FINANCING PUBLIC EDUCATION IN ALBANIA

Major findings from the ACE policy analysis of the national budget for the period 2008-2018

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Major issues of concern

• 1 in 3 children in the country are in constant danger of abandoning their education due to poverty and difficult living conditions;

• About 64% of children with disabilities and about 1/3 of Roma children can not attend compulsory education due to physical conditions of schools or excessive economic poverty;

• Less 1/3 of Roma children enrolled in compulsory education complete it;
The legal and policy context

• Albania has a good legal and framework for pre-university education:
  - Law on Pre-university Education (2013) and
  - National Strategy for Pre-University Education (2014-2020)

• The architecture of pre-university education has been strengthened and improved over the years, focusing on increasing the capacity and competencies for both students and teachers.
Since 2014 the Albanian Coalition for Education is advocating to increase of the national budget from the current rate of less then 3% of GDP to 6%!
FACTS AND DATA
ON PUBLIC PRE-UNIVERSITY EDUCATION IN ALBANIA
Levels of pre-university education

• Pre-University education in Albania consists on three levels:
  
  • Pre-school education (3 years);
  • Basic education (9 years);
  • High school education (3 years)

• Only basic education is compulsory. The Ministry of Education is trying to make the last year of pre-school education compulsory, but the data show that the number of attendance is still low.
Chart 1: Number of students enrolled in all levels of the pre-university education in Albania (2004-2017)

- Arsimi Parashkollor (AP) Pre-primary education
- Arsimi Bazë (AB) Basic Education
- Gjimnaz Gymnasium
- Arsimi Profesional Proffesional Education
Chart 2: Number of children attending basic compulsory education in Albania (2004-2017)
Findings

• As noted by the chart, there is a major decrease in the total number of pupils / students in compulsory education.

• Data over the years 2004-2017 shows that this decrease amounts to almost **200,000 children**, associated with the decline in births over the years and migration in and out of Albania.
Chart 4: Boys to Girls ratio enrolled in Basic public Education in % (2004-2017)
FINANCING BASIC PUBLIC EDUCATION IN ALBANIA
Finding

• The data shows that the budget of 2018 has not yet exceeded the level of education budget of 2013, which is an indicator that financing of pre-university public education in Albania is not a priority for the Government.

• Despite the fact that budget expenditures have come from year to year with growth, which is an indicator of the economic growth of the country, although education has been declared a priority, has not benefited from this growth of the country's economy, but on the contrary, education funds have come decreased year-on-year, with a slight increase only in 2018.
Graph 6: Budget expenditures in EU countries for pre-university education versus GDP (% / 2014)
Chart 6: Overall budget expenditures VS expenditure on pre-university education in Albania (2008-2018)
Chart 7: % of pre university education in the state budget
Chart 8: Budget expenditures for pre university education in Albania by category (2008-2018)
Findings

• As it shown on Chart 8, current expenditures carry the bulk of budget spending on education, while capital expenditures occupy a very small share.

• What data shows is that the main expenditures of the education budget in Albania occupy the salaries of teachers, psychologists and auxiliary teachers, while the level of investment (capital expenditure) in education remains very low.
Graph 9: Capital Expenditures for Public Education in Albania (2008-2018)
Findings

• Foreign funding for pre-university education in Albania is decreased since 2012, moving almost to zero in 2014 and onwards.

• Such a significant decrease in foreign funding for pre-university education shows the lack of ability and possibly the government's interest in attracting foreign funding through major projects and investments for pre-university education in Albania.
Graph 10: Budget Expenditures for Basic Education in Albania including Preschool (2008-2018)
Findings

• The data show that during the period 2008-2018 there has been no significant increase in the budget for basic education in Albania.

• The 2018 budget for education has not yet reached the highest level of budget expenditures that belong to 2015. It can rightly be said that the Albanian state investment in compulsory education of children in Albania is still at very lower levels than the average of the countries in the region and still far from those of the European Union (EU) countries.
FINANCING BASIC EDUCATION ON “PER STUDENT” BASES
Concerns and considerations

• The last part of the state budget analysis is focused on measuring the budget expenditures by calculating them according to the "per student" principle, which is also a requirement of the Public Pre-University Education Law in Albania.

• In none of the annual budgets and accompanying publications of the Ministry of Finance or the Ministry of Education, we couldn't find an estimation of the pre-university education budget according to the "per student" formula. Given this lack of information, we think that the law requirement has not been implemented and the budget has not been calculated according to this principle.

• In order to build our analysis and to calculate the "student" investment, we prepared a register, including comparable data in budget years (2008-2017) with the number of students enrolled in school by year and division (basic education / education general secondary / vocational secondary education).
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<td>Expenditures per education year for student</td>
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<td>Monthly expenses per student</td>
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Graph 11: Expenditure for education in EU countries (excluding pre-school expenses) per student, by sector, 2014 (in Euros)
Findings

• Despite the "student" spending is rising, reaching its peak in 2015, again in 2016, it declined to the level of 2013 for unexplained reasons.

• Based on the estimates, it results that the annual student spending in Albania was at the highest level in 2015, where the Government spent about 62 thousand lek a year (about 470 Euros), while in 2017 and 2018 regarding to this Government expenditures have decreased.
OTHER MAJOR FINDINGS FROM OUR RESEARCH
• Public pre-university education in Albania, at least for the last four years, is funded almost exclusively from internal resources.

• No ministry or public institution in Albania, with the exception of the Ministry of Finance, has any legal obligation to conduct participatory budgeting.

• The joint submission of budget expenditures to the state budget for pre-school education with basic education is a problem because it hides the real contribution of the state budget that goes to each level of education.

• There is a significant difference between the average number of students per teacher in rural and urban areas. This is due to the unequal distribution of teachers in Albania. Teachers in rural areas have fewer students per class than teachers in urban areas.
• Budget expenditures over the analysed period, have decreased since 2015 and onwards. Data shows that the budget of 2018 has not yet exceeded the level of education budgeted in 2013. It is equally unexplained the drastic reduction of budget expenditures for pre-university education between 2015-2017, while the Government Program strongly recommended a far higher budget for education in Albania.

• Despite the fact that the Albanian Government budget expenditures have increased from year-to-year, which is an indicator of the economic growth of the country, education has not benefited from this growth.

• The lack of budget increase for pre-university education affects the right to education for thousands of children in Albania. Lack of investing in children could leads to the failure to achieve one of the strategic goals of the Albanian government, the protection of children and their rights.
MAJOR RECOMMENDATIONS
Law Enforcement and the need for legal improvements:

• The Albanian Parliament should make additions and amendments to the Law "On Management of the Budgetary System in the Republic of Albania" to ensure that citizens, organizations, general public and experts, consult the education budget at the beginning of the process and not the end his.

• The Albanian Parliament should set a mandatory minimum percentage for the Government to finance pre-university education in Albania. The Coalition for Education has for years advocated, based on the recommendations of international institutions, for imposing the obligation of 6% of GDP for education.

• The Council of Ministers should adopt, by its decision, the methodology of budget calculation based on the "per student" formula, as required by the law on pre-university education in Albania.

• The Council of Ministers and the Ministry of Finance should allocate the basic education budget program from the pre-school education to make it possible to properly calculate budget expenditures and bring the country's financial management system to that of the European Union countries.
The need for new models, programs and policies for financing Pre-University Education:

• The Ministry of Education should prioritize the establishment of the Local Finance Group (LEG), a model that has produced positive results in all those countries where education funding is too low.

• Improving the collection of statistical data and registers according to the EU model for pre-university education.

• Ministry of Finance should submit to the Council of Ministers the methodology for financing pre-university education at the local level for approval.

• The Ministry of Education should study the possibility of combining programs and budgets with the Ministry of Health and Social Protection and the Municipalities to return the "Community Based School" program to a national program of returning schools to community service centers and continuing education. This would eliminate the risk of school closures in rural or urban areas, due to the reduction in the number of births in Albania.