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ALBANIA LABOUR MARKET DYNAMICS 2001-2011



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Preface and Acknowledgment

The 2011 Population and Housing Census of Albania is the 11th census performed in the history of Albania. The preparation and implementation of this commitment required a significant amount of financial and human resources. For this INSTAT has benefitted by the support of the Albanian government, the European Union and international donors. The methodology was based on the EUROSTAT and UN recommendations for the 2010 Population and Housing Censuses, taking into consideration the specific needs of data users of Albania.

In close cooperation with international donors, INSTAT has initiated a deeper analysis process in the census data, comparing them with other administrative indicators or indicators from different surveys. The deepened analysis of Population and Housing Census 2011 will serve in the future to better understand and interpret correctly the Albanian society features. The information collected by census is multidimensional and the analyses express several novelties like: Albanian labour market and its structure, emigration dynamics, administrative division typology, population projections and the characteristics of housing and dwelling conditions.

The series of these publications presents a new reflection on the situation of the Albanian society, helping to understand the way to invest in the infrastructure, how to help local authorities through urbanization phenomena, taking in account the pace of population growth in the future, or how to address employment market policies etc.

The five editions of this series are in-depth analysis conducted by INSTAT in collaboration with the University of Geneva, University of Neuchâtel and Urban Research Institute, and supported financially by the SDC - Swiss Agency for Development and Cooperation.

INSTAT avails itself of this opportunity to express its gratitude and acknowledgement for the valuable contribution of the SDC - Swiss Agency for Development and Cooperation, INSTAT experts and other local and international experts for the publication of the series of analyzes of population and housing census 2011

Special appreciation also goes out to all institutions and donors, who have contributed to the conduction of the population and housing census 2011, the Albanian Government, European Union (IPA 2009 and CARDS 2006), SIDA – Swedish Agency for International Development, SDC - Swiss Agency for Development and Cooperation, UNFPA – UN Population Fund, and UNDP – United Nations Development Program.

Gjergji FILIPI, PhD

Director General of INSTAT



Lista e publikimeve tematike të Censurit 2011, Maj 2014

List of 2011 Census thematic publications, May 2014

- Censuri i Popullsisë dhe Banesave 2011: karakteristikat ekonomike
- 2011 Population and Housing Census: Economic Characteristics
- Dimensionet e cilësisë së Censurit 2011
- Quality Dimensions of the 2011 Population and Housing Census of Albania
- Kushtet e banimit dhe të jetesës
- Dwelling and living conditions
- Migracioni në Shqipëri
- Migration in Albania
- Një klasifikim i ri urban - rural i popullsisë shqiptare
- A new urban - rural classification of Albanian population
- Popullsia dhe dinamikat e saj - horizonte të reja demografike?
- Population and population dynamics in Albania - New demographic horizons?
- Projeksionet e popullsisë, 2011-2031
- Population Projections, 2011-2031
- Shqipëria 2011 Censuri në harta
- Albania 2011 Census Atlas
- Tipologjia e komunave dhe bashkive
- Communes and Municipalities Typology
- Lëvizjet vajtje-ardhje për qëllime punësimi
- Commuting from home to work
- Dinamikat e tregut të punës, 2001-2011
- Labour market dynamics, 2001-2011
- Aplikimi INSTATGIS – hartat në web (www.instatgis.gov.al)
- INSTATGIS – Atlas web application (www.instatgis.gov.al)

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1. INTRODUCTION

Still ongoing, the transition period in Albania – from a centralized economy towards a free market economy – caused big demographic changes and has had a strong impact on the labour market. During the former regime, agriculture was the sector of the Albanian economy which employed the majority of the labour force. This sector has been significantly affected by the collapse of the previous system given the spontaneous breakup of cooperatives and the allotment of agricultural land to the rural population. Also, most state enterprises were closed during the first years of the transition period. These important changes put pressure on the Albanian labour force which, in turn, tended to migrate to other countries or move internally from rural to urban areas looking for better job opportunities.

During the latter half of the transition period, the Albanian annual GDP growth rate for the period 2000 to 2008 has been significant varying between the intervals of 4 to 8 percent. On average, for the 2000 to 2008 period, the annual real GDP growth rate was 6.1 per cent. However, the most recent years have shown a slow-down of the GDP growth to the annual average of 3.4 percent for the period 2009 to 2011 and less than 2 percent in 2012 and 2013 (based on provisional estimations).

According to different studies on the relationship between emigrant remittances and economic growth (e.g. Mundaca, 2009) remittances have had a significant positive impact. Therefore, the economic crises in the region, especially in Greece and Italy, and its adverse consequences on the integration process of Albanian emigrants in the social and economic life of these hosting countries are resulting in a reduction of remittances, which ultimately may affect negatively the GDP growth rates.

Despite the positive GDP growth experienced by the Albanian economy, labour market was unable to create jobs. Still in a phase of economic development, Albania's transition resulted in high rates of unemployment, and increased levels of emigration. One of the challenges faced by the Albanian society is to reduce the level of unemployment. However, the significant unemployment rate during all the transition period is not the only single concern that needs to be addressed. Is the labour market in Albania doing well and creating better employment opportunities? This is the most important issue raised in this paper.

This research report is mainly based on data derived from Population and Housing Censuses for 2001 and 2011, as well as data from yearly Labour Force Survey from 2007 to 2011. While data from censuses provide a comprehensive coverage of the Albanian population according to various life dimensions, Labour Force Survey data better capture workers characteristics. In order to get a complete overview of the labour market situation in Albania, both data sources are used in this report, specific issues not covered by censuses being analysed in depth on the basis of the Labour Force Survey data. Comparisons are made with caution due to the differences in methodology or questionnaire design of each data source.

The main objectives of this research are as follows:

- To describe the situation of the labour force in Albania, with particular attention to employment and unemployment characteristics;
- To identify trends and changes affecting the main labour market indicators between 2001 and 2011;
- To examine possible demographic factors affecting participation in the labour force,
- To draw conclusions aiming to help in the design of possible future employment policies.

All in all, the Albanian labour market is facing a low level of participation rates, particularly for women and youth. In addition, unemployment has dramatically increased and is associated with a high risk of persistence for young workers. Another key characteristic of the Albanian labour market is the striking difference between men's and women's participation in the labour market. For instance, even though the female labour force participation has progressed since the 2001 Census, it remains almost 20 percentage points lower than that for men. Women's employment rate is also considerably lower than that for men.

After a presentation of the sources of labour market data in Albania, the study starts with a general description of the Albanian labour market. It is followed by another section on employment patterns in Albania. In conclusion, the last section highlights the main findings of our study with the aim of helping in the design of possible future employment policies. The regional dimension of employment and unemployment is proposed in Subsection A.1 in the appendix, while the latter also includes tables and figures not presented in the main sections of this report.

2. DATA SOURCES AND DEFINITIONS

This section is subdivided into three parts. The first subsection details the data sources used for the analysis, namely the Population Census and the Labour Force Survey (LFS). The second subsection sheds light on the

methodological differences and similarities between these sources. The third subsection presents the concepts and definitions used in the Census and LFS concerning the measurement of employment in Albania.

2.1 Data sources for this study

Data from the *Albanian Population Census* for the years 2001 and 2011 are the main source used to describe the labour market characteristics in this study. Carried out once every ten years (the most recent time in October 2011), census data provide a comprehensive source of information in the sense that every household and every communal establishment in Albania were covered.

The other data source used in this study is the *Albanian Labour Force Survey*. The LFS is one of the largest household-based surveys in Albania. Using internationally agreed-upon concepts and definitions, respondents aged 15 years and over were asked about their individual characteristics and work. LFS data provide an important

source of information that allows measuring a number of key indicators related to employment, unemployment and inactivity. The first LFS was conducted in 2007 and, till 2011, it has been carried out on an annual basis. For the years 2008-2011, the survey was carried out during September-October, while the first one was carried out in the spring quarter of 2007. The LFS is designed to have representative results on the economically active and non-active population at national and prefecture level. Most importantly, this data source provides additional information on the labour market in Albania that cannot be captured by the census questionnaire and thus served as a more detailed, complementary source of information.

2.2 Methodological differences and similarities between Census and LFS data

Census and LFS data differ in their scope, especially in respect of their target population. The method of data collection in both sources is face-to-face interview, where proxy interviews (an eligible household member can answer on the behalf of the other household members) are allowed. The census questionnaire is a multi-purpose one as it includes different modules aimed to gather information on spatial, demographic and socio-economic characteristics of the population. Its module on economic status has therefore a limited number of questions related to the labour market compared to the LFS. The latter survey has indeed a longer questionnaire that specifically focuses on a wide range of labour market outcomes and is richer in the type of information collected.

According to the Resolution adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982)¹, unemployed persons are defined as those fulfilling the following three criteria: they were without work during the reference week, currently available to work (within the two upcoming weeks) and actively seeking a job in the last four weeks that ended with the reference week.

In the 2001 census, the measurement of unemployed was slightly different from the standard ILO definition, as no reference period on job-seeking was then defined. The respondents were asked to give their self-perception on the present economic status and, irrespective of the answers given to the question on their present economic status, all individuals were asked to report how many hours they had worked during the previous week. In the 2011 census questionnaire, the measurement of unemployment follows strictly the standard ILO definition considering the three criteria to be fulfilled for unemployed people, and the reference periods were clearly specified in each relevant question.

The definition used for the measurement of employment differs according to the year in which the census was conducted. In the 2001 Census, employed persons were generally defined as those engaged in productive activities during the reference period, as well as persons with regular jobs but who had not been working during the reference period because of poor health, annual leave, the temporary closure of the workplace (because of maintenance or lack of raw materials), strike, maternity leave, etc. The reference period was the week prior to the census date. However, the measurement of employment

¹ The international standards have been revised and are now contained in Resolution I on "Statistics of work, employment, and labour underutilization" adopted by the 19th International Conference of Labour Statisticians (Geneva, 2013). At the time of 2011 census the Resolution adopted the 13th International Conference of Labour Statisticians (Geneva, 1982) was prevailing.

in the 2011 Census is based on the one-hour criterion², while this criterion had not been used in the 2001 Census.

The unpaid contributing family workers were considered as employed people in both censuses. Students and retired people in the 2001 Census were not considered as economically active even if performing a job. The classification was based mainly on the declaration of census respondents, who reported to the interviewer their own actual primary status. In the 2011 Census, students and retired people are considered as employed if they had performed any job, or are considered as unemployed if they fulfilled the three ILO criteria for being unemployed. The labour market-related questions included in the 2001 and 2011 censuses are presented in the appendix 4.

The concepts of employment and unemployment used in the 2011 Census and in the LFS 2007-2011 were the same, and in line with the international standards prevailing at that time (13th ICLS 1982). But the way these standards have been implemented differs significantly. In the LFS questionnaire, the first question that identifies persons that carried out any work during the reference week has five answer categories. The corresponding question in the 2011 Census has only four answer categories. The missing answer category in the 2011 Census questionnaire is related to the subsistence farm workers who produce only for their own consumption. As a result, there is a major difference in terms of employment between the

population census and the LFS. As a matter of fact, the absolute value of total employment is much higher in the LFS than in the 2011 Census; this discrepancy is mainly due to the underreporting of two phenomena in the census: own use production in agriculture and informal employment in other sectors. The reference week in the 2011 census was a fixed calendar week preceding the date of census moment. Consequently, the 2011 Census gives only a snapshot of the "current activity status" of individuals in that specific fixed reference week (24-29 September 2011). While, the labour force survey provides information for the current and usual activity status of individual. The reference week in the labour force survey is not a fixed week, but it changes depending on the interview date.

The different figures on total employment have a direct impact on the incidence of unemployment: persons not classified as employed in the population census were classified as unemployed or inactive depending on their job-search activity and current availability for work during the corresponding census reference periods. As a consequence, the unemployment rate derived from the population census is significantly higher than the unemployment rate obtained from the LFS (for more detail, see appendix 2). However, in Albania, as in other EU countries, employment data derived from a population census is not used as official data for employment and unemployment rates.

2.3 Concepts and definitions in the 2011 Census and LFS 2007-2011

In the LFS, as well as in 2011 census, all the definitions and concepts apply to persons aged 15 years and over who live in private households. Moreover, they follow the guidelines of the International Labour Organisation and EUROSTAT.

Employed people are defined as all the persons who have worked even for one hour with a respective salary or profit during the reference week. Employed people also include all persons who were receiving a salary or wage while they were in training during their work. Moreover, persons are considered as employed when they are temporarily not at work during the reference week for some reason: (1) maternity leave, illness, injury or temporary disability, and who expect to return to work, education/training directly related to the actual work; (2) salaried employees absent from work for some reason other than the above that (a) the non-working duration is three months or less, and the

person is not a seasonal worker or (b) the person takes 50% or more salary; (3) the self-employed who intend to return to the business, farm or professional practice; (4) workers not being paid who expect to return to work in three months or less. Persons are also considered as employed when they work on their small farm, do not sell their products but produce only for self-consumption. Note that the unpaid contributing family workers are included in the group of employed persons. In the 2011 Census, *employed people* are all persons who, during the week before the census day, (1) did any work for pay or profit, or (2) were not working but had jobs from which they were temporarily absent for reasons such as: maternity leave, sickness or temporary incapacity to work, training directly connected with their actual work, etc.

As a reminder, the three criteria used to define the *unemployed* persons are specified as follows: (1) without

² The respondents in the 2011 Census were asked whether they worked at least one hour, while the respondents in the 2001 census were not asked about any precise amount of time.

work during the reference week, i.e. neither had a job nor were at work (for one hour or more) in paid employment or self-employment; (2) currently available for work (were available before the end of the two weeks following the reference week); (3) actively seeking work, (had taken specific steps in the four week period ending with the reference week to seek paid employment or self-employment) or who found a job to start later (within a period of at most three months).³

Long-term unemployed persons are those who have been unemployed for one year or more, i.e. unemployed persons who have searched for employment for one year or longer or who left their last job one year or more ago, whichever period is shorter. This information can only be derived from LFS data.

While the *economically active population* (or the labour force) comprises all the people employed and unemployed, the *non-economically active population* (or persons not in the labour force) comprises all persons who were neither employed nor unemployed such as pupils/students, housekeepers, persons in retirement, people with a disability, discouraged unemployed, etc.

Discouraged workers belong to a sub-group among the *economically inactive* population who said although they would like a job their main reason for not seeking work was because they believed there were no jobs available. This information is derived from the 2011 Census for this study.

Other general concepts include

Employee: A person undertaking paid employment for a private or public employer and receiving financial compensation in the form of a salary, performance-related bonus, or payment in kind.

Self-employed: A person working in his/her own business, professional practice or farm, with the intention of securing profit, and employing other person(s) or not.

Contributing family worker: A person who helps other family members at their farm or non-agricultural business, but receiving no financial compensation.

³ Concerning criterion (3), the following are considered as specific steps: [a] having been in contact with a public employment office to find work; [b] having been in contact with a private employment agency to find work; [c] applying to employers directly; [d] asking friends, relatives, unions, etc., to find work; [e] placing or answering job advertisements; [f] studying job advertisements; [g] taking a recruitment test or examination or being interviewed; [h] looking for land, premises or equipment; [i] applying for permits, licenses or financial resources.

3. MAIN LABOUR MARKET CHARACTERISTICS

This section gives a general overview of the main labour market characteristics in Albania. Attention is paid to general indicators of employment, unemployment and inactivity. Various descriptive analyses derived from the 2001 and 2011 censuses are broken down by gender,

urban/rural areas and education levels. Analyses derived from the 2007, 2008, 2009, 2010 and 2011 Labour Force Surveys are described in the form of boxes. Other analyses not covered by censuses or labour force surveys are also treated in separate boxes.

3.1 Working age population and demographic dependency

The working age population, to which the age group 15-64 years belongs, was about 1.9 million people in 2011 i.e. 68 percent of the total population.¹ Compared to 2001, this percentage has increased by 5 percentage points, almost equally for men and women. As shown in Table

3.1.1, the percentage of the working age population out of the total population is very slightly higher in urban areas. In the remainder of this report, the distinction between urban and rural areas is ignored if results do not provide substantial changes.

Table 3.1.1: Working age population by sex and areas of residence, in 2001 and 2011

	2001			2011		
	Male	Female	Total	Male	Female	Total
Number in thousands	961	978	1,939	950	954	1,904
% of total population	62.8	63.6	63.2	67.7	68.3	68.0
- Urban areas (%)	64.8	66.2	65.5	68.6	69.7	69.2
- Rural areas (%)	61.3	61.6	61.5	66.6	66.7	66.7

Source: 2001 and 2011 Census data

Table 3.1.2 shows various dependency ratios that measure the proportion of “unproductive” to “potentially productive” persons. In 2011, there were 0.47 persons belonging to the non-working age population for each person in the working age population (cf the overall dependency ratio). This ratio has decreased since 2001 (from 0.58 to 0.47), the

decrease being slightly higher for rural than for urban areas (see Table A3.1.1 in the appendix 3). With respect to the young and elderly dependency ratios, one can note that while the young dependency ratio has decreased (slightly more in rural parts of Albania), the elderly dependency ratio has increased equally everywhere.

Table 3.1.2: Demographic dependency ratios by areas, in 2001 and 2011 (%)

	2001	2011
Young dependency ratio ⁽¹⁾	46.4	30.4
Elderly dependency ratio ⁽²⁾	11.9	16.7
Overall dependency ratio ⁽³⁾	58.3	47.1

Source: 2001 and 2011 Census data

⁽¹⁾ Pop. 0-14 yrs. / Total pop. 15-64 yrs.

⁽²⁾ Pop. 65&more yrs. / Total pop. 15-64 yrs.

⁽³⁾ (Pop. 0-14 yrs. + Pop. 65 and more yrs.) / Total pop. 15-64 yrs.

¹ Dependent work before the age of 16 years is not allowed according to Albanian law. However, the law sets the retirement age in Albania at 60 years old for women and at 65 years old for men. Taking account of the fact that people may work beyond retirement age in agricultural activities or in the non-agricultural private

sector, all people over 15 years old were asked about their employment status in censuses as well as in surveys. For analysis purposes, and also in order to be in line with international recommendations, the working age population considered in this report belongs to the age group 15-64 years.

The internal structure of the working age population indicates the prevalence of the young potential labour force. According to Table 3.1.3, there is a slight decrease in this indicator since 2001 (from 1.5 to 1.2). Although the decrease is higher in rural areas (see Table A3.1.2

in the appendix), the general decreasing pattern of these ratios is in line with the steady aging process that affects the potential labour force in Albania as in most other countries in Western Europe.

Table 3.1.3: Internal structure^(*) of the working age population by sex and areas, in 2001 and 2011

	2001	2011
Male	1.5	1.2
Female	1.6	1.2
Total	1.5	1.2

Source: 2001 and 2011 Census data

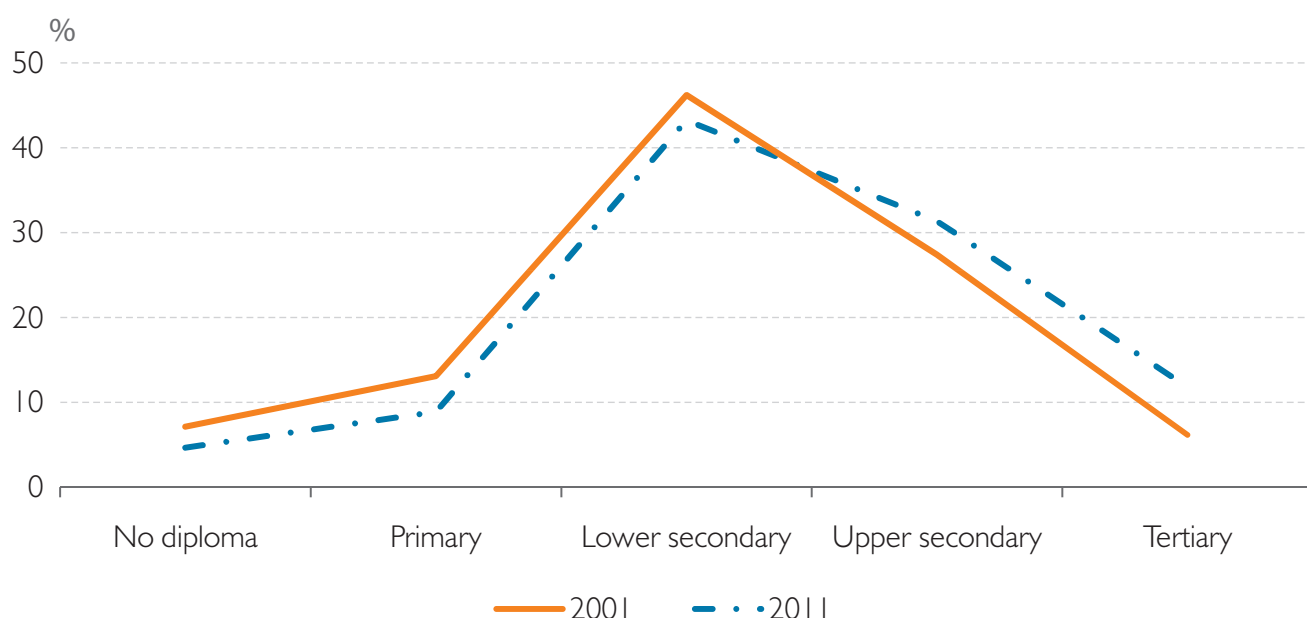
(*) Pop. 15-39 yrs. / Pop. 40-64 yrs.

3.2 Education

As shown in Figure 3.2.1, almost half of the population aged 15 years old and over holds a diploma from the upper secondary level of education (46.2 and 43 percent in 2001 and 2011, respectively). In addition, we observe an improvement in terms of educational attainment between 2001 and 2011. To be more precise, since 2001, the percentage of those having a tertiary level of education has

doubled (from 6.2 to 12 percent) while there is a decrease in the proportions of those having no diploma (from 7.1 to 5 percent) or only a primary education (from 13.1 to 9 percent). It should be noted that there is almost no gender difference in terms of education distribution according to the 2011 census, women being slightly less educated than men according to the 2001 census.

Figure 3.2.1: Distribution of education, in 2001 and 2011



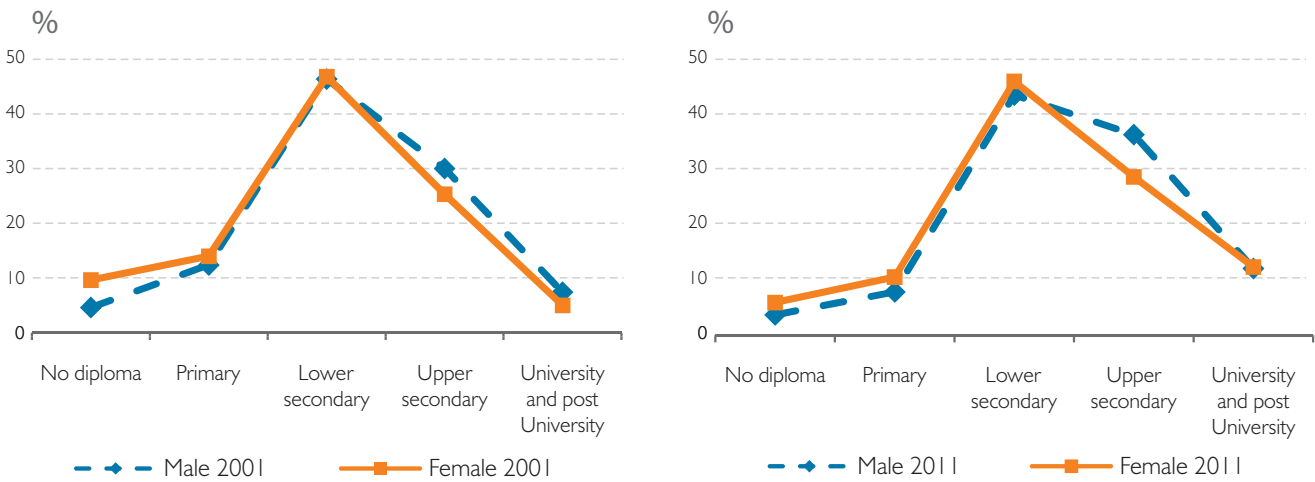
Source: 2001 and 2011 Census data

Note: Population aged 15 years and over

Figure 3.2.2 indicates the distribution of educational level by gender in 2001 and 2011. The pattern is very similar to that presented in Figure 3.2.1; in other words, there is

almost no gender gap in terms of educational attainment whatever the census year.

Figure 3.2.2: Distribution of education by sex, in 2001 and 2011

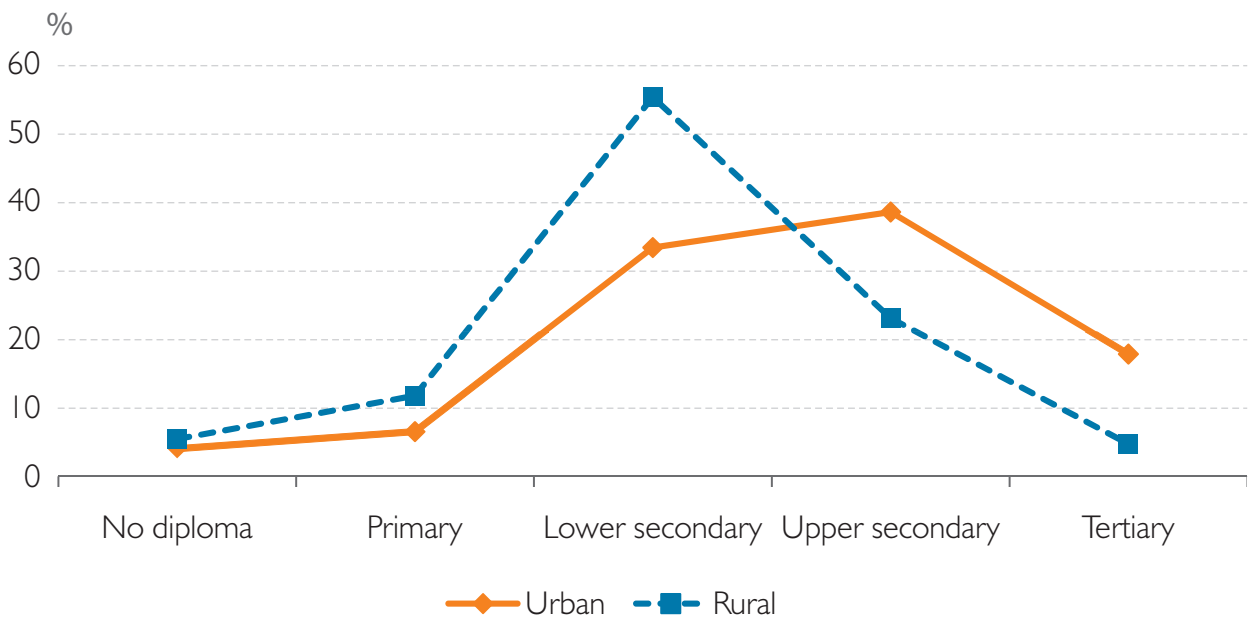


Source: 2001 and 2011 Census data
Note: Population aged 15 years and over

Figure 3.2.3 focuses on the rural/urban aspects of Albania when examining the distribution of education in 2011. Accordingly, the proportion of tertiary-educated individuals is about 4 times higher in urban than in rural areas (17.8 against 4.7 percent, respectively). However,

individuals in rural areas are more likely to have achieved a compulsory education (i.e. primary/lower secondary degree) than those in urban areas. It should be noted that the same pattern is also observed in 2001.

Figure 3.2.3: Distribution of education by areas, in 2011



Source: 2011 Census data
Note: Population aged 15 years and over

3.3 Labour force participation and employment

Table 3.3.1 shows the labour market participation among the working age population. We distinguish those who are economically active (i.e. participate in the labour market) or inactive in 2001 and 2011. *Economically active* people

includes those *employed* or *unemployed*. The labour force participation rate represents the economically active population or labour force as a percentage of the total population aged 15-64 years.

Table 3.3.1: Labour force participation by sex, in 2001 and 2011 (col. percentage)

	2001			2011		
	Male	Female	Total	Male	Female	Total
Economically active	82.9	55.8	69.2	62.4	37.1	49.7
Economically inactive	17.1	44.2	30.8	37.6	62.9	50.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: 2001 and 2011 Census data

According to 2011 Census data, there were 946 thousand persons in the labour force (i.e. economically active), representing 49.7% of the working age population. This percentage is higher for men than for women, for all census years. Moreover, there is a significant decrease during the 2001-2011 period, corresponding to almost 20 percentage points (from 69.2 to 49.7 percent). This

decrease affected both men and women by almost the same amount (from 82.9 to 62.4 percent for men and from 55.8 to 37.1 percent for women). Such a downward trend in the labour force participation rate probably occurred because of the underreporting of two phenomena in the 2011 Census: own-use production in agriculture and informal employment (for more detail, see appendix 2).

Box 3.3.1: Labour force participation rate according to the Labour Force Survey data

Statistics derived from the Labour Force Surveys show a much better situation regarding the participation of the working age population in the labour market, with at least 60 percent of the surveyed individuals being either employed or unemployed. From Table 3.3.1.1, one can also note the difference of more than 15 percentage points between men and women in terms of labour force participation rates, difference seen for all the period 2007-2011. As noted above, the discrepancy between figures computed from census and LFS data originates from the underreporting of own-use production in agriculture and informal employment (for more details, see appendix 2).

Table 3.3.1.1: Labour force participation rate among the working age population, from 2007 to 2011 (%)

	Male	Female	Total
2007	74.4	56.2	65.2
2008	72.1	52.8	61.9
2009	73.3	51.8	61.9
2010	72.2	52.8	62.2
2011	76.4	60.8	68.5

Source: 2007-2011 LFS data

According to 2011 Census data, 668 thousand persons 15-64 yrs. old were employed, which constitutes 35.1 percent of the working age population (see Table 3.3.2). Men are more likely than women to be employed (44.8 percent for men and 25.5 percent for women). One can note the overall decrease in the employment rate from 53.5 percent in 2001 Census to 35.1 percent in 2011 Census, decrease

that affected more people living in rural areas. Among women, the decrease in the employment rate is in fact much higher in rural areas (22.9 percentage points) than urban areas (6.3 percentage points). The same reasoning applies to the rate of labour force participation: this rate decreased from 67.4 to 44.7 percent in rural areas and from 71.6 to 53.9 percent in urban areas.

Table 3.3.2: Labour force participation and employment rates by sex and areas, in 2001 and 2011

(%)

	Labour Force Participation Rate ⁽¹⁾		Employment Rate ⁽²⁾	
	2001	2011	2001	2011
Male	82.9	62.4	67.3	44.8
- Urban	81.1	64.1	63.2	44.9
- Rural	84.2	60.4	70.3	44.6
Female	55.8	37.1	40.0	25.5
- Urban	62.6	44.1	36.0	29.7
- Rural	50.5	28.5	43.1	20.2
Total	69.2	49.7	53.5	35.1
- Urban	71.6	53.9	49.3	37.2
- Rural	67.4	44.7	56.8	32.6

Source: 2001 and 2011 Census data

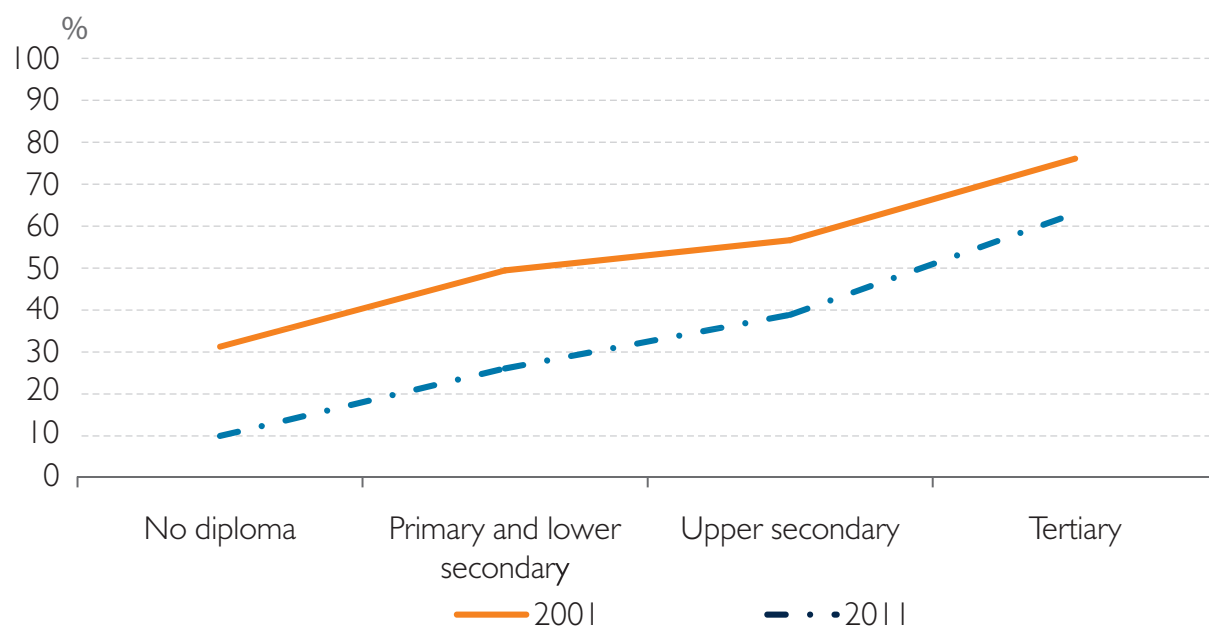
⁽¹⁾ (Employed 15-64 yrs. + Unemployed 15-64 yrs.) / Total population 15-64 yrs.

⁽²⁾ Employed 15-64 yrs. / Total population 15-64 yrs.

As shown in Figure 3.3.1, the employment rate increases with the level of education for all census years and whatever the gender. Moreover, differences observed between 2001 and 2011 are higher for low-educated individuals.

In addition, according to Figure 3.3.2, there is a significant gender gap in terms of employment rate, women being less likely to work than men.

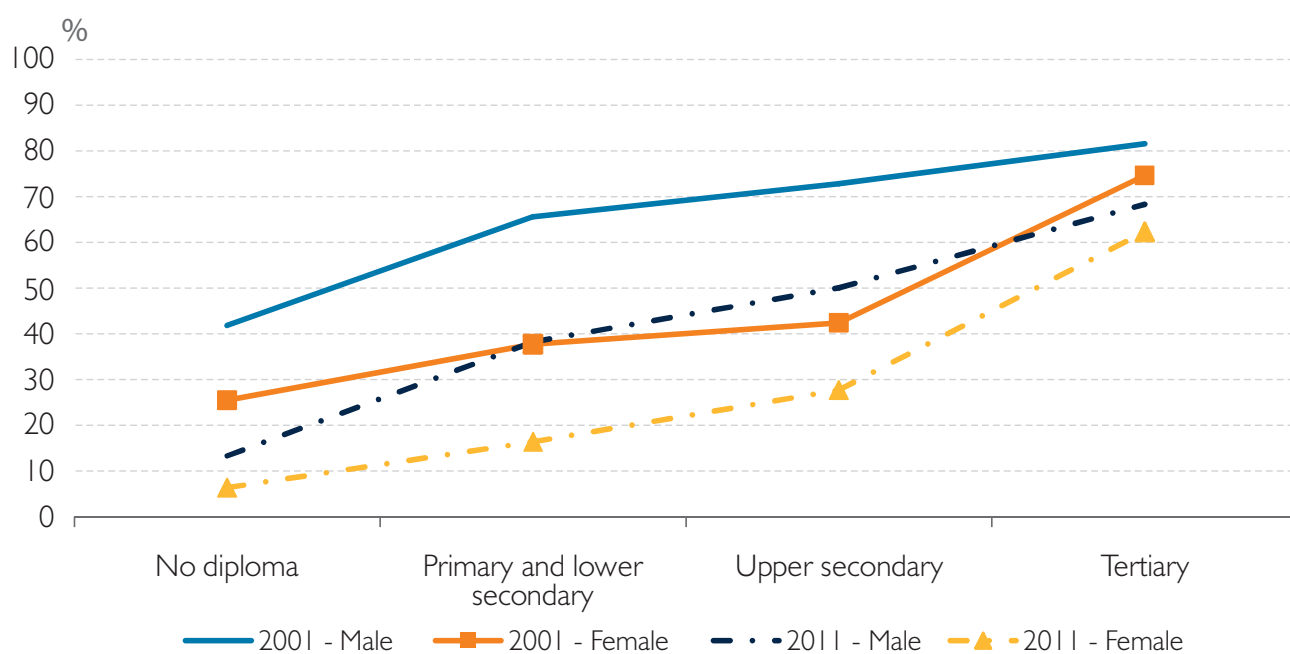
Figure 3.3.1: Employment rate^(*) by education, in 2001 and 2011



Source: 2001 and 2011 Census data

(*) Employed 15-64 yrs. / Total population 15-64 yrs

Figure 3.3.2: Employment rate^(*) by sex and education, in 2001 and 2011



Source: 2001 and 2011 Census data

(*) Employed 15-64 yrs. / Total population 15-64 yrs

Box 3.3.2: Employment rate according to the Labour Force Survey data

LFS data covering better employment in agriculture as well as on informal employment, the employment rates derived from LFS for the periods 2007-2011 are higher compared to rates computed from the 2011 Census. With values above 50 percent, a quite satisfactory level is reached in 2011 compared to EU standards and other countries in the region. However, while the male employment rate is more or less stable from 2007 to 2010 (around 63%), with an increase of 5 percentage points between 2010 and 2011, this indicator for women tends to slightly decrease from 2007 to 2009 and increase in the following two years.

Table 3.3.2.1: Employment rate among the working age population by sex, from 2007 to 2011

(%)

	Male	Female	Total
2007	63.6	49.3	56.4
2008	63.0	45.6	53.8
2009	64.3	43.6	53.4
2010	63.0	44.4	53.4
2011	65.7	51.8	58.7

Source: 2007-2011 LFS data

Box 3.3.3: Child Labour in Albania¹

(Based on data from the Child Labour Survey 2010²)

The Child Labour Survey 2010 (ACLS 2010) results indicate the prevalence of work among children aged from 5 to 17 is 7.7 percent. Child employment tends to increase with age: while the prevalence of employment is 2.4 percent among children aged from 5 to 11 years old, it increases to 9.4 percent among children aged from 12 to 14 years old and further to 16.8 percent among those aged from 15 to 17 years old. On average, working children spend 18.7 hours per week in employment.

Child labour in Albania is defined as the situation where children are engaged in work activities dangerous for them and hazardous for health, education or moral development. The ILO distinguishes between children in employment, child labour and children in hazardous work. Children in employment (or working children) are those engaged in any activity falling within the production boundary of the system of national accounts for at least one hour during the reference period. Child labour is a subset of children in employment. They include those in the worst forms of child labour and children in employment below the minimum age, excluding children in permissible light work, if applicable. Hazardous work by children is defined as any activity or occupation that, by its nature or type, has or leads to adverse effects on the child's safety, health and moral development.³

Table 3.3.3.1: Percentage of children aged 5-17 in employment (%)

	Children in employment	Child labour	Children in Hazardous work
Boys	9.1	6.2	3.5
Girls	6.3	3.9	2.3
Total	7.7	5.1	2.9

Source: Albania Child Labour Survey 2010

There is a gender gap in terms of child labour. The prevalence of work tends to be three to four percentage points higher among boys than among girls. The average time input of working boys is also higher than that of girls by about 2 hours per week.

In Albania, over 93 percent of working girls and 87 percent of working boys are employed alongside family members. Among working children, the majority are engaged in agricultural activities (80%); the latter group work almost exclusively as unpaid family workers in their family's agricultural establishment (97%).

Table 3.3.3.2: Percentage of unpaid family workers engaged in agricultural sector by sex and age, and hazardous employment (%)

	In hazardous employment			Other working children		
	6-15 years	16-17 years	6-17 years	6-15 years	16-17 years	6-17 years
Boys	97.4	96.9	97.2	98.4	93.2	96.3
Girls	99.3	89.5	96.4	97.7	97.5	97.6
Total	98.3	94.3	96.8	98.1	95.0	96.8

Source: Albania Child Labour Survey 2010

1 Referring to the publication from ILO and INSTAT (2012): "Working children in the Republic of Albania - Results of the 2010 National Child Labour Survey"

2 The survey covered 7,319 households containing 27,865 individuals, 6,003 of whom were children between the ages of 5-17 years in all Albania.

3 The ILO concept of child labour includes: (i) Children employed in hazardous industries, including mining and quarrying, and construction. (ii) Children employed in hazardous occupations, including, but not limited to, work in mines and underground; work in civil aviation; fermentation work in the tobacco and cigarette manufacturing industry; work in copper, chromium and coal enrichment factories; and work with ionizing radiation in the field of health care; (iii) Children working under hazardous conditions that involve carrying heavy loads, operating machinery/heavy equipment, exposure to adverse conditions such as dust/fumes, fire/gas/flames, loud noise, etc. as well as children who are verbally or physically abused at work; (iv) Children aged 5-13 who are employed (even if only for 1 hour per week); (v) Children aged 14-15 who work more than 14 hours per week; (vi) Children aged 16-17 who work more than 48 hours per week.

The second largest economic activity after agriculture, employing 8.2 percent of working children, is wholesale and retail trade, followed by hotel and restaurant work (4.1%). Even in these activities, over 70 percent of children work as unpaid family workers. In fact, the proportion of working children engaged in wage work is limited to 5.6 percent and is comprised of service/sales workers (31%), craft workers (25.8%), elementary workers (33.6%) and technicians (9.7%).

Based on their working conditions and the nature of their work, 5.1 percent of children aged from 5 to 17 years old, or 65.8 percent of all working children, are estimated to be child labourers, i.e. children who work for hours considered to be excessively long for their age, or under hazardous conditions. In Albania, what differentiates working children from child labourers are not the industries or occupations in which they are employed, but the conditions under which they work, including the hours they are required to work per week. While very few children are engaged in activities or occupations that require their immediate removal from these activities, 52.2 percent of child labourers are employed under hazardous conditions and 14.8 percent work for excessively long hours. Moreover, children aged from 5 to 13 years old – who are prohibited by national legislation from working for even one hour per week – constitute 28.5 percent of child labourers in Albania.

Based on the ACLS 2010, 13 percent of working children and 18.4 percent of child labourers were estimated to have suffered from a work-related illness or injury during the year preceding the survey, with the proportion of boys experiencing work-related health problems exceeding that of girls. The most common health problems recorded by both working children and child labourers were extreme fatigue and fever.

Vocational/skills training programs are rare in the education sector in Albania. Strengthening such programs might provide a useful means of attracting a larger proportion of working children to the education system and equipping them with skills useful in the labour market.

3.4 Unemployment

Unemployment is one of the most challenging issues that any transition economy has to deal with. *The unemployment rate* is defined as the number of unemployed persons divided by the number of persons in the labour force. When looking at Table 3.4.1, there is an increase in the unemployment rate from 22.8 percent in 2001 to 29.4 percent in 2011 (according to 2001 and 2011 censuses). The increase in the unemployment rate is mostly due to the overall decrease of employment. According to the figures in Table 3.3.1, one may deduce that an overall shift from the status “employed” to “inactive” happened during the 2001-2011 period.

As far as an analysis by gender is concerned, the unemployment rate remains higher among women in

both census years. While the unemployment rate increased for both sexes from 2001 to 2011, the highest increase is observed among men, amounting to about 10 percentage points (versus 3 percentage points for women).

The most interesting fact is that the unemployment rate in urban areas remains at the same level (around 31 percent) between 2001 and 2011 while, in rural areas, there is an increase from 15.8 percent in 2001 to 27 percent in 2011. In other words, the increase in the country’s unemployment rate mainly reflects the increase that arises in the rural part of the country, as a matter of fact, due to a shift from employment to inactivity. Interestingly, it should be noted that a decrease in the unemployment rate of 10 percentage points is observed for women living in urban areas (from 42.5 to 32.7 percent).

Table 3.4.1: Unemployment rate^(*) by sex and areas, in 2001 and 2011
(%)

	2001	2011
Male	18.8	28.2
- Urban	22.0	29.9
- Rural	16.5	26.1
Female	28.4	31.4
- Urban	42.5	32.7
- Rural	14.5	29.1
Total	22.8	29.4
- Urban	31.2	31.0
- Rural	15.8	27.0

Source: 2001 and 2011 Census data

(*) Unemployed 15-64 yrs. / Active population 15-64 yrs.

Box 3.4.1: Unemployment rate according to the Labour Force Survey data

The unemployment rate derived from the LFS is much lower compared to the figures based on the 2011 Census. Moreover, it remains more or less stable during the period 2007-2011. Analyses by gender show that the female unemployment rate is in general higher than the male unemployment rate (except in 2007).

Table 3.4.1.1: Unemployment rate by sex among the working age population, from 2007 to 2011
(%)

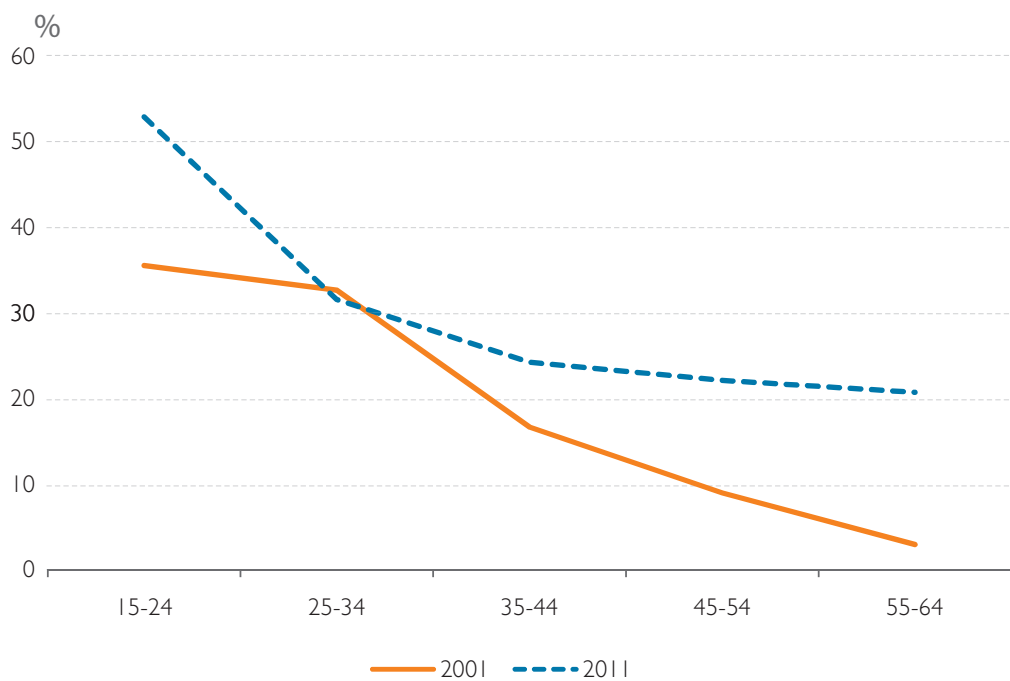
	Male	Female	Total
2007	14.4	12.2	13.5
2008	12.7	13.9	13.2
2009	12.2	15.9	13.8
2010	12.8	15.9	14.2
2011	14.0	14.7	14.3

Source: 2007-2011 LFS data

Figure 3.4.1 shows a decreasing pattern with age, whatever the census year, with the highest rates found among the young people aged 15-24 years old: 35.5% in 2001 and 52.9% in 2011 (see Table A3.2.8 in the appendix 3). The increase of the unemployment rate among the youth might originate from the different time periods when data were collected in the two censuses. While census data for 2001 were collected in April, a period in which young people are

currently attending school, the reference period for census data for 2011 is at the end of September, a period when young people attending school are on vacations, with a higher probability of searching for a job (even a temporary one). However, the increase of the unemployment rate at ages older than 35 years reflects the overall increase in the unemployment rate as explained in appendix 2.

Figure 3.4.1: Unemployment rate by age groups, in 2001 and 2011

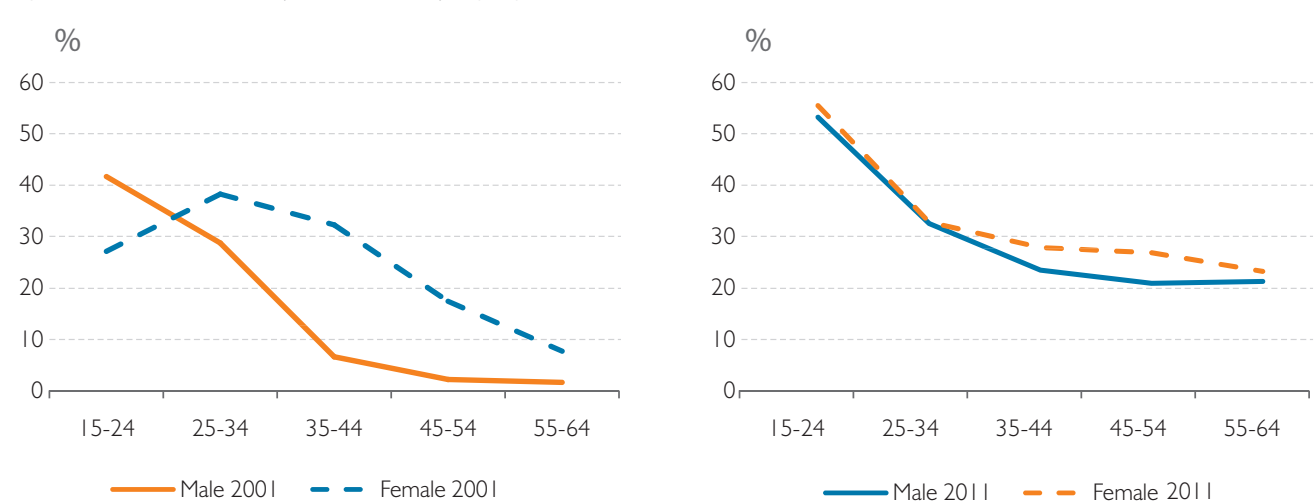


Source: 2001 and 2011 Census data

Analyses of the unemployment rate by age group and gender in 2011 (see Figure 3.4.2) indicate that there is no gender gap in the unemployment rate at young ages (15-34 years old) and women at central age groups (35-54 years old) experience much more difficulty in finding a job than men belonging to the same age group (the higher values of the unemployment rates for this category indicate this). As far as the comparison between the two

censuses is concerned, it can be noted that while for men an increase in the unemployment rate is observed at all ages and this pattern remains almost unchanged in 2001 and 2011, the pattern for women is quite different (see the shape of the curves in Figure 3.4.2) which indicates a more important increase in the unemployment rates for women at young ages.

Figure 3.4.2: Unemployment rate by age group and sex, in 2001 and 2011

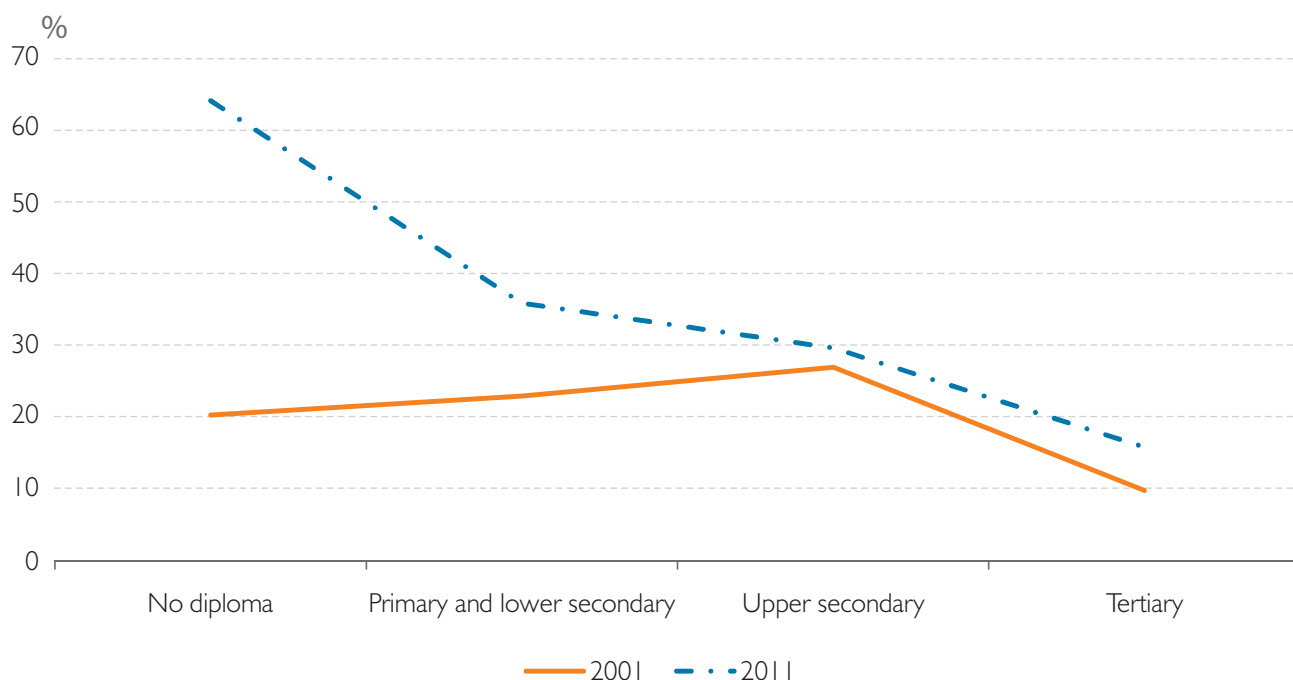


Source: 2001 and 2011 Census data

As shown in Figure 3.4.3, the unemployment rate is a decreasing function of education only in 2011: higher-educated individuals are less likely to be unemployed. Moreover, according to Figure 3.4.4, there is also a

gender gap (women being in general more likely to be unemployed than men) whatever the education and the census year.

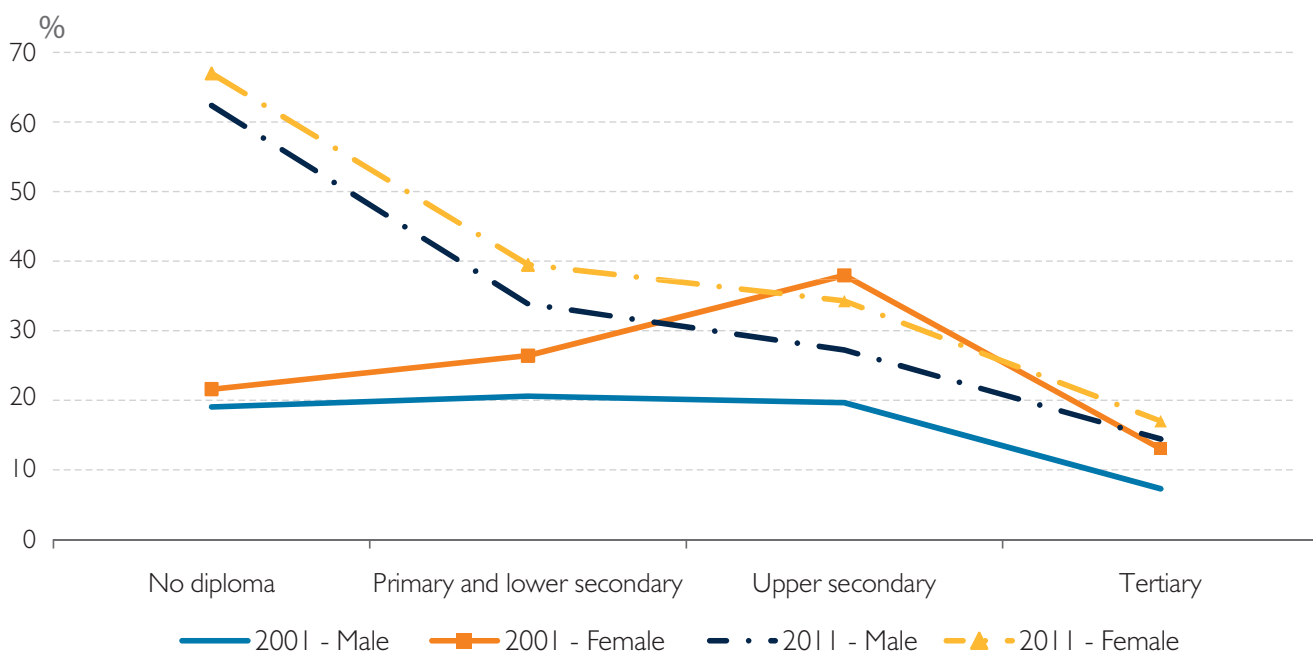
Figure 3.4.3: Unemployment rate^(*) by education, in 2001 and 2011



Source: 2001 and 2011 Census data

(*) Unemployed 15-64 yrs. / Active population 15-64 yrs

Figure 3.4.4: Unemployment rate^(*) by sex and education, in 2001 and 2011



Source: 2001 and 2011 Census data

(*) Unemployed 15-64 yrs. / Active population 15-64 yrs

An important aspect of unemployment is its duration. As acknowledged by the literature on the scarring effects of past unemployment experience (e.g. Arulampalam et al., 2000, 2001; Gangl, 2003), a longer period in unemployment is likely to be detrimental for subsequent employment outcomes. Accordingly, the analysis of unemployment duration is of utmost importance in terms of policy implementation. It should be noted that the duration of unemployment is derived from LFS data given that this information is not available in census data for 2011. The duration of unemployment is defined as the duration of search for a job or as the period of time since the last job was held (if this period is shorter than the duration of search for a job). In other words, the long-term unemployment refers to a period of 12 months or more.

Table 3.4.2 shows that, on average, less than one fifth of unemployed people are in such a state for a relatively short period of time, i.e. less than six months. However, the majority (about two thirds) of the unemployed are in such a state for at least 1 year, and are then considered as being long-term unemployed. In other words, long-term unemployment affects an important share of the unemployed in the Albanian labour market, and this observation applies almost equally to men and women. Long-term unemployment represents the worst possible situation of instability and insecurity, i.e. being not only without a job but also continuously unsuccessful in finding a new one; this situation is even more frustrating for those entering the labour market and trying to find their first job.

Table 3.4.2: Percentage of the unemployed by unemployment duration and sex, 2007-2011

(%)

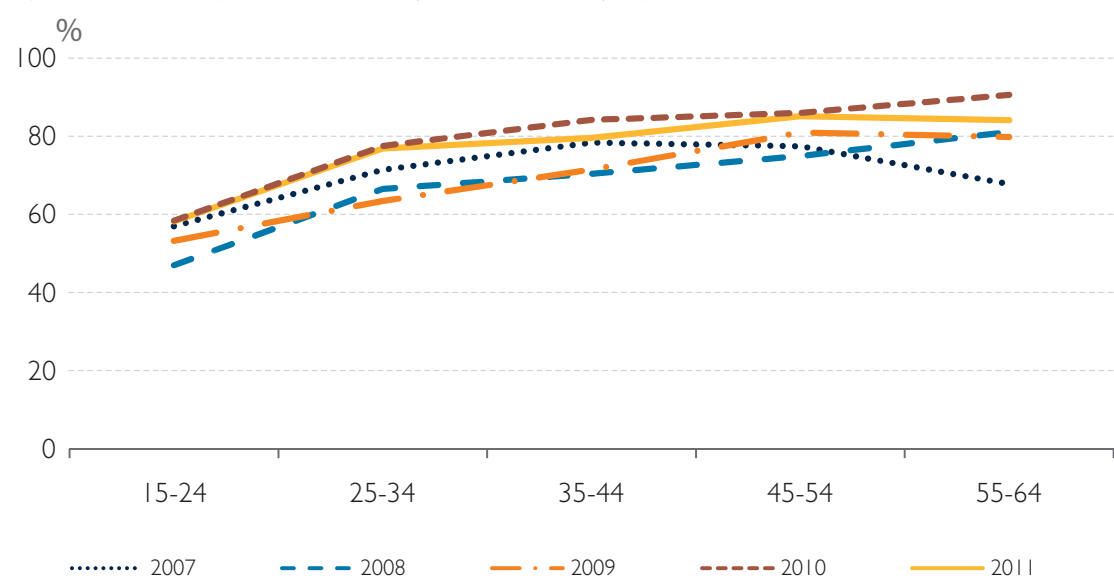
Duration of unemployment	Total	Male	Female
2007			
< 6 months	14.0	14.7	12.9
6-11 months	15.9	16.3	15.3
12+ months	70.1	69.0	71.8
Total	100.0	100.0	100.0
2008			
< 6 months	21.0	22.0	19.8
6-11 months	12.5	12.8	12.2
12+ months	66.5	65.2	68.0
Total	100.0	100.0	100.0
2009			
< 6 months	21.8	23.1	20.6
6-11 months	12.7	12.7	12.6
12+ months	65.5	64.2	66.8
Total	100.0	100.0	100.0
2010			
< 6 months	13.2	14.3	12.0
6-11 months	11.9	11.8	12.0
12+ months	74.9	73.9	76.0
Total	100.0	100.0	100.0
2011			
< 6 months	16.8	17.2	16.2
6-11 months	9.3	9.8	8.7
12+ months	74.0	73.0	75.1
Total	100.0	100.0	100.0

Source: Labour Force Survey data, 2007 to 2011

Long-term unemployment is a phenomenon increasing with age. As shown in Figure 3.4.5, between 50% and 60% of the young unemployed face this problem, while this percentage ranges between 70% and 90% among the older age groups (see Table A3.2.9 in the appendix 3). Finally, note that the higher the individual's education, the lower is the share of the long-term unemployed (see

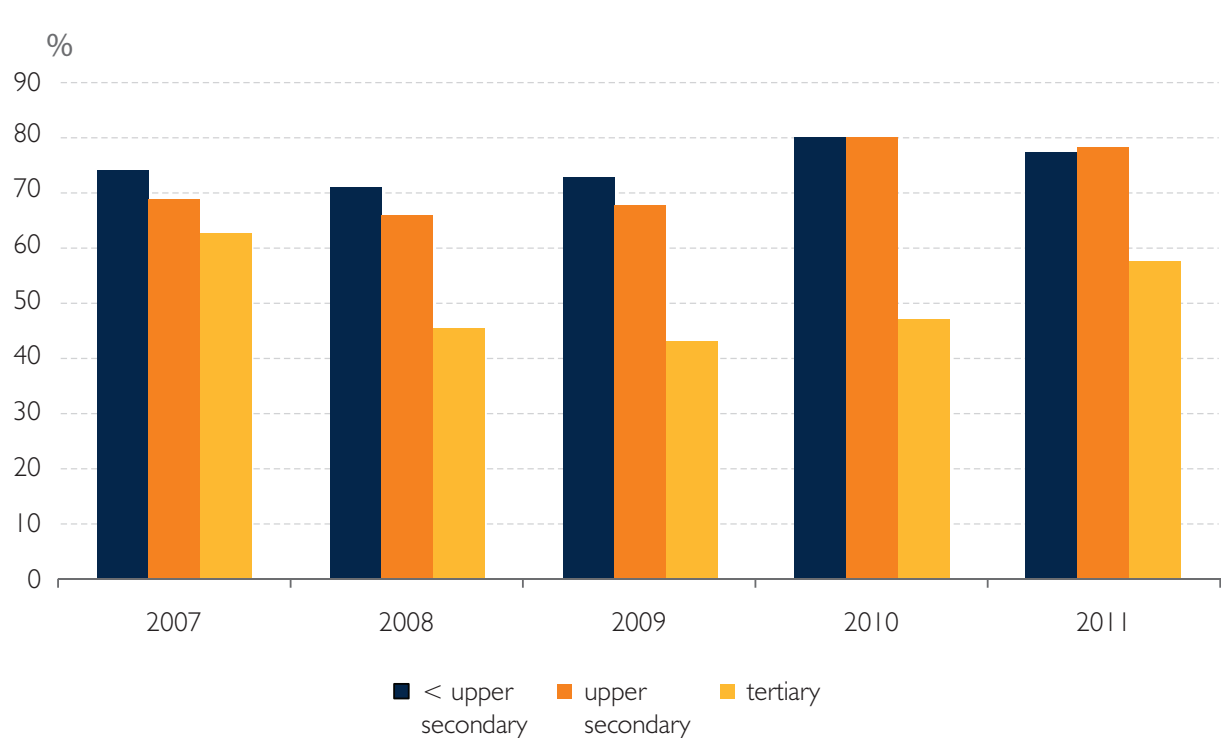
Figure 3.4.6) and this applies equally to both men and women (see Table A3.2.10 in the appendix 3). For instance, the share of the long-term unemployed among total unemployment is ranging from 40% to 60% for those with a tertiary-level education and exceeds 60% at the lower end of the education distribution.

Figure 3.4.5: Long-term unemployment shares by age group, 2007-2011



Source: 2007-2011 Labour Force Survey data

Figure 3.4.6: Long-term unemployment shares by education, 2007-2011



Source: 2007-2011 Labour Force Survey data

3.5 Inactivity among the working age population

Inactive individuals include full-time students (preparing themselves to enter the labour market), housekeepers, retired people, disabled people, discouraged people (those who do not look for a job because they think no job is available) and other inactive people (seasonal workers,

living on social assistance, etc.). 10.5 percent of the inactive population of age 15-64 years old are retired, 24.7 percent are pupils or students, 32.3 percent are housekeepers (the latter reaching almost 50 percent among women).

Table 3.5.1: Inactivity among the working age population by sex, in 2011 (column percentage)
(%)

	Male	Female	Total
Pupil / Students	32.2	20.2	24.7
Housekeepers	3.9	49.2	32.3
Retired	7.3	12.5	10.5
Disabled	8.9	4.1	5.8
Believe no work is available	28.1	8.9	16.0
Other inactive	16.1	3.1	7.9
Unknown*	3.5	2.1	2.6
Total	100.0	100.0	100.0

Source: 2011 Census data

* Unknown means that information provided by respondents was missing or unclear to be coded.

According to Table 3.5.2, we observe higher values of the inactivity rate for women than for men in 2001 (44.2 percent), this indicator reaching the maximal value when women live in rural area (49.5 percent). The same logic applies in 2011 but inactivity occurs to a higher extent

than in 2001. For instance, 62.9 percent of the female working age population is inactive, this rate being higher in rural areas (71.5 percent). This upward trend confirms that, according to the 2011 Census, there is a shift from employment to inactivity.

Table 3.5.2: Inactivity rate ^(*) by sex and areas, in 2001 and 2011
(%)

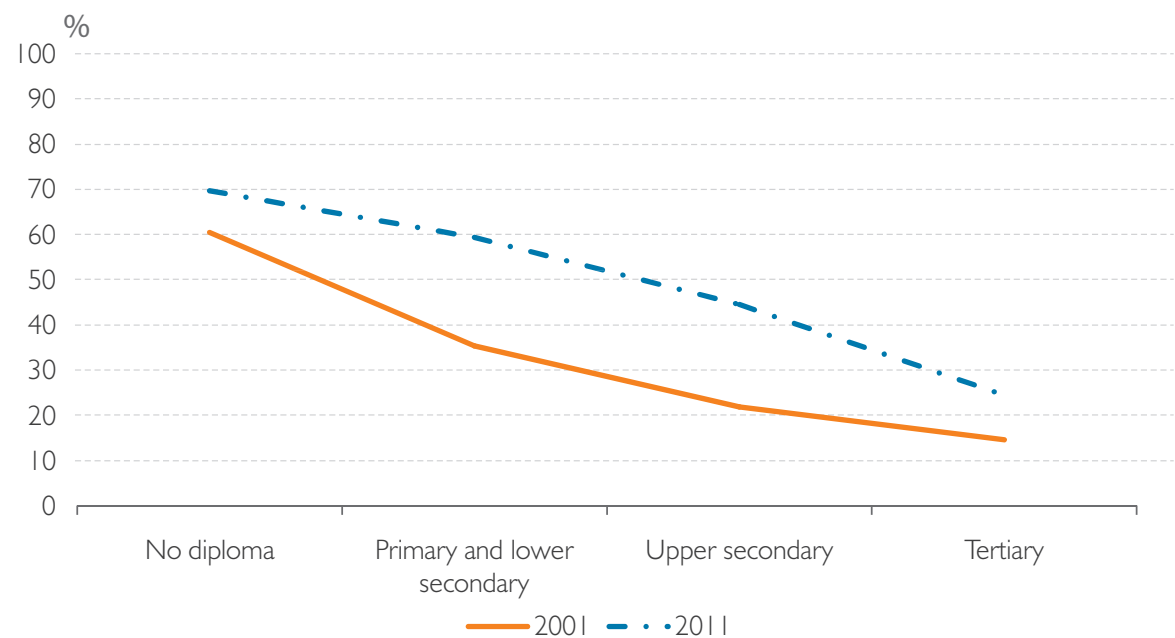
	2001	2011
Male	17.1	37.6
- Urban	18.9	35.9
- Rural	15.8	39.6
Female	44.2	62.9
- Urban	37.4	55.9
- Rural	49.5	71.5
Total	30.8	50.3
- Urban	28.4	46.1
- Rural	32.6	55.3

Source: 2001 and 2011 Census data

(*) Inactive population 15-64 yrs. / Population 15-64 yrs.

Figure 3.5.1 shows that the more educated people are, the less inactive in the labour market they are. This trend is confirmed for all census years, whatever the gender (see Figure 3.5.2).

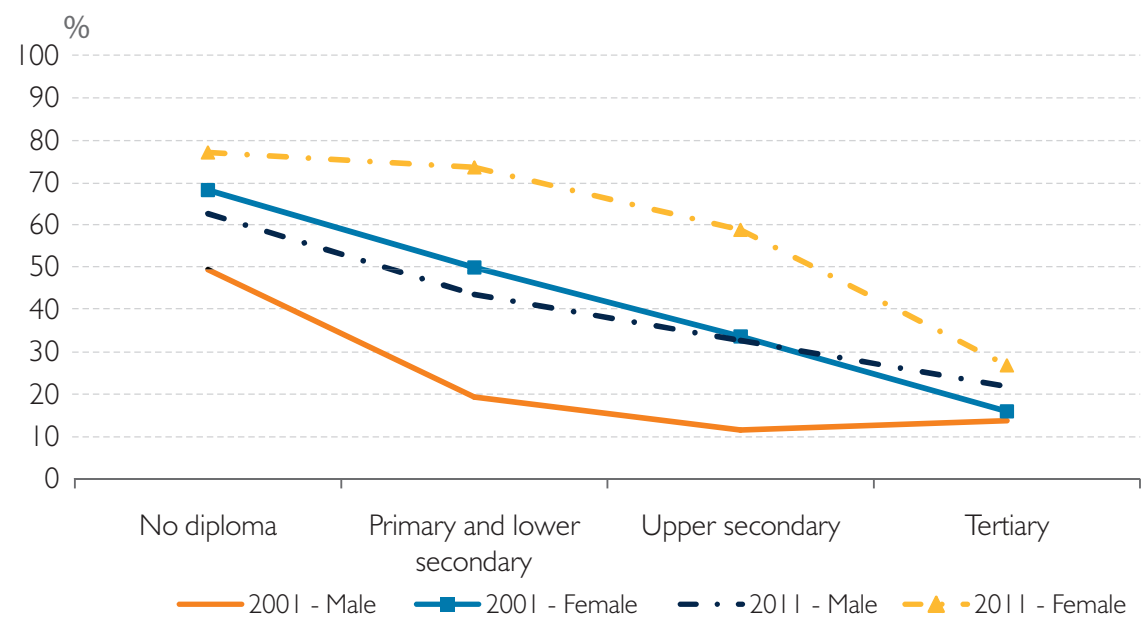
Figure 3.5.1: Inactivity rate^(*) by education, in 2001 and 2011



Source: 2001 and 2011 Census data

(*) Inactive population 15-64 yrs. / Total population 15-64 yrs

Figure 3.5.2: Inactivity rate^(*) by sex and education, in 2001 and 2011



Source: 2001 and 2011 Census data

(*) Inactive population 15-64 yrs. / Total population 15-64 yrs

As shown in Table 3.5.1, about 16 percent of the economically inactive population reported not looking for work because they believed that no work is available, and

are then classified as discouraged. As can be seen from Table 3.5.3, they represent 8.1 percent of the working age population.

Table 3.5.3: Percentage of discouraged individuals by education, 2011

(%)

Discouraged Workers	Total	Male	Female
Total percentage of discouraged	8.1	10.6	5.6
No diploma	4.7	6.1	3.2
Primary and lower secondary	9.0	12.6	5.7
Upper secondary	8.5	10.3	6.2
University	4.4	4.7	4.1

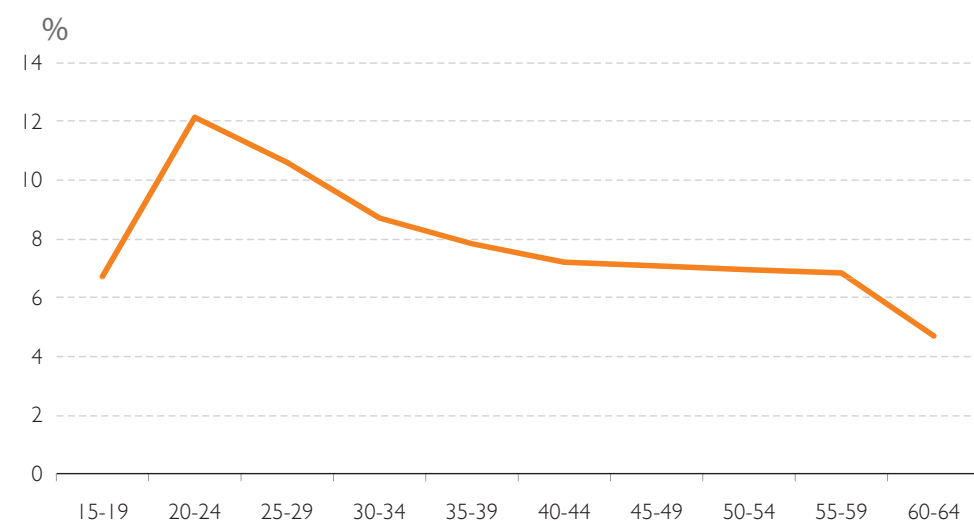
Source: 2011 Census data

Note: Percentage among the working age population

According to Figure 3.5.3, the majority of discouraged workers are young since the highest percentages are found in the age groups from 15 to 34 years old. The high figures of discouragement might indicate that job opportunities in Albania are scarce for the youth. Note that the percentage

of discouraged individuals is higher among men (see Table A3.1.3 in the appendix 3). Moreover, Table 3.5.3 indicates that the phenomenon of discouragement is present irrespective of the level of education.

Figure 3.5.3: Percentage of discouraged individuals by age group, in 2011



Source: 2011 Census data

Note: Percentage among the working age population

4. EMPLOYMENT IN ALBANIA

Employment is particularly an issue of concern in Albania. The transition from planned to market economy is a difficult one, as experienced by most of the formerly-planned economies. While informal employment is important to both the Albanian economy and the welfare of many households, workers in the informal labour market are especially vulnerable and are often poor. Moreover, many Albanians have chosen to leave the country to find gainful employment. Both in-formalization and migration are consequences of the fundamental problem that employment is not growing overall and especially not in the formal sector (World Bank, 2003).

Employment in the public sector enormously declined during the transition period but job growth in the private sector has been too slow to compensate. The decrease in the number of jobs in the public sector was remarkable, especially during the first few years of the transition. However, job creation in the private sector has not been

strong enough to compensate for the loss of public-sector employment. According to administrative data collected by INSTAT, the private-sector employment increased by only 31 thousand people between 2001 and 2011, adding only 3.4 percent to total employment over this period. As a consequence, one of the main challenges of the labour market in Albania is to improve this job creation performance in order to reduce unemployment in the country.

An extensive analysis of employment characteristics in Albania (e.g. in terms of age groups, branch of activity, occupations, status in employment, full time/part time patterns, etc.) is given in this section. The descriptive analysis is mainly based on data from the 2001 and 2011 Censuses and data from the yearly Labour Force Surveys 2007-2011 are also used to complement the census analysis.

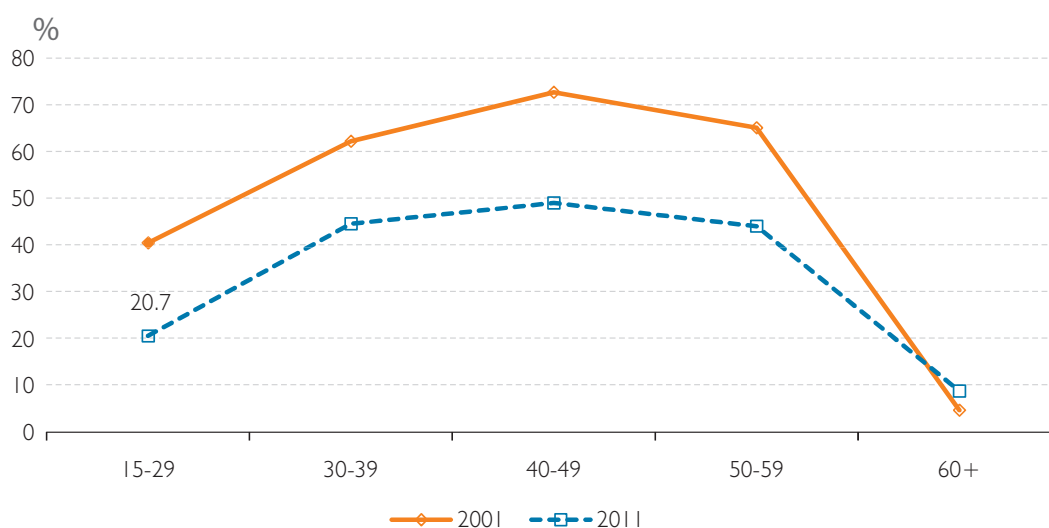
4.1 Some demographic determinants of employment

Employment by sex and age groups

Gender and age are important factors that affect the participation of people in the labour market. One way of analysing this consists in examining how the employment rate changes with age. Figure 4.1.1 presents employment rates by age groups for both census years. The shape of the curves is quite standard, with employment rates being

higher at middle ages and lower at young and older ages when people respectively enter to and exit from the labour market. The figure also presents the overall decrease in the employment rate from 2001 to 2011 (based on censuses) and how it is spread across all age groups, except for those aged 60 years old and over.

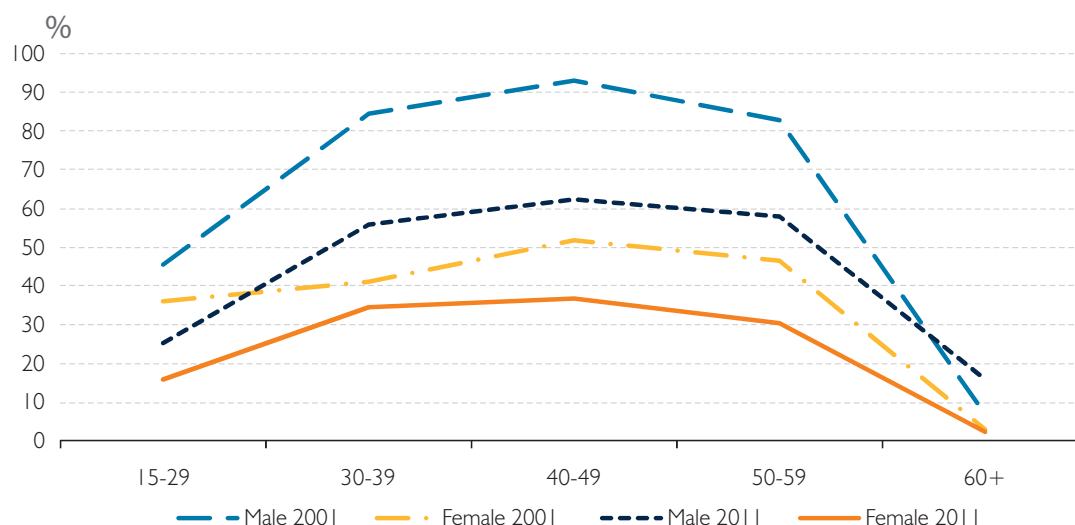
Figure 4.1.1: Employment rate by age groups, in 2001 and 2011



Source: 2001 and 2011 Census data

Analyses of the employment rate by gender and age groups point out the much higher employment rate for men in both censuses and for all age groups (see Figure 4.1.2).

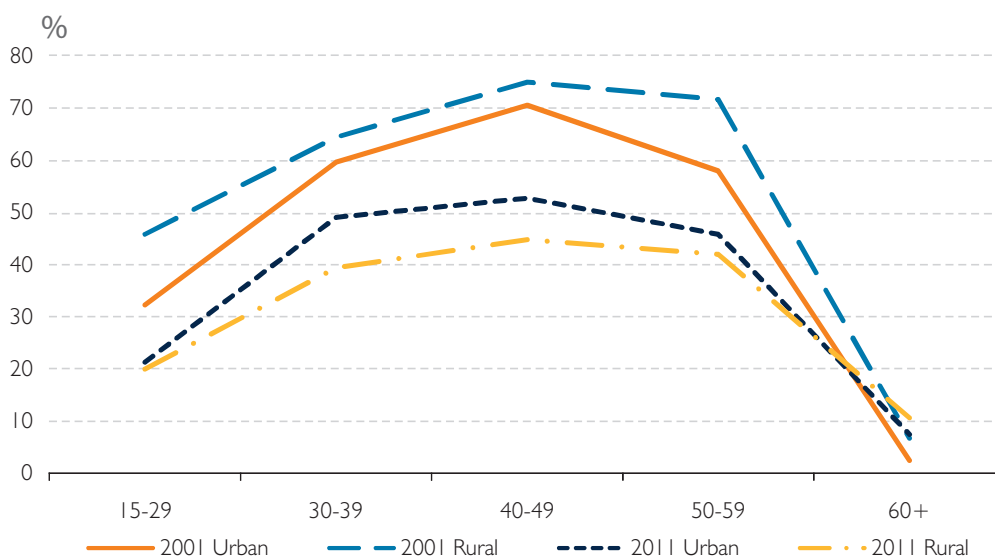
Figure 4.1.2: Employment rate by sex and age groups, in 2001 and 2011



Source: 2001 and 2011 Census data

In 2001, the employment rate is higher in rural areas for all age groups while, in 2011, the employment rate is higher in urban areas at least for people belonging to age groups 30-39 and 40-49 (see Figure 4.1.3). This gap between rural and urban areas stems from the probable underreporting of own-use production agriculture activities in the 2011 Census (See the Appendix 2).

Figure 4.1.3: Employment rate by age groups and areas, in 2001 and 2011

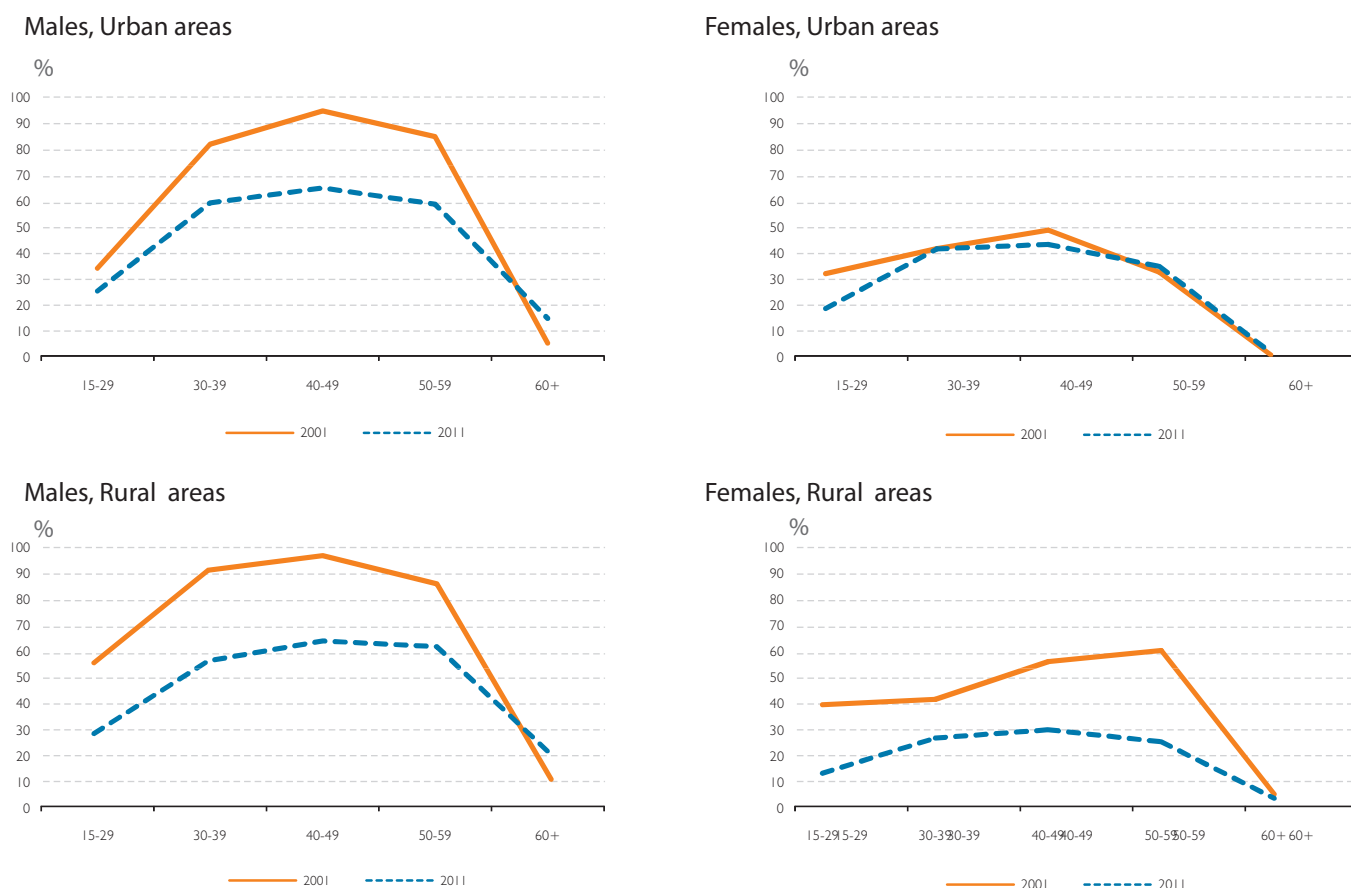


Source: 2001 and 2011 Census data

The pattern of the employment rate by age profile is very similar for men in both areas of residence and for both censuses (see Figure 4.1.4). For women, however, this pattern is not quite similar. Besides, in urban areas, the employment rate is lower in 2011 compared to 2001 for ages up to 50 years old but slightly higher for ages older

than 50 years; there is quite a different picture in rural areas, with much higher employment rates for women of ages 30-59 years old in 2001 and a much more uniformly spread participation in employment in 2011, although much lower than in 2001.

Figure 4.1.4: Employment rate in % by sex, age group and areas, in 2001 and 2011



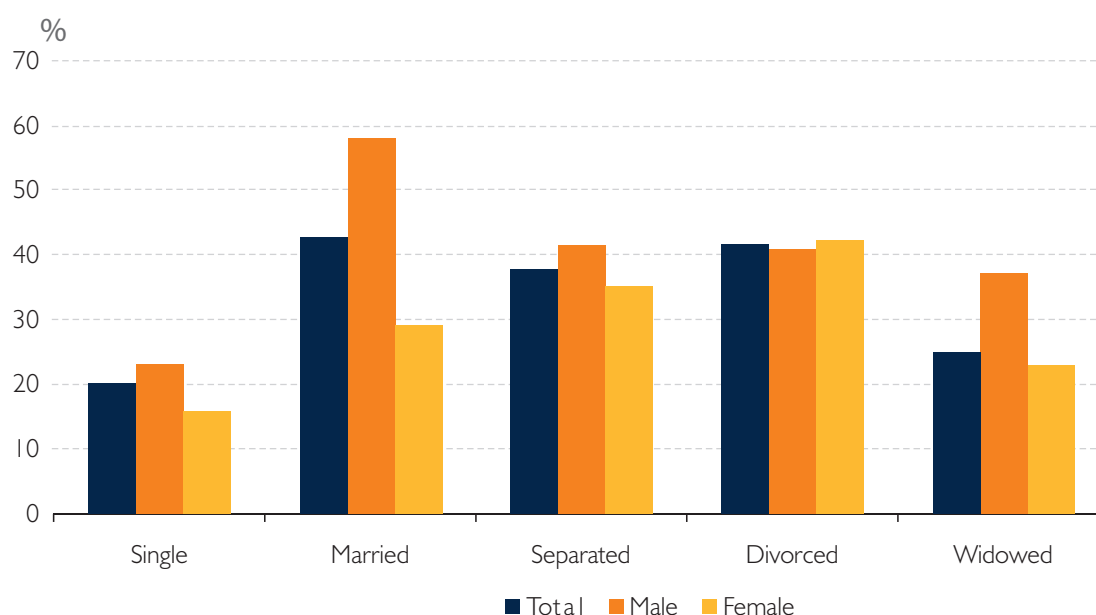
Source: 2001 and 2011 Census data

Employment and marital status

Analyses of the employment rate by marital status in 2011 show that separated (35.0 percent) or divorced (42.1 percent) women are more likely to work compared to those married (29.1 percent). Almost the opposite is seen for men, for whom the employment rate is much higher for those married (57.8 percent), pointing out the

breadwinner role of men in Albanian households. Besides, employment rates for those who are "single" is much lower compared to other marital statuses; this discrepancy may stem from the fact that young people devote more of their time to studying and then postpone entrance to the labour market.

Figure 4.1.5: Employment rate by sex and marital status, in 2011



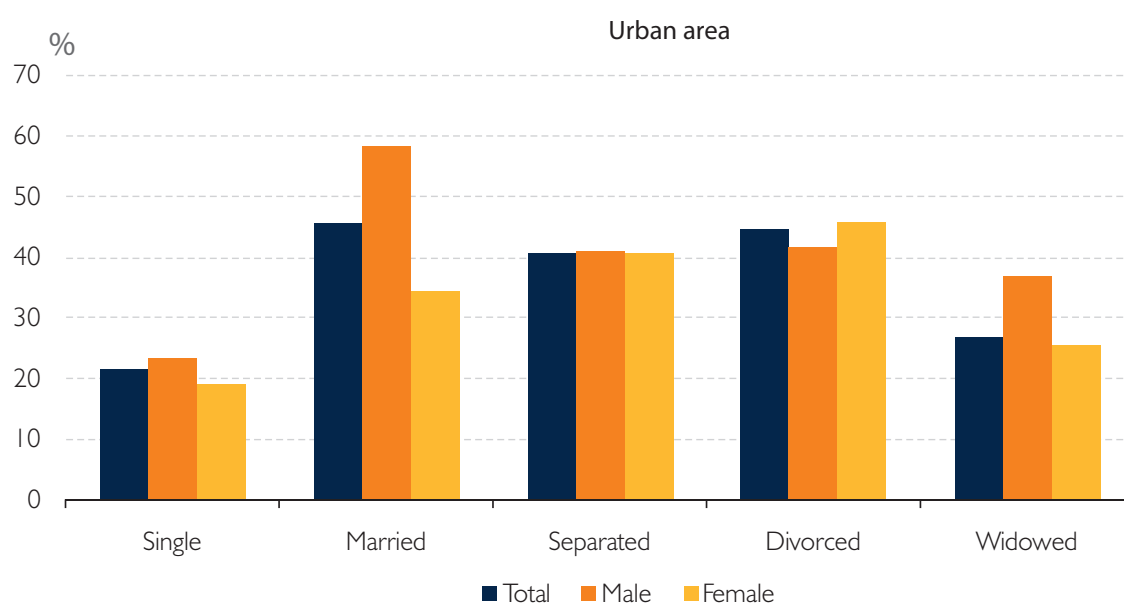
Source: 2011 Census data

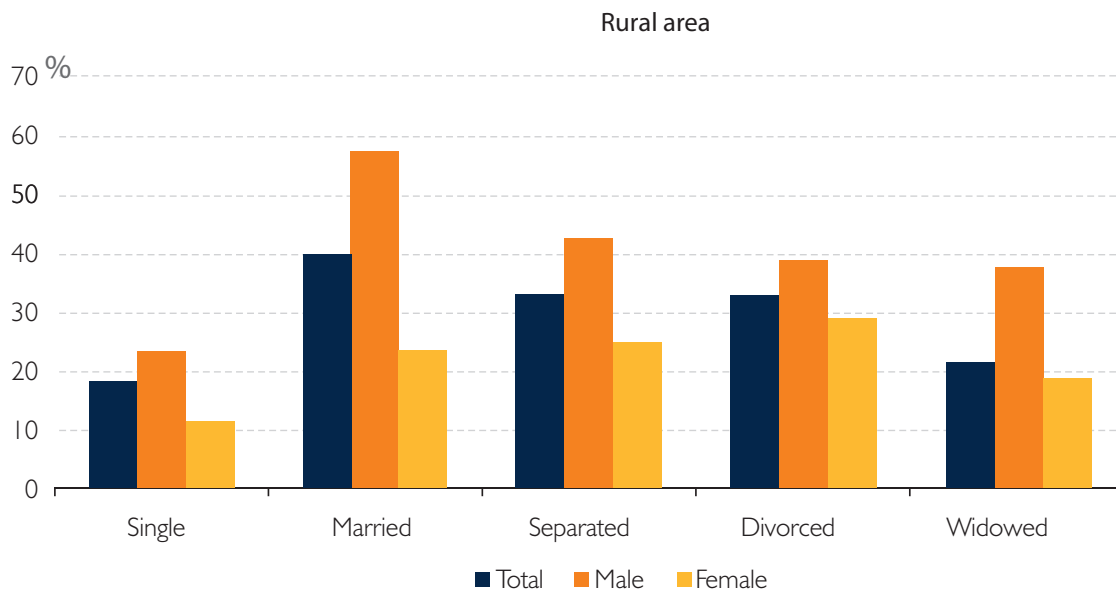
Note: Percentage among the working age population

As shown in Figure 4.1.6, the employment rate of divorced women is higher than the male one in urban areas (45.7 percent for women versus 41.5 percent for men), showing the importance for divorced women to earn their living by work. However the employment rate in rural areas is

higher for men than women whatever the marital status. Moreover, the gender gap in the employment rate for those separated or divorced is absent in urban areas of the country compared to rural areas.

Figure 4.1.6: Employment rate by sex, marital status and urban and rural areas, in 2011





Source: 2011 Census data

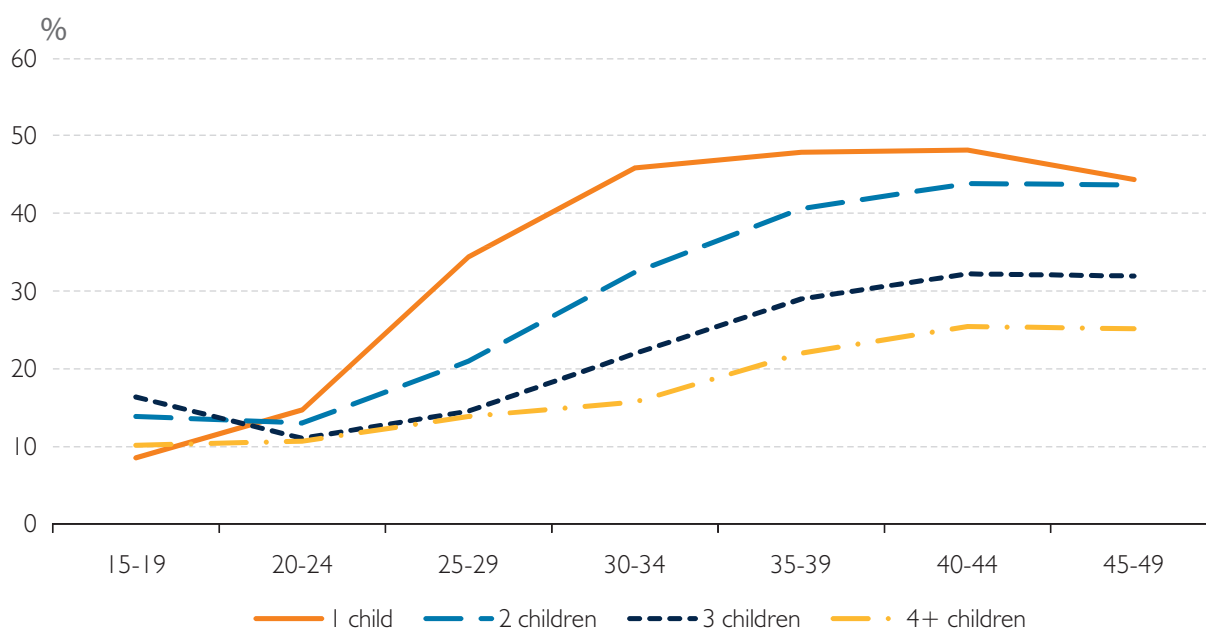
Note: Percentage among the working age population

Female employment and number of children

Women's involvement in employment is affected by household commitments and particularly children, whose number and age are crucial factors. This is particularly true in urban areas. Here we examine the participation of women aged from 15 to 49 years old in employment as a function of the number of children. The 2011 Census gathers information on the number of children born alive

for women aged 15 years old and over. Figure 4.1.7 clearly shows that the higher the number of children is, the lower is the female employment rate. This result demonstrates how the employment rate changes according to women's age profile. In particular, the lower the number of children is, the higher the likelihood is for women to engage in, or return faster to, work.

Figure 4.1.7: Female employment rate (15-49 years old) by age group and the number of children, in 2011



Source: 2011 Census data

4.2 Employment by branch of economic activity

As shown in Table 4.2.1, there is a significant decrease in the share of agriculture from 50.6 percent to 26.1 percent during the period 2001-2011 (most probably due to an underestimation in the number of those working in agriculture in 2011), affecting the share of all other economic activities in respect to the total employment. A more detailed analysis shows that while industry experienced a growth by 11 percent, construction

experienced a decrease by 18 percent in 2011 compared to 2001. Services also suffer a decrease of 9.5 percent during the same period in Albania, while this sector employs the largest number of people aged 15 years old and over in 2011 (about 50% of all workers in Albania). In terms of gender differences, it should be noted that men prevail in all branches in absolute numbers.

Table 4.2.1: Employment in number and percentage by branch of economic activity and sex, in 2001 and 2011

Branch of economic activity	2001			2011		
	Male	Female	Total	Male	Female	Total
	<i>Absolute numbers</i>					
Agriculture	315,156	211,821	526,977	118,570	58,175	176,745
Industry	48,367	25,426	73,793	48,789	32,766	81,555
Construction	52,179	16,482	68,661	54,478	2,234	56,712
Services	233,944	138,400	372,344	195,060	141,999	337,059
Unknown*				15,881	9,998	25,879
Total	649,646	392,129	1,041,775	432,778	245,172	677,950
	<i>Column percentage</i>					
Agriculture	48.5	54.0	50.6	27.4	23.7	26.1
Industry	7.4	6.5	7.1	11.3	13.4	12.0
Construction	8.0	4.2	6.6	12.6	0.9	8.4
Services	36.0	35.3	35.7	45.1	57.9	49.7
Unknown*	-	-	-	3.7	4.1	3.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total number of observation	649,646	392,129	1,041,775	432,778	245,172	677,950

Source: 2001 and 2011 Census data

Note: Population aged 15 years old and more

* Unknown means that information provided by respondents was missing or unclear.

4.3 Occupational structure of employment

The majority of the employed aged 15 years old and over in rural areas (50.1 percent) work in the occupational group "Skilled agricultural, forestry and fishery workers" (reflecting the dominance of agriculture works in rural areas), followed by "Craft and related trades workers" (12.3 percent). A different picture is seen in urban areas where 23.1 percent are in occupations of the group "Service and sales workers", 21.3 percent in occupations of the group

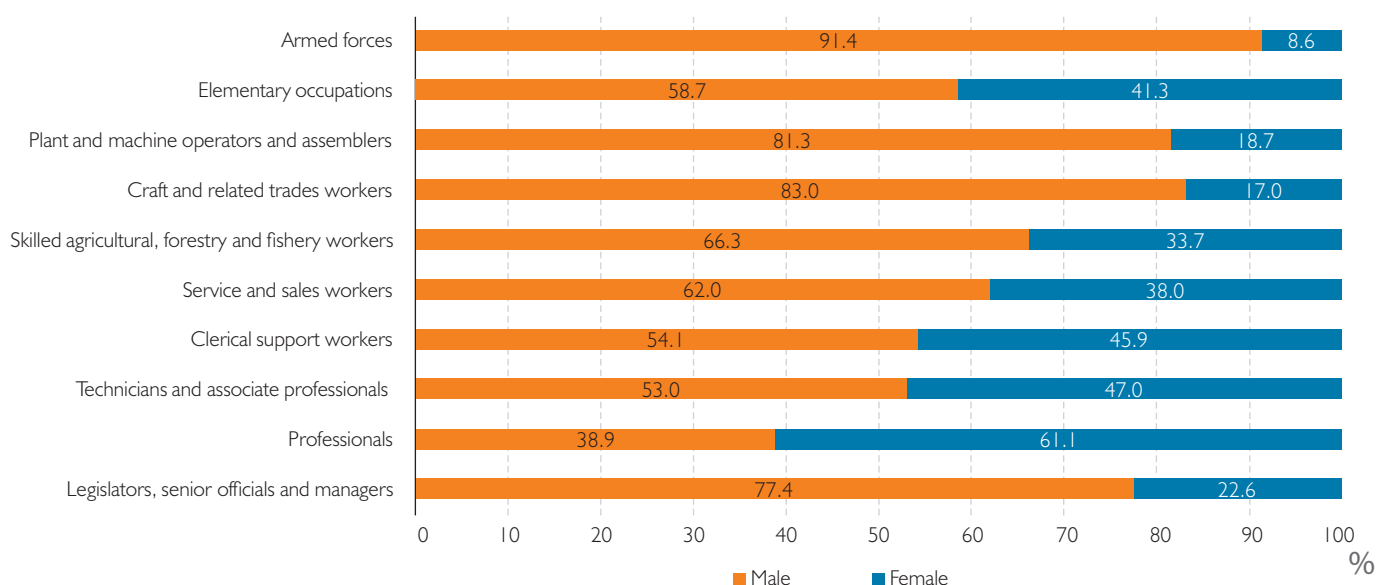
"Professionals", 15.9 percent in occupations of the group "Craft and related trades workers" (see Table A3.2.1 in the appendix 3).

Male workers are predominant in high-position and managing occupations with 77.4 percent against 22.6 percent for women. Men are also predominant in the occupational groups "Craft and related trades workers" (with 83.0 percent) and "Plant and machine operators

and assemblers" (with 81.3 percent). Almost the inverse observation occurs regarding professional occupations, where 61.1 percent are women and 38.9 percent are men. A closer analysis shows that this is the result of two offsetting tendencies: while men have a much higher

share in occupations of the first three mentioned groups, the opposite is true for professionals, probably due to the overrepresentation of women in occupational groups such as education and health and social services.

Figure 4.3.1: Share of the employed by occupational group and sex, in 2011



Source: 2011 Census data

Note: Population aged 15 years old and more

4.4 Employment status

Analyses of the employed aged 15 years old and over by status are presented in Table A3.2.2 in the appendix 3. While in most other European countries the great majority of employed persons work as employees, only 54.5% of Albanian workers have such a status in 2011.

The large proportions of self-employed workers without employees and contributing family workers is an indication of poor development, little job growth, widespread poverty and a large rural economy (ILO, 2002). Generally, when there is a lack of decent and sufficiently remunerated paid employment, workers tend to turn to self-employment without employees and/or contributing family work in order to survive. The proportion of "vulnerable" employment (i.e. self-employment without employees and/or contributing family work) in 2011 is 41.2 percent and this shows the difficulties faced by Albanian people, as self-employed workers without employees and contributing family workers have a lower likelihood

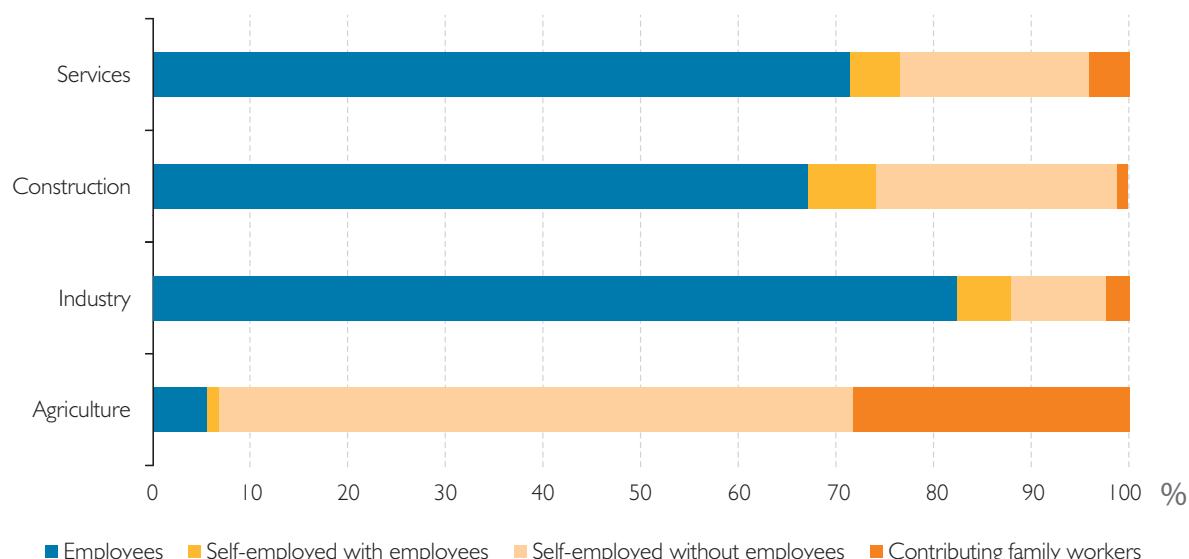
of having formal work arrangements, and are therefore more likely to lack advantages associated with decent employment, such as adequate social security and a trade union representation.

Since 2001, there has been a decreasing trend in the percentage of the self-employed workers without employees going from 47.6 percent to 30.9 percent in 2011; on the other hand, an increase in the percentage of employees from 31.5 percent in 2001 to 54.5 percent in 2011 can be noted. The decreasing proportions of self-employed workers without employees and contributing family members, in parallel with a rise in the proportion of employees from 2001 to 2011, is probably related to the underreporting of the agriculture sector (cf Section 4.2) where people are mostly self-employed without employees or contributing family workers. The closure of state-owned enterprises in Albania (in activities such as textile industry, mining etc.) has not been well associated

with development of a solid private sector with good job opportunities in the formal economy. In a situation where there is a lack of job opportunities people started activities

on their own; this results in small scale businesses not able to grow enough in order to employ additional employees.

Figure 4.4.1: Share of the employed by status and four main branches, in 2011



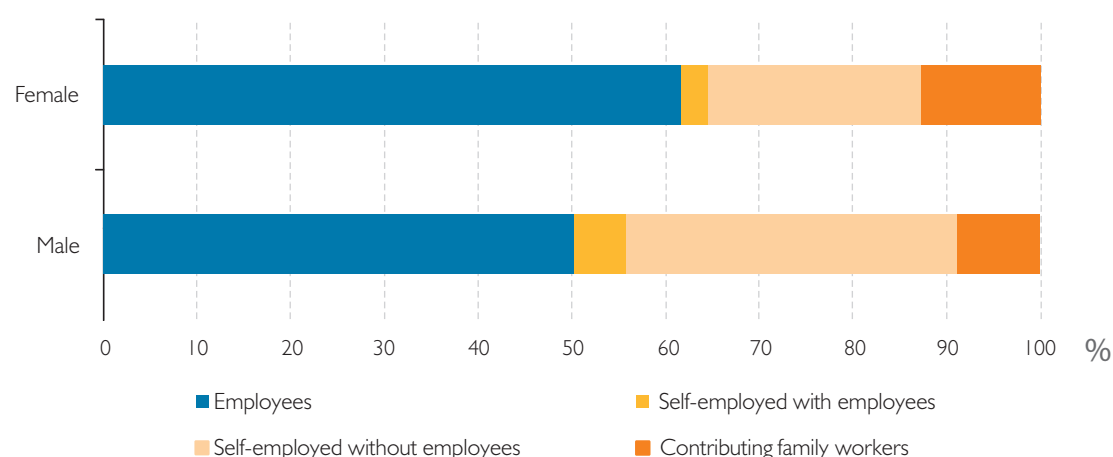
Source: 2011 Census data

The self-employment rate is usually regarded as an indicator of a vital entrepreneurship in a market-oriented economy. According to Census 2011 data, in Albania employers, i.e. self-employed persons with employees form a small minority; with a percentage of around 4.3% in 2011, most of them are active in market services and industry. On the other side, the employment status by industry (see Figure 4.4.1) confirms also the informal side

of the Albanian agriculture, that is almost all based on self-employed workers without employees and contributing family workers.

Men are more likely to be self-employed than women, the latter being more likely to be employees or to perform unpaid work within a family business (see Figure 4.4.2). The male share of employers is at least two times higher than the female share in 2011.

Figure 4.4.2: Distribution of total employment by status and sex, in 2011



Source: 2011 Census data

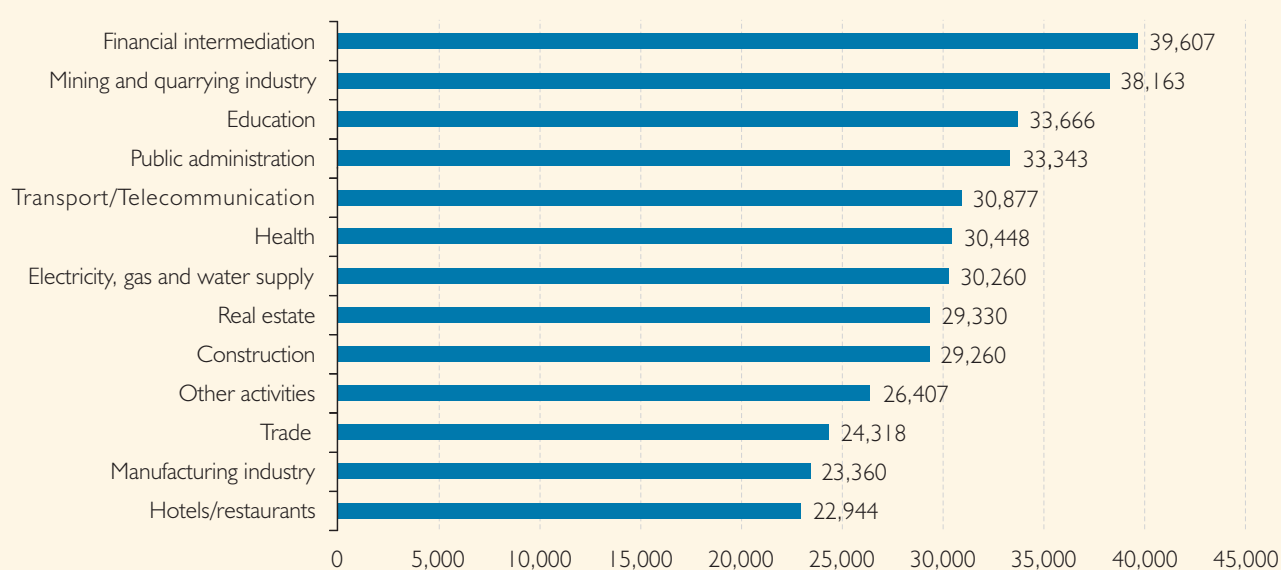
Box 4.4.1: Net Average Monthly Wage in Albania based on LFS data

The 2011 LFS indicate that the net average monthly wage for an employee is 31,431 Leks with a small difference compared to the previous years, namely 2009 or 2010. There is a wage differential among males and females: the net average monthly wage is about 15% lower for a female employee than a male one (see Table A3.2.3 in the appendix 3).

The highest net average monthly wage among non-agricultural activities in 2011 is “financial intermediation” (39,607 Leks), followed by “mining and quarrying industry” (38,163 Leks). Branches with low values of the net average monthly wage are “manufacturing”, “trade” and “hotels and restaurants” with 23,360 Leks, 24,318 Leks, 22,944 Leks in 2011, respectively (see Figure 4.4.1.1).

Figure 4.4.1.1: Net average monthly wage for an employee by economic activities (excluding agriculture), in 2011

(in Albanian Leks)



Source: 2011 Labour Force Survey data

Note: 90 percent of employees are full-time employees

4.5 Hours of work, full-time and part-time patterns

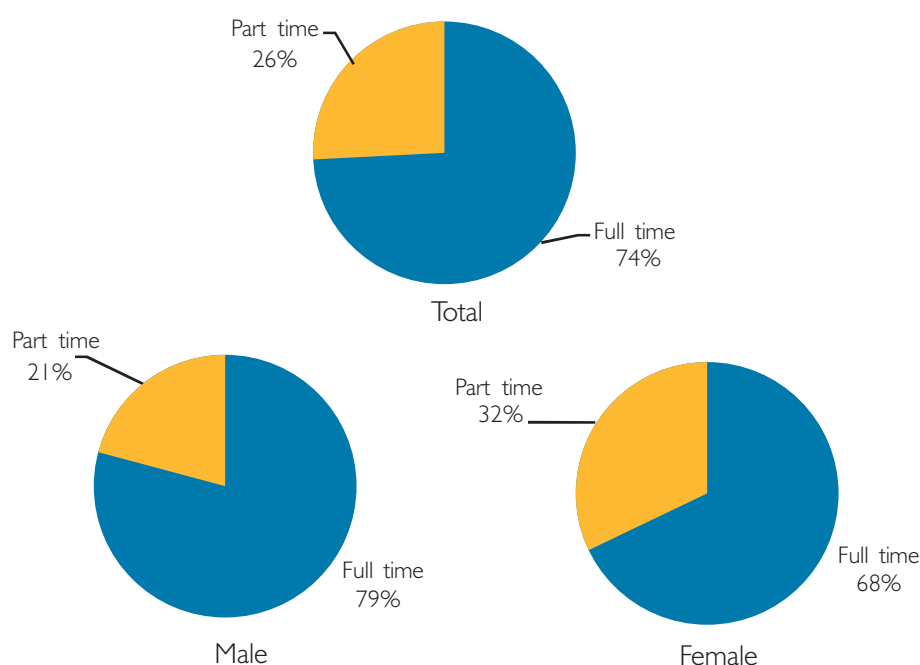
The following analysis on full-time and part-time patterns of work is based on data from the Albanian yearly LFS for years 2007 to 2011. We classified all employed persons aged 15 years old and over, who usually work 35 hours or more per week, as working “full-time” and the others as working “part-time”.

The incidence of part-time work can be interpreted from two diametrically opposed viewpoints. On the one hand, it can be seen as offering an added degree of flexibility for those participating in the labour market for some reason

because they cannot or do not want to take a full-time job. On the other hand, it also may be a reflection of the scarcity of regular full-time jobs.

As shown in Figure 4.5.1, the majority of employed people aged 15 years old and over in Albania work on a full-time basis. Only one fourth of them are part-time workers. The phenomenon of part-time work is more prevalent among women; 32 percent of them are part-time workers in 2011, whereas this percentage is 21 percent among men.

Figure 4.5.1: Full-time and part-time among the employed by sex, in 2011



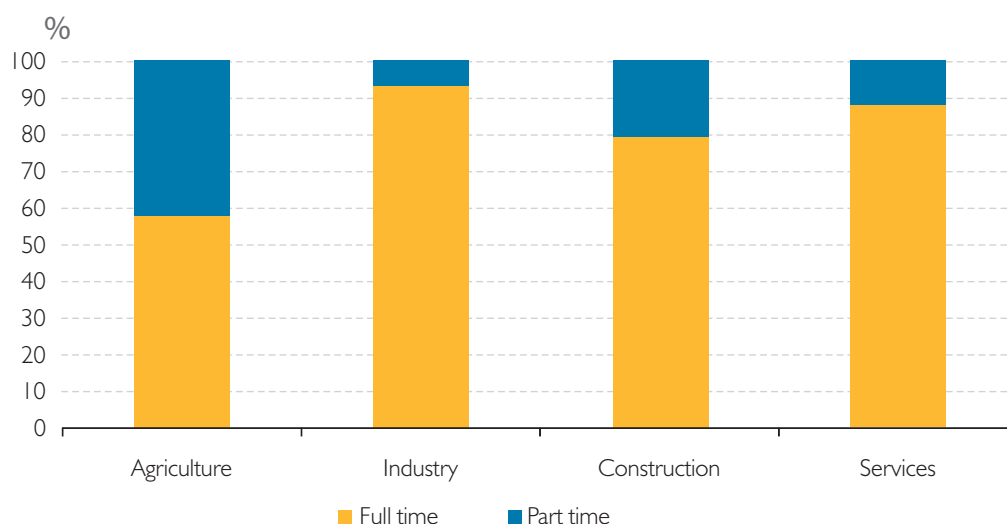
Source: 2011 Labour Force Survey data

Note: Population aged 15 years old and more

Part-time work in Albania is less common in industry (6.8 percent) compared to construction (20.7 percent) and services (12.2 percent), occasional or reduced hours jobs being more present in the last two sectors. On the contrary, part-time work is widespread in agriculture (42 percent); it is related to the reduced commitments required by the

subsistence nature of agriculture in Albania where most of the production is for self-consumption and people work in small household-based farms (see Table A3.2.5 in the appendix 3). This also indicates the relatively high underutilization of the labour force in rural areas.

Figure 4.5.2: Full-time and part-time among the employed by main sector of activity, in 2011



Source: 2011 Labour Force Survey data

Note: Population aged 15 years old and more

If only employees are taken into account, from 2007 to 2011, full-time work in Albania usually consists of around 46 hours per week (see Table A3.2.6 in the appendix 3). For part-time employees, the corresponding figure is relatively stable over the same period of time at about 24 hours.

Male employees usually work more hours per week than female employees (46 against 42 hours per week for men

and women, respectively). The gender difference is more distinct in full-time than in part-time jobs (see Table A3.2.6 in the appendix 3). On average, male full-time employees work two to three hours more than female full-time employees and this may be explained by differences in the sector employment patterns for the two sexes.

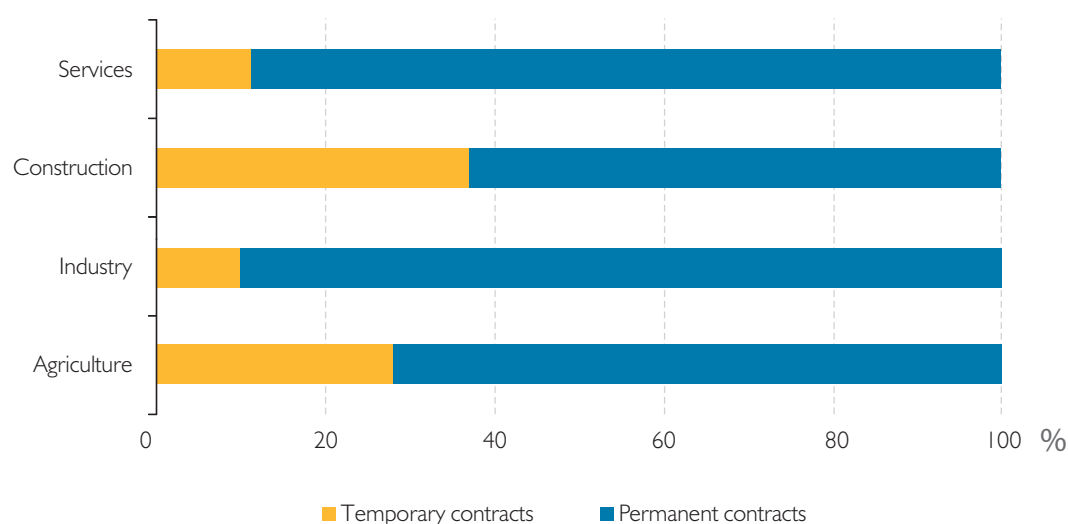
4.6 Kind of work contract for employees

In general, temporary work is not taken voluntarily. While contracts for limited durations may offer greater flexibility to employers to adapt their workforce to current economic needs, they often imply reduced job security and quality for the employees subjected to such a provision.

Since no data on the kind of work contract were collected in the 2011 Census, LFS data are used. In Albania, approximately one sixth of all employees held temporary jobs whatever the LFS year (see Table A3.2.7 in the appendix 3).

Industry and services, respectively, offer more secure jobs than other branches of the Albanian economy, with 90.2 and 88.7 percent of employees having permanent contracts. In construction and agriculture, respectively, only 62.5 percent and 69.8 percent of employees had a permanent contract in 2011 (see Figure 4.6.1). All these figures show the continuing transition process of Albania into a modern labour structure, mainly occurring among non-agricultural sectors.

Figure 4.6.1: Employees by main sector of activity and kind of work contract, in 2011



Source: 2011 Labour Force Survey data

Note: Population aged 15 years old and more

Contrary to the case of part-time work, the share of temporary work is more than twice as high for male compared to female employees, except for the year 2011 (see Table A3.2.7 in the appendix 3). This result originates from existing gender differences in some sectors of the Albanian economy. For instance, many men are

disproportionally employed in construction, i.e. a branch subject to seasonal and cyclical variations in labour demand, while women are overrepresented in education and health, i.e. branches with a relatively stable demand (although education can have a seasonal component too).

Box 4.7.1: Informal employment

The informal employment is a widespread characteristic of the labour market in Albania. Common features of work in the informal economy are represented by the lack of an employment contract, paid annual and sick leave and other social security benefits. The informal labour market, which is largely undocumented especially with regard to its impact on employment and skills needs, represents a substantial share of total employment. In the employment context, the informal sector certainly enabled a considerable part of Albanian families to economically survive. The informal character of employment had a positive influence also on the reduction of the extreme poverty and on the economic migration especially to the neighbouring countries. Individuals working in the informal sector are employed in most industries and the sectors of services, apart from agriculture where most of workers are self-employed. On the other side, a large informal economy causes losses in revenues from tax evasion, distortions of the labour market, hides true unemployment figures and encourages unfair competition. The informal economy has serious costs for individuals, enterprises and society as a whole.

5. CONCLUSIONS

This report has provided a descriptive analysis of the Albanian labour market using data from two primary sources of information, namely the 2001 and 2011 Censuses and the 2007-2011 LFS. It has investigated the existence of gender differences in various labour market outcomes, while accounting for the dynamic nature of the data. This report has shown that, despite the overall decrease of the total population in Albania from 3,069 thousand in 2001 to 2,800 thousand in 2011, the total number of the working age population (15-64 years old) has remained almost unchanged between these years (1.9 million people). Moreover, there is an increasing trend in the overall aging of the population: the young dependency ratio decreased from 0.46 in 2001 to 0.30 in 2011, while the elderly dependency ratio increased from 0.12 to 0.17. However, when analysing the internal structure of the working age population, the Albanian labour force is still found to be relatively young.

In terms of educational attainment, there is a slight shift towards more educated labour between 2001 and 2011: the percentage of those having a tertiary level of education has doubled (from 6.2 to 12 percent), while there is a decrease in the proportion of those having no diploma (from 7.1 to 5 percent) or only a primary education (from 13.1 to 9 percent). Despite improvements in educational attainment, almost half of the working age population still holds a diploma from the lower secondary level of education. It should be noted that there are striking differences between urban and rural areas concerning the probability of having a tertiary education. For instance, the proportion of tertiary-educated individuals is about 4 times higher in urban than in rural areas (17.8 against 4.7 percent, respectively).

Regarding the employment rate among the working age population, it is extremely low in 2011, reaching the level of 35.1 percent. While this result is due to the possible large underreporting of employment in agriculture, analyses based on the LFS show a much more satisfactory employment rate of 58 percent which is in line with EU standards and other countries in the region. In addition, there is evidence of a relatively considerable and persistent gender gap in employment rates over time, with higher employment rates for men than for women. It is also important to mention that the phenomenon of part-time work is widespread in the agriculture sector compared to other sectors of the Albanian economy. This is an indication of the subsistence nature of agriculture in Albania where most of the production is for self-consumption and people work in small household-based farms. This fact points out to the relatively large underutilisation of the labour force in rural Albania.

Informal employment is one of the features of the labour market in Albania. Workers employed in informal arrangements are outside the coverage of labour legislation or social insurance nor do they contribute to the national insurance schemes. Even though much of the informal employment is due to the traditional nature of the Albanian economy, informality is also present in the more modern and urban sectors outside of agriculture. Informal employment is important both to the economy and to the welfare of many households; however, it is also significantly correlated with low earnings, poverty, and vulnerability.

The proportion of “vulnerable” employment (i.e. self-employment without employees and/or contributing family work) in 2011 Census is 41.2 percent on average and reaches about 95 percent in the agricultural sector. This shows the difficulties faced by Albanian people, as self-employed workers without employees and contributing family workers have a lower likelihood of having formal work arrangements, and are therefore more likely to lack advantages associated with decent employment, such as adequate social security and a trade union representation.

Unemployment is another important feature of the Albanian labour market. Based on the 2001 and 2011 Census data, the unemployment rate increased from 22.8 percent in 2001 to 29.4 percent in 2011; this increasing trend in unemployment mainly stems from the overall decrease in the number of employed than to any increase in the number of unemployed. Due to the possible underestimation of employment in agriculture, a shift from “employment” status to “inactivity” mainly took place in rural areas of Albania. In fact, a majority (62.9 percent) of working-age women are inactive in 2011. This proportion is much higher relative to that in 2001 (44.2 percent) and this is also related to the above mentioned “shift” from employment (most probably in the agricultural sector) to inactivity.

As noted in a paper on youth labour market behaviour in Albania (Braga, 2009): “The Labor market disadvantage of young people is an important policy issue. The delay in the entry into the workforce has severe implications in terms of poverty, human and social capital depletion, participation in the informal sector, and social stability” (p.4). Youth unemployment remains a big concern in Albania (unemployment rate among young people are the highest among all age groups). Moreover, the long-term nature of unemployment seems to be a serious problem for the Albanian labour market. Descriptive analyses in this report indicate that, although this problem increases with age, it significantly affects young people.

Unemployment in Albania remains a difficult problem to solve. The focus of current employment policies in Albania is on increasing employment opportunities, in order to ease the transition from unemployment to employment. Various active labour market policies are in place which aim to move people from unemployment to work. On the other side, formal education is the most important predictor of employment. Better targeted policies focusing on the strengthening of the vocational education

and training system in Albania would then increase the likelihood of employment, especially among young people. Retraining of workers with obsolete skills, and other initiatives focused on continuing education will be of considerable importance to the successful transition of the Albanian economy. A lack of these efforts, whether real or perceived, on the part of authorities and policy-makers, will hinder for years any progress towards the integration of Albania into the modernized western world.

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APPENDIX 1

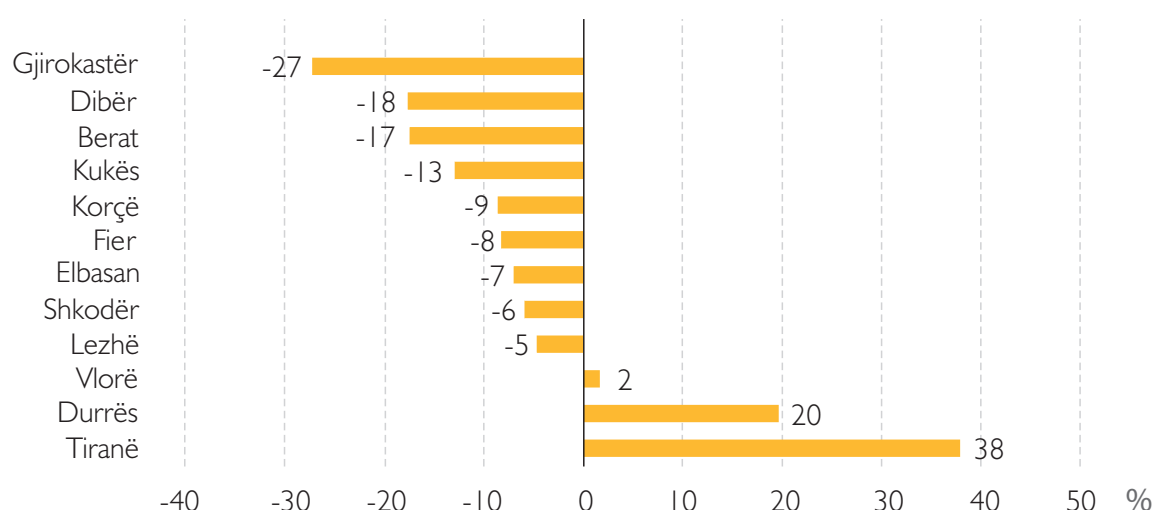
A.1 Regional dimensions of Albanian Labour Market

In the following, we investigate the impact of the internal population movements in the regional labour markets in Albania, by identifying the gains and losses in terms of labour force and the level of skills that those who moved bring to the host region.¹ This subsection presents first some demographic insights of the working age population structure in order to better understand the potential implications in the regional labour markets. The second part focuses on the internal migration of the working age population and describes the key features of that migration for employment reasons. Geographical movement can play an important role in matching people with the available job opportunities and thus in increasing employment.

A.1.1 Demographic characteristics of the regional labour markets

According to the 2011 census results, the resident population in Albania has declined around 8.0 per cent, compared to the 2001 census. This decline in the total resident population has had its effects on the regional labour markets within Albania. Since the 2001 census, the population aged 15 years and over has decreased at the national level by 2 per cent (see Figure A1.1.1). At the prefecture level, the percentage change of the working age population varies a lot. The population aged 15 years and over has increased by 38 percent in the prefecture of Tirana, followed by Durrës with a 20 per cent increase. The largest decline in the population aged 15 years and over is in the prefecture of Gjirokaštër (27 per cent) followed by prefectures of Dibër and Berat.

Figure A1.1.1: Percentage change of the population aged 15 years and over, 2001 and 2011



Source: 2001 and 2011 Census data

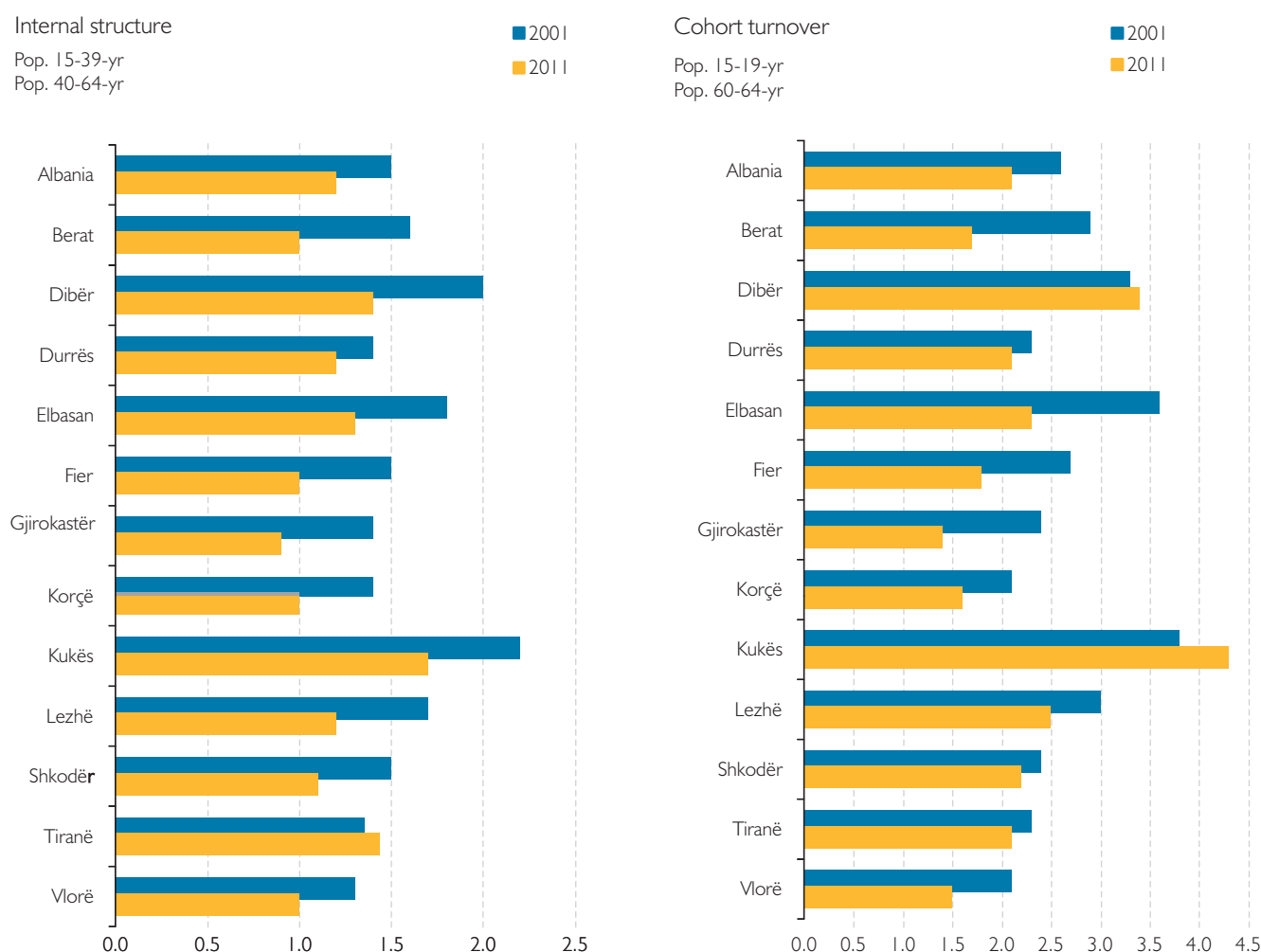
The starting point of the analysis is to determine if this sharp decline in the abovementioned prefectures is caused due to the internal movement of population, or if it is driven by other factors such as high migration, or decline of the fertility rate over these two last decades.

First we have a look at the internal structure of the Albanian population. This analysis of the population of the working age reveals that the youngest population

(aged 15-39) for each potential senior worker (aged 40-64) at national level has decreased compared to the 2001 census by 0.3 percentage points. At first glance, it seems to be an insignificant change, but this slight reduction when analysed at prefecture level gives a completely different picture. In all prefectures there is a reduction of the youngest population per each senior potential worker.

¹ Hereafter, the term prefecture is used instead of region. According to the administrative division, Albania has 12 prefectures.

Figure A1.1.2: Internal structure and cohort turnover of the working age population, by prefecture, 2001 and 2011



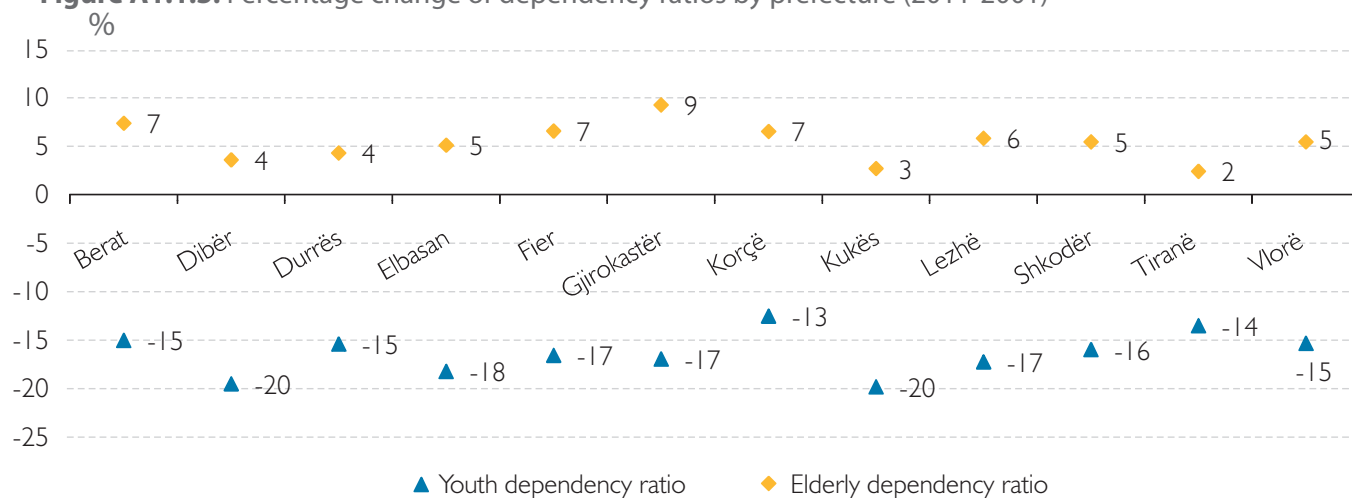
Source: 2001 and 2011 Census data

In the 9 prefectures with a negative growth value of the working age population, the main cause of change is the cohort return. Cohort return, which represents the replacement of the outflow of older generation with the inflow of young generation, has increased for the north eastern prefecture of Kukës, despite the reduction of the internal structure.

In the other remaining prefectures the cohort return has decreased compared to the 2001 census. Demographic researchers have stated that in the next fifteen years Albania will enjoy the last gap of the 'demographic window': its working age population should be still increasing in number and their young working age population turnover shall be larger than 1 till 2020 (Gesano and Heins, 2009).

In Albania, the higher life expectancy and lower fertility rates has led to a rise in the old-age-dependency ratio and in a decline in the youth-dependency ratio, even though with very different levels in different prefectures and with various degrees of intensity in decline. This change in the age-dependency ratio is the result of diverging trends at the two ends of the age distribution. With respect to the elderly, in the 2011 census there were 17 persons aged 65 years and over for every 100 persons aged 15-64, a level around two thirds higher than that recorded in 2001 census. On the contrary, the youth dependency ratio reached a level of 30% at national level in 2011 with a decline of 16 percentage points from its 2001 level, ranging between 25% in Gjirokastrë and 43% in Kukës. In figure A1.1.3 is shown the percentage change of dependency ratios by prefectures between 2001 and 2011 censuses.

Figure A1.1.3: Percentage change of dependency ratios by prefecture (2011-2001)



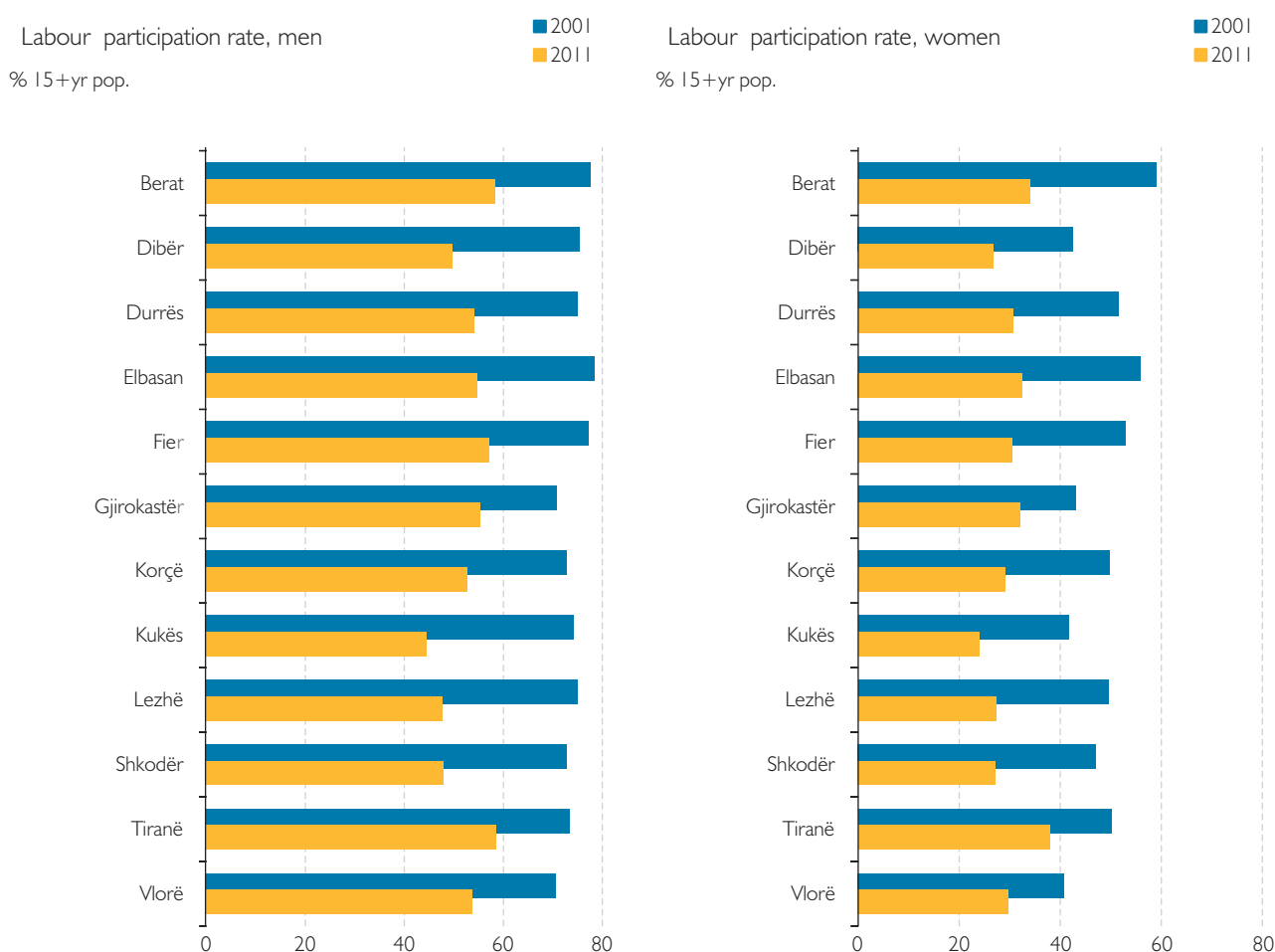
Source: 2001 and 2011 Census data

The 65+ cohort has grown during the inter-census period from 7.5% in 2001 to 11.3% in 2011 while the 15-29 youth cohort that is a potential entrant in the labour market has increased by 1.1 percentage point.

A.1.2 Regional labour markets in Albania

The labour market in Albania is characterised by dualism in terms of gender as well as the urban and rural settlement. The labour-force participation has significantly decreased from 2001 to 2011, with enormous differences by gender.

Figure A1.2.1: Labour force participation by sex and prefecture, in 2001 and 2011



Source: 2001 and 2011 Census data

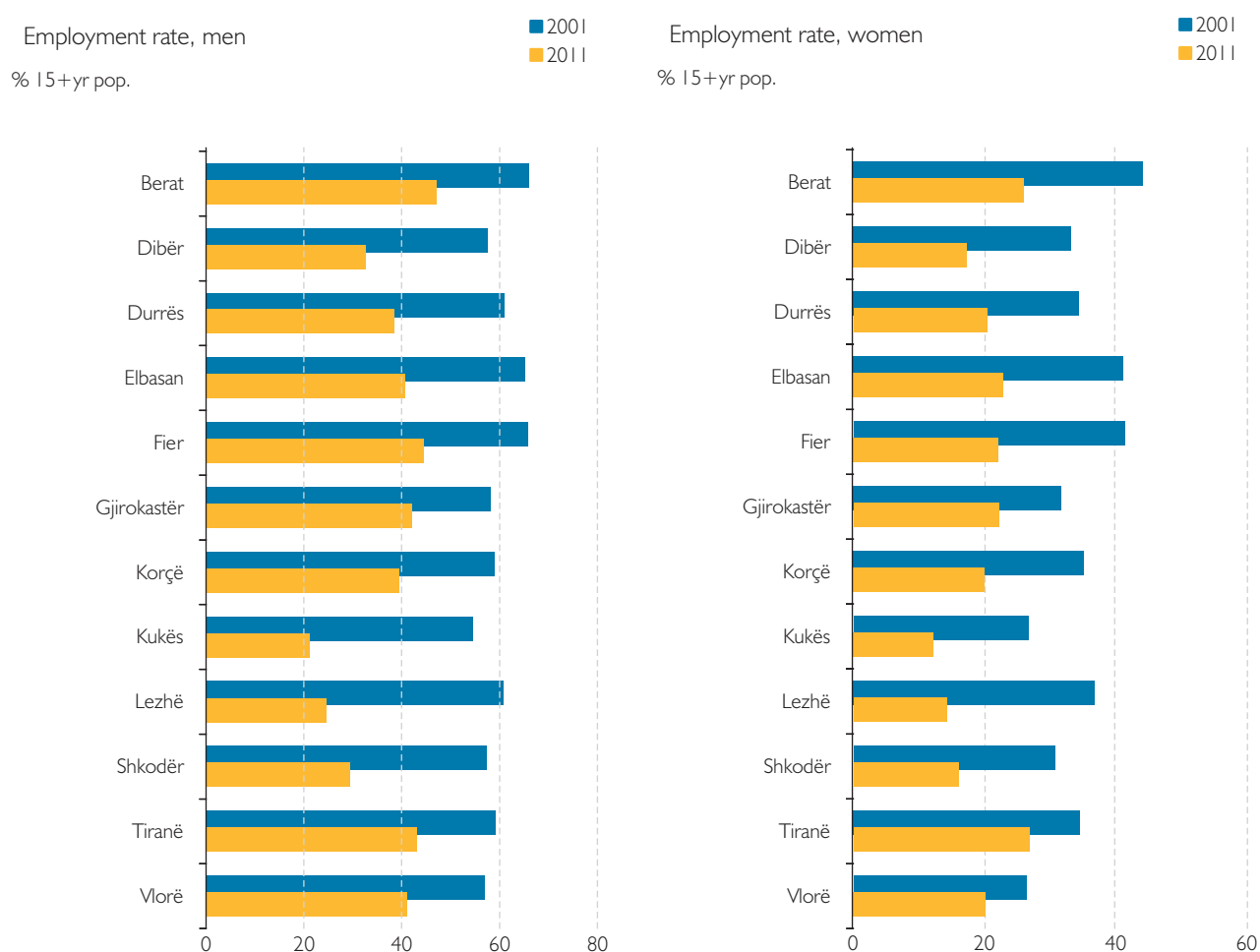
The gender gap in terms of participation rate is very prominent in all prefectures and has continued to be on average 25 percentage points lower for females which means that women are at a clear disadvantage. This can be explained by a low labour market demand and partly as a consequence of the subsistence workers who declared themselves as inactive.

For the working age population the rural labour force participation rate according to the 2011 census data is lower than the urban rate at each prefecture except for Berat. One explanation for this difference is related to the internal movement of population in the last two decades. The urban population has for the first time exceeded the

rural population. Discouragement as result of unequal job opportunities in the labour markets could be another explanation.

The labour force participation rate remains low among young people (15-29 years old) in all prefectures and in both urban and rural areas. Participation in labour market depends on a range of factors such as the decision to extend studies in the case of young people; housekeeping and childcare responsibilities in the case of women; discouragement as a result of a lack of job opportunities and very low wages; and disabilities that impede a person from performing an activity, or that discourage them from entering the labour market.

Figure A1.2.2: Employment rate by sex and prefecture, in 2001 and 2011



Source: 2001 and 2011 Census data

In Albania, according to 2011 census data, employment rates are in general low, and male employment rates are higher than female employment rates in all prefectures. Changes in employment rates are reflected in higher unemployment rates. The lowest regional employment

rates in 2011 are found in northern part of Albania particularly in Kukës, Dibër, Lezhë and Shkodër. The challenge for these labour markets is job creation. Job opportunities are largely concentrated in larger urban areas such as Tirana, Elbasan, and Durrës.

Figure A1.2.3: Unemployment rate by sex and prefecture, in 2001 and 2011



Source: 2001 and 2011 Census data

The declining of employment rates goes along with increasing unemployment rates in each prefecture. In 2011 census, the overall unemployment rate recorded is 29%. In Kukës both women and men are hard-hit by highest unemployment, whereas the opposite is true for Berat which is the prefecture with the lowest unemployment

rate for women and men. The northern part of Albania has a higher level of unemployment rate because the mountainous terrain limits agricultural activities, and in addition the earlier heavy industry in this area was closed down at the start of the transition period.

Table A1.2.4: Dependency ratios by prefecture, in 2001 and 2011

(%)

	Youth dependency ratio		Elderly dependency ratio	
	2001	2011	2001	2011
Albania	46.4	30.4	11.9	16.7
Berat	43.7	28.7	10.4	17.7
Dibër	57.3	37.8	10.0	13.6
Durrës	47.2	31.7	11.5	15.8
Elbasan	49.0	30.7	9.8	14.8
Fier	45.9	29.3	11.2	17.7
Gjirokastrë	41.8	24.8	14.5	23.8
Korçë	40.0	27.4	14.3	20.8
Kukës	63.0	43.2	9.7	12.4
Lezhë	50.2	33.0	11.3	17.1
Shkodër	48.8	32.8	13.5	18.9
Tiranë	42.3	28.7	12.3	14.7
Vlorë	43.4	28.0	15.2	20.6

Source: 2001 and 2011 Census data

APPENDIX 2

Extract from the “Explanatory Note” in the publication “2011 Population and Housing Census, Economic Characteristics”

Table A2.1 compares the employment data from population census data with the corresponding figures from the labour force survey conducted in the same month as the population census. According to the population census, the working age population 15 years old and over was 2,221,572 in October 2011, a figure almost identical

to the estimates obtained from the labour force survey, 2,235,883. The difference is partly due to the sampling weights used for the extrapolation of the LFS sample data. The calculation of the weights involves population projections, found a posteriori to have overestimated the LFS target population. The amount of overestimation has been larger than the additional population within the scope of the census but not covered by the LFS (i.e., people without fixed premises and those living in collective households such as army barracks, school dormitories, prisons and hospitals).

Table A2.1 Comparison of activity status and main labour force indicators: PHC versus LFS

Activity status	PHC 2011	LFS 2011 (Q3)
Working age population 15+ yrs	2,221,572	2,235,883
Labour force	958,255	1,349,024
. Employed	677,950	1,160,477
- Agriculture	176,745	526,412
- Industry	138,267	218,730
- Services	337,059	414,539
- Unknown*	25,879	796
. Unemployed	280,305	188,547
. Inactive	1,263,317	886,859
Labour force indicators	PHC 2011	LFS 2011 (Q3)
Labour force participation rate (%)	43.1	60.3
Employment-population ratio (%)	30.5	51.9
Unemployment rate (%)	29.3	14.0

* Unknown means that information provided by respondents was missing or unclear to be coded.

Table A2.1 also compares the level of total employment from the population census (677,950) against the corresponding figure from the labour force survey (1,160,477). Detailed analysis of the survey responses to the questionnaires indicates two main factors explaining the difference in the figures: agriculture employment (176,745 in the population census and 526,412 in the labour force survey) and informal employment in industry and services covered more broadly in the labour force survey than in the population census.

Looking now at the next two rows of Table A2.1, it can be observed that the number of unemployed persons (280,305) and the number inactive persons (1,263,317) obtained from the population census are both higher than the corresponding figures from the labour force survey (188,547 and 886,859 respectively). The differences on these variables are precisely the mirror image of the

difference observed earlier on the total employment figure. Because the priority criterion embedded in the labour force framework for the measurement of employment and unemployment (according to which employment is given precedence over unemployment and unemployment over inactivity), persons not classified as employed in the population census were classified as unemployed or inactive depending on their job-search activity and current availability for work during the corresponding census reference periods.

Table A2.1 also compares three main labour force indicators. The labour force participation rate is the percentage of the population 15 years old and over in the labour force defined as the sum of the number of employed and unemployed. The labour force participation rate according to the population census was 43.1% in October 2011 against 60.3% according to the labour force

survey. The different values reflect the different estimates of employment and unemployment derived from the two sources. A similar difference is observed for the employment-population ratio, reflecting the difference in the employment data alone.

Finally, the table shows that the unemployment rate calculated on the basis of the population census (29.3%) is more than twice the rate estimated from the labour force survey (14.0%). There are two compounding factors that explain the difference: (a) the measured unemployment in the numerator of the rate is higher according to the population census relative to the labour force survey, and (b) at the same time, the labour force in the denominator is lower for the population census as compared to the labour force survey.

To sum up, there are major differences between the employment data of the population census and those derived from the labour force survey. The difference between the value of total employment from the population census and the corresponding value from the labour force survey is due to two main factors: own-use production in agriculture¹ and informal employment in other sectors of the economy. The different figures on total employment have a direct impact on the values of total unemployment. As a consequence, the unemployment rate derived from the population census is significantly higher than the unemployment rate obtained from the labour force survey.

¹ As it turns out, the measurement of agriculture employment carried out in the population census of Albania is now closer to the new international standard definition of employment adopted by the recent 19th International Conference of Labour Statisticians (Geneva, October 2013). The new definition excludes own-use work production work of goods and services from the scope of employment.

APPENDIX 3

Additional Tables

A.3.1 Main Labour Market Characteristics

Table A3.1.1: Demographic dependency ratios by areas, in 2001 and 2011 (%)

	2001	2011
Young dependency ratio⁽¹⁾		
- Urban	40.2	28.1
- Rural	51.1	33.2
Elderly dependency ratio⁽²⁾		
- Urban	12.3	16.5
- Rural	11.6	16.8
Overall dependency ratio⁽³⁾		
- Urban	52.6	44.6
- Rural	62.7	50.0

Source: 2001 and 2011 Census data

⁽¹⁾ Pop. 0-14 yrs. / Total pop. 15-64 yrs.

⁽²⁾ Pop. 65&more yrs. / Total pop. 15-64 yrs.

⁽³⁾ (Pop. 0-14 yrs. + Pop. 65&more yrs.) / Total pop. 15-64 yrs.

Table A3.1.2: Internal structure^(*) of the working age population by sex and areas, in 2001 and 2011

	2001	2011
Male		
- Urban	1.2	1.1
- Rural	1.7	1.3
Female		
- Urban	1.4	1.1
- Rural	1.8	1.2
Total		
- Urban	1.3	1.1
- Rural	1.8	1.3

Source: 2001 and 2011 Census data

^(*) Pop. 15-39 yrs. / Pop. 40-64 yrs.

Table A3.1.3: Discouraged workers by age groups and sex, in 2011

Discouraged Workers	Census 2011		
	Total	Male	Female
Total discouraged (number)	154,453	100,329	53,124
Percentage	100.0	100.0	100.0
15-24	31.1	30.3	32.4
25-34	22.6	22.6	22.5
35-44	17.3	16.3	19.2
45-54	17.8	17.2	18.8
55-64	11.3	13.5	7.0

Source: 2011 Census data

A.3.2 Employment in Albania**Table A3.2.1:** Employed 15 years old and over by main occupation groups and by urban and rural, in 2011

Main groups of occupations	2011		
	Urban	Rural	Total
	% by occupations groups		
Legislators, senior officials and managers	6.3	2.1	4.5
Professionals	21.3	6.1	14.8
Technicians and associate professionals	9.3	3.2	6.7
Clerical support workers	3.1	1.3	2.4
Service and sales workers	23.1	9.0	17.1
Skilled agricultural, forestry and fishery workers	4.5	50.1	24.0
Craft and related trades workers	15.9	12.3	14.3
Plant and machine operators and assemblers	8.4	5.0	6.9
Elementary occupations	5.0	6.2	5.5
Armed forces	1.1	0.8	1.0
Unknown*	2.0	4.0	2.8
Total	100.0	100.0	100.0

Source: 2011 Census data

Note: Classification according to ISCO-08

* Unknown means that information provided by respondents was missing or unclear to be coded.

Table A3.2.2: Employed 15 yrs old and over by status in employment and sex, in 2001 and 2011

Status in Employment	2001			2011		
	Male	Female	Total	Male	Female	Total
	% by status in employment					
Employees	30.7	32.8	31.5	50.4	61.8	54.5
Employers	6.3	4.2	5.5	5.3	2.4	4.3
Own account workers	49.2	45.0	47.6	35.5	23.0	30.9
Contributing family workers	13.7	18.0	15.3	8.9	12.8	10.3
Total	100.0	100.0	100.0	100.0	100.0	100.0
	% by sex					
Employees	60.8	39.2	100.0	59.0	41.0	100.0
Employers	71.1	28.9	100.0	79.2	20.8	100.0
Own account workers	64.5	35.5	100.0	73.2	26.8	100.0
Contributing family workers	55.8	44.2	100.0	55.1	44.9	100.0
Total	62.4	37.6	100.0	63.8	36.2	100.0

Source: 2001 and 2011 Census data

Table A3.2.3: Usual NET average monthly wage/salary for an employee by sex, 2009 to 2011
(in Albanian LEK)

Usual NET average monthly wage/salary for an employee			
	Male	Female	Total
2009	33,025	27,986	31,254
2010	33,418	27,968	31,425
2011	31,971	27,977	31,432

Source: Labour Force Survey data, 2009 to 2011

Table A3.2.4: Employed 15 yrs old and over by sex and usual working hours, 2007 to 2011
(% share by usual working hours)

	2007	2008	2009	2010	2011
Males					
Full time	81.8	86.2	87.1	84.7	78.9
Part time	18.2	13.8	12.9	15.3	21.1
Total	100.0	100.0	100.0	100.0	100.0
Females					
Full time	60.7	67.1	70.6	67.4	68.1
Part time	39.3	32.9	29.4	32.6	31.9
Total	100.0	100.0	100.0	100.0	100.0
Total					
Full time	72.5	77.7	80.0	77.3	74.2
Part time	27.5	22.3	20.0	22.7	25.8
Total	100.0	100.0	100.0	100.0	100.0

Source: Labour Force Survey data, 2007 to 2011

Notes: Full time = working 35 hours/week or more; Part time = working less than 35 hours/week

Table A3.2.5: Employed 15 yrs. old and over by industry and usual working hours, 2007 to 2011
(row percentage)

	Full time	Part time	Total
2007			
Agriculture	57.4	42.6	100.0
Industry	93.4	6.6	100.0
Construction	82.2	17.8	100.0
Services	85.3	14.7	100.0
Total	72.5	27.5	100.0
2008			
Agriculture	60.6	39.4	100.0
Industry	96.1	3.9	100.0
Construction	89.9	10.1	100.0
Services	90.7	9.3	100.0
Total	77.7	22.3	100.0
2009			
Agriculture	67.0	33.0	100.0
Industry	95.9	4.1	100.0
Construction	85.9	14.1	100.0
Services	90.0	10.0	100.0
Total	80.0	20.0	100.0
2010			
Agriculture	60.9	39.1	100.0
Industry	96.0	4.0	100.0
Construction	81.3	18.7	100.0
Services	89.5	10.5	100.0
Total	77.3	22.7	100.0
2011			
Agriculture	58.0	42.0	100.0
Industry	93.2	6.8	100.0
Construction	79.3	20.7	100.0
Services	87.8	12.2	100.0
Total	74.2	25.8	100.0

Source: Labour Force Survey data, 2007 to 2011

Table A3.2.6: Average usual working hours of full- and part-time employees by sex, 2007 to 2011

	Total	Male	Female
2007			
Full-time employees	46.5	47.6	44.7
Part-time employees	24.1	24.3	24.0
Total employees	44.3	45.8	41.8
2008			
Full-time employees	46.0	47.1	44.1
Part-time employees	24.5	24.7	24.4
Total employees	44.8	46.1	42.6
2009			
Full-time employees	45.6	46.5	43.8
Part-time employees	24.2	24.5	23.8
Total employees	44.1	45.2	42.1
2010			
Full-time employees	45.2	46.1	43.6
Part-time employees	23.7	24.6	22.5
Total employees	43.7	44.7	41.8
2011			
Full-time employees	46.4	47.2	45.1
Part-time employees	24.0	24.0	24.0
Total employees	44.0	45.1	42.3

Source: Labour Force Survey data, 2007 to 2011

Table A3.2.7: Share of employees by kind of work contract by sex, 2007 to 2011
(column percentage)

	Total	Male	Female
2007			
Employees with temporary contracts	17.0	22.2	8.5
Employees with permanent contracts	83.0	77.8	91.5
Unknown*			
Total employees	100.0	100.0	100.0
2008			
Employees with temporary contracts	17.7	23.1	8.6
Employees with permanent contracts	82.3	76.9	91.4
Unknown*			
Total employees	100.0	100.0	100.0
2009			
Employees with temporary contracts	15.2	19.5	7.3
Employees with permanent contracts	84.7	80.4	92.7
Unknown*	0.0	0.1	0.0
Total employees	100.0	100.0	100.0
2010			
Employees with temporary contracts	16.9	21.4	9.0
Employees with permanent contracts	82.9	78.3	90.7
Unknown*	0.2	0.2	0.3
Total employees	100.0	100.0	100.0
2011			
Employees with temporary contracts	14.8	17.5	10.6
Employees with permanent contracts	84.9	82.2	88.8
Unknown*	0.3	0.2	0.5
Total employees	100.0	100.0	100.0

Source: Labour Force Survey data, 2007 to 2011

* Unknown means that information provided by respondents was missing or unclear to be coded.

Table A3.2.8: Unemployment rate by age groups and sex, in 2001 and 2011
(%)

Age groups	2001			2011		
	Total	Male	Female	Total	Male	Female
15-24	35.5	41.6	27.1	52.9	52.1	54.3
25-34	32.6	28.7	38.2	31.5	31.4	31.7
35-44	16.6	6.6	32.3	24.2	22.4	26.8
45-54	8.9	2.2	17.4	22.1	19.8	25.8
55-64	2.9	1.6	7.7	20.7	20.2	22.2
Total	22.7	18.8	28.4	29.3	28.0	31.4

Source: 2001 and 2011 Census data

Table A3.2.9: Long-term unemployment shares by age and sex, 2007-2011 (in %)

Age-groups	Total	Male	Female
2007			
15-24	57.0	57.0	56.9
25-34	71.4	75.0	70.2
35-44	78.4	72.6	84.1
45-54	77.5	72.9	76.5
55-64	67.8	67.2	70.4
2008			
15-24	47.0	48.8	44.9
25-34	66.6	69.4	63.1
35-44	70.4	66.7	72.7
45-54	75.0	66.6	84.9
55-64	81.1	83.8	74.1
2009			
15-24	53.3	58.7	47.4
25-34	63.5	59.7	67.2
35-44	71.5	69.5	73.0
45-54	80.9	73.2	87.4
55-64	79.8	77.8	83.0
2010			
15-24	58.4	61.0	54.9
25-34	77.5	77.6	77.3
35-44	84.2	84.6	83.9
45-54	86.0	79.2	91.2
55-64	90.6	94.0	85.9
2011			
15-24	58.3	63.2	49.4
25-34	76.9	73.0	80.8
35-44	79.6	82.5	77.3
45-54	85.1	84.1	86.0
55-64	84.1	77.3	97.2

Source: Labour Force Survey data, 2007 to 2011

Table A3.2.10: Long-term unemployment shares by education and sex, 2007-2011(in %)

Education	Total	Male	Female
2007			
< upper secondary	73.3	73.9	79.4
upper secondary	68.2	65.3	69.1
tertiary	61.8	58.1	66.1
2008			
< upper secondary	70.2	68.9	71.8
upper secondary	64.9	60.7	69.6
tertiary	44.7	49.7	41.5
2009			
< upper secondary	71.7	69.4	73.9
upper secondary	67.0	63.9	70.6
tertiary	42.8	45.8	40.9
2010			
< upper secondary	78.9	77.1	80.8
upper secondary	78.9	76.7	81.3
tertiary	46.4	49.0	44.2
2011			
< upper secondary	76.3	75.1	78.2
upper secondary	77.1	74.4	80.0
tertiary	56.8	57.6	56.3

Source: Labour Force Survey data, 2007 to 2011

APPENDIX 4

Questions on economic characteristics of the resident population in 2001 and 2011

Census 2001	Census 2011
1. What is your present economic status? 1. Employed 2. Unemployed, looking for a new job 3. per 4. Student 5. Retired 6. In compulsory military service 7. Unemployed, looking for the first job 8. HousekeeNot employed, not looking for a job 9. Other inactive (handicapped, etc)	1. During the week of Saturday 24 to Friday 30 September, did you perform one or more hours of work for payment or profit, or did you contribute to family business <u>at least for one hour</u>? 1. Yes, in paid employment 2. Yes, in own business, as freelancer or in other independent activity 3. Yes, working on a farm for sale or self-consumption 4. Yes, in a casual paid/profit job 5. No, did not work, not even for one hour
2. Whatever the answer given in Question 12 above: how many hours (in paid employment) did you work last week?	2. What is the total number of hours you worked during the week of 24 to 30 September? (all individuals that have worked at least one hour in the reference week)
3. What is your status in employment? 1. Employee 2. Employer 3. Self-employed without employees 4. Contributing family worker	4. In your main job, are you: 1. Employee 2. Self-employed with employees 3. Self-employed without employees 4. Contributing family worker
5. Means of travel you use most to go to work or school 1. Bus 2. Minibus 3. Car 4. Motorcycle 5. Bicycle 6. By foot 7. Other	5. What means of transport do you use most to travel to work? 1. By foot 2. Bus 3. Motorcycle 4. Car, as a driver 5. Car, as a passenger 6. Bicycle 7. Minibus 8. Taxi 9. Train 10. Tractor 11. Animal 12. Other
6. Occupation: give the title and description of your job.	6. What is your occupation in the current main job? (job title)
7. Branch of industry of place of work Name and place of work District town/village Describe in detail the economic activity at your place of work.	7. What is the main activity of the organisation/ enterprise where you worked or you were self-employed in the week of 24 to 30 September? What is the full name of the organisation or the enterprise where you work in your main job?

8. Where is your place of work? - Fixed premises outside home - Home (not a farm) - Farm, which is home - Not a fixed place of work	8. Where is your place of work? - In Albania (district, town/village) - Fixed workplace, away from home - Work mainly at home - No fixed place of work - Abroad - Greece - Kosovo - Macedonia - Montenegro - Other (specify)
9. How often do you return to your permanent residence? - Each day - Not each day, but at least weekly - Less than once a week	10. How frequently do you travel from this residence to your place of work? - Daily 1-4 times a week - Less than once a week
Missing	11. Even if you have not worked during the week of 24 to 30 September had you have a job from which you were temporarily absent? - Yes - No
Missing	12. Did you search for work or try to start a business during the month of September? - Yes - No
Missing	13. What was the main reason you did not search for work or try to start a business? Because you were: - Student/pupil - Homemaker - Retired/old age - Unable to work - Seasonal worker - Do/es not want to work - No work available - Other (living on social assistance, etc)
Missing	14. If a job had been available in the week of 24 to 30 September, could you have started it within two weeks?
15. Do you have a: - Permanent job - Temporary job - Seasonal job - Occasional job	Missing
16. How many hours do you usually work in a week?	Missing
17. Do you have another job, apart from the one you described above? - Yes - No	Missing
If yes, write the title and job description	Missing
Missing information on discouraged workers	Available information on discouraged workers