Public Expenditure on Primary Education for Kosovo (UNSCR 1244)

Summary

August 2015

Fiscus Public Finance Consultants, Ltd.
Registered office:
Unit 3, Wheatley Business Centre, Old London Road,
Oxford, OX33 1XW.
United Kingdom
T: +44 1865 593143
M: fermina.lawson@fiscus.org.uk

Copyright: UNICEF Pristina, 2015.
Key Findings

This summary presents the results of an independent external review of public expenditure on primary education (Grades 1–5) in Kosovo*. It has been elaborated based on data from the Ministry of Finance (MoF), Ministry of Education, Science and Technology (MEST), Kosovo Agency of Statistics (KAS) as well as data from the World Bank and UNICEF Kosovo* Office. The data collection has taken place during a mission to Prishtinë/Priština from 19-29 July 2015.

The principal objectives of the report are to analyse the public expenditure in primary education during the time period 2011-2014, with particular attention to the structure and volume of the spending, and – to the extent possible – the efficiency of resource allocation. Based on this first review, recommendations will be formulated aimed at improving the efficiency of resource allocation, and reducing education inequities in Kosovo. This will take the form of a public investment case, to be submitted as the second key output of this study.

- Public expenditure in primary education has increased from 1.15% of GDP in 2008 to 1.32% of GDP in 2014. The cost per pupil in 2014 was 522€ which represent 17.1% of per pupil expenditure as percentage of per capita income. A level that compares poorly with the average of neighbouring countries (24.5%).
- Despite an overall good spending allocation between expenditure categories and efforts on improving the teaching and curriculum levels, pupils’ achievements highlight serious issues in terms of quality of education.
- The good overall education results in terms of enrolment rates, primary completion rates and transition from primary to secondary rates that Kosovo* shows for its general population should not hide the important existing inequalities within the different communities.

Overview of Primary Education in Kosovo*

Access to quality education is a basic right for all children and youth, and constitutes a central element for building and strengthening social cohesion. Moreover, it is an essential pillar for economic development and growth. In that sense, it constitutes a specific challenge and an opportunity for Kosovo* given that it has a large youth population: 38% of its population is under 18 (World Bank, 2014); and therefore a young workforce at the point of entry into the labour market. On the other hand, the labour market still shows high levels of unemployment, affecting mainly the non-educated population, with 60% of the workers without any schooling being unemployed in 2012 (Labour Force Survey, 2012). Moreover, In Kosovo* less educated individuals tend to be poorer than more educated ones. In 2011 more than one third of individuals (36.4%) who did not complete primary education live

---

1 All reference to Kosovo are understood in the context of UNSCR 1244 (1999).
in poor households, compared to 12% of individuals with university degrees. Almost two thirds of the poor possess less than secondary education (KAS, 2013).

Education, and particularly primary education is also an essential instrument for improving equity and social cohesion within different communities, particularly in a multi-ethnic and multi-lingual context such as Kosovo*. This is particularly important concerning communities such as the Roma, Ashkali and Egyptians, who suffered from an exclusion situation that is reflected in their education indicators (KAS, 2015) and for whom the access to public education must constitute a key factor of social and economical integration. These facts reflect the essential need for Kosovo* to invest in education, and more specifically in primary education.

Education constitutes the largest spending sector of Kosovo*’s central budget: it represents 18% of total public spending (4.7% of GDP), and primary education expenditure levels have grown steadily since 2008, from 1.15% of GDP to 1.32% in 2014 reflecting the importance given to it by the Kosovo* institutions. These efforts are reflected in the good results shown in several education indicators, such as the net intake rate for the first grade of primary education: 91.6%, the adjusted net attendance rate for primary education: 98%; and the primary to secondary transition rate: 100%. However, several indicators are still low compared to other Central and Eastern European countries, and particularly in terms of per pupil expenditure: 17.1% of GDP per capita, while the average for its neighbouring countries is about 25.4% of GDP per capita (see section IV).

The education system in Kosovo* is composed of one year of pre-primary education (Grade 0) for children between the ages of five and six; nine years of compulsory basic education, which includes five years of primary education (Grades 1-5) and four years of lower secondary (Grades 6-9); followed by three years of non-compulsory upper secondary education (Grades 10-13); and tertiary education. Children who have reached the age of six years are registered in primary education and hence the age group of students is from six until ten years.

At institutional level, Kosovo* has a strong decentralized system, where municipalities are responsible for pre-University education and correspondingly for primary education provision and delivery, including registration and licensing of educational institutions, recruitment, payment of the salaries and training of teachers and administrators. The Ministry of Education, Sciences and Technology (MEST) is the overall administrative body for education and manages education policy, curriculum design, teacher training, school inspection as well as setting and maintenance of standards.

For the school year 2014-2015, Kosovo*’s primary education level covered 140,513 pupils from Grades one to five, of which 48.4% were girls and 51.6% were boys. The number of teachers for both primary

---

* This indicator, used by the World Bank, refers to the public expenditure per pupil in primary education as percentage of per capita income.
and lower secondary levels, the number of teachers levels was 17,594 (48% males and 52% females); and the number of primary-lower secondary schools was 985 (MEST, 2015).

Enrollment rates at primary level are almost universal, with few gender disparities at this level. The Net Attendance Rate reached 98% in 2014. The transition rate from primary to secondary level is also high, comprising 100% of the pupils in Grade 5 in 2013-2014 (Kosovo* Agency of Statistics, 2014). However, there are important disparities concerning education access and results for children of poorer household and for some minority communities, particularly the Roma, Ahskali and Egyptian children, whose primary school indicators are far below the Kosovo*-wide level: according to the two Multiple Indicator Cluster Surveys (2014), the net intake rate of these communities was 68%, which is particularly low in comparison with the Kosovo*-wide average (92%).

Sources of data and consequent adaptations introduced into the analysis
This report has been elaborated based on data from MoF, MEST and KAS as well as data from the World Bank and UNICEF. The data collection has taken place during a mission to Prishtinë/Priština from 19-29 July 2015. The data provided by the Ministry of Finance covered public expenditure for the years 2012-2014. It included central level (MEST) spending in overall education and municipal spending on pre-university education, as well as spending on special education programmes. The Ministry of Finance also provided data on the GDP for each year and the volume of total expenditure. MEST provided statistical data on numbers of pupils for each grade and by gender, numbers of teachers, and numbers of public schools.
Key Findings

**Public expenditure on primary education 2012-2014**
(as % of GDP and as % of GDP per capita)

![Chart showing public expenditure on primary education 2012-2014 as % of GDP and as % of GDP per capita]

Source: Authors’ elaboration based on data from MEST

**Estimation of public expenditure on education as % of GDP (2012-2014)**

![Chart showing estimation of public expenditure on education as % of GDP]

Source: Authors’ elaboration based on data from World Bank (2014), MoF and MEST
Comparison of primary education spending trends with neighbouring countries

Kosovo*’s expenditure on primary education is relatively low compared to neighbouring countries. In terms of spending in primary education as a percentage of GDP, it is about 1.32%, which follows regional trends, and is situated slightly above the average (1.22%). However, this figures falls in terms of public expenditure per primary student as percentage of GDP per capita and shows that Kosovo* has one of the lowest spending, about 17.1%, only doing better than Georgia, and far below the overall average of 26.7% of GDP per capita. This last figure suggests that Kosovo* should increase educational investment in its youthful population, which constitute an important resource for strengthening the economic development and growth, and an opportunity for Kosovo* to reduce its high levels of unemployment.

Public Expenditure on Primary Education as percentage of GDP and as percentage of GDP per capita:
Kosovo* and Neighbouring countries (2012 or latest year)

Source: Authors’ elaboration based on data from MoF and World Bank EdStats (2015).
Conclusions and Recommendations

Public expenditure in primary education in Kosovo* has increased slightly since 2008, reaching 1.32 percent of the GDP in 2014. However, in terms of per student primary expenditure, it is only 17.1 percent of GDP per capita. This low figure puts Kosovo* below the neighbouring countries, and reflects the low public expenditure level that does not allow an optimal level of investment in its population.

Nevertheless, this low level of public expenditure in primary education in per pupils terms is also partly due to the success in enrolment in primary education which Kosovo* has achieved. However, success in overall increases in enrolment hides the more limited success in terms of teaching and learning quality. Overcrowded schools, persistence of the double and triple school shifts, as well as unqualified remaining part of teachers constitute serious obstacles to an efficient and strong primary education system in Kosovo*. This is reflected in the results of pupils’ 5th grade assessment that moreover highlight wide disparities between municipalities in terms of the provision of quality education.

Furthermore, Kosovo* also shows serious shortcomings in achieving the education inclusion objective of primary education. Specifically, it does not adequately address the needs of the most disadvantaged children belonging to communities such as the Roma, Ashkali and Egyptian communities, whose education indicators are considerably lower, particularly concerning net intake rates and completion rates, with higher gender gap.

Kosovo* should take advantage of its large youth population, that constitute a strength in the region facing an ageing population, and a motor of economic growth if it is educated and trained to fill the labour market demands. Education is thus a key sector for Kosovo*, and even if it already constitutes its largest expenditure sector, the volume of primary expenditure should be increased.