

# **Socio-Economic and Educational Challenges to Improve Potential Productivity of Youth in Albania**

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*This paper presents a comprehensive analysis of the factors contributing to a significant productivity gap among children born in Albania. Some international reports show that a child born in Albania will achieve only about 63% of his potential productivity in his lifetime. The child will lose about 37% of the productivity they could have if they could live a healthy life and benefit from high-quality and relevant education that would equip them with the skills that will be needed in the work environment. Additionally, high unemployment rates, low skills, and socio-economic disparities further add the challenges faced by Albanian youth. This paper calls for a multi-dimensional approach, emphasizing healthcare, education reform, and socio-economic support, to unlock the untapped potential of Albania's young generation.*

*Keywords: potential productivity, socio-economic disparities, education*

## **INTRODUCTION**

Albania faces a pressing challenge in harnessing the full potential of its youth. This paper examines the multifaceted challenges that contribute to the significant productivity gap among Albanian children. Beyond the health and education deficits, high unemployment rates, low skills, and socio-economic disparities add complexity to the issue. A holistic approach is needed to address these interrelated challenges.

## **FINDINGS AND RESULTS**

In this study are brought to attention some of the main indicators from various national and international reports that are related to the failure of human capital in Albania to reach the full potential throughout the life. It is estimated that a child born in Albania will achieve only about 63% of his potential productivity in his lifetime. The child will lose about 37% of the productivity they could have if they could live a healthy

life and benefit from high-quality and relevant education that would equip them with the skills that will be needed in the work environment (World Bank, 2022).

### **Expenditure on Education**

Based on the results of the PISA (Programme for International Student Assessment) 2018 for Albania it is said that when comparing the expenses for lower secondary students in Albania with other European countries, Albania is among the countries that spend the least on education and have the lowest achievements (OECD, 2019). Spending on education is low and inadequate (OECD, 2020). It is further emphasized that social and economic conditions also have a decisive role, showing that students in Albania from disadvantaged backgrounds perform lower than more advantaged students.

### **Socio-Economic Disparities**

Early education not only imparts cognitive skills but also fosters social integration and emotional well-being. A lack of these opportunities can lead to social isolation and hinder children's overall development. Socio-economic disparities often mean that children from disadvantaged backgrounds have limited access to quality early childhood care and education. This exacerbates inequalities and perpetuates a cycle of disadvantage. The main consequence related to it is school dropout by students. Proportion of school dropout children in basic education in 2021 was 6-7% and it is greater than other countries of Balkan region (INSTAT, 2022). In the 2011 census in Albania, it appears that for the first time there are more residents in urban areas (53.5%) compared to rural areas (46.5%) (INSTAT, 2012). This change is associated with the problem of unemployment and poverty among families or residents who come from rural areas. This has a direct impact on increasing the difficulty of integrating children into society and the educational process. Recognizing the importance of accessible childcare and early childhood care and education is not just a matter of gender equality and social development; it is also a strategic investment in a country's economic growth and competitiveness. Albania, like many other countries, must prioritize these areas to unlock the potential of women in the workforce and ensure that children have the best possible start in life, ultimately benefiting the entire nation.

### **Human Capital Development**

#### *Preschool Education*

Early childhood is a critical period for cognitive, emotional, and social development. Inadequate access to early childhood care and education can hinder a child's intellectual growth and readiness for formal schooling. This negatively impacts their learning potential, making it difficult for them to catch up later in life. Starting from the year 2000, an increase in the number of children attending preschool education is observed in Albania. In 2017, the number of children enrolled in preschool education reached 80% (UNESCO UIS, 2020).

Enrolling children in preschool education frees parents and mainly mothers from the obligation to stay at home and take care of the children. In this way, children receive social care and quality education. Mothers have the opportunity to work by visualizing themselves and the family, but also the labour market.

#### *Basic School Education*

The basic school education in Albania includes grades from 1 to 9. At the end of 9th grade mostly of students are 15 years old. The results of PISA 2018, show that greater than half of the 15-year-olds in Albania lack reading skills and nearly 40% lack math skills (OECD, 2019). This lack will be reflected in low achievements in their further education and also in their insufficient capacity for the labour market.

#### *After Basic Education*

Most of the students who finish basic education are registered to continue upper secondary education, resulting in lower enrolment in vocational education programs. Approximately 17% of students who complete basic education were enrolled in vocational education programs in 2017, (UIS, 2020). This is numerically much lower than the average in the EU (48%) and the OECD (44%). Registration in programs

of vocational education after the age of 15 should be higher with aim to gain time in the development of human capacity and to make it in line with the development needs of the country.

## CONCLUSIONS

Albania can unlock the full potential of its youth, promoting economic growth and social development. The loss in potential productivity among Albanian youth is a pressing issue that demands immediate attention. The government should to increase spending on early childhood education and to use it effectively. The policymakers, educators, healthcare providers, and civil society should coordinate efforts to create the favourable environment that human capital to achieve full potential productivity.

The Albanian Pre-University Education Development Strategy 2014-2020 sets policy priorities, but planning and implementation capacity were relatively weak. This evidence should be used to increase expectations and improve the results claimed by the new Pre-University Education Development Strategy 2021-2026.

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