qualification Authority (NQA) (through validation and accreditation processes); external assessment of vocational schools through administrative and pedagogical inspections, by the Education Inspectorate; QA of public Vocational Training Centres and mobile centres by the Employment Agency; internal assessment of VET providers through self-assessment; and external assessment of students' achievement at the end of upper secondary education through the Matura Exam (Rizvanolli Bajraktari, 2021). National Quality Assurance Framework (NQAF) for VET in place since 2011, it is compatible with the European Quality Assurance in Vocational Education (EQAVET) and Training but it only refers to QA at VET provider level (Rizvanolli Bajraktari, 2021). However, as reported by (Rizvanolli Bajraktari, 2021) at the system level, the QA approach is not yet consolidated-EQAVET indicators are not used for quality management at system level to improve effectiveness and efficiency of the VET system. All VET providers are legally obliged to have internal quality-assurance mechanisms – with quality principles/criteria and indicators being determined in the NQAF for VET.

Municipal Education Department (MED), at local/municipal level in Kosovo have exclusive competences with respect to the provisions of public pre-primary, primary and secondary education, including registration of educational institutions, staff recruitment, administration of educational facilities, administration of the school budget, payment of salaries and capacity building of the teachers/instructors and administrators.

Education Inspectorate is the central executive body for legal oversight and control. The Inspectorate evaluates the quality of educational institution/service; controls the compliance of the educational institutions activity with the applicable legal acts and bylaws; advises the leaders and employees of educational institutions; and informs the Minister, Municipal Education Directorates (MEDs) and educational institutions about findings of inspection.

2.3. KCC as an intermediary between employers and VET institutions

Kosovo Chamber of Commerce (KCC) is a professional organisation established in 1962 by the Assembly of Kosovo with the Law on Kosovo Chamber of Commerce 2004/714. KCC is an independent professional organisation, apolitical and non-profitable. KCC is a member of the Social Economic Council, which among others is also in charge of counselling and guidance of the institutions of Republic of Kosovo, in development and implementation of labour and economic policies.¹⁵ KCC analyses the economic situation in Kosovo and actively proposes new and advanced forms of local business and stimulates the internationalization of Kosovo. It contributes to the development of

¹⁴ http://old.kuvendikosoves.org/common/docs/ligjet/2004_7_en.pdf

¹⁵ <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=2747>

enterprises and with its professionalism and determination assists the Kosovo business and society of Kosovo to internalize European values.

As defined under Article 8 of the Law on Kosovo Chamber of Commerce, one of the KCC duties is: cooperation with other institutions in determining the needs for professional training for business community and continuous training for members of KCC and participation in the permanent system in training of employers is done in compliance with the statute and other special provisions of the Chamber. It is important to note that KCC needs more capacities to perform its legally mandated role and it also needs capacity development for its current staff.

There are several sectoral associations operating within the KCC which will play an active role in improving the independent of KCC to join efforts with KCC, to support the VET system, which will directly contribute to business and Kosovo economy.

As per Law No. 04/L-138 for Vocational Education and Training, KCC is member of the Council for Vocational Education and Training and for Adult Education (CVETAE), which, as introduced above has an important role for the VET system in Kosovo. KCC is also a member of NQA and Agency for Vocational Education and Training and for Adult Education (AVETAE). It represents interests of employers in the Kosovo Economic Council and is an active actor in the process of developing public policies. The contribution of the KCC to VET system is exercised through the Department for Vocational Education and Training. Data analyses are carried out within the Centre for Economic Analysis, operating under the Department for Policies and Strategic Communication. From 2014 to 2019, KCC carried out a regular survey assessing bottlenecks for business development in Kosovo and until 2017 has undertaken an IFO Business Indicator¹⁶. In 2020, commissioned by ALLED2, KCC was engaged in carrying out the Skills Barometer 1.0 with intention of carrying out the future Skills Barometers for Kosovo.

KCC was involved in the pilot project on WBL during 2016-17 and played an active part as the intermediary between VET schools and companies, monitoring the activities of pupils while based in companies, trained the company trainer in charge of WBL pupils, etc. However, the KCC role was enabled through engagement of additional people, which were financed by the donor funding the pilot project (GIZ).

KCC is certified to provide trainings and certification for in-company instructors at Level 1 and are planning to be certified to provide certification for Level 2 and 3 (Trainer of Trainers and Master trainer). KCC is also certified to certify enterprises for provision of WBL, which depends on availability of certified in-company instructors. With support of GIZ, KCC is planning to receive certification for provision of trainings for Level 2 and 3 for in-company instructors. This is an important service to enable implementation of the

¹⁶ The indicator of business confidence in Kosovo, published on a regular quarterly basis, is a reference that is constantly taken by the IFO Institute of Germany to compare our economy, while the "Bottleneck" identifies the barriers to doing business in our country since the beginning of 2014. on an annual basis, ranking the top 10 barriers to doing business in Kosovo, followed by the dimensions of the general economic environment, the administrative and regulatory dimension, the infrastructural and general conditions dimension, and the dimension of the internal barriers of the sector (companies). Source: <https://www.oek-kcc.org/Al/publikimet/>

WBL. The implementation of any WBL or similar initiative must be monitored for the quality of pupil experience (companies do not always offer pupils the work experience agreed with their schools). The AI on WBL explicitly involves KCC in the implementation of the scheme, specifically for the running the database for the WBL.

In the context of the newly drafted Kosovo Education Strategic Plan (KESP) 2022-2026, MESTI aims to carry out assessment of enterprises' capacities for work-based learning but also for the dual learning modalities. The Action Plan foresees a number of interventions related to dual learning, such as: design of the qualification package for all qualifications provided in vocational education and training institutions, including qualifications provided through dual learning if business opportunities and interest exist; train mentor teachers to implement dual learning, if the IVET provides dual learning. KCC can play an active supporting role to the MESTI to introducing and implementing dual learning.

The need for the intermediary role of KCC was confirmed by all VET schools that were interviewed and participated in a discussion of the Roundtables for this strategic document. Further, VET schools indicated that the KCC can conduct an advocacy role with government to establish the legal basis whereby taking pupils is not just a voluntary decision-since schools are facing difficulties to place their pupils in companies. The role of KCC is also seen in raising awareness about the relevance of WBL to businesses and pupils. Schools indicated that KCC can play an important role as a source of information for the labour market needs, which would be reflected in the curricula but also education provision by VET schools.

3

CHALLENGES FACED BY THE PRIVATE SECTOR IN RELATION TO SKILLS AND OCCUPATIONS

Given the context in which the issue of the role of KCC has emerged, and in the light of discussion of the strength and weaknesses of the VET System in Kosovo, a number of major challenges have been identified. These are discussed below.

3.1 Challenge 1: Discrepancy between the demand for and the supply of skills and occupations by VET institutions

The Law No.04/L-138 on Vocational Education and Training explicitly states that the vocational education and training system should be in accordance with the needs of the economic and social development of the Republic of Kosovo, by considering economic and technological changes, demands of the labour market and the needs (Article 1). In practice, however, VET schools have lagged behind the needs of the economy and, in particular, have not been able to keep pace with the rapid technological change in various sectors of the economy. In order to ensure that the quality of provisions at VET schools are up to modern standards, a validation and accreditation process is essential. However, as the ALLED2 study (Rizvanolli Bajraktari, 2021) reports, so far only two VET schools have entered in the process but both have failed the accreditation process; another two schools started the process but stopped midway through the process and additional three VET schools did not apply at all. The study found that Vocational Schools are still not ready to undergo the regulated procedures for validation and accreditation. It was noted that limited support has been provided to VET schools in terms of equipment, documentation, teacher training etc. that would prepare them to enter in the validation and accreditation processes. ALLED2 supports strengthening of quality assurance mechanisms; capacity development of CVETAE; supporting VET schools with digitalisation infrastructure and equipment, etc.

This section focuses on examining the evidence for the misalignment between demand and supply of different skills and occupations which has been confirmed by many studies including the Kosovo Skills Barometer 1.0 (ALLED2, 2022c) and the data on the VET schools profile composition and the sectoral composition of employment. The data on the number of students in different profiles of all VET schools over the last three years indicating the potential supply of different professions, was provided by MESTI. The data on the share of employment in different sectors of the economy and the number of vacancies in different sectors, indicating an approximation of the demand, is provided by

the KAS¹⁷ and the Employment Agency, respectively. Evidence collected through Skills Barometer 1.0 (ALLED2, 2022c) and other recent research is utilised for this assessment. Data by VET profiles refer to school year 2020/21, showing the number of pupils enrolled in different profiles over 3 years (Grade 10, 11 and 12), and representing the short term trend,. The number of pupils by profile has been grouped by sector and profiles. For an approximation of demand, sectoral composition of employment and the number of vacancies in different sectors have been used.

According to MESTI, in school year 2021/22, 51.5% of the upper secondary pupils were registered in VET schools and 47% of them in Gymnasiums.¹⁸ In absolute numbers, 36,481 pupils were in VET schools in 2021/22 (dropping from 37,858 in 2020/21). Table 1 shows the number of students enrolled in different profiles of VET schools in the academic year 2020-21 (latest available). As the table shows, the most demanded profiles by pupils in Kosovo are health related profiles (21% of pupils), followed by the IT sector (6.8%) and banking and insurance (6%). However, this composition does not correspond to the demand measures used for this analysis.

¹⁶ <https://masht.rks-gov.net/uploads/2022/01/statistical-notes-2021-22-pre-university-education.pdf>

¹⁷ Kosovo Agency of Statistics-KAS

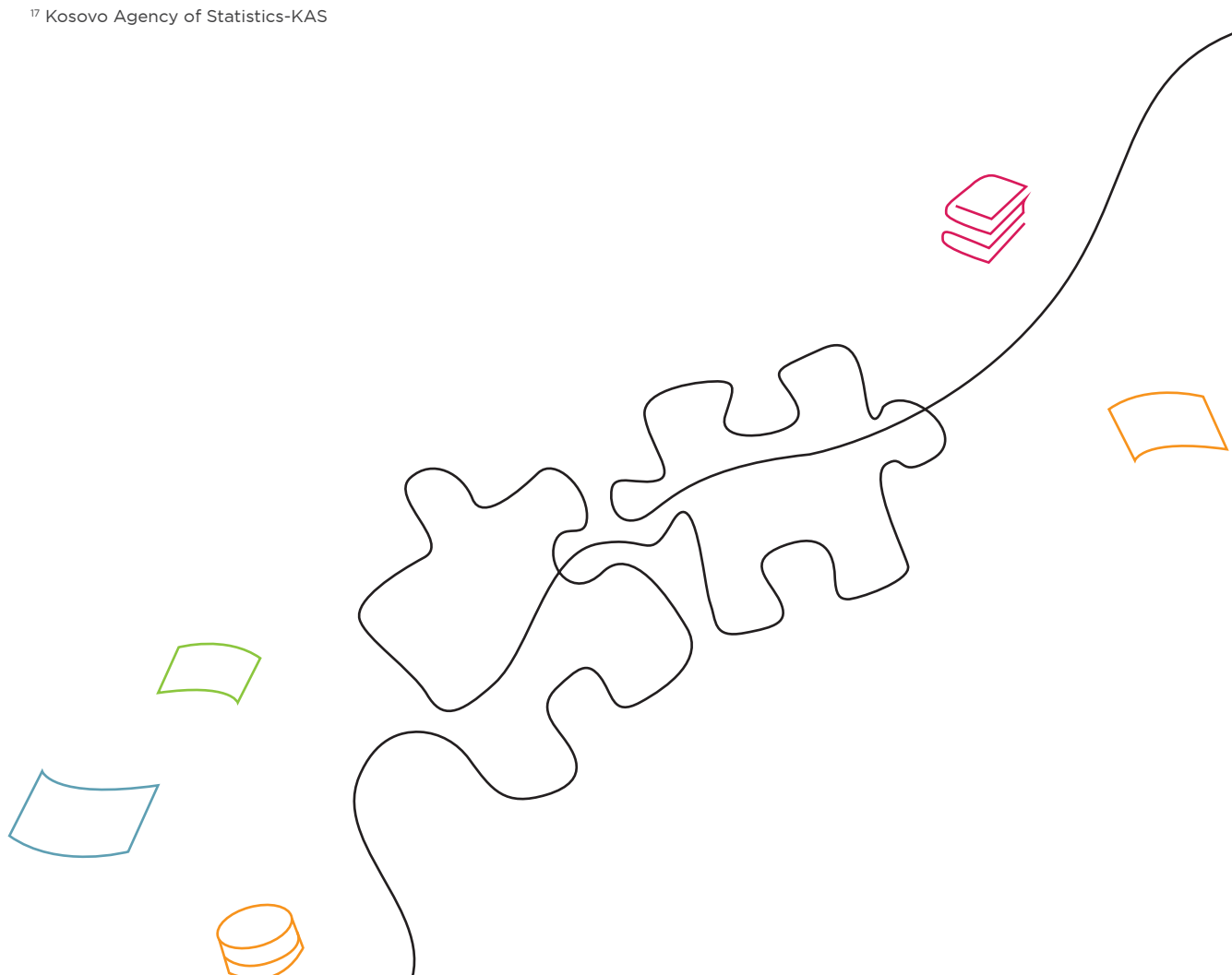


Table 1: Number of VET pupils in grades 10-12 vocational schools and centres of competences, by profiles 2020/21

Sector	Grade 10	Grade 11	Grade 12	Total	In %
Health	2,987	3,060	2,670	8,724	22.3%
IT and ICT	1,253	1,281	1,267	3,809	9.8%
Banking and Insurance	799	830	705	2,334	6.0%
Accounting	749	664	636	2,049	5.2%
Law	513	692	579	1,784	4.6%
Heating	787	553	426	1,766	4.5%
Repair	536	508	483	1,527	3.9%
Food processing	381	398	369	1,148	2.9%
Manufacturing	369	366	333	1,068	2.7%
Transport	330	368	364	1,062	2.7%
Construction	429	284	327	1,040	2.7%
Agriculture	304	353	335	992	2.5%
Administration	337	303	272	912	2.3%
Architecture	268	300	287	855	2.2%
Business and Administration	266	303	248	817	2.1%
Trade	339	219	223	781	2.0%
Logistics	246	297	237	780	2.0%
Electrics	278	264	220	762	1.9%
Natural Science	262	227	267	756	1.9%
Energy	248	231	169	648	1.7%
Design	198	207	217	622	1.6%
Metal processing	224	178	122	524	1.3%
Social Science	194	148	181	523	1.3%
Tourism	163	176	162	501	1.3%
Gastronomy	114	163	139	416	1.1%
General	134	135	130	399	1.0%
Finance	64	145	150	359	0.9%
Water and Sewage	60	139	121	320	0.8%
Tailor	110	113	83	306	0.8%
Electronics	109	92	81	282	0.7%
Technology	66	81	97	244	0.6%
Music	66	81	97	244	0.6%
Printing	59	65	20	144	0.4%
Arts	53	49	41	143	0.4%
Mechatronics	92	24	24	140	0.4%
Wood processing	43	29	42	114	0.3%
Mining	45	55	-	100	0.3%
Chemistry	49	20	14	83	0.2%
Veterinary	13	16	20	49	0.1%
Other	-	-	32	32	0.1%
Roads	11	6	-	17	0.0%
Languages	-	-	12	12	0.0%
Total	13,542	13,429	12,163	39,149	100.0%

Source: Data provided by MESTI Education Management Information System (SMIA). Note: Green shaded profiles are components of Manufacturing sector.

Table 2, showing the sectoral composition of employment, however, reveals that the largest proportion of employees are in Wholesale and Retail Trade sector (average 17.5%), followed by Manufacturing (average 11%) and Construction (11.1%). Health, which is the leading sector in VET schools (22% of pupils), accounts for only 6% of employees. The opposite is true for other important sectors of the economy where the related VET profiles constitute a much smaller proportion of pupils (Manufacturing¹⁹, about 10%, and Construction, about 2.7%). Clearly, the proportions of VET students in different profiles do not correspond to the employment composition of active enterprises.

Table 2: Structure of employment by economic activity, 2018-2020

Sector	2018	2019	2020	2021 Q2
A - Agriculture	3.5	5.2	4.8	2.7
B - Mining and quarrying	0.9	0.6	1.1	1.0
C - Manufacturing	10.3	11.9	11.8	9.6
D - Electricity, gas, steam and air conditioning supply	1.8	1.4	2.2	2.3
E - Water supply, sewerage, waste management and remediation activities	1.3	1.1	1.2	1.3
F - Construction	11.9	12.5	11.1	11.4
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	17	17	17	18.1
H - Transportation and storage	3.3	3.7	3.5	3.8
I - Accommodation and food service activities	6.9	6.4	6.2	6.4
J - Information and communication	3.4	3.8	4	3.9
K - Financial and insurance activities	2	1.7	1.8	2.5
L - Real estate activities	0.1	0.1	0.1	0.2
M - Professional, scientific and technical activities	1.8	2.7	3.1	3.1
N - Administrative and support service activities	2.9	3.9	4.3	5.3
O - Public administration and defence; compulsory social security	7	6.5	6.7	6.0
P - Education	11.3	10	10.1	11.3
Q - Human health and social work activities	5.8	5.3	6.1	6.5
R - Arts, entertainment and recreation	1.3	1.3	1.1	0.8
S - Other service activities	4.8	2.7	2.7	3.2
T - Activities of households as employers; undifferentiated goods - and services producing activities of households for own use	1.7	1.2	0.7	0.2
U - Activities of extraterritorial organisations and bodies	1	0.7	0.6	0.6
Total	100%	100%	100%	100%

Source: KAS, National Accounts.

¹⁹ The figure for 'Manufacturing' is calculated by adding the shares of the following profiles: Food processing, manufacturing, electrics, metal processing, electronics, technology, printing, mechatronics and wood processing.

Table 3 shows the number of new enterprises established in different sectors during the 2019-2022 (Q2) period, indicating the growth sectors of the economy. The table indicates that sectors with largest number of new enterprises are trade (about one-fourth), accommodation and food service activities, construction and manufacturing (about 11% each), and professional, scientific and technical activities (about one-tenth each). This confirms our previous suggestion that the students on different VET profiles are not concentrated in sectors that have been dominant in the labour market over last 3 years (stock) and those with potential (inflows-measured with new enterprises). Of course, Table 3 shows the number of new enterprises and not their employment levels but given that the bulk of new enterprises in Kosovo are micro and small enterprises (with a few employees), their numbers are broadly indicative of their employment.

Table 3: Structure of new registered enterprises, by economic activities (share of total in %)

Sector	2018	2019	2020	2021 Q2
A - Agriculture, forestry and fishing	1%	4%	2%	3%
B - Mining and quarry	0%	0%	0%	0%
C - Manufacturing	15%	14%	9%	11%
D - Supply of electricity, gas, steam and air conditioning	0%	0%	0%	1%
E - Water supply, sewerage, waste management and land revitalization activities	0%	0%	0%	0%
F - Construction	9%	11%	8%	11%
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	24%	25%	23%	25%
H - Transportation and storage	3%	3%	2%	2%
I - Accommodation and food service activities	11%	10%	9%	11%
J - Information and communication	6%	6%	5%	6%
K - Financial and insurance activities	1%	1%	1%	1%
L - Real estate activities	1%	1%	1%	2%
M - Professional, scientific and technical activities	9%	10%	8%	9%
N - Administrative and support service activities	6%	5%	5%	7%
O - Public administration and defence; compulsory social security	0%	0%	0%	0%
P - Education	1%	1%	1%	1%
Q - Human health and social work activities	2%	2%	2%	3%
R - Arts, entertainment and recreation	2%	2%	2%	2%
S - Other service activities	6%	5%	5%	5%
Total new enterprises	9,994	9,805	12,670	5,658

KAS, Number of registered enterprises by municipality and sector of economic activity: https://askdata.rks-gov.net/pxweb/en/ASKdata/ASKdata__Statistical%20business%20register__Statistical%20repertoire/enterprises03.px/

Data presented in this section may indicate that the distribution of VET students across different profiles are not aligned with demand for different occupations. However, it needs to be borne in mind that we do not expect complete parity between the indicators

of supply and demand for different occupations as some sectors may require employees with higher education qualifications such as Information and Communication technology; professional engineers. Additionally, some occupations (and profiles) such as IT, business administration, accounting, and logistics are cross cutting, being able to work in several sectors. Hence a direct comparison between demand and VET students' profiles cannot be drawn with high accuracy.

The discrepancy between supply of and demand for different occupations and skills can be better demonstrated by using the data on vacancies which is shown in Table 4. However, it must be noted that data for vacancies are collected by employment counsellors of the Employment Agency and hence they may not be able to pick all vacancies i.e. vacancy data are likely to be under-reported. As shown in this Table 4, in three years 2019-2021, trade was a leading sector for vacancies representing between 21% and 28% of vacancies; followed by manufacturing accounting for between 15% and 27% of all vacancies; agriculture representing between 4% and 13% of vacancies (the three sectors are highlighted in bold type). Again, a comparison of vacancies in different sectors and the number of VET students on different profiles confirms the mismatch between the two: the dominant sectors with vacancies are not those that dominate VET profiles. For example, 20% of vacancies are in production sectors while only 7% of VET students study on profiles related to the production sector; health accounts for only about 3% of vacancies while it represents 22.3% of pupils in VET schools.²⁰

Table 4: Structure of vacancies by sectors of the economy (share in total, in %)

	2019	2020	2021
Agriculture, forestry and fishing	4%	2%	3%
Mining and quarry	0%	0%	0%
Manufacturing	14%	9%	11%
Supply of electricity, gas, steam and air conditioning supply	0%	0%	1%
Water supply, sewerage, waste management and land revitalization activities	0%	0%	0%
Construction	11%	8%	11%
Wholesale and retail trade; repair of motor vehicles and motorcycles	25%	23%	25%
Transportation and storage	3%	2%	2%
Accommodation and food service activities	10%	9%	11%
Information and communication	6%	5%	6%
Financial and insurance activities	1%	1%	1%
Real estate activities	1%	1%	2%
Professional, scientific and technical activities	10%	8%	9%
Administrative and support service activities	5%	5%	7%
Public administration and defence; compulsory social insurance	0%	0%	0%
Education	1%	1%	1%
Human health and social work activities	2%	2%	3%
Collective, social and personal services	2%	2%	2%
Household activities	5%	5%	5%
Total number of vacancies	15,647	11,116	10,743

Source: Employment Agency, Work and Labour Annual Reports 2019, 2020 and 2021

Another dimension of misalignment is geographical: whether location of schools with certain profiles and companies in similar sectors correspond. This analysis has been prepared by an ALLED2 project activity (ALLED2, 2021).²¹ Using indicators such as: number of businesses per city, indicating demand for labour force; VET profiles covering each industry, indicating supply of labour force; and distance in kilometres among schools in the region, the study provides insights into the study programmes and provide direction in which areas the new study programmes should be set up or in which areas there is need of expansion of the study programme. Evidence for the geographic mismatch between the market demand and VET profiles was mentioned during roundtables organised for this document. For example, one school offering a profile of economy and law reported that companies in that region do not demand VET graduates for economy and law positions, as those are filled by the higher education graduates.

Evidence for the shortage of certain skills in some sectors has been collected through the 2021 Kosovo Skills Barometer 1.0 (ALLED2, 2022c) with the participation of the Kosovo Chamber of Commerce. The Kosovo Skills Barometer 1.0 involved a survey of 400 companies with more than five employees in economic sectors (excluding public sector companies and public services). The Barometer collected information on the needs of companies for a range of skills in the next three to five years and challenges faced by employers to fill the vacancies for different occupations now and in the near future. Survey findings suggested that occupations most in demand are managers, technicians and associate professionals, followed by crafts and related trades workers, and plant and machine operators and assemblers. The latter two categories are precisely those expected from the relevant profiles in VET schools. The study also found that enterprises face difficulties to fill vacancies for skilled agricultural, forestry and fishery workers, technicians and associate professionals, and professionals. The Skills Barometer also collected data about vacancies by occupation as a percentage of the total number of employees in that occupation. Findings show that vacancies ratios are highest in 'Craft and related trades workers' occupation group (nearly 53%), followed by 'Plant and machine operators and assemblers' occupation (50%), and 'Technicians and associate professionals' (48%). Again, it is in these areas that VET schools are falling behind the demand and will continue to do so unless they make some changes in the way they work.

These findings confirm that the supply of different occupations and skills by VET schools is not fully in accordance with labour market demand, which in turn creates costs to companies forced to use employees with lower skills, provide more training and/or engagement of international experts and, consequently, have lower productivity and competitiveness. In the NDS 2030²², lack of skilled work force restraints the development and innovation of the private sector in Kosovo. As reported in the

Kosovo Skills Barometer 1.0, skill mismatches lead to an increase in recruitment cost and training cost for employers; harm wages and productivity, quality of jobs and employee job satisfaction; and slows down companies' expansion plans

²⁰ It is important to note that the demand for studying in health-related profiles is at least partly driven by the increased demand for health professionals in EU countries, particularly in Germany, where the pupils intend to emigrate.

²¹ <http://alled.eu/wp-content/uploads/2022/02/Barometer-2020-2021-24-Feb-2021-1.pdf>

²² National Development Strategy 2030

Strategic response 1: Smart VET planning to meet future labour market needs

Having discussed the first challenge facing the private sector, this part now explains the strategic response of KCC to that challenge. As discussed above, there is plenty of evidence showing that the supply of different skills and occupations by VET schools is not in line with the demand in the economy and the number of students on different profiles do not match the comparable sectoral distribution of employment or the vacancies for different occupations. Access to timely and high-quality data on demand for and supply of different occupations and skills is of crucial relevance for companies, VET schools, students and their parents. The strategic response to the first challenge is to develop a system of smart VET planning by using some of the existing information on the labour market and combining it with newly developed information. KCC together with sectoral associations can contribute to smart VET planning to ensure that the supply of VET graduates gradually approaches the future labour market needs. This is done through the preparation of regular editions of Kosovo Skills Barometer and regular Labour Market Analysis and drawing on the Kosovo Labour Market Barometer platform already developed by ALLED2. KCC is in a unique position to undertake the preparation of Skills Barometer – it has good connections and access to companies, and it conducts regular surveys amongst its members and therefore can extend its regular surveys by including the questionnaire for the Kosovo Skills Barometer. Within KCC, sectoral education committees will be established, to play a crucial role in the preparations for Kosovo Skills Barometer and Labour Market Analysis. Moreover, sectoral education committees will act as a bridge between MESTI, VET schools, municipalities and private sector.

The methodology for the Kosovo Skills Barometer has already been developed by the ALLED2 project (mentioned above) in which KCC was also involved, actively participating in the stage of data collection and enterprise survey. The Kosovo Skills Barometer will be organised annually, each year for a different group of sectors and repeated every three years for each sector. KCC will need to develop the capacity of its VET Department in some areas (sampling, data collection and data analysis) in order to prepare the Kosovo Skills Barometer every year.

In addition, the KCC will carry out regular labour market analysis by exploring the data on the graduates of different profiles of VET supply and compare it with the demand for labour by different sectors. The analysis will also involve using data from the Kosovo Agency of Statistics for GDP composition and employment composition; data from the Employment Agency for vacancies; Kosovo Labour Market Barometer for data on VET profiles and graduates; and Kosovo Skills Barometer for information related to foreseen demand for skills and occupations for different sectors; and information collected from sectoral associations.

With these interventions, KCC and other private sector representatives will directly contribute to the second objective of the National Development Strategy 2030 for Better Alignment of the Education System with Labour Market Needs (within Development goal for Equitable Human Development) and to the Strategic Objective 3 of the Kosovo

Education Strategic Plan 2022-2026-to Harmonize Vocational Education and Training with Dynamic Developments in Technology and the Labour Market, in View of Lifelong Learning.

3.2 Challenge 2. VET graduates need knowledge and skills suitable for Industry 4.0

In addition to the mismatch between VET profiles and occupations in demand and the numerical imbalance between supply and demand, there is also evidence that VET schools cannot train their graduates with high quality knowledge and skills demanded by employers, i.e., the quality of VET education on most profiles are rather low. This has been recognised in the NDS 2030, KESP 2022-2026 and in the Economic Reform Programme (ERP) for Kosovo 2022-2024. The latter reports that upon employment, employers need to provide rather lengthy training to graduates to perform and to enable them to complete the tasks associated with their jobs effectively: on average a new employee needs about 7.8 months of trainings in wood processing, 7.3 months in metal processing and electrical equipment, and 6.7 months in information technology (ERP, 2022-2024). Moreover, newly employed individuals lack horizontal skills such as creativity, entrepreneurial skills and problem-solving skills. The report emphasises that skills and knowledge such as managing change and creativity, communication skills, and digital skills for customer and supplier management will become essential in the post-Covid-19 era (all three, were considered essential by more than 70% of respondents). The need for training in knowledge and skills of each occupation as well as the need for training in horizontal skills is also confirmed by the Kosovo Skills Barometer 1.0 (ALLED2, 2022c).

Insufficient knowledge and skills among VET graduates are due to several factors, the main ones being: the VET curricula not reflecting needs of the labour market; an almost total lack of teachers of professional practice in VET schools; poor or non-existent cooperation between VET schools and employers; outdated equipment in workshops which currently provide the only practical experience for students; teachers often not teaching the subjects they are specialised in; the presence of many obstacles to placing students in companies for the work-based learning. A recent survey carried out in 2021 within an ALLED2 project (ALLED2, 2021) found that among 20 VET schools supported by ALLED2 (out of 67 operating in Kosovo), only 55% of schools reported that their curricula is relevant to the needs of the labour market, 15% less than the 2020 survey results.

Limited cooperation between schools and enterprises is documented through a recent survey of 214 enterprises in Kosovo, commissioned by an ALLED2 project activity (ALLED2, 2022b). The survey found that while 86% of enterprises consider the cooperation with VET schools as favourable for their business, a large proportion did not have any cooperation (68%). Key benefits mentioned were: better alignment between industry trends and school curriculum content; vocational training of the workforce; increased efficiency and quality of services and products; improvement in the skills and quality of workforce with potential for employment after graduation as well as facilitating business expansion and empowerment of business. The lack of cooperation was also

found by a study commissioned by the Kosovo Education for Employment Network (KEEN) project in 2019 (KEEN, 2019). The survey was conducted with 400 businesses to measure the extent of their cooperation with VET institutions in Kosovo and their willingness to enhance this cooperation.

While several schemes involving cooperation with private sector companies can be found in some VET schools, the work-based learning (WBL) is the most developed of these schemes and seen as an important component for raising the quality of VET education and students. This is particularly the case when schools do not have well equipped workshops and lack the financial resources needed to upgrade their workshops – which is the situation with most VET schools. Furthermore, WBL is now being implemented as a legal requirement in the new academic year, initially in some profiles and some schools but gradually extending to all schools and all profiles (AI on IVET, No. 137, 2000).

The shortage of financial resources at the schools' disposal prevents the provision of high quality and relevant education. Currently in Kosovo the financing formula for gymnasiums and VET schools are the same and does not vary by VET profiles either. A study commissioned by ALLED2 programme (Kolegji Ndërkombëtar për Biznes dhe Teknologji, 2020) reported that the current financing formula does not address the needs of the VET system and therefore needs to be reconsidered. The study reports that over 90% of the total school budget is spent on wages and salaries and the remaining portion of the budget is not sufficient to cover the necessary operational expenses. The report proposes a new needs-based funding formula for the VET system in order to improve financial planning in VET schools. The proposed formula is customized to the specific needs of the VET system in Kosovo and addresses the main challenges faced by VET schools in terms of funding. The formula considers all profiles offered in each VET school and recognizes their differences in terms of required teaching and learning resources and materials. During the interviews carried out for this document, it was noted that often the necessary materials for practice in laboratories are provided by the pupils themselves (this was also reported by one of the schools interviewed for this research). Information collected through interviews for this research and previous study carried out by ALLED2 programme (Rizvanolli Bajraktari, 2021) reveal that school workshops are not fully and adequately equipped, preventing pupils to become properly skilled in their chosen occupations. School directors have reported that enterprises are far more up to date with technology and work processes than school workshops and it is impossible for schools to follow up advances in technology. During roundtables organised for this analysis it was acknowledged that for most profiles, schools lack modern equipment and therefore cannot by themselves prepare pupils for employment, therefore it is of central importance to place students in companies for work-based learning.

According to the applicable Kosovo Curriculum Framework (KCF), professional practice subject should be an integrated part of the VET secondary school curricula which is based on competence-based education and learning outcomes. The framework for professional practice covers all students in 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%. Programmes for professional practice have been designed with the purpose of enabling students to spend a certain period of time in enterprises to gain practical experience that would assist their career choices and build their industry related skills. VET schools in Kosovo provide two main types of work-based learning programmes: work-based learning in VET schools' own workshops and professional practice in enterprises. It is important to note that the National curriculum framework is in the last phase of development. In 2020, the AI No. 137/2020 entered into force, but due to COVID-19 restrictions, its implementation has been delayed until September 2022. There are no official statistics on the coverage of pupils in work-based learning but available studies and discussions with schools and the MESTI officials confirm that only a limited share of pupils have the opportunity to be hosted at companies. Even when companies are found, many challenges for business and school cooperation remain. Some important challenges identified by the employers (a survey of 212 employers in 2022) are: lack of transport from school to the company for pupils (61.7% of respondents), lack of accident insurance for pupils during internship (55.6%), and lack of serious attitudes amongst students and reluctance to cooperate for practical work (44.9%) (ALLED2, 2022b). Despite these challenges, 95% of surveyed businesses expressed their readiness for future cooperation with vocational schools. Employers also suggested that there is a need for the Government support to stimulate and encourage businesses to cooperate with vocational schools. Although MESTI has allocated budget to municipalities to provide insurance coverage against accidents for students, according to interviewed schools, the funds were other uses.²³ This poses risks to the companies in case of accidents at work and demotivate them to host pupils for the WBL. ALLED2 project commissioned an analysis to identify modalities for incentives to employers and will shortly publish a policy proposal document with feasible options for the Kosovo context. Provision of good quality WBL also requires the presence of in-company instructors, in-company trainers and master trainers. According to the MESTI representative so far, 300 in-company instructors have been trained (with certification) but there are no in-company trainers and master trainers.

Another barrier for providing good quality VET education in Kosovo is considered to be lack of qualified VET teachers in (ETF, 2020). The ETF report states that a considerable number of teachers have no previous practical experience, and this issue has been raised by the participants of Roundtables of this study too. VET teachers need to advance and update their vocational skills, was a proposal mentioned by one of the sectoral associations representatives during roundtable discussions for this research. The technology and work processes have been drastically changed and VET teachers have not been provided with trainings to advance their skills. The Kosovo Education Strategic Plan 2022-2026 plans to provide continuous professional development for VET teachers. It should ensure that provisions are made to include technical training in the list of subjects included in the continuous professional education catalogue.

²³ During the roundtable discussion held on the 8 April 2022, some school directors emphasised that coverage of insurance against accidents it is not yet resolved and unless a specific code is set for insurance, municipalities will continue using the budget for other purposes

Teachers' capacity development can be supported by the UP cluster/hub (UPCO). UPCO consists of the University of Prishtina, the Municipality of Prishtina and the Kosovo Chamber of Commerce through structured cooperation between the academic world, public sector and industry/business community (Triple helix in reality) presents a sound ground for successful provision of good quality education including VET and fostering an entrepreneurial eco-system in Kosovo in line with latest technological trends and developments (ALLED2, 2022a). Furthermore, it will explore the potential for excellence in teaching and learning, innovative entrepreneurship technology transfers on local and national level, following EU trends. Cluster/Hub will open new opportunities to UP and its partners for better aligning with EU policies, trends and developments, and e contributing to knowledge based economic and societal development of Kosovo (ALLED2, 2022a).

Strategic response 2: Enhancing/Improving the quality of VET system

Having discussed the second challenge facing the private sector, this part now explains the strategic response of KCC to that challenge. Evidence provided above reveals that even when VET schools provide demanded occupations, knowledge and competences acquired by pupils are not in line with employers' demand. Lack of practical skills is the most prominent concern of employers. This deficiency has been acknowledged in the Kosovo National Development Strategy 2030 and in the KESP 2022-2026. KCC jointly with sectoral associations can contribute to the development of practical learning/skills of VET pupils. KCC will act as intermediary between VET schools and companies for the Work Based Learning (WBL) scheme; training in-company instructors, in-company trainers and master trainers; developing and maintaining a database/platform for WBL with data for pupils, schools, companies and company instructors; and the certification of companies for WBL. All these interventions can be carried out in close cooperation with sectoral education committees (which include representatives from

sectoral associations) and will be carried out by KCC Regional Offices. Regional Offices will need to be supported with additional human capacities and undergo capacity development. As noted above, the shortage of financial resources is a pressing challenge for schools that want to provide good quality education for their students. Exploring the possibility of establishing a training fund similar to the French levy system is considered in the Action Plan of the KCC (see Annex 1).

Interventions foreseen under this strategic objective are directly related to the second objective of the National Development Strategy 2030 for Better Alignment of the Education System with Labour Market Needs (within Development goal for Equitable Human Development) and to the Strategic Objective of the Kosovo Education Strategic Plan 2022-2026 to harmonize vocational education and training with dynamic developments in technology and the labour market, in view of lifelong learning, specifically to objective 3.4 *Provision of opportunities for the implementation of practical learning and the functionalisation of career counselling services*

3.3 Challenge 3. Towards Entrepreneurial Mindset and Entrepreneurship Education

The third challenge facing the private sector at present is the weak entrepreneurial environment and the weak entrepreneurial mindset amongst the young people. Sustainable economic growth is closely related to the entrepreneurial attitudes and mindset of the population that can be developed and strengthened in educational settings (schools and universities) and families. While the process of transition to a market economy in South, Central and Eastern Europe was characterized by extensive entrepreneurial activities in almost all countries, much of these were of the 'necessity entrepreneurship' type and less of them of the 'opportunity entrepreneurship' type. While the former may generate employment and income for the entrepreneur and immediate family, its scope and impact are small and limited. But the latter type is an effort to respond to an opportunity, a conscious decision to engage in risk taking arising not out of necessity but of the recognition of a niche in the market. Opportunity entrepreneurship is associated with the creation of growth-oriented firms and employment opportunities beyond the immediate family of the entrepreneur. For opportunity entrepreneurship to develop, the right environment and eco-system must be present. This includes awareness raising and education about entrepreneurship across the education system and in the family and society.

In today's rapidly changing society, it is essential that everyone has the capacity to act upon opportunities and ideas, to work with others, to manage dynamic careers and shape the future for the common good. To achieve these goals we need people, teams and organisations with an entrepreneurial mindset, in every aspect of life. The European Commission has developed the European Entrepreneurship Competence Framework (EntreComp) as a reference framework to explain what is meant by an entrepreneurial mindset. EntreComp offers a comprehensive description of the knowledge, skills and attitudes that people need to be entrepreneurial and create financial, cultural or social value for others. EntreComp is a common reference framework that identifies 15 competences in three key areas that describe what it means to be entrepreneurial.²⁴ Since its launch in 2016 EntreComp has been used in both policy and practice across multiple sectors to support active

citizenship, innovation, employability and learning through entrepreneurial thinking and action. EntreComp can provide the basis for the development of entrepreneurial education across VET schools.

Traditionally, the VET schools in Kosovo have aimed at training their students in specific skills and disciplines, preparing them for employment in the public or private sector. Less attention has been paid to preparing students for self-employment as an alternative route. While all schools in Kosovo are expected to offer entrepreneurship education to

²⁴ European Commission (2018), EntreComp: the European Entrepreneurship Competence Framework, available on: <https://ec.europa.eu-social/main.jsp?catId=738&langId=en&pubId=8201&furtherPubs=yes>.

students on all profiles, our discussions with VET schools confirm that this is done mainly for those students who are on economics and business profiles and not for those on other profiles – and even for economic and business profiles, it is a cursory attempt at teaching entrepreneurship rather than encouraging and enabling entrepreneurial practice and mindset. VET schools can promote entrepreneurial attitudes by organizing special events, fairs, visit to successful small firms, guest visits to schools by successful entrepreneurs to enthuse students and encourage them to think of entrepreneurial activities as a serious option for their careers. But to be effective, such visits and other activities have to be systematically organized by an Office (such as the Careers Advice Centres) with appropriately trained staff with links to the private sector and access to a pool of entrepreneurs. It must also be supported and promoted by teachers in all subject areas so that the school ethos can gradually change entrepreneurial attitude and mindset.

Strategic response 3: Contributing to the development of entrepreneurial mindset

KCC and other organisations of the private sector can facilitate this process by linking schools and companies, introducing schools to successful companies and entrepreneurs related to various profiles. Another programme, meant to be compulsory in all VET schools, promoted by MESTI's Kosovo Practice Firms Centre is the Practice Enterprise scheme where students establish a virtual company and are expected to develop it over time, dealing with various aspects (legal, financial, market analysis, business model, etc.) of setting up and running companies. KCC, in cooperation with industry associations, can help the development of Practice Enterprises too by helping them find mentors for students to advise them about different aspects and challenges of establishing and running a company. KCC can also support the staff responsible for this element of the syllabus.

Generating positive attitudes towards entrepreneurship and self-employment and developing entrepreneurial mindset amongst students, however, requires a concerted effort by families, teachers, schools and society as a whole over a long period. Indeed, entrepreneurship should be an element of the curricula of faculties of education and teachers training programmes so that teachers (at all levels and of all subjects) have an understanding of the role of entrepreneurs in society. This should also happen at the tertiary education level (though this is beyond the scope of the present study). KCC can also work with faculties to improve the syllabus of entrepreneurship courses.

4

MEDIUM TERM STRATEGY AND ACTION PLAN FOR KCC

Based on analysis presented in the previous section, the vision of KCC and private sector representatives in the field of vocational education and training is to enhance the quality of VET and promote an entrepreneurial mindset in Kosovo. This vision will be achieved through the contribution of the KCC and private sector to: a) smart VET planning to meet future labour market needs; b) enhancing/Improving the quality of VET system; and c) boosting the mindset for entrepreneurial society. These objectives will be achieved through a number of interventions in upcoming three years. For each objective specific targets are defined to enable measuring the impact of interventions. Targeted indicators and activities for each objective are presented in this section.

4.1 Indicators and activities for Strategic objective 1: Smart VET planning to meet future labour market needs

In period 2023-2025 the following results are expected to be achieved: three Skills Barometers; three labour market analyses and the establishment and functioning of five sectoral education committees (see Table 5).

Table 5: Indicators and activities for strategic objective 1: Smart VET planning to meet future labour market needs

	Baseline	Target 2023	Target 2025 cumulative	Data Source
1 Strategic Objective 1: Smart VET planning to meet future labour market needs				
1 Number of Skills Barometers		1	3	MESTI and KCC
2 Number of labour market analysis		1	3	KCC
3 Number of functioning sectoral education committees		2	5	KCC

To carry out the Skills Barometer the following tasks will be undertaken. Initially, the Skills barometer 1.0 questionnaire will be reviewed. KCC staff will be trained with regards to the sampling techniques and sample size determination (for sectors and occupations). Each year, the Skills Barometer will be prepared for a particular sector (criteria: criteria: contribution to GDP; employment; export potential, etc.). The data collection tool and an online questionnaire will be developed. Training in data collection and quality assurance will be delivered and a manual with instructions will be produced. In addition, training will be provided for data analysis (and hypothesis testing) and for report writing. Computer-Assisted Personal Interviews (CAPI) and Qualtrics software package will be

purchased for data collection and analysis. Data for the Skills Barometer will be collected by KCC regional offices and enumerators/data collection staff engaged by KCC. Results from the Skills Barometer will be discussed and validated through in depth interviews and focus group discussions with sectoral associations, enterprises and other stakeholders. Report will be prepared by the KCC staff and findings presented to the wider audience. The Skills Barometer will also contribute to the planning and identification of future sectors and occupations, relevant for the implementation of the Youth Guarantee Scheme.

To prepare the annual regular report on labour supply and demand, initially KCC will establish an education committee and 5 sectoral education committees, which will serve as a platform to analyse labour market developments and propose changes in VET education. For the labour market analysis, the methodology for the report will be prepared. The report will use data from the KAS, EARK and MESTI, and information from sectoral associations. The report will identify sectors with potential for growth, competitiveness, FDI²⁵ and other factors that may shape the economy of Kosovo. The report will disaggregate data by regions and their respective municipalities which will enable them to identify sectors with growth potential.

4.2 Indicators and activities for Strategic objective 2: Enhancing/Improving the quality of VET system

KCC and private sector will play an active role to enhance the quality of VET education. In the period 2023-2025, KCC and private sector will contribute to implementing the WBL/dual learning in 5 sectors. In total, 300 companies will be certified to offer WBL and 1,000 in-company instructors at levels 2 and 3 will be trained. To support capacity development of VET teachers, a brief assessment of situation and a pilot scheme to offer upgrading/retraining opportunity to VET teachers on vocational subjects will be undertaken. To address the limited financial resources for VET schools, a study to assess the establishment of an education/training fund will be conducted

Table 6: Strategic objective 2: Enhancing/Improving the quality of VET system

	Baseline	Target 2023	Target 2025 cumulative	Data Source
1 Strategic Objective 2: Enhancing/Improving the quality of VET system				
1 Number of companies certified for WBL	15	additional 50	300	KCC
2 Number of sectors implementing WBL/dual learning	n.d.	2	5	MESTI and KCC
3 Number of certified in-company instructors and Level 2 and 3 (in company and master trainer)	400	120	600+400=1,000	KCC
4 Assessment for establishing the education/training fund completed		1	1	KCC
5 A brief assessment of situation and a pilot scheme for offering the opportunity for upgrading retraining of VET teachers on vocational subjects		1	1	KCC

²⁵ Foreign Direct Investments

To support the expansion of WBL/dual learning, KCC will establish a working group with participants from MESTI, Ministry of Industry, Entrepreneurship and Trade - MIET, KCC, Municipal Associations, which will have an advisory role in relation to the WBL. A protocol for data collection and matching school and company data will be prepared and KCC Regional Offices (also newly employed staff) will be trained on the developed protocol. Initially, contact details of all schools with profile information, number of pupils by profiles and location will be collected. Data will also be collected for active companies in Kosovo, by municipality and economic activity. KCC regional offices will organise meetings with VET schools, to exchange ideas and information sharing about planned activities by Regional Offices and learning about specific needs of schools. KCC together with sectoral associations will contact companies to identify those suitable for WBL (willing and with capacity) and a list of companies interested in having in-company instructors trained will be compiled. To inform companies about the relevance and implementation modality for the WBL, KCC regional offices together with sectoral association will organise information sessions. Data will be collected for number of pupils that companies can host; data will be disaggregated by region, municipality, study profile and sector. Companies and schools' data will be matched against each other. An innovative intervention is the preparation of KCC staff to play the role of the WBL coaches to support SMEs to host VET pupils - a support provided by Chambers in Europe. Availability of qualified in-company instructors is of central important for the quality WBL. KCC will continue to provide trainings for in-company instructors at Level 1. Moreover, KCC will also provide training for Level 2 in-company trainer and Level 3/master trainer. For this, initially, KCC will organise training of trainers (in house or by experts).

As noted above, the Action Plan foresees the implementation of an assessment of possibility to establish an education and training fund to be used for training and retraining of workers. The aim of the assessment is to study good international practices and assess their feasibility in the Kosovo context.

As defined in AI No. 137/2020 on Work-Based Learning in IVET, KCC is responsible for maintaining data for the WBL. To carry out this role, a database/platform will be developed for entering information for schools, pupils, companies and in-company instructors. Data will be entered by KCC Regional Offices and supported by the KCC VET Department. KCC will also assess the companies' suitability (based on already defined quality criteria) for provision of WBL.

4.3 Indicators and activities for Strategic objective 3: Boosting Entrepreneurial Mindset and Entrepreneurship Education

KCC and private sector will contribute to boosting the mindset for entrepreneurial society through training of 300 VET teachers for entrepreneurship; supporting VET schools with 20 entrepreneurship mentors/ambassadors; and through 3 awareness raising events (1 per year) about emerging occupations and employment/self-employment opportunities.

Table 7: Strategic objective 3: Boosting Entrepreneurial Mindset and Entrepreneurship Education

		Baseline	Target 2023	Target 2025 <small>cumulative</small>	Data Source
Strategic Objective 3: Contributing to boost mindset for entrepreneurial society					
1	Entrepreneurship education: number of teachers trained for entrepreneurship	n.d.	50	300	KCC
2	Number of entrepreneurship mentors/ambassadors	n.d.	5	20	KCC
3	Number of awareness raising events about emerging occupations and employment/self-employment opportunities		1	3	KCC

To provide training of teachers for entrepreneurship education in VET schools, initially an analysis of provision of Entrepreneurship education in VET schools and compatibility with Entrecomp as well as the teachers' preparedness to integrate and deliver entrepreneurship in their subjects will be carried out. Here the focus will be on understanding if MESTI catalogue for trainings provides entrepreneurship component and if the Faculty of Education at the University of Prishtina and other universities with teacher training programmes will train teachers for entrepreneurship education. Next, with the support of external expertise, a training program for training VET teachers in line with Entrecomp framework will be arranged. The training programme will be submitted for accreditation to MESTI. Once the training is accredited, training of trainers for Entrepreneurship Education will be organised. Trained teachers will be engaged to train VET teachers. The plan is to train 50 VET teachers in 2023 with the total reaching 300 trained teachers by the end of year 2025.

KCC and the private sector will contribute to entrepreneurship promotion and career pathway/development through support for pupils' work-based learning and through the engagement of entrepreneurship mentors/ambassadors to promote entrepreneurship among VET pupils. For this, initially, the criteria for mentors/ambassadors will be developed (such as those coming from enterprises that are regular taxpayers, those that respect workers' rights, etc.); the call for interested individuals for mentors/ambassadors will be published. Once selected, orientation sessions for the selected mentors/ambassadors will be provided and they will be matched with VET schools.

In addition, KCC with other sectoral associations will organise one awareness raising event for pupils and parents per year, by providing information on emerging occupations, to inform them about their career pathways for employment and self-employment opportunities.

Annex 1: Action Plan

The action plan is for the use of KCC's internal needs.

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STRATEGIC PARTNERSHIP FOR SKILLS DEVELOPMENT

ISBN 978-9951-8990-9-3



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