



FINANCING PUBLIC EDUCATION IN ALBANIA



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Education in Albania constitutes an important sector of the national developments, which projects the future of the nation. It aims to equip the future Albanian citizens with the necessary knowledge, skills and abilities in order to educate and commit them to achieve the country's economic and socio-cultural development.

The Albanian educational system aims the fulfilment of the national needs for knowledge and labour market. It is a prerequisite for economic growth and sustainable development of the country. Sustained economic growth, poverty reduction and solution of social problems require first of all reforming the education system in all its components. In this context, the development of comprehensive reforms and the realization of the objectives of the new millennium have a vital importance. The Albanian education aims to move into the Europe's mainstream of education.

National and International documents govern the Albanian education and it follows the Council of Europe's education programs and other European organizations that deal with education.

When Albania began its transition to a market economy, its education was geared to meeting the productive needs of a controlled economy and the social and ideological needs of a socialist state. Expanding the economy's long-term productive capacity in a market environment and building a democratic system called for thorough reform of the education system.

In almost 30 years of democratic changes and transition of Albania, children could not escape to be influenced from the harsh realities that the society and their families faced. Poverty, migration, lack of decent employment and salaries, missing social protection services for most of the period, dictated how children grew up and was provided education in Albania. A striking figure for most of the researchers is the ever-lowering numbers of children. From the collapse of communist system in 1990 to present, there are less than 200,000 children in schools, because of low birth rates across Albania.

This technical policy document falls under the ongoing advocacy of Albanian Coalition for Education (ACE) for the increase of state budget for education. The following technical policy document examines the literature around national education finance in an attempt to describe the current state of play in regard to national actors and their efforts to align resources with the education needs of children and youth across the country.



1. Current Challenges of the Albanian Education system

The Albania's Constitution, international conventions, as well as the law on pre-university education, obliges the Government and the parents to take all possible measures to provide the child with a quality education that best suit the needs, opportunities and wishes of the child.

Education is essential in the transition to a market economy and is particularly important to social and economic development in Albania. Despite this, Albania continues to be one of the poorest countries in Europe. Nearly 14 percent of the population continues to live in absolute poverty, while almost 47 percent of the population lives in relative poverty. Poverty in Albania, after the 2008 economic crisis in the European Union, hit especially children, youth and retirees.

The lack of public investment in education and the Government's insufficient expenditure on quality and inclusive public education, continue to leave out of schools many children and adolescents in Albania!

Different levels of education are closely related to the level of poverty and inequality in society. Studies show the direct link between increasing investment in education, reducing infant mortality, and raising a country's GDP. Investing with one (1) dollar spent to raise a year's education generates around \$10 in revenue growth in a low-income country. The poor show a lower rate of enrolment in education and educational achievement, limiting their economic opportunities and the development base of the country as a whole. In preschool education, for example, net enrolment is twice as high among those who are richer than those who are poorer. In 2011, only one third of Roma children were enrolled in the pre-school education system.

Albanian children drop-out due to a number of reasons including out-of-school factors (*social*: residence disparities, emigration; *cultural*: number of children in the family, parents' educational level, patriarchal mentality, gender discrimination; *economic*: unemployed parents, schooling cost) and school factors (*educational*: unsuitable learning conditions, unfriendly teachers, lack of toilets, violence, bullying). In addition to dropouts (attended, but dropped out), there are also out-of-school children (never attended), who remain 'invisible' in the official statistics.

The national school dropout rate has decreased (from 0.46% in 2009 to 0.37% in 2013; MoES), while INSTAT reports 1.05% as out-of-school children (2012). Still, national statistics hide some inequities and inaccuracies. Standardized data-collection tools and reporting procedures are not fully developed across sectors and coordination and accountability mechanisms should be strengthened further. ¹

For many Albanian children, school is not always a friendly learning place. Lack of teachers' attention puts children at risk of dropping out, known as 'hidden drop-out' phenomenon, or selective teacher attention.

¹SMIS Evaluation Report, Education Outcomes, School Governance and Parents' Demand for Accountability.

This situation is not conducive to learning or development, and no child should have to experience it. According to a recent study (pg.13), there are about 100,000 students at the national level, i.e. more than 20 times the number of students those dropouts of school. These are “hidden drop-out” children characterized by low learning outcomes. One out of four students is not capable of correctly answering chapter mini-tests.

Even though Albanian students have continually improved their results in international assessments (PISA), learning outcomes remain low, with an equivalent academic gap of 2.5 years of education among 15-year-olds compared to the OECD average².

Children belonging to minorities, especially Roma, children living in street situations, children with disabilities, children, girls, etc., are more violated by the right to education. Poverty, inequality, social exclusion, violence, bullying and discrimination against children and adolescents who attend public pre-university education are the main factors that affect the failure to respect their right to education.

A different reality appears in general and vocational secondary education. Not all Roma, Egyptian and disabled students attending gymnasiums and vocational secondary schools receive free schoolbooks, although some of them live in poor economic conditions. The lack of free schoolbooks for these students influence the decline of school attendance, increase the number of school dropout, favours girls’ early marriages, and expose many of them to exploitation, early employment, increase the cases of criminality, begging and trafficking.

Almost 64% of disabled children are still out of the pre-university education system and only 35% of Albanian schools are accessible for them. Moreover, neither the Ministry nor the Albanian Government has a regulatory framework that would enable the measurement of educational achievement and the acquisition of knowledge for children with disabilities.

The education situation of Roma and Egyptian children remains a problem for both the Albanian state and the empowerment of both communities. Official figures reveal that Roma girls continue to abandon the school much more than other girls, while 38.6% of Roma and Egyptian children do not attend compulsory education.

Violence and bullying continue to constitute another major problem that children face in the education institutions.

Reports show that:

- **41% of Albanian students are victims of physical and psychological violence;**
 - **22% of them feel threatened by teachers. Almost 20% of students are bullied victims.**
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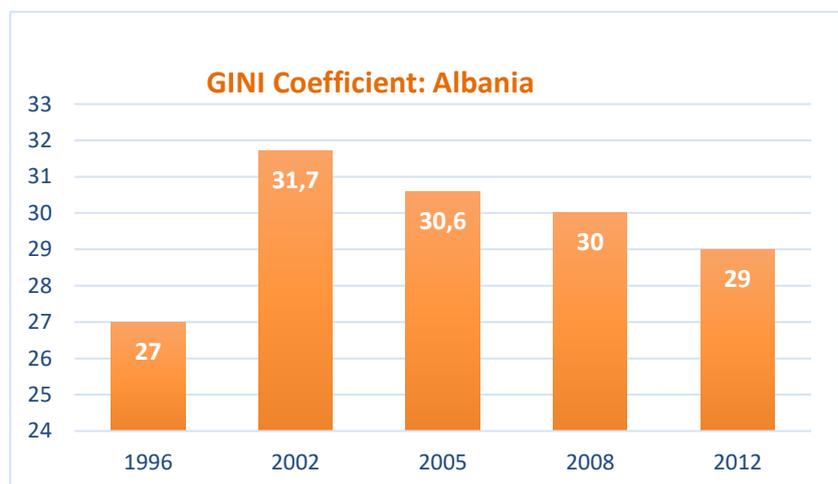
²ALBANIA: Pisa 2015, World Bank Group

2.National budget and pre-university education in Albania

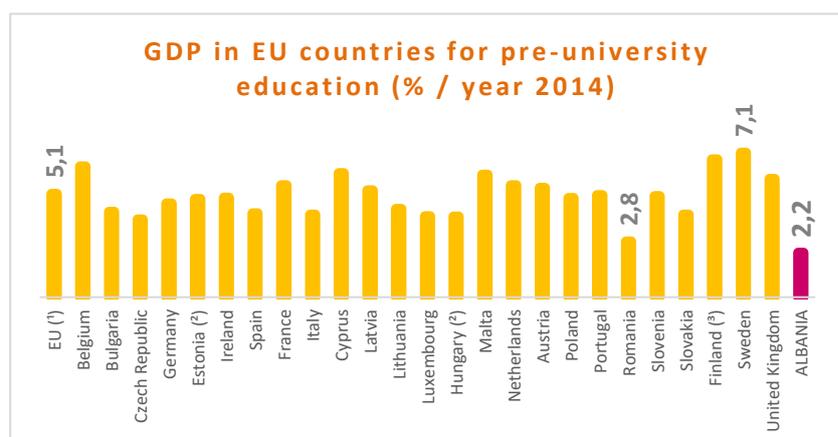
Albania continues to remain one of the poorest countries in Europe. Almost 14 percent of the population lives in absolute poverty³, and nearly 47 percent of the population lives in relative poverty⁴(average) compared to 22 percent in the countries of the region. Poverty in Albania, after the 2008 economic crisis in the European Union, hit especially children, youth and retirees⁵. Different levels of education relate closely to the level of poverty and inequality in society⁶.

The World Bank in its reports on Albania⁷ measures the GINI Index, which is one of the methodologies used to measure the level of income and inequality between individuals.

The GINI index data show that Albania has had a fluctuation of inequality between those who are wealthy and those who do not have a good level of income. If in 1996 this inequality was at the 27-point level, today it is at 29 points, while 2002 holds the record of increasing inequality between individuals in Albania. Fiscal policies, public services that the citizens benefit, including educational services, play a major role in increasing and lowering the GINI coefficient.



For the last 6 years, the Albanian Government failed to keep its promise to increase by 5% of GDP to education. Actually, less than 3% of the GDP is allocated to the education, by ranking the Albania among the last countries in Europe for student achievements compared to OECD countries.



³SABER country report: Early childhood development, World Bank Group 2015.

⁴idem

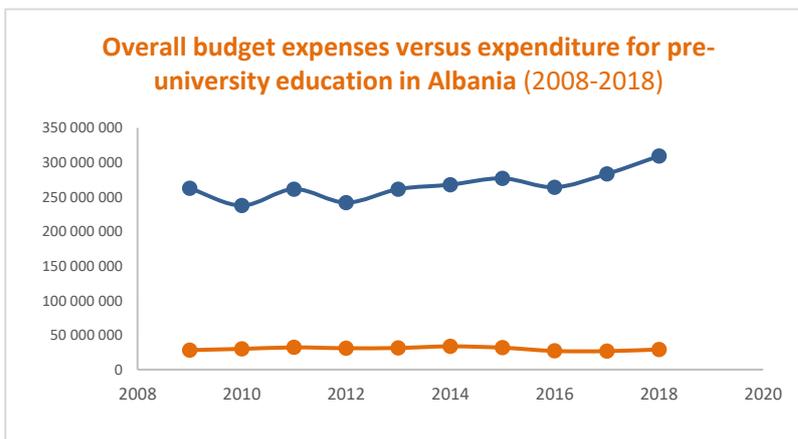
⁵idem

⁶The Learning Generation: Investing in Education for a Changing World, The International Commission on Financing Global Education Opportunity. 2016.

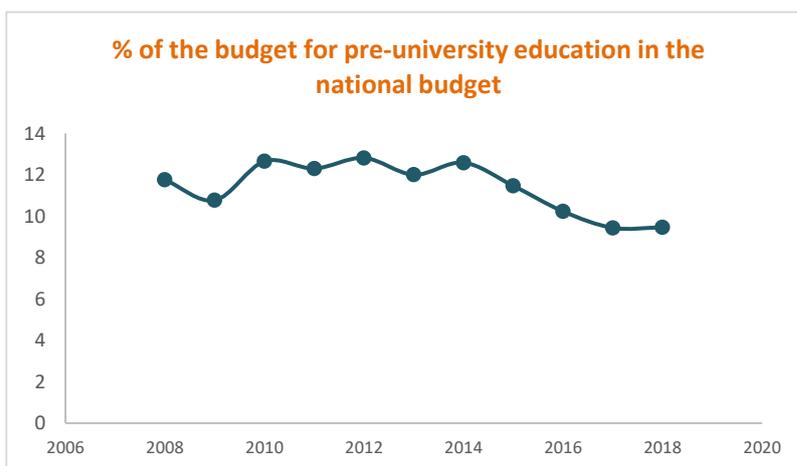
⁷GINI index, World Bank, data were accessed online in the following link: <https://data.worldbank.org/indicator/SI.POV.GINI>

Since 2008, the Albanian state budgeting process is regulated by a special law. The State Budget includes all central government revenues, expenditures and financing. The budget for pre-university education in Albania comes from two sources: central and local. The central budget is the contribution the government plans for education as a whole. It covers current expenditures (teacher salaries, social security, etc.) and capital expenditures (investment-related costs, for example construction of new schools, etc.). Both of these costs together form what are considered as budget expenditures.

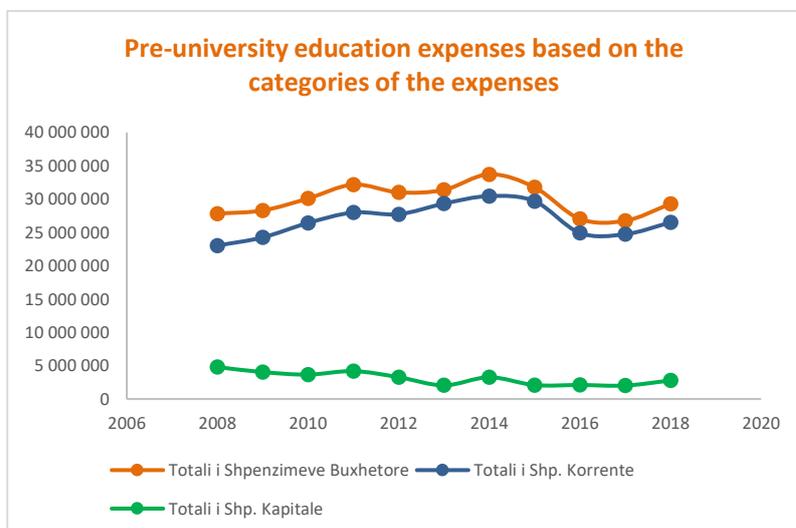
Although budget expenditure has risen from year to year, which is an indicator of the economic growth of the country, expenditure for pre-university education despite been declared a national priority, has not benefited from this growth of the country's economy, but on the contrary, the funds have decreased from year-on-year, with a slight increase only in 2018.



This graph analyses the percentage of budget expenditures for pre-university education versus total budget expenditures of the state budget in Albania. As we have already noted above, budget expenditures and the percentage in the state budget for education expenditure since 2014 and onwards have come down year-on-year. This ever-decreasing trajectory cannot be justified either by the declining number of pupils' enrolments in schools across Albania.



Current expenditures bear the bulk of budget spending on education, while capital expenditures occupy a very small share. The data show that the main expenses for education in Albania are occupied by the salaries of teachers, psychologists and auxiliary teachers, while the level of investment in education remains very low. Investment in education for schools and new classes, friendly spaces and suitable environment for children education, has always been reduced, with few exceptions only for the years 2014 and 2018.



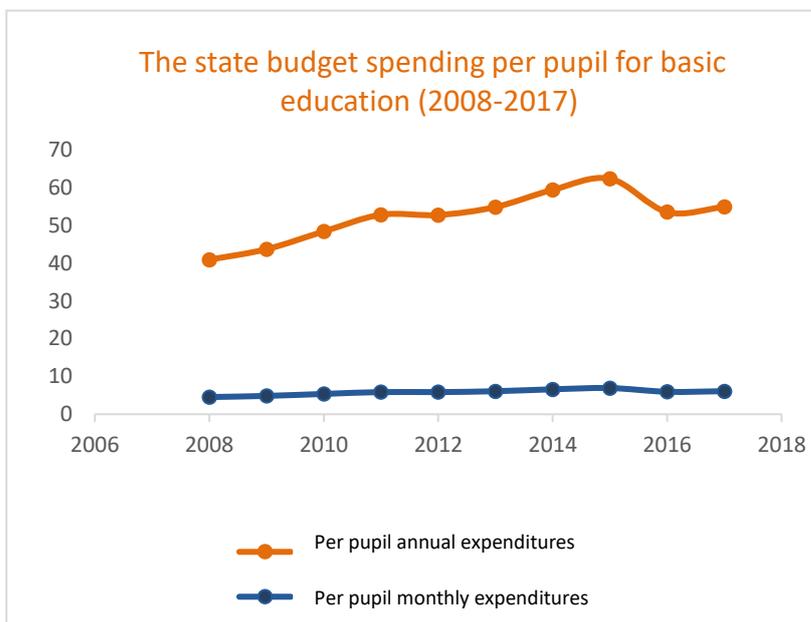
In none of the annual budgets and accompanying publications of the Ministry of Finance or the Ministry of Education that we looked into to prepare this policy document, did we find an estimate of the pre-university education budget according to the "per student" formula or any methodology of how the budget is planned.

Table 1: Annual and monthly expenses per student in basic education in Albania (in 000 lek)

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses per pupil per year	41	44	48	53	53	55	59	62	54	55
Expenses per pupil per month	5	5	5	6	6	6	7	7	6	6

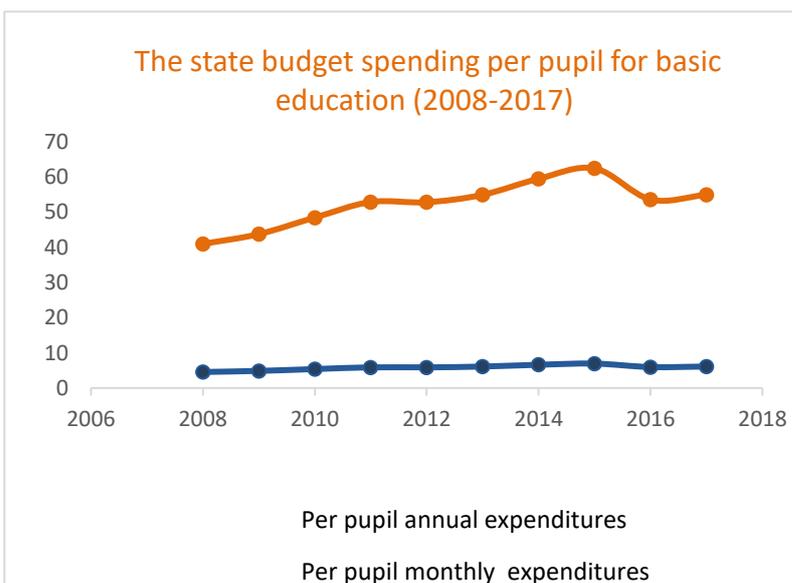
As can be seen from Table 1 and the accompanying chart, Albania spends to a very small extent the education of children attending basic education.

Investments in education have an impact not only on the education of children but also on the protection and respect of children's rights. The fact that the majority of children with disabilities or those of the Roma minority are not regularly attending school education indicates that the Albanian government has violated the right of children to education openly and continuously.



This chart shows that the state budget expenditures for students in secondary high education. The expenses for students in gymnasiums are almost the same as those for primary school students in Albania.

The data show that starting from 2013 and onwards there is a notable increase per student spending in secondary high education. This growth should be seen as a positive sign, despite the fact that this increase has gone to teachers' salaries and not for capital spending in schools.



3.Education and SDG4



On 28. September 2015, Albania presented the 17 sustainable development goals that serve as a starting point for action by the international community and national governments to promote prosperity and welfare for all in the next 15 years.

Albania its second National Strategy for Development and European Integration 2016-2020 is closely aligned with the SDGs at the target level, aligned at indicator level is more modest. Less than one third of the 232 global SDG indicators are used for tracking progress in the implementation of NSDI II. This modest indicator –level alignment, combined with gaps in national monitoring and evaluation systems and in official statistics, precludes the rapid completion of a national SDG monitoring system.

In addition to several discussions in the literature on trends and needs at the international level, there is also a large body of research on current trends, needs and recommendations at the

national or country level regarding the achievement of SDG4⁸.

To reach SDG4, countries must increase their domestic revenue. There is general consensus in the literature that international aid is too short-term and too unpredictable to sustainably cover the costs needed to reach SDG4.

Therefore, recent reports have proposed a number of recommendations for increasing domestic revenue to support education, including: intense tax reform, increasing tax collection efforts, earmarking taxes for education, tackling illicit financial flows, reforming fossil fuel subsidy regimes, investing in natural resources, medium-term expenditure frameworks, performance budgeting, and fiscal decentralization.

⁸<https://www.savethechildren.org/content/dam/usa/reports/advocacy/fair-financing-education-finance-policy-for-equity.pdf>

According to UNESCO, as a share of government spending, expenditure on education has changed little since 1999. In 2012, the world median average of education spending was 13.7%, falling short of the 15% - 20% target. In 2015, the Brookings Institute reported that between 2002 and 2012, average spending on total education as a share of national GDP grew from 3.1% to 3.8% in low-income countries. However, despite the growth in overall spending as a share of GDP, the share of education in total domestic public expenditure has declined across a number of developing countries.

More recently, a 2016 study has found that as a country's level of income increases, the primary level of education (where there is the highest concentration of poor students) appears to decrease in priority, while the higher levels of secondary and tertiary education (where there are the highest concentrations of wealthier students) increase in priority.

Targeted allocation is key for equity. Allocation formulas are usually based on student enrolment rates or per-student expenditure, but often fail to factor in the higher investment needed to reach those children who are disadvantaged due to poverty, gender, disability, or other factors. This can result in equal, but not equitable spending.

Many times, governments also fail to take into account the numbers of out of school children when determining how to allocate funds. As funding decisions are often based on per-capita approaches that distribute resources almost entirely to reflect numbers of children in school, this means that schools or school districts in marginalized areas, where there is a higher concentration of out-of-school children, can be disproportionately underfunded and systematically disadvantaged in their efforts to get children into school and keep them there.

In the Learning Generation⁹: Investing in education for a changing world, the Education Commission documented the growing crisis in education. By 2030, more than 800 million children and young people will not have the basic skills or qualifications for the modern workforce.

EDUCATION IS ESSENTIAL FOR THE ACHIEVEMENT OF SDG 2030 AGENDA

The case for investing in education is indisputable. Education is a fundamental human right. It is critical for long-term economic growth. A dollar invested in an additional year of schooling, particularly for girls, generates earnings and health benefits of \$10 in low-income countries and nearly \$4 in lower-middle income countries.

SUCCESSFUL EDUCATION SYSTEMS REQUIRE MORE AND BETTER INVESTMENT.

This investment must be based upon the primary responsibility of national governments to ensure that every child has access to quality education, free from pre-primary to secondary levels.

It must be supported by the resources and leadership of international partners, prioritizing their investment in countries that demonstrate commitment to invest and reform.

⁹"The Learning Generation: Investing in Education for a Changing World," The Education Commission (2016), <http://report.educationcommission.org/report/>.

4. Recommendations

In line with the National strategy of Pre-University Education, Albanian Government needs to increase its investments in education to 5 % of the GDP. The Albanian Parliament should set to the Government a mandatory minimum percentage of the budget to finance pre-university education in Albania.

The Council of Ministers should adopt the budget calculation methodology for pre-university education based on the "per pupil" spending formula, as required by the law on pre-university education in Albania. The methodology would make it obligatory for the Ministry of Finance to achieve at least the recommended minimum funding per pupil in Albania.

The Ministry of Education should prioritize the establishment of the Local Education Group (LEG), a model that has produced positive results in all those countries where education funding is extremely low and where foreign funding can contribute to the completion of gaps in the budget, because of the Government's inability to finance more for education.

The Ministry of Finance should prepare and submit to the Council of Ministers the financing methodology of pre-university education at the local level for approval. Since its reorganization in 61 municipalities, local government has a huge responsibility to finance capital spending in pre-university education schools that are part of their territory.

Improving the collection of statistical data and records according to the EU model for pre-university education, including budget-spending analysis, is an urgent need for the Ministry of Education. Statistics are the basis for building effective new policies or reviewing existing ones, which will enable addressing the real problems faced by education in Albania

Albanian Coalition for Education (ACE)

established since 2004 represents the only network of 20 major national organizations and groups, advocating for universal right to free quality and inclusive public education for all.

It is widely recognized by the Albanian Parliament and the Albanian Government as the major civil society group advocating that every citizen in Albania despite her/his abilities, socio and economic conditions, religious belonging, enjoy the universal right to equitable and inclusive quality public education.

Albanian Coalition for Education, is a member of Global Campaign for Education and the organizer of the annual global activity Global Action Week for Education.

OTHER ACE REPORTS

- "The Situation of Pre-University Education in Albania"
- "Teacher's Professional Development and Evaluation in Albania";
- "Financing public pre-university education in Albania"
- "Protecting children from violence in Education Institutions"

OTHER ACE POLICY PAPERS

- "Children with Disabilities and their right to education in Albania"
- "Financing public education in Albania";
- Education: Children, Youth and Sustainable Development Goals;
- Public vs. private education

ACE TOOLKITS & MANUALS

- CSOs participation at local level



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