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Educational Attainment and Employment Outcomes: A Study on the Synergy Between Higher Education and Labor Market

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Abstract

The contemporary dynamics in a new interconnected and interrelated world and digital technology-driven society call for an increased skill-based and market-oriented education system. Within this setting, higher education as a nodal point between learning and work, is expected to equip students with relevant skills and competencies not only to find stable employment after graduation, but also to adapt them to labor market needs. This paper analyses the synergy between higher education and labor market both theoretically and empirically. European policies and initiatives on modernization of higher education in the context of global trends and digital society, efforts to reform Higher Education in the Western Balkans, characteristics of educational attainment and labor market are initially explored within the theoretical framework of the paper. Following a combination of qualitative and quantitative research method, the analysis aims to answer the research question of why there is a mismatch between higher education and labor market and how to fix it. In order to grasp the dynamics of higher education performance, interpret certain phenomena and identify and address the drivers of such a discrepancy, the analysis looks into a rich stock of primary sources – documents, laws, reports, and websites of official statistics agencies as well as secondary sources available to come up with recommendations for a quality and effective higher education system that leads to long-term graduates' career accommodation at home and abroad.

Keywords

educational attainment; employment outcomes; higher education; labor market

Introduction

The contemporary dynamics in a fast interconnected and interrelated world emerging in the 70s and 80s and digital society has called for an increased skill-based and market-oriented education system. Within this setting, higher education sparked an interest and took on fresh relevance as a nodal point between learning and work necessitating a new approach.¹ Beginning in the mid-80s, the European Community launched some successful programs aiming to adapt the educational system to the actual reality and to strengthen international cooperation. A concrete illustration was the mobility of more than 100,000 students a year while it thereafter defined the education system and vocational training as one of its main goals.² Hence, the new challenge became equipping students with relevant skills and competencies not only to find stable employment after graduation, but also to adapt them to labor market needs and so foster a synergy between them.

In addition, the political, social and economic changes that took place upon the collapse of the communist system would profoundly influence how the education system had operated and reflected the reality. As an argument in this regard, the post-1989s events in Central and Eastern Europe, might have indirectly mobilized Europe to start serious policy debates, inter alia, about the need for an overhaul of higher education in Europe.³ The overhaul concerned a comprehensive transformation of higher education, i.e., recognition of degrees and academic qualifications, curricula review, accreditation, diversification of programs, quality assurance, mobility of study programs, students and staff, and so on.

Apart from the above, considering that in the 21st century, the challenge is not to access knowledge, but to manage, integrate and evaluate it,⁴ the above events and the ongoing dynamics at global level, laid forward the need to consider the whole education system from a wider perspective beyond the European stage. Meanwhile, the digital transformation required to guarantee the acquisition of digital skills necessary to respond to demands of the digital and global economy,⁵

¹ K. Aubrey, A. Riley, *Education Theories for a Changing World*, BK-SAGE in the United Kingdom 2023, p. 26, https://uk.sagepub.com/sites/default/files/upm-assets/140798_book_item_140798.pdf [accessed: 11.09.2024].

² T. Treska, E. Canaj, *Albanian "Bologna" How Close/Far Is Albanian Higher Education to European Standards?* "Mediterranean Journal of Social Sciences" 2013, 4(10), p. 667.

³ UNESCO-CEPES, *Report on Trends and Developments in Higher Education in Europe*, 2003, pp. 1–2.

⁴ European Commission, authored by M. Humburg, R. van der Velden, A. Verhagen, *The Employability of Higher Education Graduates: The Employers' Perspective*, Final Report, 2013, p. 112, https://pjp-eu.coe.int/bih-higher-education/images/employabilitystudy_final%20copy.pdf [accessed: 11.09.2024].

⁵ E. Babameto, D. Pano, *The Future Higher Education in Albania in the Digital Era – Challenges and Opportunities*, "Journal Electrical Systems" 2024, p. 1809.

compounded to this approach and called for a global framework to accommodate higher education as part of the education process. The Western Balkans (hereinafter WB) would no doubt be part of this mosaic.

Methodology

This paper studies the synergy between higher education and labor market both theoretically and empirically. European policies and initiatives on modernization of higher education in the context of global trends and digital society, efforts to reform Higher Education in the WB countries, characteristics of educational attainment and labor market are initially explored within the theoretical framework of the paper.

Following a combination of qualitative and quantitative research method, the analysis aims to answer the research question of why there is a mismatch between higher education and labor market and how to fix it. In order to grasp the dynamics of higher education performance, interpret certain phenomenon and identify and address the drivers of such a discrepancy, the analysis looks into a rich stock of primary sources – documents, laws, reports, and websites of official statistics agencies as well as secondary sources – articles, opinions and the like. The aim is to come up with recommendations for a quality and effective higher education system able to provide graduates with long-term career accommodation at home and abroad, as well as to offer a modest contribution into further research on the topic concerned in the WB countries.

Modernization Framework of Higher Education in a European Context

Over the years and as required by the new approach, Europe has followed a new course trying to find a balance between the adaptation to the global dynamic trend and the preservation of cultural diversity. It designed and implemented appropriate policies, initiatives, strategies, platforms and so on but for the purpose of this paper, some of those most relevant to the analysis will be dealt with.

In this course, the Bologna Process and the Lisbon Agenda launched respectively in 1999 and 2000, became the two main platforms of European integration in higher education sweeping the whole of Europe.⁶ The Bologna Process recognized

⁶ P. Maassen, C. Musselin, *European Integration and the Europeanisation of Higher Education*, [in:] A. Amaral, G. Neave, C. Musselin, P. Maassen (eds.), *European Integration and the Governance of Higher Education and Research*, Dordrecht 2009, pp. 3–14.

as the most important lever and key impetus for national reforms,⁷ staged a higher education reform process whose main objective and priority was the establishment of the European Higher Education Area/EHEA, European cooperation in quality assurance,⁸ mobility of staff and students aiming exchange of experience. Additionally, the key objective of the Lisbon Agenda was to make Europe the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion. Therefore, higher education became the flagship initiative to build a Europe of Knowledge.⁹ In this connection, a new agency called the European Network for Quality Assurance/ENQA was established in 2000 to promote cooperation between European countries in terms of quality assurance in higher education, which in 2004 became the European Association for Quality Assurance/EAQA.

A novelty was the “Youth Guarantee (YG)” adopted by the European Union in 2013 which called all Member States to set up Active Labor Market Policies/ALMP programs to ensure high-quality employment was offered to unemployed youth or education opportunities within four months of entering unemployment.¹⁰ Regrettably, there is no adequate data and analysis available regarding the effectiveness and level of impact of such ALMP programs on youth employment rates and so to justify dissemination and successful implementation of these programs even in other regions.

In view of a knowledge society and knowledge economy, a new body of skills was necessary to keep up with the constantly growing global and digitalized reality. Policies and strategies applied in this regard, were targeted at increasing the budget expenditure and accordingly at enhancing the level of educational attainment and high-quality employment. The “Europe 2020 Strategy,” launched by the European Commission and adopted by the European Council in June 2010, was a significant and concrete undertaking. Two of its five targets related directly to higher education and research: EU accorded 3% of its GDP to be invested in

⁷ P. Zgaga, M. Klemencic, J. Komljenovic, V. Jakovic, *Higher Education in the Western Balkans: Reforms, Developments, Trends*, Ljubljana 2013, p. 25.

⁸ Council Recommendation, 24 September 1998, *On European Cooperation in Quality Assurance in Higher Education* (98/561/EC), <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1998:270:0056:0059:EN:PDF> [accessed: 10.10.2024].

⁹ European Parliament, European Council 23 and 24 March 2000 Lisbon, ‘Speech by the President Nicole Fontaine Presidency Conclusions’, p. 12, <https://www.europarl.europa.eu/bulletins/pdf/1s2000en.pdf> [accessed: 11.09.2024].

¹⁰ European Commission, *Draft Joint Employment Report from the Commission and the Council accompanying the Commission on the Annual Growth Survey 2015*, COM(2014) 906, Brussels 2014, <https://www.eumonitor.eu/9353000/1/j9vvik7m1c3gyxp/vjp9v2hdprys> [accessed: 11.09.2024].

R&D [Research & Development], and at least 40% of the younger generation to have a tertiary degree or diploma.¹¹

Noteworthy is the European Commission outlining a vision for an EEA/European Education Area and announcing a dedicated DEAP/ Digital Education Action Plan,¹² aiming to develop scenarios that would satisfy the growing demand for higher education in a more and more digital society. The European Commission further developed the European Universities Initiative as part of the new Erasmus+ programme launched in 2021.¹³ The initiative has been seen as an opportunity to boost greater collaboration between European higher education institutions. Research on the topic, evidence including world and European ranking, show that measures taken have apparently enhanced chances to upgrade teaching and learning at European level and have yielded satisfactory results.

Following assessment in this field, Bologna experts point to the internationalization of education, digitalization and AI as highly relevant in fostering development and reformation of the education process. According to them, the internationalization of education – both in form and content – as well as digitalization, have led to new forms being emerged such as online and blended learning, as well as smaller learning units (micro-credentials) as a way to respond quickly to societal developments, particularly those in connection with lifelong learning. Bologna experts also appeal to the fact that higher education, among other academic cycles, will be constantly exposed to substantial adjustments needed due to the use of AI, calling this a revolution in higher education.¹⁴

This landscape fostered the EU to produce the Digital Education Action Plan 2021–2027 which sets out a common vision of digital education in Europe. It defined two General Objectives 1 – A European Green Deal; 2 – Europe fit for the digital age, through which in the backdrop of the COVID-19 pandemic and the acceleration of digital transformation, digital education is set to continue to be

¹¹ D. Dolenec, N. Baketa, P. Maasen, *Europeanizing Higher Education and Research Systems of the Western Balkans*, [in:] J. Branković et al. (eds.), *The Re-Institutionalization of Higher Education in the Western Balkans*, Peter Lang Group 2014, p. 69, https://www.researchgate.net/publication/301590602_Europeanizing_higher_education_and_research_systems_of_the_Western_Balkans [accessed: 18.09.2024].

¹² European Commission, *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Digital Education Action Plan*, 2018, <https://ec.europa.eu/education/sites/education/files/digitaleducation-action-plan> [accessed: 10.10.2024].

¹³ DTBE, Dutch Team of Bologna Experts, *Modernization of Higher Education in a European Context in 2023*, 2023, p. 3.

¹⁴ *Ibidem*, pp. 22–23.

a top priority for Member States...¹⁵ And European engagement in this regard has apparently hit the nail on the head as the positive outcomes would soon be visible.

As a result of the commitment to and implementation of the aforementioned, a positive youth employment trend was observed during the past two decades across the European Union. Eurostat shows positive figures regarding youth employment at the European level. In 2023, 83.5% of recent graduates in the EU were employed, compared with (82.4%) in 2022, marking an increase of 1.1 percentage point (pp). It considers as recent graduates the individuals aged 20–34 who have concluded their studies at the medium or higher education levels within the last one to three years.¹⁶

According to the same source, an increasing trend in recent graduates' employment was marked since the decade 2003–2013. In 2013, the rate was 74.3% and has been rising steadily since then. In 2020 there was a decrease of 2.3 pp, i.e., (78.7%), compared with 2019 (81.0%) due to the pandemic situation. In 2023, there was a 9.6 pp gap in the employment rate of recent graduates with tertiary educational attainment (87.7%) compared with those with medium education (78.1%).¹⁷

Following the course of events on international stage as well as policies, strategies, approaches designed thereto, such a trend was expected to encompass other areas outside the European Union, namely the WB countries.

Reforming Higher Education in the WB – Stuck between Educational Attainment and Labor Market

After the fall of communism in 1989s, WB countries emerged as countries characterized by economic underdevelopment, internal political instability, armed conflicts, wars and engaged in domestic and inter-state issues of political, social and economic nature. They were to face a radical transformation and democratization, making the reformation of Higher Education at that time too challenging to be a top priority. This situation persisted across the region with some varying intensity and slight differences until more or less the 2000s.

The initial drive came up when WB countries were granted the status of potential candidates at the Thessaloniki summit in 2003 paving the way to their EU integration perspective. The EU became the dominant external driving force to

¹⁵ European Commission, *Management Plan 2024, Directorate General for Education, Youth, Sport and Culture*, 2024, pp. 4–6, https://commission.europa.eu/publications/management-plan-2024-education-youth-sport-and-culture_en [accessed: 15.09.2024].

¹⁶ News article, *83.5% of Recent Graduates Employed in 2023*, 21 August 2024, <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240821-1> [accessed: 10.10.2024].

¹⁷ *Ibidem*.

push these countries towards the big European family. EU policies, strategies, initiatives, programs, started to be present and influential across the region. This approach would certainly require a reorientation of the whole education systems and structures in WB, higher education among them, as well as a reframing of teaching and learning.¹⁸

In 2003 all WB countries became members of the Bologna Process, underlying opportunities for a radical reformation of their education system in line with European policies, rules, norms and incentives to each country's economic and social development. However, it was highly unlikely to predict also the risks and consequences going along with this process in the then-typical WB context. At the time though, these developments were coupled with a heightened level of political and public engagement as compared to the previous decade.

For the first time in these countries, particularly following the 2000s, private education made its way posing shared similar features and a general upward trajectory in all cases, reflecting also each country's specificities. A large number of private Higher Education Institutions/HEIs, otherwise 'massification',¹⁹ sprung up which brought out problems of typical WB's past legacies and accordingly, an emergency of a comprehensive transformation of higher education in these countries. What followed, evidenced the failure to meet such challenges.

A series of Country Reports on 'Overview of Higher Education and Research Systems in the WB', produced by HERDATA, offer important data regarding the trend and evolution of higher education system in the relevant WB countries until 2013²⁰ and provide some common characteristics observed in this sector in addition to country-specific ones. On the positive side, the emergence of the private higher education system gave rise to a fast-growing number of students opting to enroll in Higher Education Institutions, especially in private ones across the region. These institutions offered free admission quotas other than limited quotas in public higher education, more openness to address students' demands, modern infrastructure in terms of services and resources provided to students, higher salaries for the academic staff and the like. This made the private bid more attractive, a phenomenon that gradually increased enrollment in private sector until 2011/2012.

¹⁸ A. Filippaki, *Building a Collective School Culture to Achieve Education for Sustainability: The Contribution of Teachers' Perceptions*, "Open Journal of Social Sciences" 2023, 11(4), pp. 19–38, <https://doi.org/10.4236/jss.2023.114003>

¹⁹ P. Zgaga et al., *Higher Education in the Western Balkans...*, *op. cit.*, p. 25.

²⁰ HERDATA, *Country Reports 2013*, Albania, Bosnia & Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia, <https://www.herdata.org/research/country-reports/68> [accessed: 10.10.2024].

The phenomenon of the private higher education system revealed certain weaknesses as well. First and foremost, it was the relatively high student tuition fee that gradually created a habit of identifying the attainment of Diploma with the fee paid which further influenced the declining *quality of the learning process*. Next, limited quotas in public HEIs gave way to considering the private education alternative as the only remaining chance to study in the preferred major due to quotas constantly being available. Soon, those enrolled in the private sector were seen as poor quality while this sector continued to absorb plenty of young people. Some evidence regarding each country speaks about this widespread pattern at regional level.

Concretely, in Albania, students' number was below 30,000 in 1994 and went up to above 110,000 in 2009 while only during the period from 2003/04 to 2009/2010 it grew 129%. According to a Eurydice report,²¹ Albania was known to be the fastest-growing student body in Europe for a decade. Similarly, in Bosnia and Herzegovina, during the period from 1999 to 2011, the number of students has practically doubled, going from 57,722 to 107,083.²²

As for Serbia, the total students' number grew rapidly within a decade between 1995 and 2005, while between 2007/08 and 2010/11 this number decreased from 237,598 to 228,531.²³ These figures reflect the domestic troubled stage as Kosovo was fighting to gain independence from Serbia, which it unilaterally declared in 2008. This explains why some data is lacking regarding this newborn state. However, the information available shows that Kosovo poses no exception to the region regarding the trend observed and problems raised in this analysis. It merely differs in the degree and intensity of occurrence. For instance, the estimated increase in the number of students from the academic year 2007–2008 to 2011–2012 is about 80.000, while in 2013 there were 4 public HEIs and no private ones.²⁴

Concerning North Macedonia, 4 HEIs emerged until 2009, while this number grew to 27 in 2013, though the figures show a decline in the number of students from the academic year 2007–2008 to 2009–2010, i.e., 64,254 to 57,894.²⁵ In Montenegro, there was no private HEI in 2002 while in 2011, the number

²¹ Eurydice 2018, *Key Data on Education in Europe 2012*, <https://eurydice.eacea.ec.europa.eu/publications/key-data-education-europe-2012> [accessed: 10.10.2024].

²² HERDATA, *Country Report 2013, Bosnia & Herzegovina*, authored by J. Branković, N. Branković, p. 21, <https://www.herdata.org/research/country-reports/68> [accessed: 10.10.2024].

²³ HERDATA, *Country Report 2013, Serbia*, authored by I. Vujačić, S. Djordjević, M. Kovacević, I. Sunderić, pp. 13–14, <https://www.herdata.org/research/country-reports/68> [accessed: 10.10.2024].

²⁴ HERDATA, *Country Report 2013, Kosovo*, authored by N. Baketa, pp. 7, 9, <https://www.herdata.org/research/country-reports/68> [accessed: 10.10.2024].

²⁵ HERDATA, *Country Report 2013, North Macedonia*, authored by I. Vujačić, S. Djordjević, M. Kovacević, I. Sunderić, pp. 10, 16, <https://www.herdata.org/research/country-reports/68> [accessed: 10.10.2024].

flared up to 18²⁶; meanwhile, significant growth was observed in the number of staff, i.e., from 879 in the academic year 2007–2008 to 1266 in the academic year 2011–2012.²⁷

Apart from the declining quality of the learning process, the thriving of the private higher education system directly impacted the *quality of the teaching process* as well. At that time, the steadily rising influx of students could not be met with the actual number of instructors/lecturers available; this resulted in the latter being simultaneously engaged in several HEIs. Therefore, the shortage of instructors soon gave rise to a rapid expansion of their numbers as illustrated in Table 1. Against this backdrop, their professional background and academic titles as criteria for their recruitment could not correspond with the required educational level. This dynamics gave way to more intertwined and complex issues in the students' education and their preparation for the labor market.

Table 1. No. of total staff per each WB country

WB Country	Academic Year	Total FTE
Albania	2007–2008	5.707
	2011–2012	10.652
Bosnia & Herzegovina	2007–2008	5.222
	2011–2012	9.224
Montenegro	2007–2008	879
	2011–2012	1.266
North Macedonia	2007–2008	1.524
	2011–2012	1.837
Serbia	2007–2008	10.723
	2011–2012	13.175

Source: own work based on HERDATA, *Country Reports* (<https://www.herdata.org/research/country-reports/68>).

Actually, 2011/2012 was the academic year when enrolment in the private sector reached its peak in each WB country, while the public sector continued to increase its enrolment rates.²⁸ The general landscape however stayed unchanged and saw no progress in whether public or private higher education quality, and in the proper link between graduation and employment. The result was a disproportionate ratio between superabundant graduates and jobs. A concrete illustration is

²⁶ HERDATA, *Country Report 2013, Montenegro*, authored by J. Branković, p. 10, <https://www.herdata.org/research/country-reports/68> [accessed: 10.10.2024].

²⁷ *Ibidem*.

²⁸ HERDATA, *Country Report 2013, Albania*, authored by E. Xhaferri, J. Branković, p. 17, https://www.herdata.org/public/HE_and_Research_in_Albania_FINAL1.pdf [accessed: 10.10.2024].

a survey conducted in 2013 by the European Commission²⁹ about higher education in the WB and its transition to employment which refers to skills acquired from higher education and skills required by the job. It first makes a distinction between *cognitive or soft skills* (numeracy, literacy, foreign language skills, computer skills, and sector-specific skills) and *interactive or hard skills* (communication skills, analytical and problem-solving skills, decision-making skills, teamwork skills, planning and organizational skills, and adaptability). The survey next shows relatively *high skill gaps* in interactive skills throughout this region and further points to all types of such skill gaps expected to increase in the future.³⁰

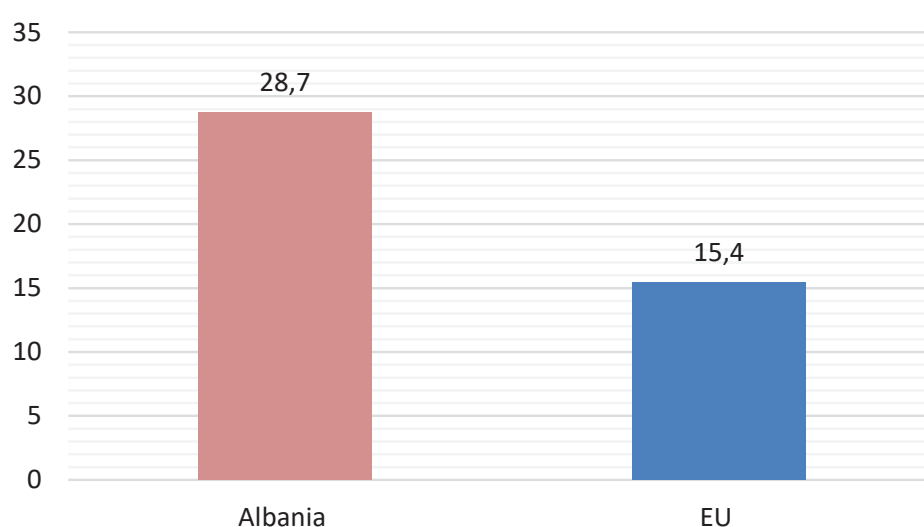


Chart 1. Students per lecturer ratio in higher education 2018–2019 Albania vs EU

Source: own work based on INSTAT (Albania).

Research in this field reveals that not only the situation showed no positive signs even during the second decade but was apparently swept up in other deeply and mutually influential correlative aspects. A case in point is the ongoing mass emigration of people due to societal and economic developments which contributed, among others, to a disproportionate student/instructor ratio as another weakness adversely affecting the quality of the higher education process. For instance, the chart below shows that still in the academic year 2018–2019, the effective teaching staff in Albanian HEIs consisted of 4,844 lecturers or 28.7 students

²⁹ European Commission, *From University to Employment: Higher Education Provision and Labor Market Needs in the Western Balkans*, Synthesis Report, authored by W. Bartlett et al., Luxembourg 2016, p. 43, <https://op.europa.eu/en/publication-detail/-/publication/423956f6-c74a-11e6-a6db-01aa75ed71a1/language-en> [accessed: 15.10.2023].

³⁰ *Ibidem*.

per lecturer ratio as opposed to 15.4 ratio in the EU.³¹ Such a big difference leaves no room to expect any positive performance. Albanian higher education has obviously fallen short of EU higher education standards in this aspect and actually, accounts for a widespread phenomenon throughout the WB.

The above figures and analysis concerning higher education in the WB evidence long-entrenched features, both inherited from the past model and obtained in the course of current developments, all having their share in compromising the quality of higher education. In other words, higher education remained stuck to its prolonged old mindset, low governance capacities, lacking financial instruments, outdated curricula, weak research activity, as well as its inability to cope with the fast-changing reality, theory-practice gap, innovation and the like. It more and more became inadequately prepared to establish the right connection with the labor market demands. Therefore, it also deeply affected the skills needed to challenge competition emerging in a new and global society and further contributed to a widening gap between the two. The section below elaborates, within the scope of this study, the direct impact this landscape posed on labor market performance. Actually, the relationship between higher education and the labor market and adjusting it to a new set of regional circumstances sparked intense deliberation, debate, and research which considering the degree and relevance will be subject to another analysis.

Addressing Skills Mismatch between Higher Education and Labor Market

In light of the changes and transformations needed during the last two decades in a new contextual political, economic and social regional stage as well as a technological and digital society, a special focus was given to a new approach in terms of the connection between higher education and labor market. Over these years, it was observed that the private sector was steadily increasing the market significance but it was unregulated; considering higher education performance and its consequences as well, what was seen as graduates' surplus started to be perceived as graduates' unpreparedness about the labor market. The situation resulted in a discrepancy between higher education and the labor market fast reflected in the phenomenon of supply-demand mismatch. The major consequence was the un-

³¹ NSDI-SASPAC, *National Strategy for Development and Integration (2021–2030) – Quality education for all*, Prime Minister's Office – Albania 2022, pp. 146–150, <https://www.konsultimipublik.gov.al/Konsultime/Detaje/538> [accessed: 11.09.2024].

employment of graduates (apart from non-graduates) and a very serious brain drain persisting situation.

This phenomenon, referring to the limited quality and relevance of education as primary sources, became known as ‘skills deficit’³² in which several other components played their part too. These concern lacking capacities and structural arrangements, inherited central approach, unstructured labor market, old curricular system skipping interactive skills, informality, unequal access to opportunities, lacking innovation and incentives for entrepreneurship, etc. A combination of them altogether gradually caused employers to complain about an unskilled labor force and graduates about going unemployed or getting hired as either overqualified or underqualified for the job position.

Despite the above discrepancies, both the labor market sector and the higher education one share the same goal: high-quality education and the availability of jobs with cooperation as the basic instrument to propel this symbiosis. To achieve this, cooperation requires motivation on both sides, responsiveness, vision, active engagement, commitment and responsibility, which given the afore-mentioned state of play across the region, offer no optimistic nuances still today. Moreover, a third component, i.e., the government intervention adds to this synergy as it cannot be perceived without a regulatory legal structure well in place.

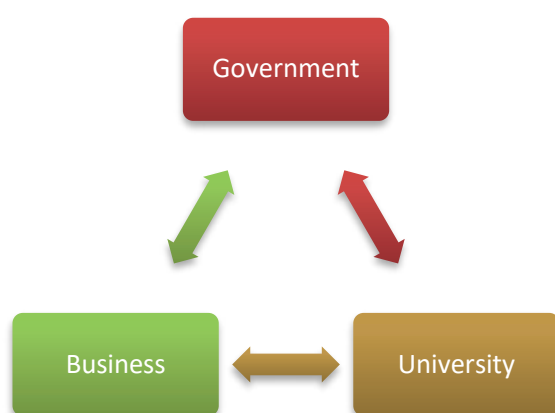


Chart 2

The above triangle clearly shows that on top of higher education and labor market relationship is the government’s commitment and responsibility in providing the proper legislative framework to ensure a regulated process and enable

³² L. Sondergaard and M. Murthi with D. Abu-Ghaida, C. Bodewig, and J. Rutkowski, *Skills, Not Just Diplomas*, The World Bank Washington D.C., 2012, p. 77, <https://openknowledge.worldbank.org/server/api/core/bitstreams/8b796ccb-ef2c-58bf-b788-e9cd9d82b6cf/content> [accessed: 10.10.2024].

the youth's acquirement of skills in demand. This because it has a key role in addressing the challenges concerning graduates' skills mismatch, employability and in boosting cooperation between them. But the state of affairs in the WB suggests that this triple relationship has not been able to operate effectively and progress, let alone on its own.

In view of the WB pathway to European integration, most notably after 2003, the EU became a model regarding the transformation of higher education as well. The EU, in line with its policy and role towards the WB, has offered its assistance in the region through policies, initiatives, as well as a set of instruments. These were EU cooperation programmes, such as Tempus, Horizon+, EU's Instrument for Pre-Accession Assistance (IPA II)³³ as financial support to these countries to boost reforms in the education sector and offer chances for networking and experience exchange. Other different European and regional initiatives and programs, namely ALMPs, Lifelong Learning Programs, RYCO'S project, Youth Guarantee, Economic and Investment Plan for the WB, October 2020, have been put in place to handle the situation and foster job-related issues. Following domestic and international engagement though, the ongoing performance has not been promising, and the most typical evidence is employment.

Chart 1 shows a relatively high percentage of unemployment across WB covering the period 2021–2023, with all WB countries sharing similar figures. Kosovo marked the lowest percentage of 21.3%, followed by Serbia with 24.1%.

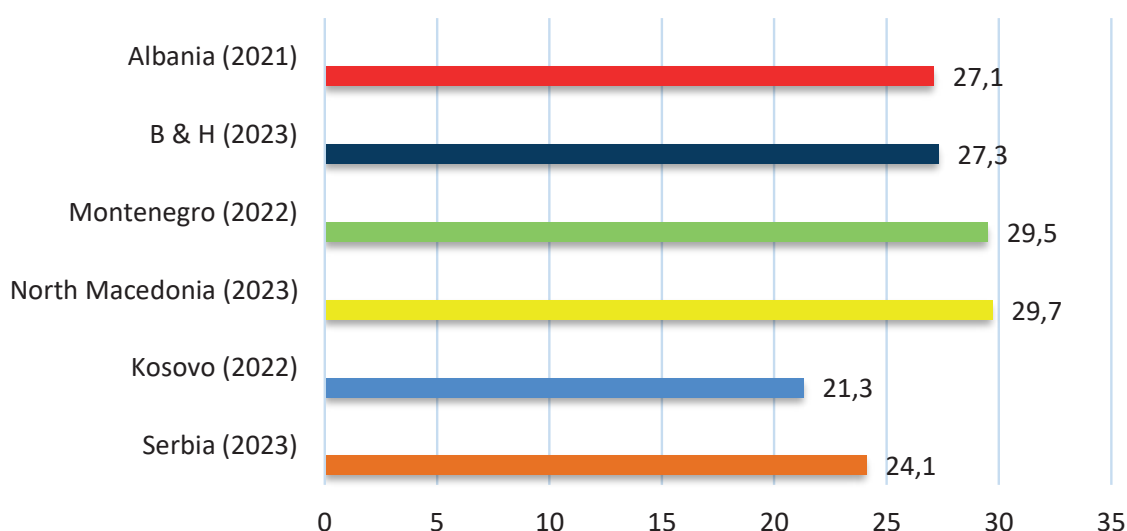


Chart 3. ILOSTAT explorer unemployment rate % for 15–24 age-group youth Western Balkans 2021–2023

Source: own work based on <https://ilostat.ilo.org/data/country-profiles/>

³³ M. Vukasovic, *How Can and How Does Europe Matter*, University of Bergen, 2014, p. 3.

A point of evaluating higher education quality is introduced each year by a relevant ranking at the World and European level. Following the performance of WB in this regard, Table 2 below presents data announced in 2024. For each WB country, 2 HEIs ranked first domestically, have been selected to assess their position in the general ranking and also to draw a comparison between those institutions themselves. The relevant source does not provide information on Kosovo because of its state-recognition issue.

Table 2. Global 2024 Rating February 29, 2024 EduRank

Country*	University/HEI	World Rank out of 14,131 total	Europe Rank out of 2,785 total	Domestic Rank
Albania	1. University of Tirana	3177	934	1 of 30
	2. Polytechnic University of Tirana	5707	1387	2 of 30
Bosnia & Herze- govina	1. University of Sarajevo	1452	524	1 of 46
	2. University of Banja Luka	3026	898	2 of 46
Montenegro	University of Montenegro	1905	648	1
North Macedonia	1. Ss. Cyril and Methodius Univer- sity of Skopje	1399	508	1 of 14
	2. St. Clement of Ohrid University of Bitola	4015	1083	2 of 14
Serbia	1. University of Belgrade	380	153	1 of 22
	2. University of Novi Sad	874	341	2 of 22

* Kosovo not covered.

Source: own work based on <https://edurank.org/geo/al/>

As noted, figures show differences between WB countries during recent years. Serbia poses very positive results in the general ranking and significantly better results as compared to the other WB countries – the University of Belgrade ranked 380th out of 14,131 HEIs in total at world level. Meanwhile, the same University ranked 153rd out of 2,785 in total at European level. Overall, the other WB countries do not show satisfactory results. But it is striking that each WB country in their Universities' ranking both at the World and European level, witness a big difference between the representative Universities ranked first and second at the domestic level. Specifically, there is a difference of around 2,000 points between the University of Tirana ranked first and the Polytechnic University of Tirana ranked second. The same goes for Bosnia and Herzegovina and North Macedonia.

Albanian Case – From Adoption to Implementation

Albania expressed its willingness to reform the education system, once it formally joined Bologna Process in 2003. Since then, it witnessed an abundance of private higher education institutions with general characteristics described above along with the applicable new legislation to accommodate them. In 2015 a new law on higher education, as amended, was issued aiming to enhance the quality by developing joint programs, double diploma, market-oriented curricula, etc., and also a new law on employment promotion³⁴ was issued aiming to regulate demand – supply ratio. In 2016, the Minister of Education and Sports issued a Guideline on admission quotas in HEIs for both private and public systems,³⁵ aiming for a system of merit-based, transparency, accountability and implementation of university autonomy. Additionally, out of 69 HEIs opened up, 29 were closed down on account of not meeting the criteria.³⁶ However, no direct evidence is available about the implementation and outcomes of such laws to enable a solid judgment about their role, progress and impact.

Conversely, often was heard about reforms on higher education in Albania being high on the agenda and promising results, amendments, deliberations and debates, but little can be said about achievements. In the first place, Chart 4 shows that in 2017, the total state budget spending on education reached 4% (3.1% public spending and 0.9% private) of GDP, a percentage that is well below the OECD average of 6.3%.³⁷ Such figures account for a lack of the government's commitment and engagement, or at least inability to evidence adequate and serious efforts towards the development, quality assurance and reformation of both public and private higher education as well as a proper matching with the labor market demands.

Moreover, an expert compared the budget expenses for higher education with the other WB countries stating that they are the lowest in the region,³⁸ and contending that they do not have any effects to consider. Whether this statement is true or not, what can be said for sure is that such mismanagement has been one of the reasons for the massive brain drain over the years in Albania affecting not only the

³⁴ Law No. 15/2019 On Employment Promotion, https://akpa.gov.al/wp-content/uploads/2021/05/ligj-nr-15-dt-13.3.2019_nxitja-e-punesimit.pdf [accessed: 15.09.2024].

³⁵ MoAS, Guideline, 13, dt. 22.07.2016, On Application and Registration Procedures in Study Programs in Higher Education Institutions, https://arsimi.gov.al/wp-content/uploads/2018/03/22.7.2016_Udhezim_nr.13_dt_22.7.2016.pdf [accessed: 12.10.2024].

³⁶ <https://www.asc.al/sq/lista-e-ial> [accessed: 12.10.2024].

³⁷ SASPAC, *National Strategy for Development and Integration 2021–2030*, Quality Education for All, pp. 146–150, <https://www.konsultimipublik.gov.al/Konsultime/Detaje/538> [accessed: 31.08.2024].

³⁸ S. Xhepa, *The Missing Higher Education Reform*, 2022, <https://www.panorama.com.al/reforma-e-munguar-e-arsimit-te-larte/> [accessed: 15.09.2024].

economic aspect but also the social and democratic one. As shown below, the fact that 512,000 people emigrated from Albania within a decade with 70% being young people,³⁹ speaks volume, while unfortunately, this trend has continued ever since.

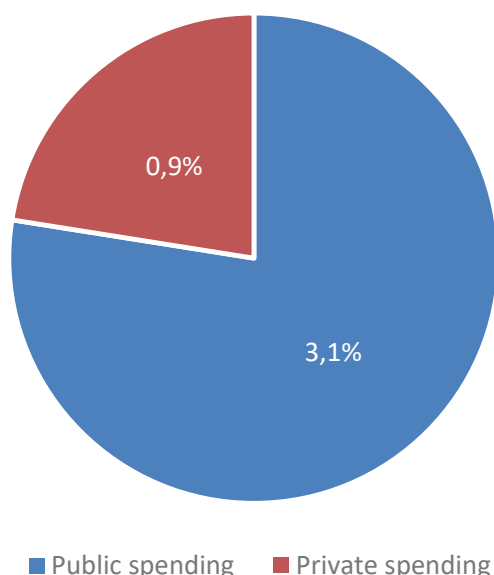


Chart 4. Total state budget spending in education Albania 2017 (4%)

Source: own work based on INSTAT (Albania).

Another point of concern is the curricula reflecting the synergy between knowledge acquired and labor market needs which is assessed yearly, among others, by a regular survey at all HEIs. The aim is to take feedback from the students to address issues and improve the situation in the future. The chart below illustrates as a case study the private Albanian University where this survey is conducted each year with students from the three Faculties, namely the Faculty of Medical Sciences, the Faculty of Social Sciences and the Faculty of Economics and Applied Sciences. The survey conducted with 136 Alumni from the Faculty of Medical Sciences (out of a total of 640 graduated from this University at this Faculty in 2023), is introduced as a representative case of the trend observed in each Faculty at Albanian University alone, i.e., not the typical trend of higher education system in Albania. Regarding the point in question, graduates responded to two questions: 1. Whether and to what extent the *curriculum* has enabled students to practice their profession, and 2. Whether and to what extent the *internship* has helped students practice their profession.

³⁹ euronews.Albania, *Departure of youth negatively affects democracy, not only economy*, February 2024, <https://euronews.al/en/departure-of-youth-negatively-affects-democracy-not-only-economy/#:~:text=The%20study%20estimates%20that%20the,term%20and%20medium%2Dterm%20plans> [accessed: 10.10.2024].

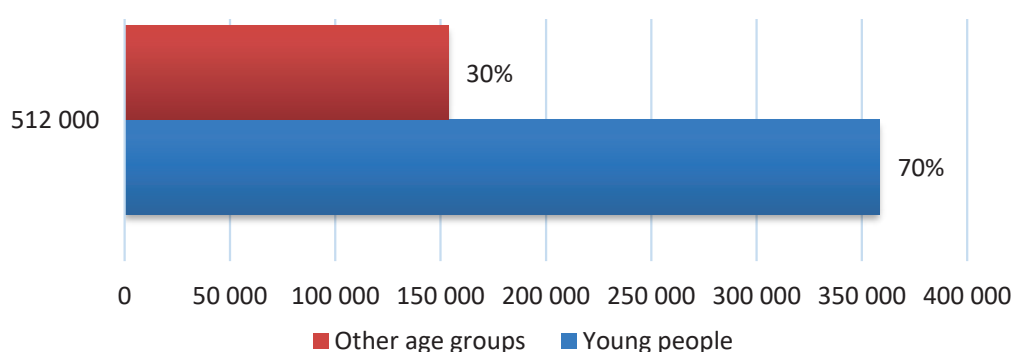


Chart 5. People who emigrated from Albania 2011–2022

Source: own work based on INSTAT (Albania).

At first sight, the responses seem to give a rather good picture: expressed in percentage, 32% are strongly in favor of the first question against 5% on the opposite side and 41% are strongly in favor of the second question against 13% on the opposite side. Also, the much higher number of those agreeing adds to the perception of a generally positive impact of curriculum and internship on respondents' current profession. Yet, when asked what they suggested to improve the study program in the future, almost all of them returned to the same vulnerable spot: *practice!* This comes as a warning bell for genuine reforms of higher education curricula in order to respond to the trends of higher education globalization.⁴⁰

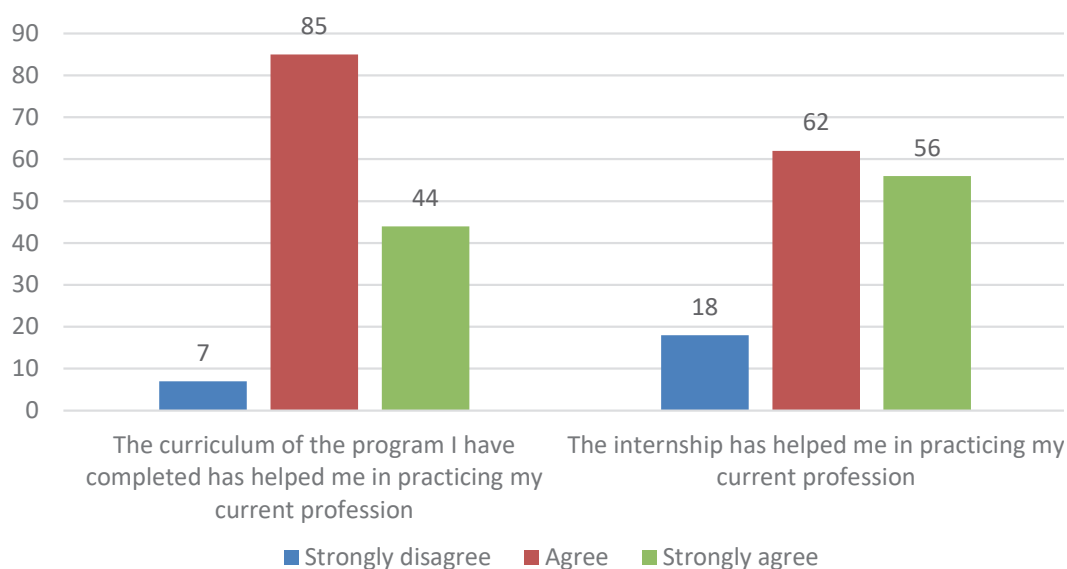


Chart 6. Alumni students from the Faculty of Medical Sciences Albanian University 2023 (Total 136 respondents)

Source: own work based on data from Albanian University, Career and Alumni Office.

⁴⁰ E. Çela, *Global Agendas in Higher Education and Current Educational Reforms in Albania*, in *Global Agendas and Education Reforms*, Palgrave Macmillan, 2024, p. 261.

What is elaborated above concerning the University dimension, will best complete the picture in this section by summing up the Government positioning. Concretely, Albania claims to be a typical example of the WB stage in its pathway to approximation of the Albanian legislation with the EU *acquis communautaire*, among others, in the field of higher education and in responding to a competitive technology-driven society. In this connection, it adopted and adjusted European a whole body of rules, initiatives and recommendations, some of which already considered as most relevant for the purpose of this analysis, are presented below.

Table 3. Government's steps in bringing HE in line with EU policies, norms and rules

In effect	Purpose/benefits expected
Law 80/2015 on Higher Education & Scientific Research	academic, financial, organizational and personnel autonomy
National Employment and Skills Strategy (NESS) 2019–2022	development of VET education and training
National Programme of Internships (2020)	experience, develop professional and academic skills
National Education Strategy 2021–2026	Compliance with strategic objectives of EEA
National Action Plan for Youth 2015–2020	youth employment, grants for youth start-ups, seasonal job opportunities
Law no. 10247/2010 on Albanian Qualifications Framework	Lifelong learning, reform and govern the labor market and qualifications system
Association to Horizon Europe Agreement	collaboration in the field of research and innovation; speeding up reforms in the field of digitization, green economy and technological developments
Law No. 15/2019 On Employment Promotion	enhancement of labor market functioning; demand – supply regulation
National Draft Strategy on Research, Technology and Innovation 2023–2030	quality scientific research for a sustainable inclusive socio-economic development
National Strategy on Higher Education, 2021–2026	internationalization, blended process
Quality Assurance Agency on Higher Education, 2017	Evaluation of quality in higher education institutions

Source: own work based on Albanian legislation, programs, strategies on Higher Education in Albania.

Considering the above laws, programs, and strategies adopted as well as their scope and benefits expected, one would be rather optimistic about the successful progress of higher education over more than two decades. However, the evidence from this analysis proves that what has been formally embraced and adopted in

the topic concerned and what has been observed in reality, inhabit largely separate worlds witnessing poor quality, skills deficit, and alarming brain drain. This because in addition to adoption, positive outcomes need the other side of the coin – actual implementation. Take the idea and/or need for a skill forecasting mechanism in Albania for example. It would anticipate the future labor market needs and address the demand and supply labor market mismatch,⁴¹ as a very effective measure to address the problem. Yet, despite the voices heard especially in December 2023 to start initial steps in this regard, no evidence has been found so far, or, as getting used now, we should keep waiting!

Conclusions

This analysis covered the synergy between higher education and labor market from three but closely related and influential perspectives: the structural and legislative performance of higher education advance in the European stage; next, the WB position adopted while following suit of the European model; third, exploring empirically Albanian case in more details as a concrete illustration of the situation. The analysis shows that the region has fallen short of adapting the education system to the demands of the global and digital society with Albania being precisely illustrative of this scenario.

The European model effectively applied in this area, failed to produce the same or at least some positive outcomes in the WB. On the contrary, they remained trapped in past legacies which, with varying degrees across countries, still today shape the higher education course, its quality and matching with employability demands. The old mindset, outdated curricula, the theory-practice gap, informality, as well as the lack of structural adjustments, governance effectiveness and financial resources, account for the lack of *willingness, motivation, and responsibility*, as the key drivers to bring about the necessary changes. It is precisely when the three are put into use, that a new phase in this regard emerges and addresses the mismatch between higher education and labor market.

The performance of higher education and its synergy with the labor market builds on the trio – *Government, Higher Education, and Labor Market*, interplaying in the WB stage to a kind and extent that makes it difficult to separate out and decide which and how each affects the other more significantly. What can be said for sure, is that the government and higher education, as actors constantly and di-

⁴¹ L. Lula, *Contribution of Partner Countries to the EU Youth WIKI, Chapter III – Albania, Employment and Entrepreneurship; Youth Partnership*, 2023, pp. 7–8, https://pjp-eu.coe.int/documents/42128013/246625197/Albania_Chapter%20III.pdf/3dae8484-d2ad-d974-b29e-1f0df9fb0918?t=1712841904879 [accessed: 15.09.2024].

rectly engaged into the process, bear responsibility for the current state of affairs in higher education and its mismatch with the labor market. Specifically, since 2003, what appeared the right trajectory with internalization and adoption stopped the process halfway through due to the lack of practical application. Regrettably, the disproportional adoption–implementation ratio has persisted and still does. It's like an excellent student in the first and a failing one in the second!?

Finally, the third actor – the labor market has over the past two decades spurred research on the supply-demand relationship, or, otherwise, the higher education role in responding to employability demands in the context of a rapidly changing and globalized society. Therefore, a challenge for the three above actors remains finding the right link between higher education and labor market in the WB in two major strands: (a) accommodation of a proper higher education system in the context of a globalized and competitive world, and (b) integration of higher education after the European model as part of the whole pathway aiming the accession prospect. And this analysis is one of the links to further research on this connection.

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