

# WOMEN EMPLOYMENT STUDY FOR ALBANIA



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Women Employment Study for Albania

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# Abbreviations

AIDA	Albanian Investment Development Agency
AQF	Albanian Qualifications Framework
ALMP	Active Labour Market Policy
BPO	Business Process Outsourcing
BIDS	Business and Investment Development Strategy
CoM	Council of Ministers
CSO	Civil Society Organisation
DCM	Decision of the Council of Ministers
EBRD	European Bank for Reconstruction and Development
GDP	Gross Domestic Product
GEWE	Report on Economic Benefits of Gender Equality and Women Empowerment
GoA	Government of Albania
EAC	Employment Advisory Council
EIP	Employment Individual Plans
ERP	Economic Reform Programme
ETF	European Training Foundation
EURES	European Network of Employment Services
ESCO	European Skills, Competences, Qualifications and Occupations
FAO	Food and Agriculture Organisation
GADC	Gender Alliance for Development Centre
GBWN	Gender Budget Watchdog Network
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IFC	International Finance Corporation
ILO	International Labour Organisation
IMF	International Monetary Fund
IPMG	Integrated Policy Management Group
MoFE	Ministry of Finance and Economy
NAES	National Agency for Employment and Skills

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NAVETQ	National Agency for Vocational Education Training and Qualifications
NEET	Young people neither in Employment, nor in Education or Training)
NESS	National Employment and Skills Strategy
NLC	National Labour Council
NGO	Non-Government Organisation
NSGE	National Strategy for Gender Equality
OECD	Organisation for Economic Cooperation and Development
PES	Public Employment Services
PROSEED	Programme for Sustainable Economic and Regional Development, Promoting Employment, Vocational Education and Training
RCC	Regional Cooperation Council
SD4E	Skills Development for Employment
SLSSI	Labour and Social Services Inspectorate
SME	Small and Medium Enterprises
TUS	Time Use Survey
UN	United Nations
UNDP	United Nations development Programme
VAW	Violence against women
VET	Vocational Education and Training
WB	Western Balkans



# I Executive summary

Albania's economy has faced two consecutive difficult phases, related to the November 2019 earthquake and the COVID-19 pandemic, hampering the rhythm of economic growth and labour market developments of the previous years. The November 2019 earthquake, disproportionately impacted on the life of women, as they were pushed further towards traditional roles and activities, including caring for children and elderly, family members with disabilities and engaging in agriculture to support their household. Women and girls in the communities affected by the earthquake are now facing also with the consequences of the COVID-19 pandemic, which is expected to further widen gender inequalities (UN in Albania et al., 2020).<sup>1</sup>

Real GDP contracted by 3.31% in 2020 (INSTAT, 2021)<sup>2</sup>, and the labour market has yet to recover its long-term trends (World Bank, 2021).<sup>3</sup> Nonetheless, over an extended timeframe the Albanian labour market has maintained a positive performance, with increased labour market participation and employment and a notable decrease in unemployment. In the third quarter of 2021, the employment rate, labour force participation and unemployment improved as compared to 2020, reaching respectively 62%, 70.1% and 11.6% of the adult population (aged 15 to 64) (INSTAT, 2021).<sup>4</sup> Labour force participation and employment has improved for women, and youths.

**The gender gap in labour market participation for different age groups ranges from 20.7% to 10.2%, and gender gap in employment ranges from 16.2% to 9.1%**, being the highest for adult participants and the lowest for young participants (INSTAT, 2021).<sup>5</sup> The gender gap in employment for all age categories improved in 2021 and **Albania maintains a high ratio of women in employment compared to other Western Balkan economies**. Further to that, when assessing informal employment, **women's participation is higher in the agriculture sector and unpaid family workers category, whereas men dominate informal employment in non-agriculture sectors**.

**Gender pay gap for 2020 in Albania was 6.60%, with some significant differences across economic activities**. Activity disaggregated data show gender pay gaps have been the highest in mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply, water supply, sewerage, waste management and remediation activities, ranging from approximately 37.8% in 2016 to 31.9% in 2020. **There is a significantly higher gender pay gap amongst professionals,**

1 UN in Albania et al., 2020. Albania Post Disaster Needs Assessments. February. Tirana. Albania. Available at: [https://www.al.undp.org/content/albania/en/home/library/democratic\\_governance/albania-post-disaster-needs-assessment-.html#:~:text=The%20PDNA%20was%20led%20and,from%20the%20above%20international%20partners](https://www.al.undp.org/content/albania/en/home/library/democratic_governance/albania-post-disaster-needs-assessment-.html#:~:text=The%20PDNA%20was%20led%20and,from%20the%20above%20international%20partners). [Accessed 15 January 2021]

2 INSTAT, 2021, Gross Domestic Income, 4th Quarter 2020. Available at: <http://www.instat.gov.al/media/8171/pbb-tr4-2020.pdf> [Accessed 9 December 2021]

3 World Bank. 2021. Albania: Recent Economic Developments. Tirana. Albania. Available at: <https://www.worldbank.org/en/country/albania/overview#3> [Accessed 05 January 2022]

4 INSTAT. 2021. Quarterly Labour Force Survey – Third Quarter 2021. December. Tirana. Albania

5 INSTAT. 2021. Labour Market Statistics. Tirana. Albania

**crafts and related, trade, services and sales workers and lower gender pay gap amongst managers, the armed forces occupations and clerical support workers.** In terms of unpaid care work, there is still a remarkable difference between women and men in the time that they spend caring for their children or grandchildren, older people or those with disabilities. **The latest data available show men spend less than half the time women spend on unpaid domestic work, albeit their total work burden is higher.** The pandemic has highly influenced these indicators, due to isolation and loss of jobs, as assessments carried over time demonstrate.

Policy responses to the COVID-19 pandemic in Albania took a general gender-neutral approach and did not employ gender-aware approaches to policy design. However, based on available data, some of the support measures in the 1st and 2nd Support Packages<sup>6</sup> were in practice gender positive, as they disproportionately affected women within the household and in businesses. As per the Gender Alliance for Development Centre (GADC, 2021),<sup>7</sup> there were 11 policy responses with a gender positive impact, linked particularly to violence against women and social protection and 12 measures were gender-neutral. **Overall, these policy responses had little significant effect on women's economic well-being.** One of the greatest threats to women during lockdown period due to COVID-19 pandemic remains gender-based violence (UN Women, 2020).<sup>8</sup>

Overall, the employment and gender policy-making structure has been slimmed down since 2017 in both size and capacity and reforms are continuing in employment policies. In 2021, only few dedicated directories within the Ministry of Finance and Economy and Ministry of Health and Social Protection work on employment and gender policies, as compared to the previous dedicated Ministry for employment policies, VET and social protection. These changes have affected budgetary allocations for these areas, and have limited the capacity to develop new strategies to achieve increased employability of women and men in the economy and enhance gender-positive policy approaches.

The **Albanian public employment service (PES)** is adapting to recent reforms, with the finalised structure of the National Agency for Employment and Skills, revised processes and protocols, new manuals in place and a job-seeker centred approach being implemented. **There is a long way to go for the PES to become the preferred job-seeking instrument in the economy and for it to fully implement a gender-sensitive approach to all its operations.** As it was included in the National Employment and Skills Strategy of 2014, gender-sensitive monitoring and evaluation of employment measures should have yielded some positive results by now. The lack of progress provides the evidence for a much-needed scaling up of action in this direction.

In the light of COVID-19 developments, additional **active labour market policies** should be at the forefront of priority policies to be implemented, with increased budgets and extended categories of beneficiaries. Further collection, publication and analysis of gender-disaggregated data on the labour market outcomes of for different categories of participants and by type of ALMP needs to be developed, particularly with respect to gender. Groups with compounded vulnerabilities can especially benefit

6 Two support packages were adopted in support of businesses and individuals during the initial outbreak of the pandemic. Further information is provided throughout the study.

7 Gender Alliance Development Center. 2021. Fiscal Gender Analysis. Published in Tirana, Albania. Available at: <https://gbwn.net/en/publications/> [Accessed 05 January 2022]

8 UN Women. 2020. COVID-19 is taking a higher toll on women – shows UN Women Albania rapid assessment. Available at: <https://albania.unwomen.org/en/digital-library/multimedia/2020/07/covid-19-is-taking-a-higher-toll-on-women-shows-un-women-albania-rapid-assessment> [Accessed 05 January 2022]

from labour market programs which target victims or potential victims of trafficking, victims of gender-based violence and victims of domestic violence, young mothers etc. Measures such as allowances for childcare and travel to work have been introduced, but their effectiveness has yet to be evaluated.

**Women led enterprises have remained at the same levels over the last three years, accounting for more than 25.0% of all active enterprises.** Data largely confirms women's low involvement in many sectors, such as construction, transport and storage. Some good practices have been evident, such as municipality support for women businesses, and these could be replicated at the national level.

Some other good practices being implemented in the Albanian economy include drafting and adoption of new legislation in employment promotion, reform of ALMPs, partly in response to the emergence of COVID-19, improved development partners coordination in the Albanian economy on topics related to employment and Vocational Education Training (VET), preparation and implementation of new manuals for services provided by National Agency for Employment and Skills (NAES), etc. Most of these measures are in practice and by design gender neutral, though gender-sensitive practices are noted in support of women entrepreneurship.

Despite an overall positive performance, there are many challenges lying ahead in order to ensure reduced gender gaps in the Albanian labour market. Work needs to be done on influencing changes in the social norms, which are predominantly masculine ones, fuelling traditional gender-roles and hampering progress, in particular in rural areas. Additional policies and interventions are needed to address the gender care gap, in support of labour market developments and women entrepreneurship. At this critical time, external support might be needed to ensure a more gender-inclusive approach to policy measures. Further work is needed with institutions in improving the capacities of their staff, starting from trainings on gender-sensitivity to integrating gender-perspectives into IT systems. Action is needed on horizontal and vertical inclusion of gender indicators and statistics allowing for gender-equity evaluations of labour market and entrepreneurship policies, ALMPs and employment promotion programs. There is also much work needed to increase the attractiveness of the public employment service to both job-seekers and employers.



## 2 Introduction

In the light of the major developments that Albania went through, in particular the November 2019 Earthquake and the COVID-19 pandemic outbreak in March 2020, many aspects of the economy and social life in general were greatly impacted as a result (CoM, 2021).<sup>9</sup> Due to the double shock, GDP contracted in 2020, although by less than initially expected (European Commission, 2020).<sup>10</sup> Real GDP Growth was -3.8% in 2020 compared to 4.02% in 2018 and 2.11% in 2019 (INSTAT, 2020).<sup>11</sup> The government's interventions to mitigate and alleviate the effects of both these disasters were aimed at providing an adequate response to the recovery efforts post-earthquake, as well as to minimize the effects of the pandemic to manageable levels (CoM, 2021).<sup>12</sup> The pandemic-related domestic lockdown and international travel restrictions caused significant losses for the tourism and manufacturing sectors in particular, but the economy started to rebound in the second half of the year 2020.

Before the unprecedented COVID-19 crisis, Albania had made progress toward ensuring that Albanian men and women had access to increased employment opportunities (European Commission, 2021).<sup>13</sup> In the last quarter of 2020, 1.23 million people were in employment (of these 47.7% were employees, 27.9% self-employed without paid employees, 21.2% unpaid family workers and 3.2% self-employed with paid employees), 43,400 less workers than in 2019 (INSTAT, 2020).<sup>14</sup> Due to the prolonged pandemic and the fragile economic system, the overall unemployment rate increased particularly among vulnerable groups including women, young people, Roma and Egyptians, and people with disabilities (European Commission, 2021).<sup>15</sup> The unemployment rate (15-64 age range) for women increased from 11.8% in 2019 to 12.4% in 2020 (INSTAT, 2021).<sup>16</sup>

A strong rebound is forecasted by the Albanian Government and international financial institutions. Structural issues in the economy, might hinder and challenge a sustainable economic rebound, as Albania relied on a low productivity economic growth model (Beqiraj and Bashari, 2021).<sup>17</sup> However, jobs had

9 Council of Ministers. 2021. Economic Reform Programme, 2021-2023, Albania. Available at: <https://www.financa.gov.al/wp-content/uploads/2021/02/Economic-Reform-Programme-2021-2023.pdf>

10 European Commission, 2021. Albania Progress Report, Pg.8. Available at: [https://ec.europa.eu/neighbourhood-enlargement/albania-report-2021\\_en](https://ec.europa.eu/neighbourhood-enlargement/albania-report-2021_en)

11 INSTAT. 2020. National Accounts Statistics: Real GDP Growth. Tirana. Albania

12 Albania, Council of Ministers, 2021. Economic Reform Programme, 2021-2023. Available at: <https://www.financa.gov.al/wp-content/uploads/2021/02/Economic-Reform-Programme-2021-2023.pdf>

13 European Commission. 2021. Albania Progress Report, Pg.92. Available at: [https://ec.europa.eu/neighbourhood-enlargement/albania-report-2021\\_en](https://ec.europa.eu/neighbourhood-enlargement/albania-report-2021_en) [Accessed 15 January 2022]

14 INSTAT, Women and Men in figures, 2020. Available at: <http://www.instat.gov.al/al/temat/treguesit-demografik%C3%AB-dhe-social%C3%AB/barazia-gjinore/publikimet/2020/burra-dhe-gra-n%C3%AB-shqip%C3%ABri-2020/> [Accessed 15 January 2022]

15 European Commission. 2021. Albania Progress Report, Pg.93. Available at: [https://ec.europa.eu/neighbourhood-enlargement/albania-report-2021\\_en](https://ec.europa.eu/neighbourhood-enlargement/albania-report-2021_en) [Accessed 15 January 2022]

16 INSTAT, Women and Men in figures, 2020. Available at: <http://www.instat.gov.al/al/temat/treguesit-demografik%C3%AB-dhe-social%C3%AB/barazia-gjinore/publikimet/2020/burra-dhe-gra-n%C3%AB-shqip%C3%ABri-2020/> [Accessed 15 January 2022]

17 Beqiraj I. and Bashari K. 2021. The narrow path of development: Time for industrial policies. Friedrich Eert Stiftung. November. Tirana. Albania

been shifting to higher productivity activities prior to the pandemic (MoFE, 2021)<sup>18</sup>, providing grounds for optimism.

According to the 2021 World Economic Forum's Gender Gap Index report, Albania ranked 25th out of 153 economies (compared to rank 20 for 2020) (WEF, 2021)<sup>19</sup>, reflecting consequences created by the earthquake and COVID-19 pandemic. In Albania women have been spending an increased time on unpaid domestic work during the COVID-19 pandemic lockdown period, while also working remotely. Reduced income due to loss of jobs and diminished paid working hours have affected the lives of many women, especially the most vulnerable like women head of families, women living in poverty and rural areas. Many vulnerable women have been obliged to work in unsafe working conditions and have risked their health as they could not risk losing their jobs.

The government undertook several policy responses to the pandemic, ensuring citizens were provided with direct payments and supporting job retention. A tracking tool developed to assess the gender-sensitivity of measures taken during the COVID-19 policy response (UNDP, 2021)<sup>20</sup> noted that some of the key measures were targeting women's economic security, namely: doubling the amount of the monthly Economic Aid; the additional allocation of more than EUR 36 million for wage increases for doctors and nurses, and doubling the amount of the economic aid for the cases of women who were under a protection order for the first six months of 2020.

These and other measures were developed by several government bodies, including the Ministry of Finance and Economy (MoFE), the National Agency for Employment and Skills (NAES), National Labour Council (NLC) and Employment Advisory Council (EAC). Interviews with representatives of relevant institutions uncovered that gender considerations were not specifically addressed and a much more gender-inclusive approach could have informed the policy design process. The measures were coordinated by the Integrated Management Policy Group (IPMG), which included representatives of the Ministry of Health and Social Protection (MoHSP), MoFE and the Ministry of Education and Sports (MES).

The above institutions were mandated to design, coordinate, and implement measures which improved the functioning of the active labour market policies. The Albanian Public Employment Service (PES) provides support for unemployed jobseekers, including women, through gender-neutral approaches and labour market programs implemented in a gender aware environment. As per the latest 2020 NESS progress report, of the "National Employment and Skills Strategy" (NESS 2019-2022), policy measures are designed and implemented by placing women on an even playing field with men when it comes to employment and up-skilling/re-skilling opportunities (MoFE, 2021).<sup>21</sup>

This introduction presented an overall panorama of Albania post-earthquake, amidst COVID-19 pandemic with some data, which will be elaborated further in the upcoming chapters of this report. This report has been prepared to explore the Albanian women's status in employment and the causes

18 Ministry of Finance and Economy, 2021. Draft Business and Development Strategy 2021-2027. Tirana, Albania

19 World Economic Forum, 2021. Global Gender Gap Report 2021. Available at: <https://www.weforum.org/reports/global-gender-gap-report-2021> [Accessed 15 January 2022]

20 United Nations Development Programme. 2021. COVID-19 Global Gender Response Tracker. Available at: <https://data.undp.org/gendertacker/> [Accessed 10 December 2021]

21 Ministry of Finance and Economy. 2019. National Employment and Skills Strategy 2019 – 2022. Tirana, Albania. Available at: [https://www.financa.gov.al/wp-content/uploads/2020/10/Publikim\\_EN\\_Strategjia-Komb%C3%ABtare-p%C3%ABr-Pun%C3%ABsim-dhe-Aft%C3%ABsi-2019-2022.pdf](https://www.financa.gov.al/wp-content/uploads/2020/10/Publikim_EN_Strategjia-Komb%C3%ABtare-p%C3%ABr-Pun%C3%ABsim-dhe-Aft%C3%ABsi-2019-2022.pdf) [Accessed 28 December 2021]

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of gender gaps in the labour market through seven key chapters: I) State of play of the Albanian labour market; II) Labour Market outcomes during COVID-19 and policy response; III) Governance of employment policies and institutional strengthening; IV) Public employment service; V) Active labour market policies; VI) Women Entrepreneurship and VII) Good practices in employment policies.



## 3 Methodology

The purpose of this Study is to analyse the current state of play related to women's employment and assess current policies including ALMPs in Albania. In the next phase the plan is to develop a roadmap for strengthening women employment programmes and reduce the gender employment, gender pay, and gender care gaps in the Albanian economy.

The report explores several quantitative and qualitative dimensions of the Albanian labour market, to provide not only an assessment of the key information publicly available, but also assess the effectiveness of the: current legal framework, processes and procedures of the public employment service, key active and labour market policies and recent developments in the women entrepreneurship landscape in the Albanian economy. The recommendations presented at the end of each chapter for both policy and operational aspects, propose specific strategies to meet the needs of women in the labour market.

This Study is prepared based on a mixed method approach which is used to delve deeper into the Albanian labour market, addressing issues from a structural and gender perspective, focusing on the roles and status of women in the Albanian labour market. The methods used to complement data collected include qualitative and quantitative methods. An in-depth analysis was carried out to identify issues related to the gender employment, gender pay, and gender care gaps.

### 3.1 Qualitative methods

Qualitative methods are used to provide a more in-depth analysis of the statistical data analysed in this study. Several categories of qualitative methods were employed to provide relevant information for the study:

#### **Desk research**

The core activity of the desk research is the review of the public data and reports. Thus, desk research of recent publications and economies statistics and documents form the bulk of the data sources that are used in this report. Previous publications have proven crucial in the preparation of a coherent report and the design of a future policy framework. To avoid repetition and duplication, the desk research focused on updating the information presented in previous publications and delve into a deeper analysis of the gender equality issues identified in those reports, in order to come up with concrete recommendations on the factors that determine the current inequalities in the labour market. The qualitative desk research is focused on:

- Collection of statistical data on the labour market and economic indicators from the Institutes of Statistics, Gender Equality Indexes, EU reports, WB reports, UN reports, ILO reports and other international publications.

- Review of policy-level practices in the economy, institutional setting and governance of the sector and labour market policies, assessed through gender-sensitive lenses.
- In depth analysis of the gender equality gaps and challenges identified in the published reviews to provide a more comprehensive analysis of the issues identified and propose policy recommendations.

### **One on one interviews**

One on one interviews with key stakeholders were arranged based on a mapping of stakeholders conducted by the team at the beginning of the research work. The in-depth interviews focused on a better understanding of the data collected through desk research and quantitative methods, reform processes and current active policies in the Albanian labour market. Interviews with line ministries in charge of implementing economy-wide employment strategies helped identify areas of achievements and where improvements in their implementation were required. The interviews included open-ended and structured questions. The list of categories included in the stakeholder mapping includes the following:

Group 1 – Government officials

Group 2 – Development Governmental Agencies

Group 3 – Academia and independent experts

Group 4 – Development partners/CSOs directly related to the employment issues and donors in Albania that conduct relevant projects.

*Table 1. List of institutions/entities included in the qualitative research*

<b>Category of Institution/Entity</b>		
<b>Central level institutions</b>		
Ministry of Finance and Economy	Ministry of Health and Social Protection	
<b>Development Agencies</b>		
National Agency for Skills and Employment	Albanian Investment Development Agency	
<b>Academia</b>		
Professors	Independent Experts	
<b>Development Partners/CSOs/Programs in the focus area</b>		
Skills Development for Employment, UNDP	RISI Albania	ProSEED

*Source: Author's work, 2021*

Specific interview guides were prepared and followed. These interview guides were adapted to the context and organisational structures operating within the governance framework in Albania.

## Quantitative data collection

The report employed statistical data and their analysis, from public, independent and governmental sources such as the Albanian Institute of Statistics, Ministry of Finance and Economy, Albanian Investment Development Agency, National Agency for Employment and Skills and the General Tax Directorate. Some of these key institutions were approached with requests to ensure the availability of the latest data possible, with the third quarter of 2021 as the cut off period. Nonetheless, certain data limitations did not always allow for such approach.

In the case of the Albanian economy, there was a wealth of publicly data available. Such data were collected during the desk research period. They were further analysed using statistical instruments to create a clear picture of what these data meant in the light of the gender equality agenda and achieving its goals, with a particular focus on employment.

In addition, recently published studies by the RCC, such as the Gender Equality and Women Empowerment (GEWE) Study of 2021, RCC ESAP Western Balkans Alignment with the EU Pillar of Social Rights (EUPSR) of 2021, EU PES reports, reports from EIGE, WB, ILO, IMF and other organizations were used for the literature review. The data analysis was carried out under a gender equality perspective to address the objectives of the Study.

## 3.2 LIMITATIONS OF THE STUDY AND RESEARCH METHODS

The low level of gender-disaggregated data made available by public institutions is considered a crucial limitation of this study.

- Key data on employment, active enterprises and economic growth in the Albanian economy were published in December 2021, but only as preliminary data, and further data processing will be carried until the final publication of all indicators. Nonetheless, efforts were made to obtain such data, and include recent developments up to the third quarter of 2021.
- In the case of the Albanian economy, recent structural changes in the institutions responsible for employment and social policies have affected the range of experts in public institutions who could provide inputs to the study.



Although rigid perceptions about gender roles are gradually changing, men and women are still considered to have different roles in the family and in the public space. In January 2020 Albania released the first Gender Equality Index (INSTAT, 2020).<sup>25</sup> This identified inequalities across the six domains of work, time, money, power, knowledge and health. Overall, Albania scored 60.4 points, while the 2019 EU average was 67.4 (INSTAT, 2020).<sup>26</sup> In the area of power, the Albania's result was 60.9 points which was higher than the EU average of 51.9. However, gender inequality is still present to a significant degree, particularly in terms of income inequality, gender segregation in higher education, and segregation of household chores.

Segregated gender roles are highly visible within the household. Within the home women usually undertake all laundry and ironing duties, house cleaning, cooking and washing dishes. They are the ones caring for children, often without any support, while men are more likely to engage in home repairs and paying bills (UNDP et al., 2016).<sup>27</sup> In most Albanian families, men are still considered the head of households and breadwinners, while women care for children or the elderly and are almost the exclusive carers in the household. As such, one in three women surveyed in 2021 believed that women should concentrate on home responsibilities while men should focus on careers. This figure was 71% among Roma respondents.<sup>28</sup> The last time use survey was conducted in Albania in 2011, it revealed that more than 80% of respondents in Albania reported that it is usually women who do the laundry and iron clothes; clean the house; cook; and wash dishes.<sup>29</sup>

In recent years, Albania has improved the status of women and promoted gender equality. However, the Albanian economy still faces many challenges in terms of fully utilising women's potential in the labour market, increasing participation in decision-making and eradicating the widespread violence against women, particularly in the family realm (UNDP, 2019).<sup>30</sup> There are perceptions still present that hamper women's financial independence. For instance, in 2021 one in three men and one in four women surveyed believed that women's income belonged to their partner/spouse.<sup>31</sup> This is coupled with women's low ownership of property and resources, which can be attributed to predominant social norms that consider that only men should inherit their parents' estate. One consequence of this predominant behaviour is that women own less than 20% of land in Albania (BIRN, 2019).<sup>32</sup>

Multiple and widespread discrimination is a reality for marginalized groups such as LGBTIQ+, Roma and Egyptians, people with disabilities and other minorities. Recent studies have shown that women from these communities face all of the types of violence that other women face and additional ones

25 INSTAT, 2020. Gender Equality Index for the Republic of Albania. The Gender Equality Index in Albania was developed with EIGE's support under the EU Instrument of Pre-Accession (IPA), funded by the European Union. Retrieved from: <https://shendetesia.gov.al/shqiperia-publikon-indeksin-e-pare-te-barazise-gjinore-manastirliu-te-dhenat-e-vendosin-shqiperine-ne-mes-te-vendeve-te-bashkimit-europian/> [Accessed 15 January 2022]

26 ibid

27 UNDP, UN Women in Albania and Embassy of Sweden. 2016. A Pilot Study: Public Perceptions and Attitudes toward Gender Equality in Albania. January. Tirana. Albania

28 Observatory for Youth and Children Rights. 2021. Perceptions of violence against women and girls. Online: [Comparative-factsheet-baseline-midterm-review-online-14april2021.pdf](https://observator.org.al/comparative-factsheet-baseline-midterm-review-online-14april2021.pdf) (observator.org.al)

29 UNDP. 2016. Public Perceptions and Attitudes towards Gender Equality in Albania.

30 UNDP. 2019. The United Nations Mid-Year Report for the Republic of Albania. Available at: <https://www.un.org/al/what-we-do/gender-equality/gender-equality> Accessed 15 January 2022]

31 Observatory for Youth and Children Rights. 2021. Perceptions of violence against women and girls. Online: [Comparative-factsheet-baseline-midterm-review-online-14april2021.pdf](https://observator.org.al/comparative-factsheet-baseline-midterm-review-online-14april2021.pdf) (observator.org.al)

32 BIRN. 2019. Tradition Denies Albanian Women Right to Property. Fjori Sinoruka. Balkan Insight. Available at: <https://balkaninsight.com/2019/09/03/tradition-denies-albanian-women-right-to-property/> [Accessed 30 December 2021]



entrenched (FAO, 2017).<sup>43</sup> This poses a challenge for the implementation of laws and policies on gender equality.

The COVID -19 pandemic has caused a worldwide crisis that is also affecting the lives of women and girls. While in Albania we do not have yet studies that gives information on this situation there are reports (UN Women, 2021)<sup>44</sup> that show that women and girls are especially affected by the resulting economic and social fallout. Violence against women and girls has worsened during the COVID-19 pandemic, while women are losing their livelihoods faster because they are more prevalent in the hardest-hit economic sectors (UN in Albania, 2020).<sup>45</sup> According to a new analysis commissioned by UN Women and UNDP, the shift of funds in response to the pandemic is hampering women's access to sexual and reproductive healthcare (UN in Albania, 2020).<sup>46</sup> More people at home also means that the burden of unpaid care and domestic work has increased for women and girls, literally driving some to the breaking point (UN Women, 2020).<sup>47,48</sup>

## 4.1.2 Analysis of the State of Play

Based on conventional macroeconomic indicators, notwithstanding set-backs related to the earthquake in 2019 and the worldwide COVID-19 pandemic, the Albanian economy has developed steadily in recent years. In 2021, Albania saw a strong rebound from the COVID-19 induced recession, similar to that in other Western Balkans economies (World Bank, 2021) <sup>49</sup>. A sustainable economic recovery is challenged by structural weaknesses in the economy, led by an economic model which is not supported by adequate productivity growth (Beqiraj et al., 2021) <sup>50</sup>. Despite the fact that prior to the recent unexpected challenges, firms in Albania, particularly in manufacturing, operated in a relatively dynamic economic environment, investment to increase productivity has been limited and restricted largely to the traditional sectors (Xhepa et al., 2021).<sup>51</sup> Nearly, two-thirds of investment in 2020 was accounted

43 Ibid

44 UN Women. 2020. Impact of the COVID-19 pandemic on specialist services for victims and survivors of violence in Albania. Available at: [https://www2.unwomen.org/media/field%20office%20eca/attachments/publications/2020/06/albania%20covid-vaw\\_report9.pdf?la=en&vs=4948](https://www2.unwomen.org/media/field%20office%20eca/attachments/publications/2020/06/albania%20covid-vaw_report9.pdf?la=en&vs=4948) [Accessed 15 January 2022]

45 UN in Albania. 2020. Albania COVID-19 socio-economic recovery & response plan. Tirana, Albania. Available at: <https://www.unicef.org/albania/media/3101/file/UN%20ALBANIA%20COVID-19%20SOCIO-ECONOMIC%20RECOVERY%20&%20RESPONSE%20PLAN.pdf> [Accessed 30 December 2021] and UN Women. 2021. Measuring the shadow pandemic: Violence against women in Albania – Country Report: Albania. Available at: <https://data.unwomen.org/sites/default/files/documents/Publications/Measuring-shadow-pandemic-Albania.pdf> [Accessed 30 December 2021]

46 UN in Albania. 2020. Albania COVID-19 socio-economic recovery & response plan. Tirana, Albania Available at: <https://www.unicef.org/albania/media/3101/file/UN%20ALBANIA%20COVID-19%20SOCIO-ECONOMIC%20RECOVERY%20&%20RESPONSE%20PLAN.pdf> [Accessed 15 January 2022]

47 UN Women. 2020. The impact of Covid-19 on women's and men's lives and livelihoods in Albania: Results of a Rapid Gender Assessment. Available at: [https://www.jointsdgfund.org/sites/default/files/2021-01/web\\_the%20impact%20of%20covid-19%20on%20womens%20and%20mens%20lives%20and%20livelihoods%20in%20albania.pdf](https://www.jointsdgfund.org/sites/default/files/2021-01/web_the%20impact%20of%20covid-19%20on%20womens%20and%20mens%20lives%20and%20livelihoods%20in%20albania.pdf) [Accessed 10 December 2020]

48 UN Women (2020). Albania Country Gender Equality Brief 2020. Prepared by Monika Kocaqi, Agustela Nini-Pavli, Ani Plaku and Dolly Wittberger. Tirana, Albania. Available at: [https://www2.unwomen.org/-/media/field%20office%20albania/attachments/publications/2020/12/cgeb%20albania\\_report\\_1.pdf?la=en&vs=4248](https://www2.unwomen.org/-/media/field%20office%20albania/attachments/publications/2020/12/cgeb%20albania_report_1.pdf?la=en&vs=4248) [Accessed 05 December 2021]

49 World Bank. 2021. Western Balkans Regular Economic Report No. 20. Greening the Recovery. Fall 2021. International Bank for Reconstruction and Development / The World Bank Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/36402/Greening-the-Recovery.pdf?sequence=1&isAllowed=y> [Accessed 30 December 2021]

50 Beqiraj I. and Bashari K. 2021. The narrow path of development: Time for industrial policies. Friedrich Ebert Stiftung, November. Tirana, Albania

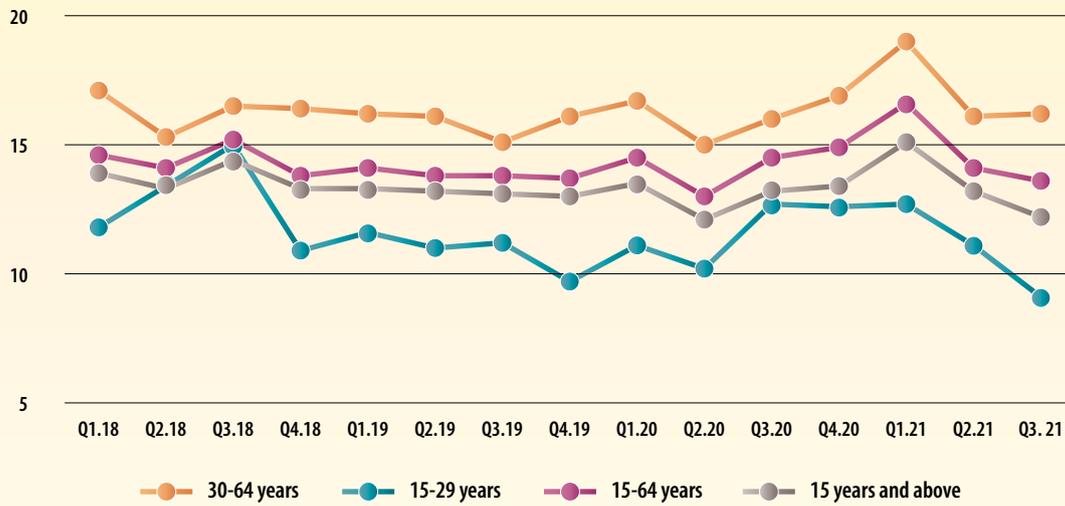
51 Xhepa S. and Liperi O. 2021. Productivity: The Achilles heel of the Albanian economy. Friedrich Ebert Stiftung, August. Tirana, Albania







**Figure 3.** Gender gaps in employment rates by age (2018-2021)



Source: INSTAT, 2021

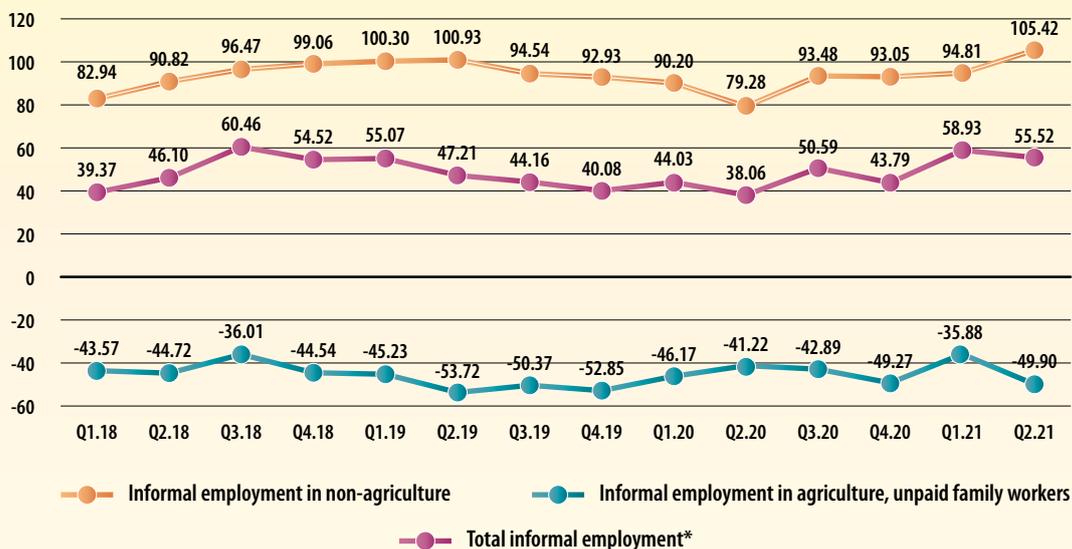
**Employment for 20-64 years old** in the economy, disaggregated by education levels, show that the gender gap in employment is lower amongst those with higher levels of education, reaching a gap 2018-2021 of 12.6% in the first quarter of 2021 and dropping again to 9% in the second quarter of 2021. The gender employment gap was lowest for those with medium and low levels of education in the second quarter of 2020, as more men lost jobs than women.

Despite the fact that more women enrol and graduate from high level education, more men than women with high level education are employed. The gender gap in employment for highly educated individuals has varied from -0.9 to 5.2 with fluctuation in time, reaching 1.3 percentage points in 2020 (Figure 4). The gender gap in employment has been much larger for the less educated and the gap for those with a low level of completed education has worsened. Those with a medium level of completed education had the highest gender employment gap over time.





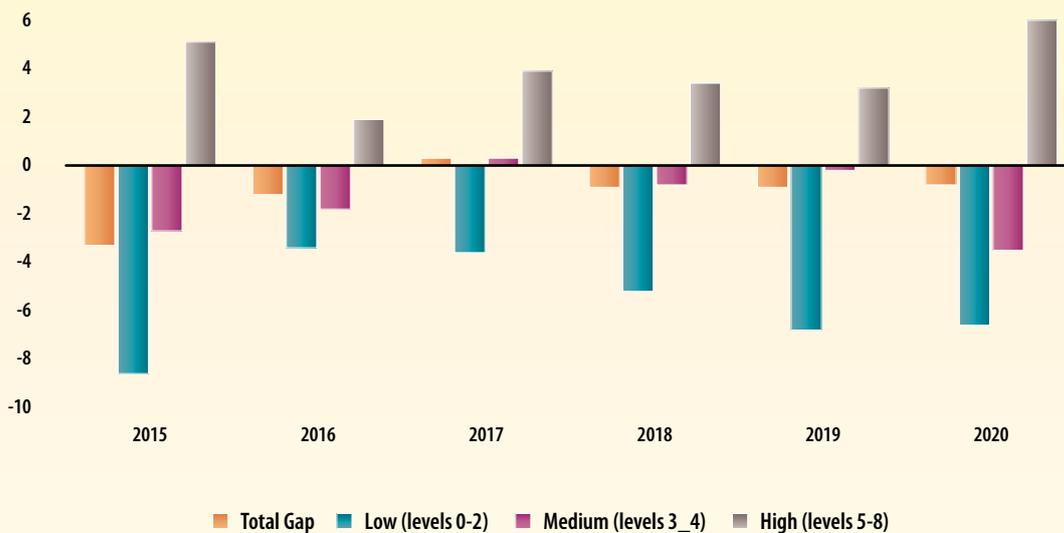
**Figure 6.** Informal Employment Gender Gap 15+ years old (absolute numbers)



Source: INSTAT, Authors' calculations, 2021

In terms of education, informal employment is higher for women and men with lower levels of completed education. If data was available, further analysis of the composition of informal employment could be carried out to assess differences based on factors, such as place of residence, regional distribution etc.

**Figure 7.** Informal employment gender gap by education (15 + years old) (2015-2020)

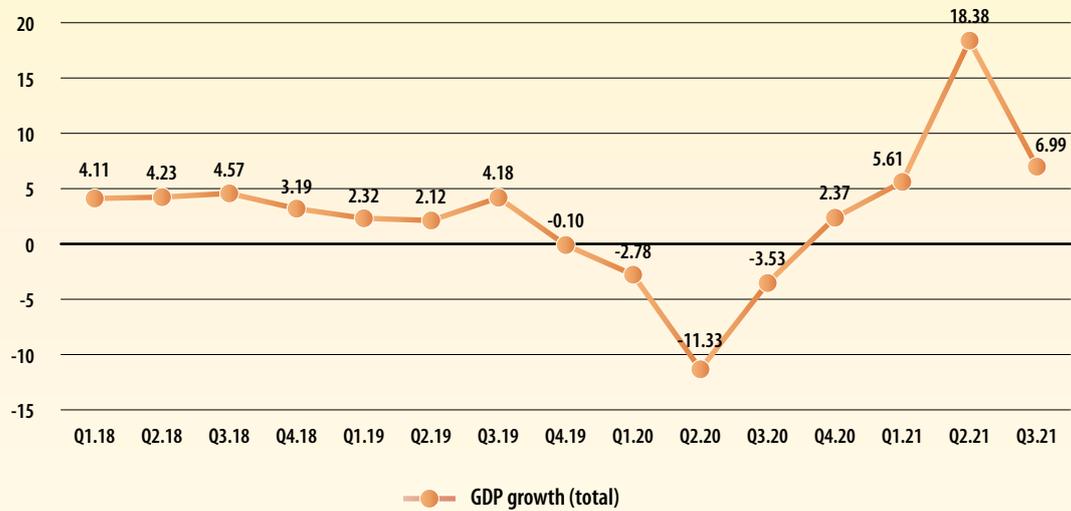


Source: INSTAT, 2021



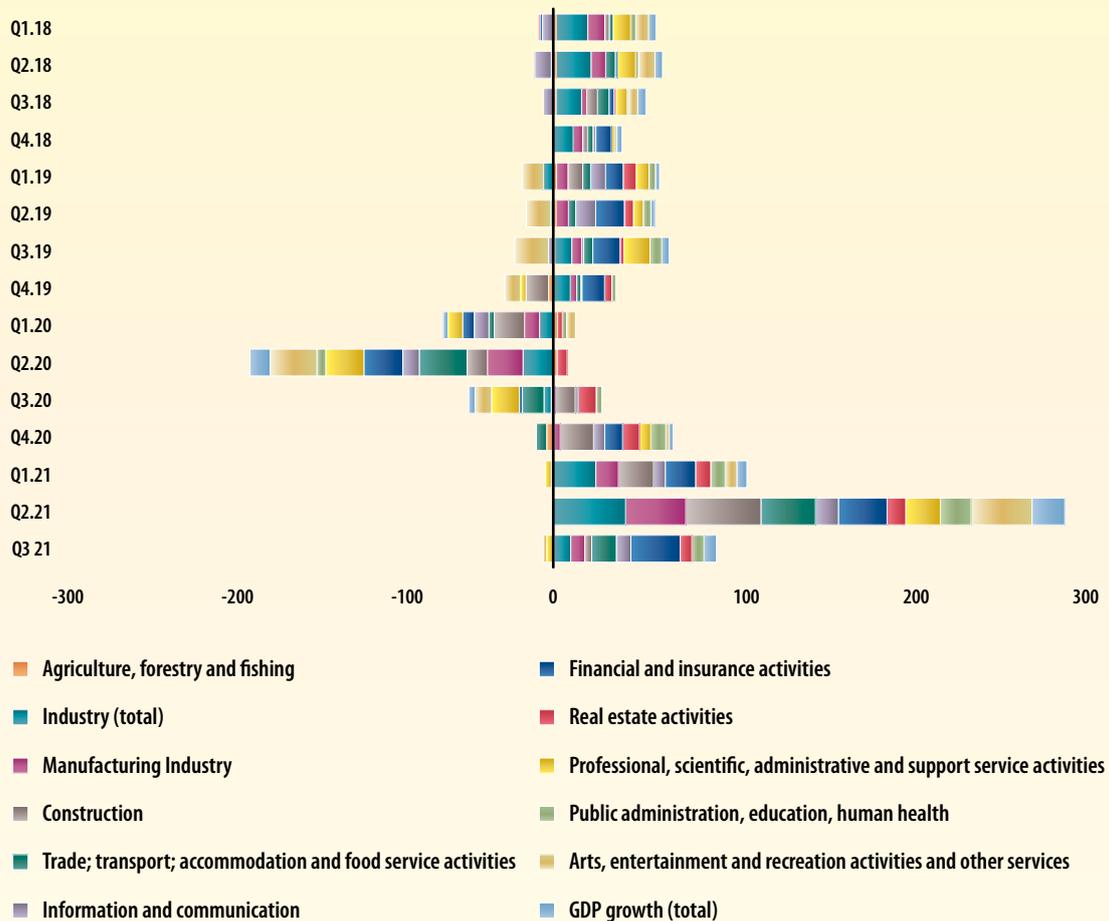




**Figure 11.** Gross Domestic Product quarterly real growth rate (2018 – 2021)

Source: INSTAT, 2021

This recovery was due to increases in consumption, tourism, and construction, whereas employment and labour force participation are also recovering, albeit with a lag, and real wages also increased (World Bank, 2021)<sup>72</sup>, the latter partly due an increase in the minimum statutory wage as of January 1st 2021.

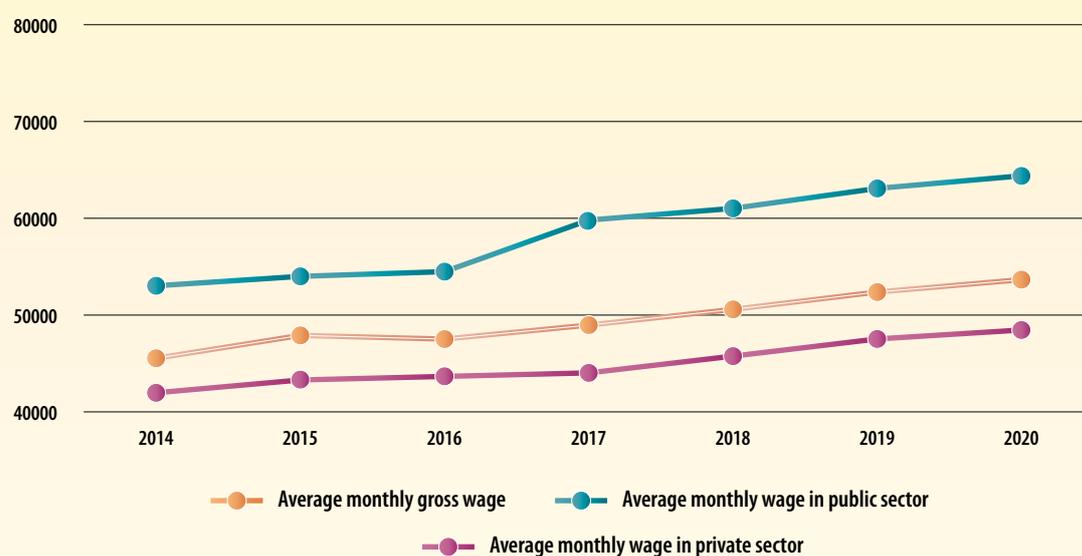
**Figure 12.** Quarterly real growth rate, by sector (2018-2021)

Source: INSTAT, 2021

The main sectors leading growth in 2021 were construction (in Q2 2021 – 42.2%), industry (in Q2 2021 – 40.5%), including manufacturing (in Q2 2021 – 33.6%), and trade, transport and accommodation and food service activities (in Q2 2021 – 30.6%). Whereas agriculture returned to a positive real growth rate in the third quarter of 2021, professional, scientific, administrative and support service activities and arts, entertainment and recreation activities and other services performed negatively.

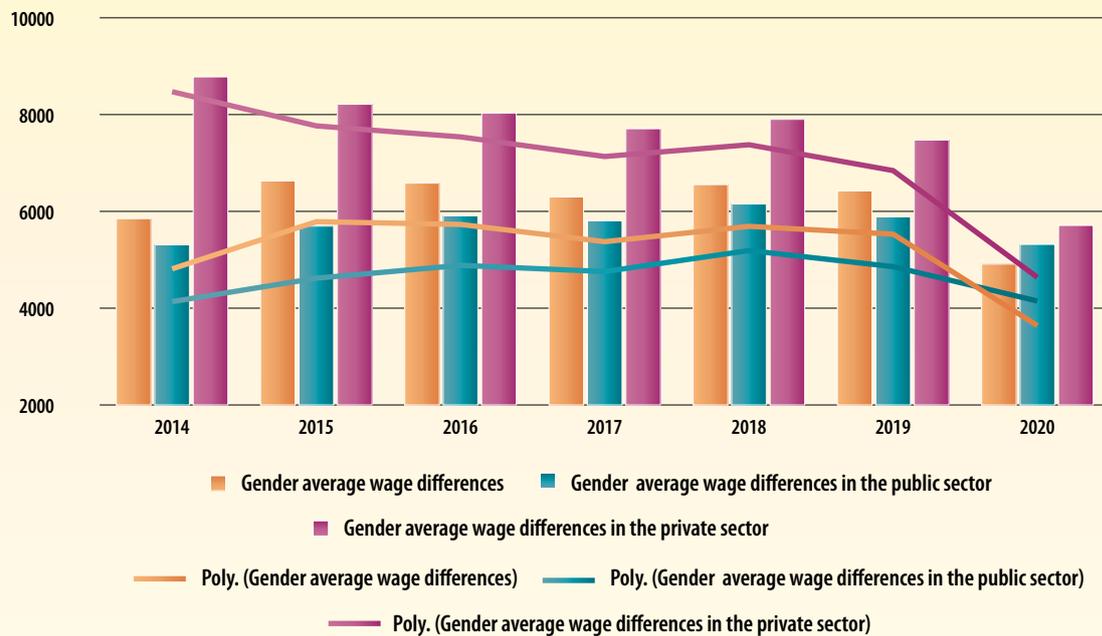




**Figure 14.** Trends in average monthly wages (2014 – 2020)

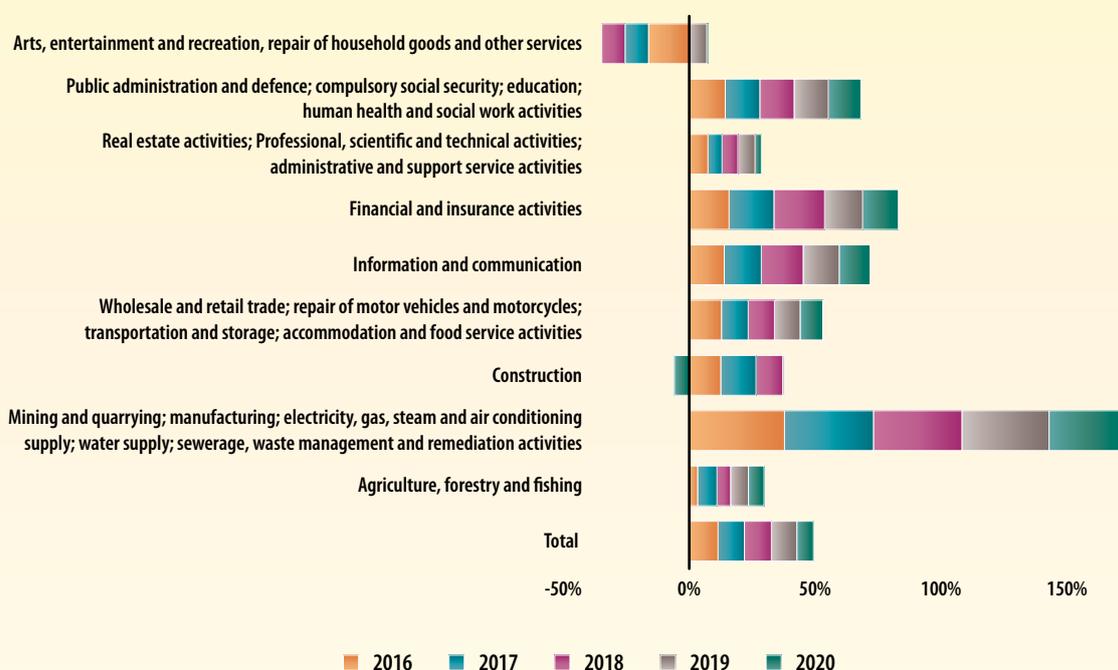
Source: INSTAT, 2021

As shown in the following figure, there are significant differences in the gender gaps in wages in the public and private sector. The gender gap in wages in the private sector is higher than that in the public sector. Unlike the public sector, where wages are categorized based on position, education and experience and have a ceiling no limitations to wages are applied in the private sector. In 2014, the gender gap in wages in the private sector was twice as high as the one in the public sector, whereas by 2020 this difference had almost disappeared. In the public sector, there has been a slight deterioration in the gender gap in wages in the period 2015-2018, starting with an increase by 11.7% in 2015, but this gap has fallen since then.

**Figure 15.** Monthly gross wage differences by gender (2014-2020)

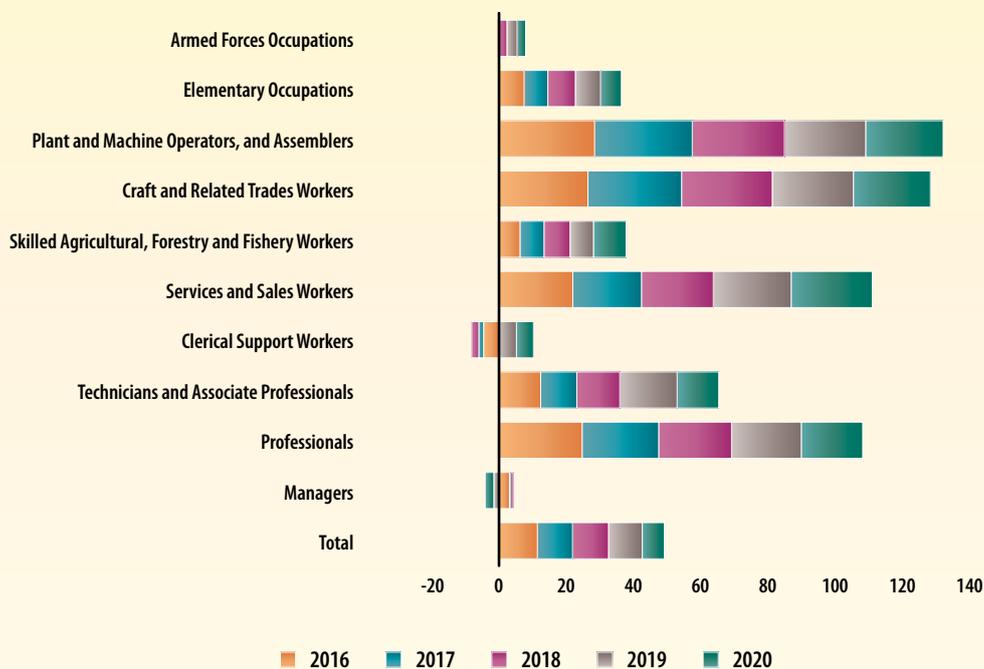
Source: INSTAT, 2021

The sectors with the highest average wage levels in 2020 for women were activities of extra-territorial organizations and bodies, financial and insurance activities, information and communication and energy and gas, as per the data presented in the Statistical Appendix (Figure 73), displaying average wages by gender and economic activity.

**Figure 16.** Gender pay gap by economic activity (2016 – 2021)

Source: INSTAT, 2021

Gender pay gap by economic activity demonstrate the highest gender gap in monthly gross wages over time has been in mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities. The average gender pay gap in these categories ranged from approximately 37.8% in 2016 to 31.9% in 2020, with a decrease of 5.9 percentage points. As shown in Figure 16, apart from 2019, the gender pay gap in arts, entertainment and recreation, repair of household goods and other services, has been in favour of women, though this negative gap has been decreasing in recent years. All other sectors showed a decline in gender pay gap in 2020, leading to an overall improved gender pay gap of 6.6% in 2020, as compared to an average of 10.7% during 2016-2019.

**Figure 17.** Gender pay gap by group occupations (2016-2020)

Source: INSTAT, 2021

Significant gender pay gaps are to be found in occupational categories such as professionals, crafts and related, trade workers, services and sales workers, and plant and machine operators. Armed forces occupations and clerical support workers have the lowest gender pay gaps, although they have increased in recent years. Gender pay gaps for skilled agricultural, forestry and fishery workers have also deteriorated in the last 5 years, whereas gender pay gap in occupations such as professionals and elementary occupations have improved, changing namely from 24.8% and 7.5% in 2016, to 18.3% and 6.2% in 2020. The gender pay gap for managers has also changed in favour of women, shifting from 3.1% in 2016 to -2.6% in 2020. This analysis would benefit from case studies, looking in detail at the nature and causes of gender pay gaps in specific occupations or sectors in the Albanian economy, but currently insufficient data is available for this to be feasible.

In principle, the gender pay gap compounds the large number of inequalities women face in access to work, progression up the job ladder and achieving appropriate reward (European Commission, 2021).<sup>86</sup> The origins of the gender pay gap include sectorial segregation, unequal share of paid and unpaid work, unequal training opportunities, pay discrimination and glass ceiling. However, large part of the gender pay gap in Albania remains unexplained. Further analysis of atypical employment, temporary employment, involuntary part-time work or part time work<sup>87</sup>, provides additional perspectives on gender gaps in the

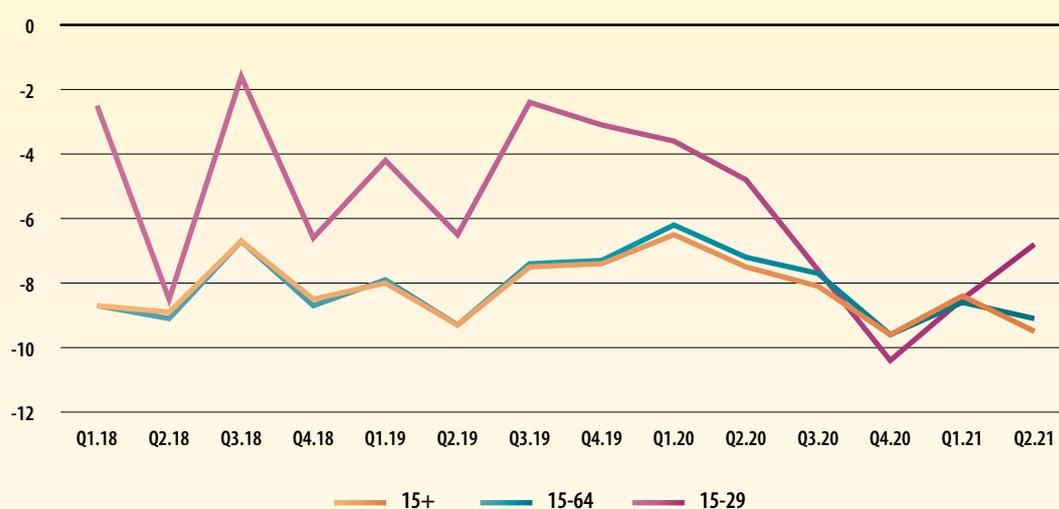
<sup>86</sup> European Commission. 2020. The gender pay gap situation in the EU: Facts and figures. Brussels, Belgium Available at: [https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/equal-pay/gender-pay-gap-situation-eu\\_en](https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/equal-pay/gender-pay-gap-situation-eu_en)

<sup>87</sup> Part-time work is defined as hour-based work for half of the working day, or a working day for a weekly or monthly period that is shorter than that of full-time workers with the same conditions. In the last five years, approximately a fourth of workers in Albania are part-time

labour market.

People engaged in part-time employment in Albania in the second quarter of 2021, accounted for 226,767, out of which 42.9% were men. Part-time employment reached 18.3% of total employment, with a share of 14.1% for men and 23.6% for women. Data shows that gender differences are higher in the age group of 15+ years old and 15-64 years old and amongst people with low education levels.

**Figure 18.** Gender gap in part-time work (2018-2021)



Source: INSTAT, 2021

The gender gaps for different age groups in **part-time employment**/work are negative, i.e., in favour of women, with women being the ones more engaged in part-time work. Providing incentives for part-time employment opportunities for women, adopting flexible or reduced working hours alongside additional teleworking practices, could help to increase women's employment in the economy (RCC, 2020).<sup>88</sup> Such approach could be initiated by piloting the introduction of incentives in specific occupations or sectors. Due to COVID-19 developments, there was a declared initiative by the government to address teleworking and reform the public administration work, but no specific measure has been introduced so far.

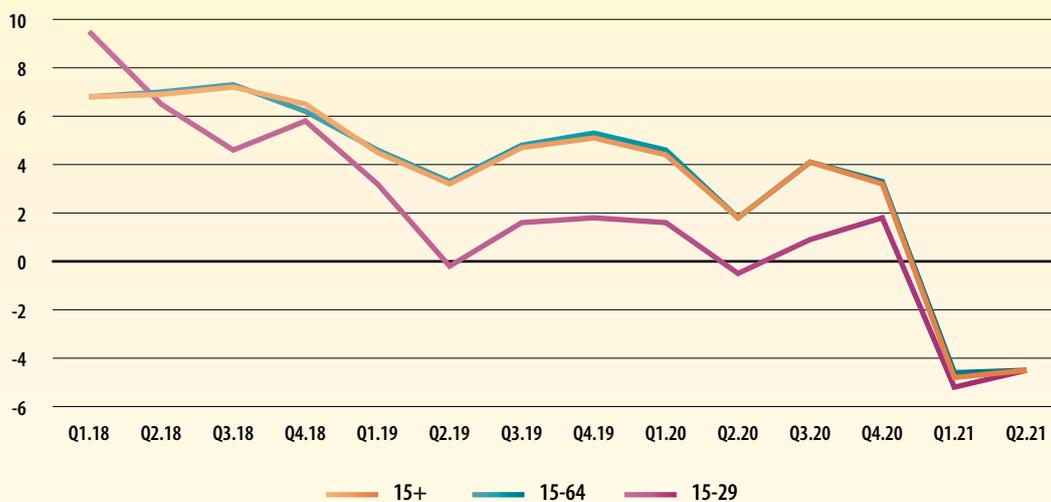
Out of the 401,575 self-employed in the second quarter 2021, only 31.1% were women. **The self-employment gender gap** has decreased in the period 2018-2021, with a slight increase at the beginning of 2021. Being self-employed may be an easy process to manage from a legal and administrative perspective, but generating sufficient income is more problematic for many women.

Temporary employment totalled in the second quarter of 2021 was 41,221, of which 26,037 were women. As a share of total employment, for those aged 15+ years, temporary employment accounted for 9.6% of employed women and just 4.8% for employed men. However, these gender shares for 2021

<sup>88</sup> Regional Cooperation Council, 2021, Economic benefits of gender equality and women empowerment in the Western Balkans six. Available at: [Accessed 04 December 2021]

were not typical, usually men have been more heavily involved in temporary employment over time, with an average share to total employment of 9.5% over the period 2018-2021. The data show that the lowest level of gender gap in temporary employment happened in the second quarter of 2020, during the hardest phase of economic lockdown in the economy. In 2021, men have been less engaged in this kind of atypical employment. Over time, most of those taking on temporary jobs have been men and women with a low level of education. The opposite is also true, the higher the level of education, the lower the engagement in temporary employment, particularly for men.

**Figure 19.** Gender gap in share temporary employment (2018-2021)



Source: INSTAT, 2021

As per the estimates of the World Bank (2019)<sup>89</sup>, Albania loses 20% of its potential per capita GDP every year due to its low women's labour-force participation rate, the over-representation of women in unpaid or poorly paid sectors, and lower average wages earned by women relative to men in similar positions. According to a recent survey (SELDI, 2021)<sup>90</sup> almost half of Albanian respondents either had no written contract or had a lower wage in their official contract than what they actually received. The Albanian Labour and Social Services Inspectorate needs capacity building, as in 2019 it carried inspections only in 7% of active companies (OCED, 2021).<sup>91</sup> In order to guarantee the implementation of labour legislation with a special focus on women, the Inspectorate of Labour and Social Services signed a memorandum of co-operation with the Public Procurement Agency on the 14 June 2019, aiming to

89 World Bank. 2019. Albania to Enhance Gender Equality in Access to Economic Opportunities with World Bank Support. Washington DC. Available at: <https://www.worldbank.org/en/news/press-release/2019/11/14/albania-to-enhance-gender-equality-in-access-to-economic-opportunities-with-world-bank-support> [Accessed 05 January 2020]

90 SELDI. 2020. Policy brief no. 1: Hidden economy in the Western Balkans 2020: Trends and Policy options. November. Available online: <https://selDI.net/publications/policy-briefs/seldi-policy-brief-11-hidden-economy-in-the-western-balkans-2020-trends-and-policy-options/#:~:text=and%20Policy%20Options,-SELDI%20Policy%20Brief%2011%3A%20Hidden%20economy%20in%20the%20Western,2020%3A%20Trends%20and%20Policy%20Options&text=According%20to%2045%25%20of%20the,new%20light%20on%20the%20problem.> [Accessed 15 January 2022]

91 OECD. 2021. Competitiveness in South East Europe 2021: A Policy Outlook, Competitiveness and Private Sector Development, OECD Publishing, Paris, <https://doi.org/10.1787/dcbc2ea9-en>. [Accessed 15 January 2022]











the nature and extent of atypical employment, could provide rewarding findings particularly in reducing gender pay gaps.

The proposals of the government to transform work in public administration, by redistributing office and home working hours should be finalised and presented to the public. The government should make the case for a similar approach to be implemented by the private sector.

Greater awareness is required of equal pay rights and the promotion, monitoring and enforcement activities of key labour market agencies, inspections should be intensified. Enforcing decent working conditions and decent wages for women in low-paid sectors is also crucial in establishing equal pay rights for women.

The Albanian government should recognize that the high incidence of the informal economy, in all its aspects, is a major challenge to the rights of workers and has a negative impact on the development of sustainable enterprises. It should implement the ILO recommendation, R204 - Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204). Evidence based approaches should be used to design policies to tackle informality in the labour market and delve deeper into the reasons why so many women get trapped in the informal sector. These evidence-based approaches should be used for the preparation of targeted measures towards informality, alongside monitoring to assess interventions.

INSTAT should immediately carry out a follow up of the 2011 Time Use Survey, and provide additional data on the nature and extent of unpaid care for the public, researchers and policymakers. This should serve the purpose of recognizing unpaid care work at a central policy level and enable for evidence-based solutions.



extent of exposure to various external shocks, availability of fiscal space and the ability of the financial system to absorb a rise in non-performing loans (EBRD, 2020).<sup>113</sup> Compared to its peers in the Western Balkans, Albania was considered to have a high level of resilience to external shocks, particularly in terms of commodity prices, global value chains and remittances, but low in terms of tourism sector. In terms of resilience to domestic disruptions, this assessment also specified high resilience to retail service shocks, but a moderate for the labour market shocks (EBRD, 2020).<sup>114</sup>

According to a follow-up survey of the World Bank and IFC (2021)<sup>115</sup> on COVID-19, by June 2020, 71.0% of firms in Albania reported decreases in demand and sales went down by 52.0% on average. On average, 28.0% of firms had reduced their number of permanent full-time workers, whilst the number of the latter had fallen by 11.0% (World Bank, 2021).<sup>116</sup> An increase in the unemployment rate by 0.6 percentage points to 12.5% in the second quarter of 2020, compared to the previous year, was a clear signal of the deterioration of the labour market in Albania.

**Figure 24.** Unemployment rates by gender and age during the COVID-19 pandemic (%)



Source: INSTAT, Labour Force Survey, 2021

The overall gender gap in the unemployment rate for this initial period was only by 0.2 percentage points, but was larger in some age groups. Notably, based on the data available from INSTAT, in the second

113 EBRD. 2020. Resilience to the COVID-19 shock in the EBRD regions. April. Available at: <https://www.ebrd.com/cs/Satellite?c=Content&cid=1395291170800&d=&pagename=EBRD%2FContent%2FDownloadDocument> [Accessed 9 December 2021]

114 Ibid

115 World Bank, 2021, COVID-19 impact on Albania's private sector: taking stock, looking ahead. Available at: <https://blogs.worldbank.org/developmenttalk/covid-19-impact-albanias-private-sector-taking-stock-looking-ahead> [Accessed 9 December 2021]

116 Ibid



Evidence showed that many women in Albania were employed in informal, low-wage activities that were disrupted due to COVID-19 quarantine measures and that the economic impact on women and girls was direct and could be long-term (UN in Albania, 2021). Gender-based violence had a tendency to rise due to the situation, despite the lack of increased reporting throughout March-April 2020 (GADC, 2020).<sup>124</sup> The Ministry of Health and Social Protection endorsed a tailored protocol of the Coordinated Referral Mechanism and shared it with municipalities, to assist them in dealing with violence cases in the local communities.

The adoption of labour force retention measures, together with a decline in activity rates, led to only a moderate increase in the unemployment rate, of less than one percentage point by the end of 2020 (MoFE, 2021).<sup>125</sup> There were 102 564 active enterprises in the Albanian economy in 2020, employing 503 196 employees, out of which 63.6% were in service providing enterprises. The overall number of enterprises marked a decrease of only 1.5 percentage points compared to 2019, while the total number of employees decreased by 5.2 percentage points (INSTAT, 2021).<sup>126</sup>

## 4.2.2 Policy responses to COVID-19

### 4.2.2.1. Economic, fiscal and monetary policy responses to COVID-19

For the Albanian economy the pandemic was the second consecutive shock after the earthquake of November 2019, for which the government undertook fiscal and economic measures (Ministry of Finance and Economy, 2020), (Ministry of Reconstruction, 2020)<sup>127</sup><sup>128</sup>, accounting for approximately 1.2% of GDP (IMF, 2020).<sup>129</sup> Similar to other economies, between March and April 2020 the Albanian government enabled two additional support packages which included budget spending, loan guarantees and tax deferrals, amounting to about 2.8% of GDP (MoFE, 2020)<sup>130</sup>.

There is no evidence of gender-sensitive approaches in the process of decision-making for these policy responses. The population in need was assessed as beneficiaries, with no particular data-segregation, aside from a few specific measures. There was no initial intention that women would benefit equally

<sup>124</sup> Gender Alliance for Development Centre. May 2020. Gender perspective on the socio-economic risks in the time of coronavirus in Albania. Available at: [https://www.gadc.org.al/media/files/upload/Report\\_Women.%20Labour%20and%20COVID-19\\_GADC.pdf](https://www.gadc.org.al/media/files/upload/Report_Women.%20Labour%20and%20COVID-19_GADC.pdf) [Accessed 10 December 2021]

<sup>125</sup> Ministry of Finance and Economy, 2021, National Employment and Skills Strategy 2019 – 2022; Annual Progress Report 2020. Available at <https://financa.gov.al/wp-content/uploads/2021/06/NESS-Annual-Progress-Report-2020.pdf> [Accessed 4 December 2021]

<sup>126</sup> Institute of Statistics. 2021. Preliminary Results of Structural Survey of Enterprises, 2020, November. Available at: <http://www.instat.gov.al/media/9240/preliminary-results-of-sbs-2020.pdf> [Accessed 10 December 2021]

<sup>127</sup> Ministry of State for Reconstruction. 2019. Normative Acts. Available at: <https://rindertimi.gov.al/akte-normative/> [Accessed 10 December 2021]

<sup>128</sup> Ministry of Finance and Economy. 2020. Reconstruction Measures. Available at: <http://financa.gov.al/masat-e-marra/> [Accessed 10 December 2021]

<sup>129</sup> International Monetary Fund. 2020. Albania Request for Purchase under the Rapid Financing Instrument. April 6. Washington DC. Available at: <https://www.imf.org/~e/media/Files/Publications/CR/2020/English/IALBEA2020001.ashx> [Accessed 10 December 2021]

<sup>130</sup> Ministry of Finance and Economy. 2020. COVID-19 Policy Responses. Available at: <https://financa.gov.al/wp-content/uploads/2020/06/COVID-support-packages-implementation-update-22-06-2020.pdf> [Accessed 05 January 2022]



	<b>Measures</b>	<b>Impact (Commitment, Budget allocations and expenditure, Liquidity)</b>
Special support to companies of priority development sectors	Within the 2nd package there was a measure targeting tourism sector/accommodation businesses.	Government budget allocations.
	Oil sector: Support with wage subsidies for employees of the two companies operating in the sector with a salary lower than ALL 100,000 per month.	Government budget allocations.
	Public transport sector: One-off payment for employees of the public transport sector, equivalent to the minimum statutory salary of ALL 26 000	Budget Expenditure. Foreseen in the DCM for EUR 1.1. Million.
Financial Support to Companies and Liquidity Protection	1st Guarantee Fund for liquidity to pay wages, insurance contributions;	No expenditure. Guarantee foreseen at EUR 90 Million
	2nd Guarantee Fund for investment and working capital.	No expenditure. Guarantee foreseen at EUR 122 Million
Protection of the Living Standard	Write-off of penalties on delayed electricity bill payments, worth EUR 134 Million, affecting around 211, 000 people.	
Wage subsidies/Encouragement of Consumption	Wage subsidies: Minimum wage for 3 months) - 1st Support Package;	Government budget allocations.
	Wage subsidies: Lump-sum subsidies for specific categories of employees and businesses - 2nd Support Package	Government budget allocations.
Social Protection	Emergency support: In kind, food and other support items for the most vulnerable. Allocation to the Ministry of Defence.	Government budget allocations.
	Doubling of Economic Aid benefits - 1st Support Package;	Government budget allocations.
	Doubling of unemployment benefits - 1st Support Package;	Government budget allocations.
	Doubling the amount of the financial aid for women who were under a protection order for the first 6 months of 2021.	Government budget allocations.
Employment/job retention	New ALMP to provide subsidies for wages and compulsory insurance for those who lost their jobs because of the pandemic	Government budget allocations.
Emergencies Fund	Allocation to the Reserve Fund of the CoM	Budgetary Commitment



Table 4. Direct Income Support Packages during COVID-19

No.	Category of Measure	Beneficiaries	Enterprises	Funds disbursed
1	Wage subsidies (minimum wage for 3 months) - 1st Support Package	65,570	38,971	ALL 5.11 billion
2	Lump-sum subsidies for specific categories of employees and businesses - 2nd Support Package	173,019	47,762	ALL 6.92 billion
3	Doubling of social assistance benefits - 1st Support Package	63,510	N/A	ALL 938 million
4	Doubling of unemployment benefits - 1st Support Package		N/A	ALL 170 million
	<b>Total</b>			<b>ALL 13.12 billion</b>

Source: Ministry of Finance and Economy, 2021

Direct income support was provided as of April 2020 and distributed to employees, self-employed individuals, unemployed individuals and families receiving social assistance. Of the total support for employees, 44% of the beneficiaries were women, as per data of the General Tax Directorate (GBWN, 2021).<sup>138</sup> Notably, no gender-sensitive data has been presented by the authorities on the distribution of the other measures in the support package. Nonetheless, the direct income support within the first package included contributing family workers, and in Albania 22.8% of the overall employed women belong to this category as compared to just 13.1% of men (INSTAT, 2021).<sup>139</sup>

#### 4.2.2.2. Policy responses to labour market developments

Policy responses to the above labour market developments included several measures related primarily to income uncertainty, relieving vulnerabilities and reintegration of those laid off-as a result of COVID-19.

Direct income support was allocated to 38,971 enterprises in the first support package and 47,762 in the second support package, covering respectively 65,570 and 173,019 employees. Income certainty was ensured by provision of increased liquidity to enterprises through the 1st Guarantee Scheme for salaries, out of which for 2020, 494 enterprises had an approved loan, for a total amount of EUR 4.8 million (MoFE, 2020).<sup>140</sup> Labour market reintegration of individuals which lost their jobs during the pandemic was addressed, from September 2020, through new employment promotion programmes targeting this category of unemployed jobseekers (CoM, 2020).<sup>141</sup>

138 Gender Budgeting Watchdog Network. 2021. Monitoring the fiscal impact of the COVID-19 Crisis on Women in the Western Balkans and the Republic of Moldova. Available at: <https://gbwn.net/wp-content/uploads/2021/10/knowledge-report-2-1-october.pdf> [Accessed 10 December 2021]

139 INSTAT, 2021, Women and Men in Albania 2020. Available at: <http://www.instat.gov.al/media/8713/burra-dhe-gra.pdf> [Accessed 4 December 2021]

140 Ministry of Finance and Economy. 2020. Response to COVID-19: Sovereign Guarantee Statistics. Available at: <https://financa.gov.al/raporte-per-covid-19/> [Accessed 10 December 2021]

141 Council of Ministers. 2020. Decision of the Council of Minister No 608, dated 29.07.2020 "On the procedures, criteria and rules for the implementation of the employment promotion programme through employment of individuals affected by COVID-19." Published by the Official Publishing Center. Available at: <https://qbz.gov.al/eli/vendim/2020/07/29/608/7153d914-8bb8-4104-9d14-d23c5f24179a> [Accessed 10 December 2021]







(UN in Albania, 2020).<sup>152</sup> In the second quarter of 2021, an economy-scale recovery social and economic plan was launched, through a vision for Albania 2030, approved later on as a governmental programme of the newly appointed government.

As stated in this document (GoA, 2021)<sup>153</sup>, support measures are planned to achieve full recovery of the Albanian economy by the end of 2022. Relevant measures include not only those targeting enterprises development, digitalisation, but also wage policies. The latter will include a gradual increase of the minimum statutory wage and wages in the public education and health sectors. The programme includes specific measures aiming to diversify and modernise businesses in manufacturing, information technology and services. These long-term policy responses would include fiscal measures, loan guarantees to support innovation and promotion of “Made in Albania”.

In its annual progress report of the NESS, the MoFE notes a new impetus to the initiated reforms, rather than introducing a new array of measures. Employment Promotion Programmes will continue to be implemented. The self-employment programme following earlier piloting, was launched in 2021 and the programmes developed to relieve impacts from the pandemic in the labour market have been extended until the end of 2023. Further reforms are needed if a more agile system is to be created, one that responds better and more quickly to the needs and vulnerabilities of job-seekers (MoFE, 2021).

## 4.2.6 Recommendations

The unexpected policy and operational framework created in response to the COVID-19 pandemic demonstrated the need for continuous and expanded data collection to enable evidence based analysis. Measures are needed to ensure such informed decision-making is based on systematically reviewed labour market information, particularly in times of crisis. Employment measures in times of emergency situations should still be thoroughly monitored and evaluated.

Data management in institutions should be developed in a gender sensitive manner and that data be made available to policy makers. Employment policy should be agile and flexible to be able to respond to the changing needs of the private sector.

The pandemic showcased the need to elevate the labour market legal framework to address unpaid care, including greater facilities for childcare. Active labour market programmes should be revised to ensure a broader range of programs are offered to different categories of unemployed jobseekers and address employers’ needs.

In the longer term, Albania should provide combined complimentary policies to improve the efficiency of its labour market and promote opportunities for the development of the private sector, building upon EU initiatives and on previous efforts to encourage innovation and digitalisation. Furthermore, reflecting the structural changes in the labour market caused by the effects of COVID-19, sector-based skills needs assessments should be carried out and the results reflected in the targeting of policies. The Government should also initiate nation-wide information campaigns on the long-term benefits of reducing the size of informal employment.

<sup>152</sup> UN in Albania, 2021, UN Albania COVID-19 Socio-Economic Recovery & Response Plan. Available at: <https://www.unicef.org/albania/media/3101/file/UN%20ALBANIA%20COVID-19%20SOCIO-ECONOMIC%20RECOVERY%20&%20RESPONSE%20PLAN.pdf> [Accessed 10 December 2021]

<sup>153</sup> Council of Ministers, 2021. Governing Programme 2021-2025. Available at: [https://kryeministria.al/wp-content/uploads/2021/10/Programi\\_Qeverises\\_2021-2025.pdf](https://kryeministria.al/wp-content/uploads/2021/10/Programi_Qeverises_2021-2025.pdf) [Accessed 10 December 2021]

## 4.3 GOVERNANCE OF EMPLOYMENT POLICY AND INSTITUTIONAL STRENGTHENING

Policy reforms in the Albanian labour market have focused not only on direct measures and active labour market policies, but foremost on creating a systemic approach to re-building the institutional framework, addressing long-term sector needs in line with labour market developments. These reforms, included in key strategic documents as of 2014, represent the strong commitment of the government to raise social welfare, while promoting job creation and up-skilling opportunities for all Albanian women and men (MoFE, 2018).<sup>154</sup> The reforms have required modernizing and re-organizing the development and delivery of its employment and Vocational Education and Training (VET) policies, in a coordinated and demand-driven manner (SD4E, 2020).<sup>155</sup>

Based on the above, this chapter provides an overview of the governance of employment policies in the economy, of the capacities of key stakeholders responsible for gender employment, a review of the legal and policy framework and a state of play of the employment policy objectives through gender lenses.

### 4.3.1 An overview of the governance of employment policy

The governance of employment policies in the Albanian economy includes key central level institutions and their network of regional and local offices. In 2017, the Albanian Government restructured the Ministry of Social Welfare and Youth, reducing the number of ministries in the cabinet and reflecting a reduced political commitment to employment and social issues (OECD, 2021)<sup>156</sup>. The area of responsibility of this Ministry was distributed between the Ministry of Finance and Economy (labour issues and VET), the Ministry of Health and Social Protection (social protection) and the Ministry of Education and Youth (youth policies). No prior consultation with social partners was reported before these changes were implemented. Capacities for employment policies were reduced and the need for co-ordination between the two different line ministries lengthened the decision-making processes (OECD, 2021).<sup>157</sup>

At the top of the pyramid of this governance system is currently the Ministry of Finance and Economy. The MoFE, being the leading institution on matters of employment policy, is in charge of analysing periodically labour market trends, forecasting possible development and drafting new policies to increase employment, reduce unemployment by designing programs or measures to promote employment and self-employment (CoM, 2019).<sup>158</sup>

154 Ministry of Finance and Economy. 2018. Annual Progress Report of the National Employment and Skills Strategy 2014-2020. Tirana, Albania. Available at: [https://financa.gov.al/wp-content/uploads/2018/09/Progress-Report-2017-NESS-28-June-2018-FINAL\\_EN-converted.pdf](https://financa.gov.al/wp-content/uploads/2018/09/Progress-Report-2017-NESS-28-June-2018-FINAL_EN-converted.pdf) [Accessed 14 December 2021]

155 Skills Development for Employment Programme, UNDP, MoFE. 2020. Technical Note Series: Employment and VET Policy Reform in Albania. Tirana, Albania. Available at: [https://www.al.undp.org/content/albania/en/home/library/crisis\\_prevention\\_and\\_recovery/explaining-the-employment-and-vet-policy-reform-in-albania.html](https://www.al.undp.org/content/albania/en/home/library/crisis_prevention_and_recovery/explaining-the-employment-and-vet-policy-reform-in-albania.html) [Accessed 14 December 2021]

156 OECD. 2021. Competitiveness in South East Europe 2021: A Policy Outlook, Competitiveness and Private Sector Development, OECD Publishing, Paris, <https://doi.org/10.1787/dcbc2ea9-en>. [Accessed 15 January 2022]

157 Ibid. Albania Profile

158 Law no. 15/2019 "On employment promotion. Tirana, Albania. Available at: [http://akpa.gov.al/wp-content/uploads/2021/05/ligj-nr-15-dt-13.3.2019\\_nxitja-e-punesimit.pdf](http://akpa.gov.al/wp-content/uploads/2021/05/ligj-nr-15-dt-13.3.2019_nxitja-e-punesimit.pdf) [Accessed at: 14 December 2021]











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## 4.3.4 Recommendations

Review of the labour market and gender equality strategies and their implementation should increase from local and regional stakeholders. A systemic approach should be adopted, to assess women's economic empowerment and improved performance in the labour market through better data collection, evaluation and policy design. Policymakers should prioritise: i) establishing an information system elaborating data on the labour market, ii) providing coordination and maintenance of the IT system and the recent integrated database for employment services, thus ensuring alignment with EURES practices upon accession.

Albanian labour market governance should build upon the momentum of institutional development and strengthening, by continuing capacity building and ensuring monitoring and evaluation instruments are fully in place. Considering the phasing out of the current “National Strategy on Skills and Employment”, in 2022 stakeholders should engage in consultations prior to the timely preparation of a new and more inclusive strategy covering the period 2023-2030.

There is a need for intensified Inter-institutional cooperation, particularly in the areas of labour informality and the promotion of equal treatment at work. Incentives should be exclusively given to specific institutions to engage in promoting equal pay and the equal treatment of workers and family members. The inspection functions in the labour market should be strengthened to reduce the informal sector, particularly targeting those sectors with a high proportion of women employees. More broadly, best practices from other EU member states should be adopted.

The Government should provide sustainable commitments to funding labour market policies and enable the continued implementation of economy-wide strategies. Policymakers should ensure an adequate budget is provided to fund up-skilling needs of those women with medium level education or low-skills.

Gender-based budgeting should be introduced to all initiatives and levels of interventions planned within strategic documents and every Economic Reform Program. The number of available indicators should increase to better understand the challenges women face continuously in labour market integration.

## 4.4 PUBLIC EMPLOYMENT SERVICES

In the European Union, the Public Employment Services (PES) are the authorities that connect jobseekers with employers and help match supply and demand of skills in the labour market through provision of information, placement and active support services (European Commission, 2021).<sup>173</sup> These services are offered through different organisational structures and approaches to governance, influencing the nature and quality of the services delivered and their outcomes (European Commission, 2021).<sup>174</sup> In Albania, employment services, as per the definition in the current legal basis, include services that aim to inform, advise, guide, and mediate in order to ensure the employment of registered jobseekers and unemployed jobseekers, through targeted assistance which improves the efficiency of the labour market. According to the OECD (2021) the Albanian PES has begun to modernise the delivery of its employment services, including a new information technology (IT) system, provision of individual counselling and individual action plans, as well as the systematic introduction of employer services<sup>175</sup>. The following chapter explores the PES framework within the economy, providing a detailed account of the activities of the agency in Albania and an overview of a client's journey through the employment office. Specific subsections review the PES's efforts to increase employability, improve labour market conditions and alleviate labour market gender inequalities.

### 4.4.1 PES framework in Albania

As foreseen in the Albanian legislation, the NAES is tasked with the role and functions of the Public Employment Service within the employment policy governance. In earlier sections, we emphasized the comprehensive functional analysis of the PES executive agency, finalised with a reform process and redesigning of its structure and operational activities. The process included legal changes, reflected in the new Law 15/2019 "On employment promotion" and DCM on the establishment, organisation, functioning of NAES (CoM, 2019)<sup>176</sup>, and together promising a new modern workforce development agency based on EU's best practices and regional experience (SD4E, 2020).<sup>177</sup>

Prior to this process, the PES was named the National Employment Service (NES). The NES was renamed the National Agency for Employment and Skills (NAES) in 2019 (CoM, 2019).<sup>178</sup> The NAES aims to fulfil the rights of citizens to gain profitable employment, receive professional counselling and obtain skills and suitable qualifications for any specific employment and also receive financial income support through its network of employment offices around the economy (CoM, 2019).<sup>179</sup> The share of PES budget to GDP has been at around 1% in 2019 and 2020. Considering the foreseen economic growth,

173 European Commission. 2021. Employment, Social Affairs & Inclusion: Public employment services. Available at: <https://ec.europa.eu/social/main.jsp?catId=105&langId=en> [Accessed 27 December 2021]

174 Ibid

175 OECD (2021), Competitiveness in South East Europe 2021: A Policy Outlook, Competitiveness and Private Sector Development, OECD Publishing, Paris, <https://doi.org/10.1787/dcbc2ea9-en>.

176 Council of Ministers. 2019. Decision of the Council of Ministers No. 554, dated 31.7.2019 "On the establishment, organization and functioning of the NAES". Tirana, Albania

177 Skills Development for Employment Programme, UNDP, MoFE. 2020. Technical Note Series: Employment and VET Policy Reform in Albania. Tirana, Albania.

178 Council of Ministers. 2019. Decision of the Council of Ministers No. 554, dated 31.7.2019 "On the establishment, organization and functioning of the NAES". Tirana, Albania

179 Ibid

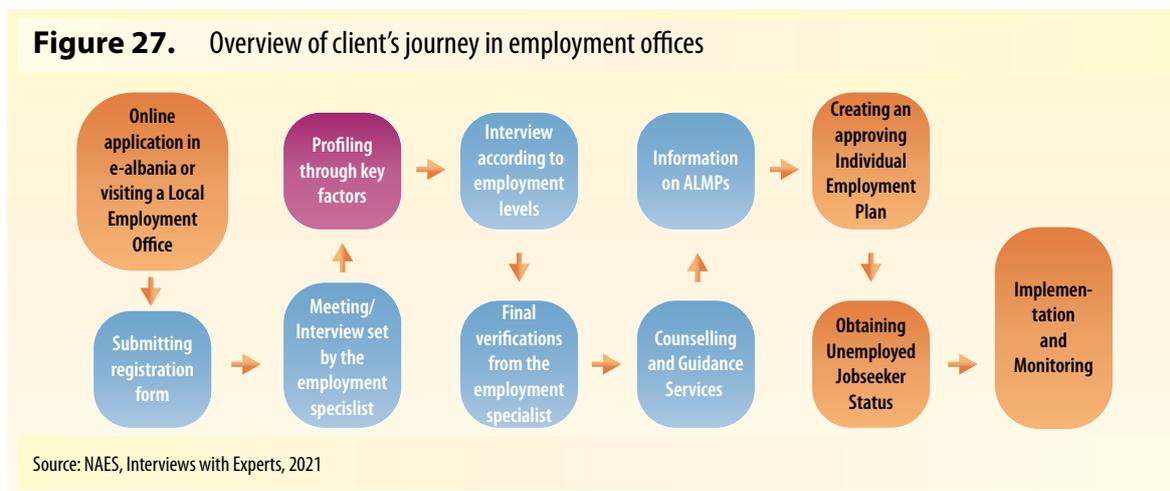


- Implementation of labour market policies and specific active or passive measures;
- Administering regional and local structures;
- Ensuring quality assurance of services;
- Proposing ALMPs; other policies that increase employability, promote self-employment;
- Collection, processing and analysis of labour market information.

The core activity of the NAES is to ensure increased employability particularly by assisting unemployed individuals. To this end the agency has developed key documents, which streamline processes across all offices, such as guidance manuals, and standardised principles. Today the process of obtaining the status of a registered unemployed jobseeker by NAES is limited to an overall period of 30 days. Interested “clients” can initiate the process through an online application to a single governmental platform e-Albania ([www.e-albania.al](http://www.e-albania.al)) on their own, with support available from the local employment offices staff. Upon submission of the application and registration form, a profiling process is initiated. This process takes into consideration several factors and provides a categorisation based on employability, vulnerability and specific group of beneficiaries.

The level of employability is defined through an econometric model/form developed for this purpose and is distributed to individuals in three core groups: i) individuals with a low risk of becoming long term unemployed, which are initially offered self-managed services; ii) middle risk individuals, possibly with outdated or not-updated jobs, which may require re-training; iii) disadvantaged and those at a high risk of becoming long term unemployed, who are given intensive communication with employment advisors and to whom all services and interventions are made available (NAES, 2020).<sup>183</sup> As shown in the client’s journey, employment specialists/advisors set an interview with the jobseeker, aiming to finalise all relevant processes, going through several phases such as the clarification, review, and evaluation and planning further actions. The interview is structured and is carried out based on a guidance manual for employment counselling. Counselling can be offered as career guidance, orientation to an occupation (identifying missing skills and steps to fill them) and access to training opportunities.

**Figure 27.** Overview of client’s journey in employment offices



183 National Agency for Employment and Skills. 2020. Guide for providing employment services to jobseekers and unemployed jobseekers. Tirana. Albania

Counselling results in the preparation and approval from both parties of an Individual Employment Plan, which aims to empower the unemployed jobseeker. A particular and much welcomed practice is the Start Smart instrument, developed with the support of the PROSEED - Programme for Sustainable Economic and Regional Development, Promoting Employment, Vocational Education and Training in Albania<sup>184</sup>, implemented in the period 2017-2021. Provision of soft skills prior to employment supports jobseekers to adapt and have better chances of a smooth integration into the labour market. This instrument yet to be made available in all Employment Offices and Vocational Training Centres around the economy. The design of the new digital skills curriculum has also become part of the employment services, included in the career guidance service.

Through the Individual Employment Plan, employment specialists aim to increase the employability of unemployed jobseekers and in the best-case scenario support them to independently find a job. A continuous communication is maintained to assess progress and in cases of unsatisfactory results the jobseeker or employment specialist can request a reviewing process of the Individual Employment Plan, to ensure its suitability and that the best service is being provided. A [box in the study report](#) elaborates on a specific good practice, considered to have brought crucial changes in the operational activities of the NAES, in terms of profiling, counselling and mediation services, providing equal access to women and men, and ensuring a balanced approach to the gender-responsiveness of employment and skills policies.

The NAES provides these services through 12 regional employment directories and 40 local employment offices (NAES, 2021).<sup>185</sup> These latter have almost doubled in number, compared to 2019, when they were only 24 local employment offices (NAES, 2020)<sup>186</sup>. The PES overall had more than 400 employees in 2019, and in 2020 underwent further expansion, especially due to the revision of the structure of local offices and with NAES expanding its headquarter staffing from 36 to 90 employees.



<sup>184</sup> ProSEED is a programme commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by GIZ. The programme works on the supply and demand side of the labour market to increase employment opportunities for Albanian Youth. It aims to support youngsters to develop their skills; MSMEs to grow and innovate, young entrepreneurs to develop their business idea, and enables vulnerable groups to gain soft skills and integrate in their communities.

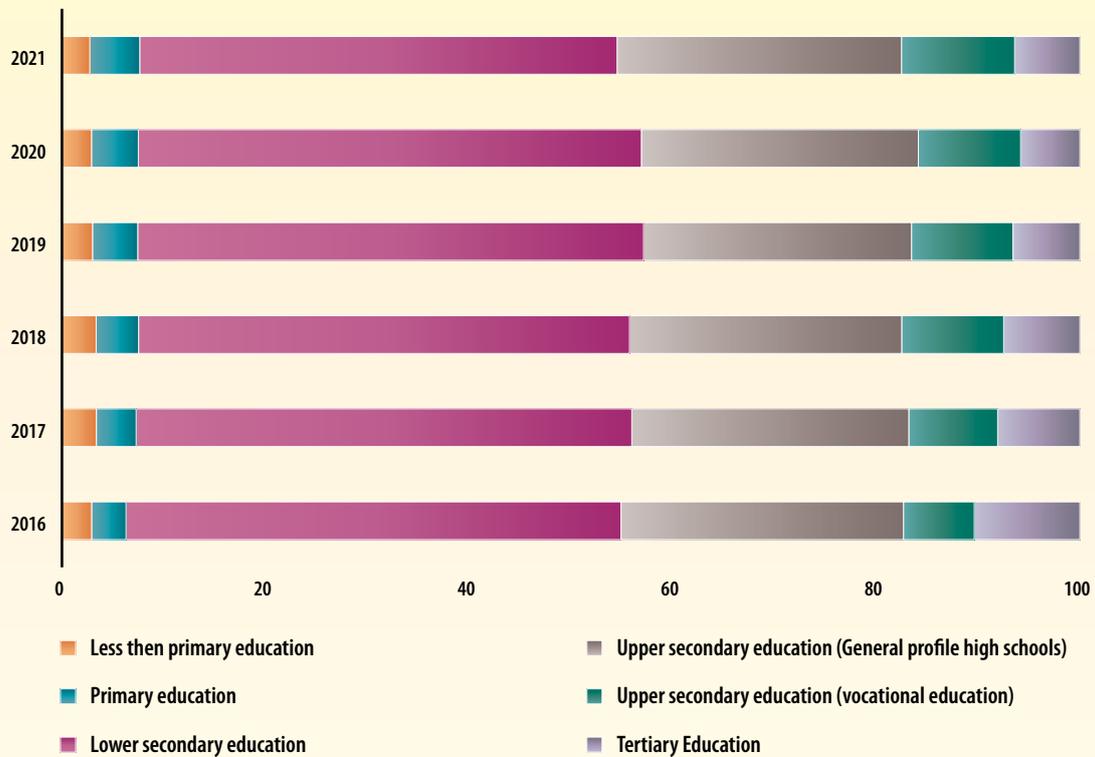
<sup>185</sup> National Agency for Employment and Skills. 2021. Annual Report 2020. Tirana. Albania

<sup>186</sup> National Agency for Employment and Skills. 2021. Annual Report 2020. Tirana. Albania





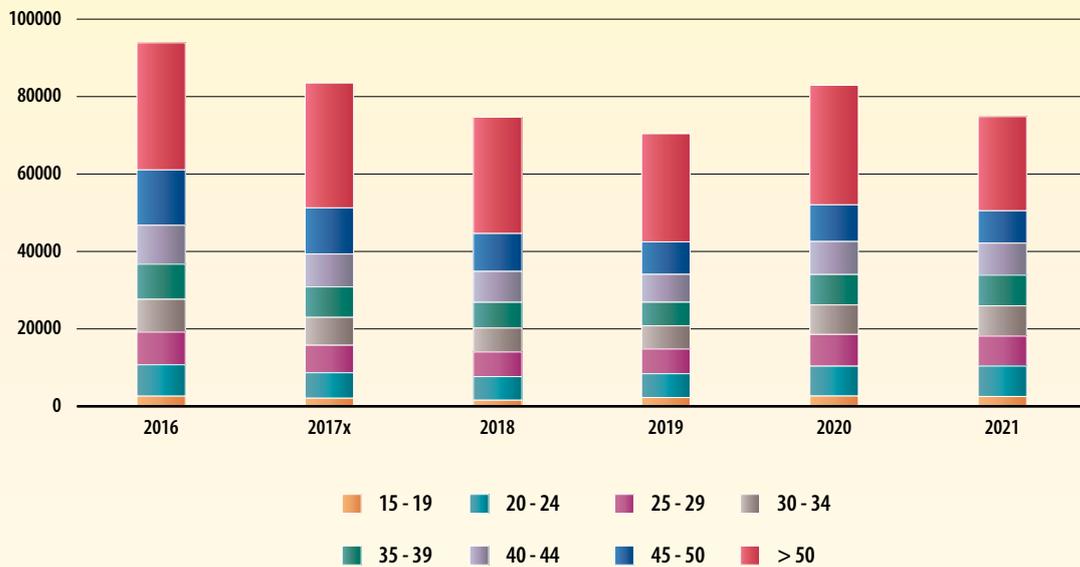
**Figure 30.** Administrative data on registered jobseekers by level of education 2016-2021



Source: NAES, 2021

Data show that more than half of registered jobseekers are individuals who have completed only lower secondary education, and on average approximately 7.0% of registered jobseekers have attained tertiary education and have a university degree. Administrative data for 2021 demonstrate an increase beyond the usual numbers in this latter figure, rising up to 10.0% of overall jobseekers. The increase appears in absolute numbers as well, and most of the unemployed in this category are women.

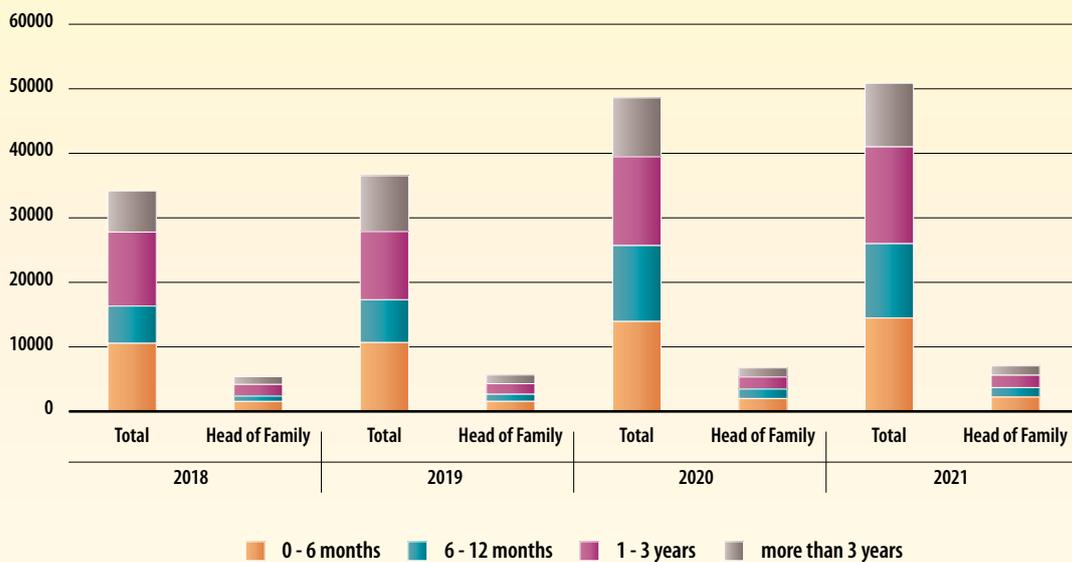
**Figure 31.** Administrative data on registered jobseekers by age 2016-2021



Source: NAES 2021

Data also shows the predominance of unemployed jobseekers aged above 50 years old, despite a slight decrease throughout time. Measures should address this specific target group. Compared to other categories women unemployed jobseekers, aged 50 and above, were in 75.0% of cases unemployed for more than 6 months, and in 50.0% of cases unemployed for more than 1 year, possibly a sign of a higher need of effective labour market measures targeting long-term unemployment.

**Figure 32.** Administrative data on women registered jobseekers by unemployment duration 2016-2021

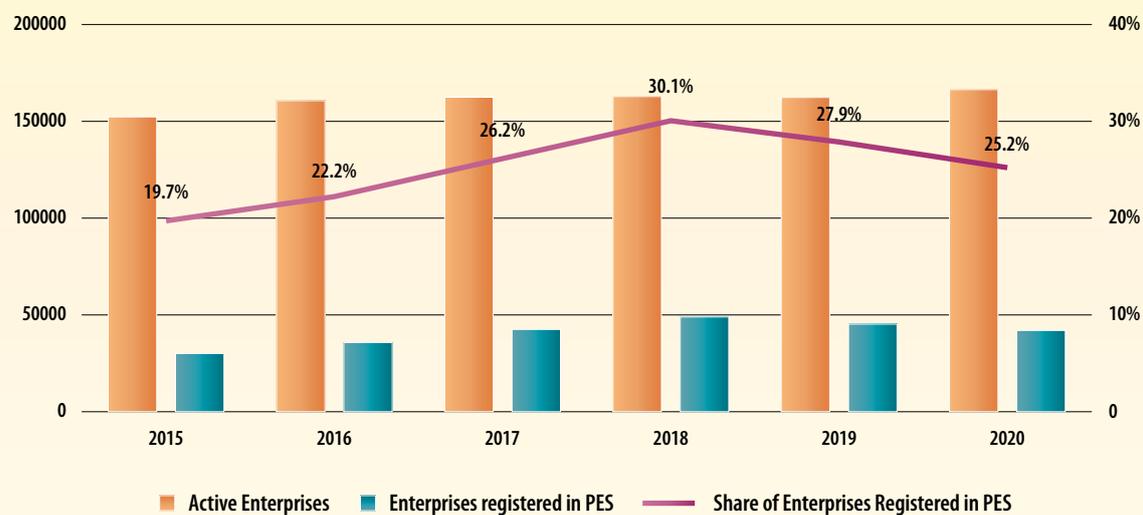


Source: NAES 2021





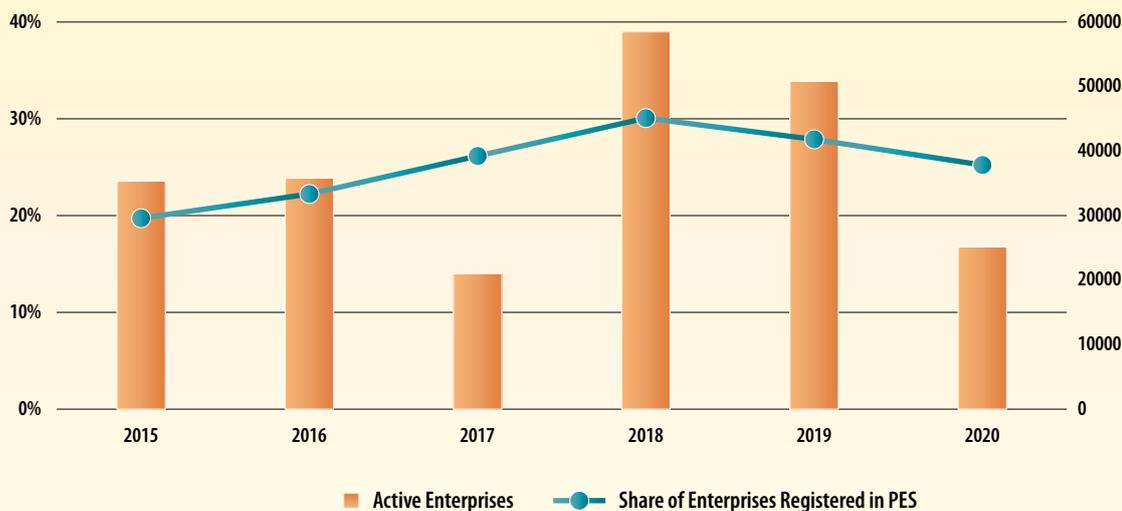
**Figure 35.** Active enterprises/employers registered in PES



Source: NAES, 2021

The NAES engages with employers to provide employment services to women and men within the economy. It has engaged with enterprises or employers, in 2018 reaching the highest share of active employers registered within the PES system. In absolute numbers this value has doubled from 2015, but has seen a decrease in 2020, despite possible needs related to labour market situation caused by COVID-19. In 2021, the number of registered employers in the PES system surpassed 2019 levels, reaching 46 500 representing a market share of around 25%.

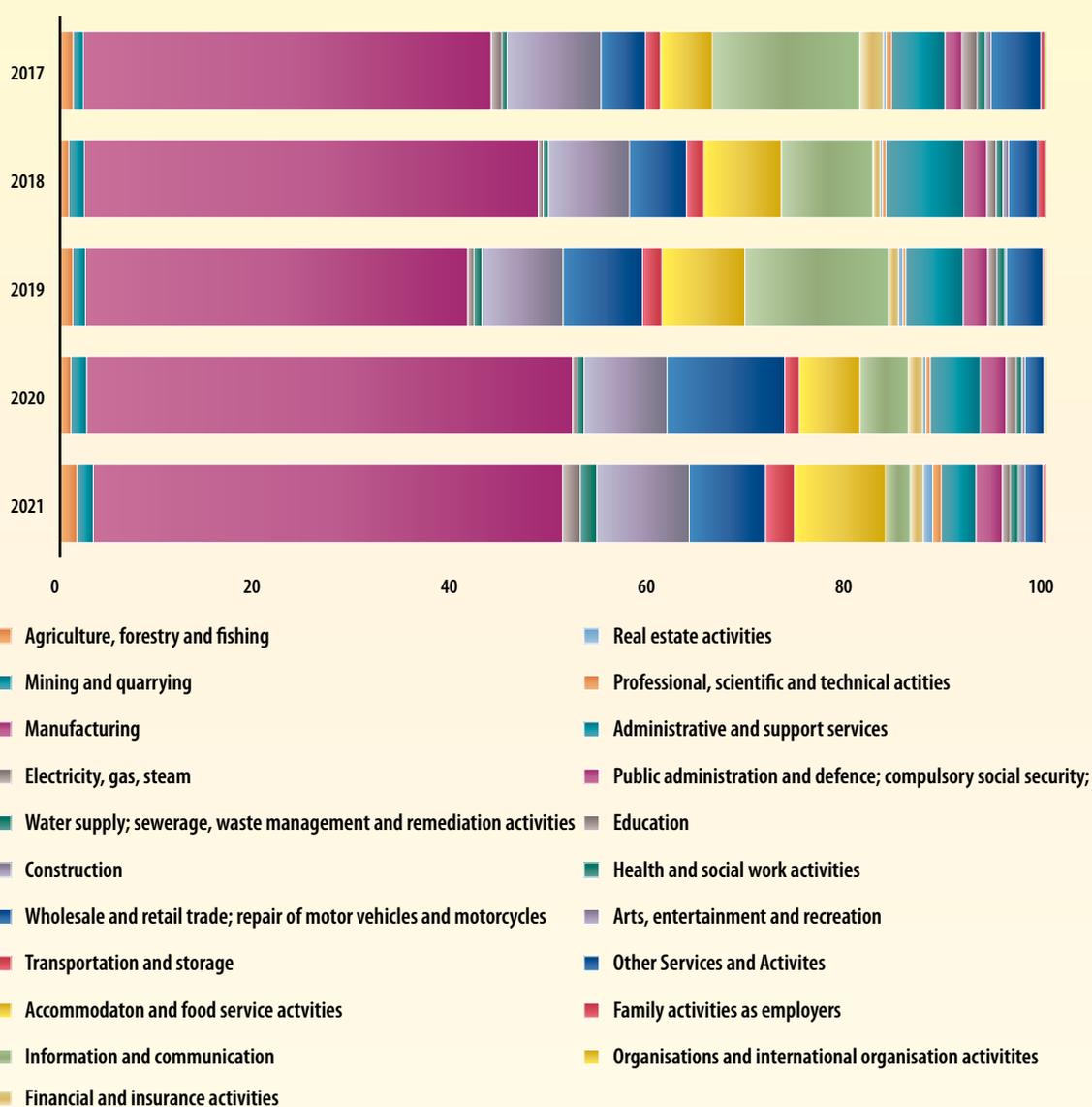
**Figure 36.** Information on vacancies and enterprises registered in PES



Source: NAES, 2021

In Figure 36, a direct link can be noticed between the share of active enterprises registered with PES and the registered number of vacancies. The NAES is continuing to build relations with representatives of the private sector and employers, currently through a new specific directory within the NAES headquarters, which is tasked to ensure that job vacancies are fully integrated in the public employment service portal. More emphasis needs to be placed on increasing the PES's share of notified vacancies, enabling it to improve its placing service both in terms of quantity and quality.

**Figure 37.** Information on vacancies and mediation services

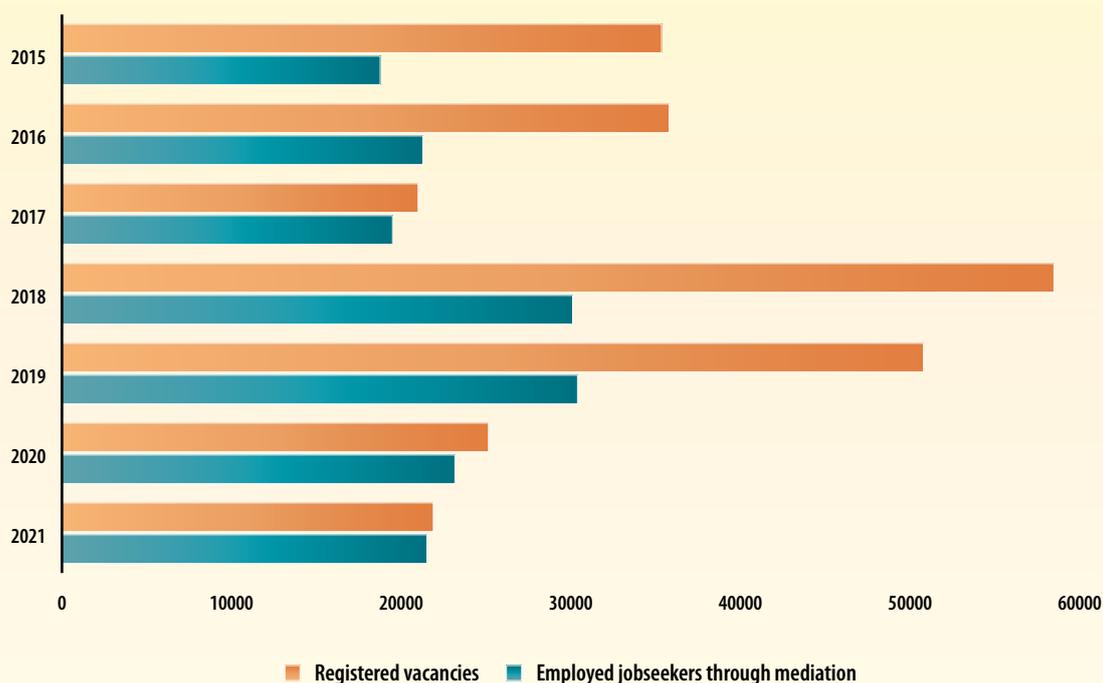


Source: NAES, 2021

On average, in the last 5 years, the highest share of registered vacancies belongs to manufacturing, information and communication activities, construction and accommodation and food service activities. There was overall, an unusually lower number of vacancies registered in the PES system in 2020, despite a higher number of registered businesses, possibly related to an overall labour market contraction due

to the pandemic. Thus, in addition to actions to be taken by the NAES, further policy coordination is needed to ensure job creation in the economy, upon recovery from COVID-19. Employment through mediation services has increased over time, providing a direct contribution to improved labour market efficiency. Albeit the numbers placed by the PES fell significantly in 2020 and 2021, though the ratio of jobseekers placed by the PES to the number of registered vacancies has improved considerably in these last two years.

**Figure 38.** Information on vacancies and mediation services



Source: NAES, 2021

### Box 3. Promoting employment of persons from special groups

Law no. 15/2019 “On employment promotion” stipulates the obligation of enterprises to employ persons with disabilities within their first 25 employees, including deaf persons and occupationally disabled persons assessed as partially fit for work by the relevant structures. Furthermore enterprises are required to employ additional disabled people for the next 50 employees they hire. Should they not comply with such policy measure, they are required to pay a fine to the Social Employment Fund, equal to the minimum statutory salary in the economy. After adoption of the overseeing body/board for this Fund, the measure is currently under final tuning for its implementation. This policy measure is recommended to be implemented and enforced as soon as possible to help the integration of this vulnerable group into the labour market bringing impetus to an increased employability of women and men with disabilities.



The new ICT system should be finalised as soon as possible, including testing and implementation of all features, enabling the automation of processes and the collection, processing, and analysis of data, supporting profiling and monitoring of women and men job-seekers.

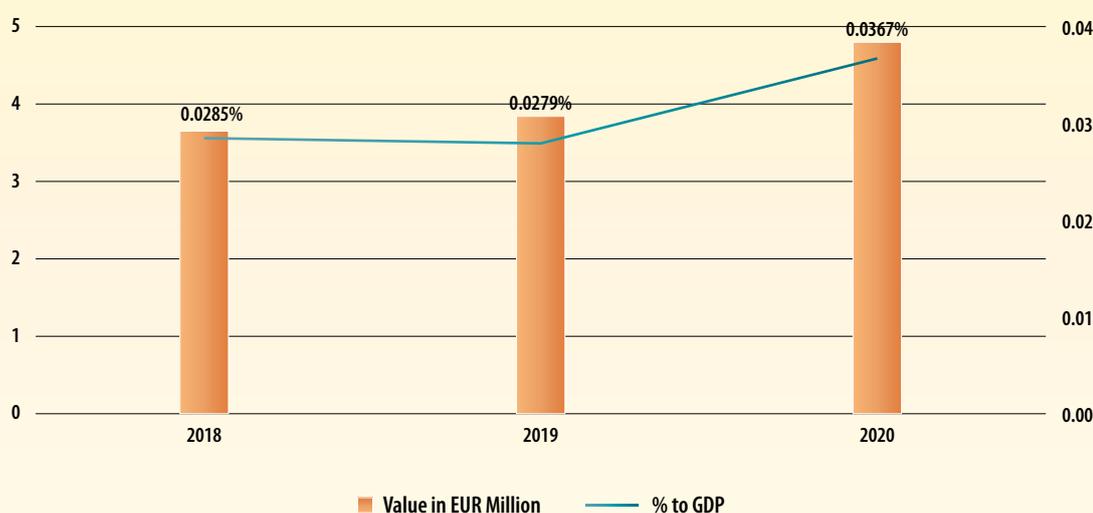
Business partners of the public employment service should be involved to a greater extent, thus ensuring additional dimensions for increased employability of women and men within the economy.

There is a need to revise practices related to the employability of people benefiting from economic aid or other benefits, which are currently withdrawn when engaged in a job. Time should be considered a decisive factor, when implementing such support measures for women as an encouragement incentive. More specifically, beneficiaries of economic aid should be allowed a transitory time period before benefits are withdrawn, in order to encourage their take-up of employment.

Large scale actions should be considered to provide support services and subsidies for child and the elderly care, to support women's integration into the labour market, promoting simultaneously social inclusion and territorial cohesion. Cooperation with local government units should be improved, at a policymaking and implementation level, to ensure adequate and affordable services for children and the elderly are provided. The NAES should make additional efforts with the implementation of employment promotion programs to support to care services.





**Figure 39.** Budgetary commitments for ALMPs (2018-2020)

Source: MoFE, NAES, Author's calculations

Throughout this period actual expenditures have been less than planned, with approximately 0.02%<sup>204</sup> of GDP being spent on ALMPS on average. Challenges in implementing programs during 2020 further limited the use of funds, thus requiring that some committed funds were carried over to 2021. Key reasons for such a low budget implementation, as presented in the latest IPMG for Employment and Skills, include the effects of the COVID-19 outbreak, but also due to the reforms to ALMPs still in progress. Moreover, employment offices were not yet fully and properly trained to initiate these new programs and coordinate the actions of providers and participants. The NAES and its experts have particularly reiterated the need for balance between the streamlining processes in a difficult environment and ensuring positive results for the final beneficiaries. Persistence and consistency in maintaining this balance in the future is crucial for the successful future implementation of ALMPs and particularly the employment promotion programs. Notwithstanding the above, greater efforts should be put into effective budget planning based on realistic delivery plans, which serve the objectives of the strategy and of the economy.

#### 4.5.2 Analysis of the Active Labour Market Policies in Albania

As described in the key documents of MoFE and NAES, employment promotion programs underwent an evaluation and review process in 2019. Despite slight delays, mainly due to circumstances related to COVID-19, employment promotion programs were approved in 2020, consisting of eight key programs, with different operational components and targeting different groups. The figure below presents these key programmes and the additional ones activated due to COVID-19.

|||||

<sup>204</sup> Expenditures as a share to GDP in the past 3 years respectively were: 0.017 % (2018), 0.024 % (2019) and 0.016 % (2020).



This programme subsidizes 12 months of social and health insurance contributions of workers and employers (DCM no. 608, dated 29.7.2020);

**Active labour market programme to support the labour market reintegration of formal workers** laid-off as result of the COVID-19 pandemic until June 23, 2020. Wage subsidies (aligned to the minimum wage) for 2-4 months and social insurance contributions for 4-8 months are provided to employers willing to hire recently laid-off workers - (DCM no. 608, dated 29.7.2020).

*Table 6. Summary of ALMPs, employment promotion programs adopted in 2020*

Name of the Program	Target Jobseekers	Type of Partner Employer	Short Description	Type and Level of Subsidy Offered and Programme Cost/ Person	Subsidies for Jobseekers with Compounding Vulnerabilities.
On-the-job Training	Unemployed jobseekers with no qualifications	Employers fulfilling basic eligibility criteria, registered in employment offices.	<p><b>Training</b> for all types of professions.</p> <p><b>Duration:</b> 4 months period.</p>	<p><b>Employers' Compulsory Social and Health Insurance:</b> 4-8 months (16.7% of the minimum statutory wage).</p> <p><b>Wages:</b> 4 months, at the level of 100% of the minimum statutory wage.</p> <p><b>Training Support:</b> 4 months and approx. 18 EUR per jobseeker.</p>	<p><b>Transport Bonus</b> when the place of residence over 2 km from the place of work, in the amount of approx. EUR 13 per month;</p> <p><b>Kindergarten and Nurseries Bonus</b> for single parents and each child under six years of age, in the amount of approx. EUR 25 per month.</p>



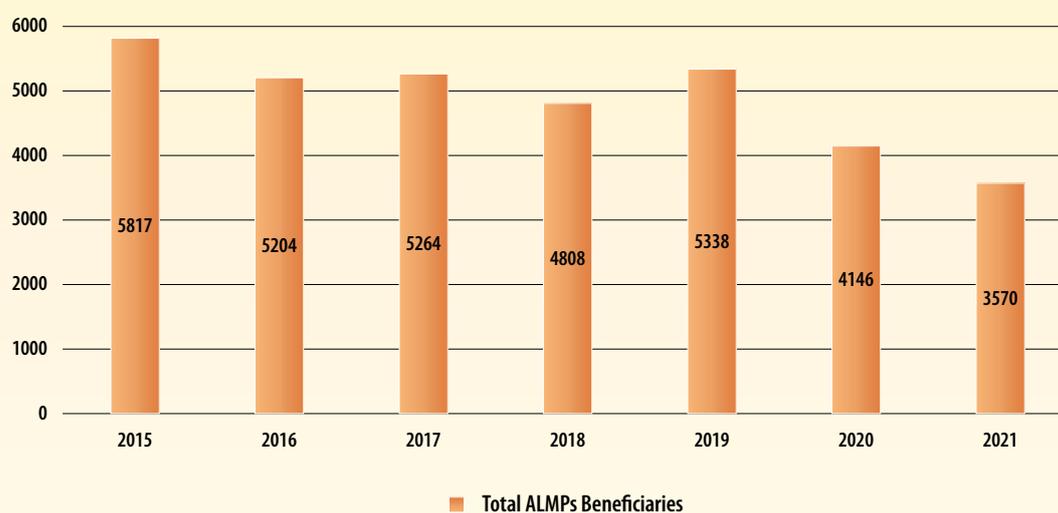
Name of the Program	Target Jobseekers	Type of Partner Employer	Short Description	Type and Level of Subsidy Offered and Programme Cost/ Person	Subsidies for Jobseekers with Compounding Vulnerabilities.
Community Works	Unemployed jobseekers, for more than 12 months, more than 25 years old, upon receiving the necessary employment services, defined in the legislation and certified by the relevant employment specialist.	The following entities registered in employment offices in the economy: i) non-profit organizations; ii) civil society organizations; iii) social businesses/ enterprises; iv) public institutions.	1 year program aiming at providing inclusion of long term unemployed in the labour market through training and activities serving to the community.	<p>For the Employee:</p> <p><b>Employers' Compulsory Social and Health Insurance:</b> For the whole duration of the program (16.7% of the minimum statutory wage).</p> <p><b>Wage:</b> Up to 50% of the minimum statutory wage.</p> <p><b>Training Support:</b> Coupons up to EUR 180 for training when these latter are not offered by public VET providers.</p> <p>For the Employer:</p> <p><b>Supervisor's wage:</b> Up to 100%, depending on the group size to be monitored</p> <p><b>Employers' Compulsory Social and Health Insurance:</b> For the whole duration of the program (16.7% of the minimum statutory wage).</p> <p>Project Implementation Expenses:</p> <p>Up to EUR 80 per beneficiary.</p>	

Name of the Program	Target Jobseekers	Type of Partner Employer	Short Description	Type and Level of Subsidy Offered and Programme Cost/ Person	Subsidies for Jobseekers with Compounding Vulnerabilities.
Self-Employment	Unemployed jobseekers registered in local employment offices, with a business idea to be implemented.	NA	1 year programs aiming to support entrepreneurial and business ideas through training, business plan development and grants.	<p><b>Training Support:</b> On topics of entrepreneurship and business plans.</p> <p><b>Financial Support:</b> Grants up to EUR 4 000 per each business plan successfully developed and approved.</p> <p><b>Support for Business Plan Evaluation:</b> Up to EUR 25 per valuation as per market prices.</p>	NA
Anti-COVID ALMP for workers reintegration	Unemployed jobseekers laid off as a result of COVID-19.	Employers fulfilling basic eligibility criteria, registered in employment offices.	<p>Aims to support reintegration of the recently laid off workforce.</p> <p><b>Wage:</b> defined based on the market salary rates.</p> <p><b>Duration:</b> 4-8 Months</p>	<p><b>Employers' Compulsory Social and Health Insurance:</b> 4-8 months (16.7% of the minimum statutory wage).</p> <p><b>Wage:</b> Up to 100% of the minimum statutory wage for 2-4 months.</p>	NA
Anti-COVID ALMP for informal workers integration	Unemployed jobseekers, previously informal workers, laid off as a result of COVID-19.	Employers fulfilling basic eligibility criteria, registered in employment offices in the economy.	<p>Aims to support reintegration of the recently laid off workforce, previously employed as informal workers.</p> <p><b>Wage:</b> defined based on the market salary rates.</p> <p><b>Duration:</b> 12 Months</p>	<p><b>Compulsory Social and Health Insurance:</b> 12 months payment for employers; and employees' compulsory social and health insurance based on the minimum statutory wage.</p>	NA

Source: Decisions of the Council of Ministers, Author's Work

These new and revised employment promotion programs were initially implemented in collaboration mostly with private entities, and in later consideration of COVID-19, all legal entities were also included. The approach has remained different for the community work program, where the entities involved in the implementation are ones with a certain level of proven engagement in the community such as non-profit organizations, civil society organizations, social businesses and public institutions. Key principles of the programs include the restriction that a jobseeker can participate only once in 5 years in an employment promotion program, except for the cases when the jobseeker is still unemployed 6 months after completing the on-the-job training or the internship programme. For wage subsidies, internship and on the job training programs, regulated through DCM nr.17, employers are entitled to apply to more than one program and receive subsidies for the number of employees participating up to 20.0% of their current labour force, but no more than 21 participants in total.

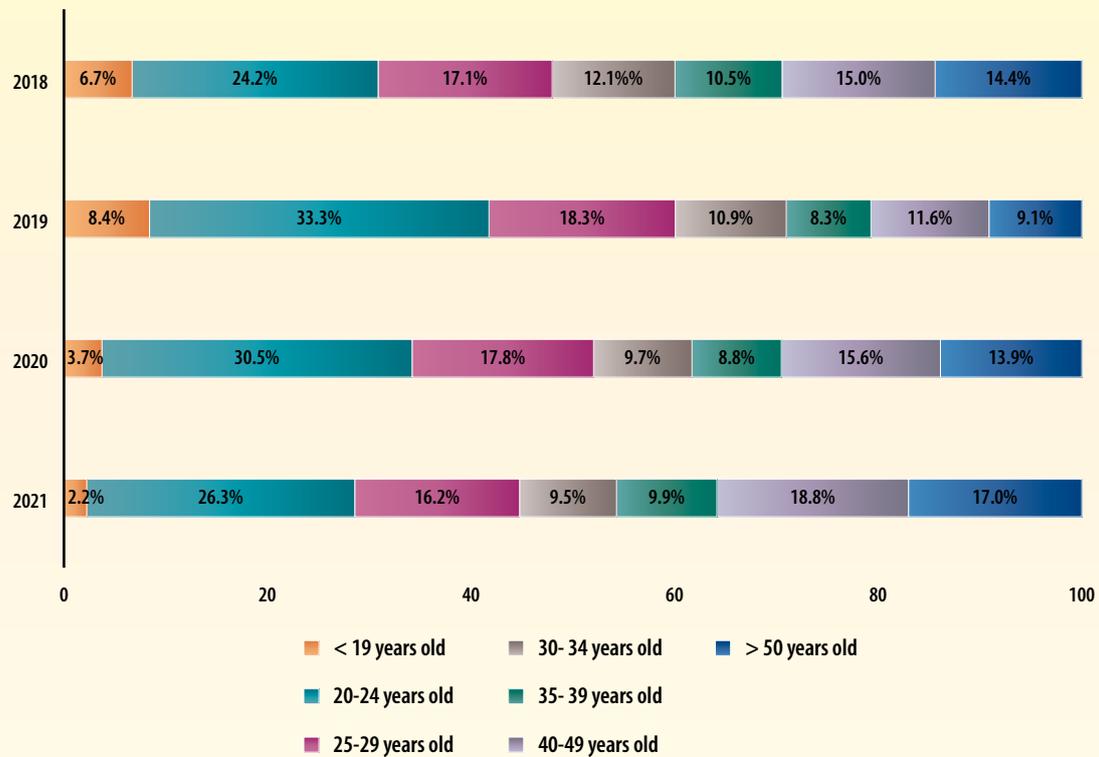
**Figure 41.** Total number of beneficiaries of ALMPs (2015-2021)



Source: NAES, 2021

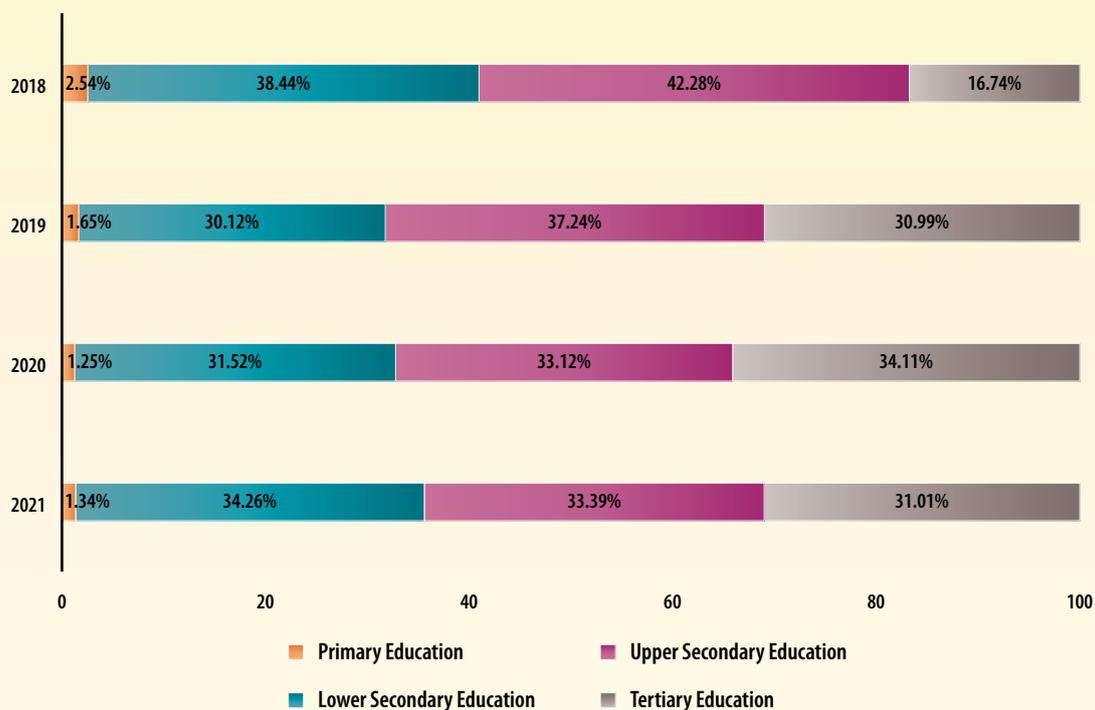
Beneficiaries are defined as those who have completed the program and those in the process of doing so. While prior to the pandemic, the number of beneficiaries remained fairly stable, data on the total number of ALMPs beneficiaries show a decreasing trend in the last two years. The latter is due to several factors: the phasing out of previous ALMPs, delayed adoption of new ALMPs, restructuring of NAES and local offices and the COVID-19 pandemic. There is, moreover, a comparable trend between PES placements and the number of ALMPs beneficiaries, demonstrating possible positive developments in the labour market. Women's proportion of beneficiaries of ALMPs, has been increasing and in 2020 it reached the target set in the Economic Reform Programme and gender-based budgeting, at 67.0%.

**Figure 42.** ALMPs beneficiaries by age (2018-2021)



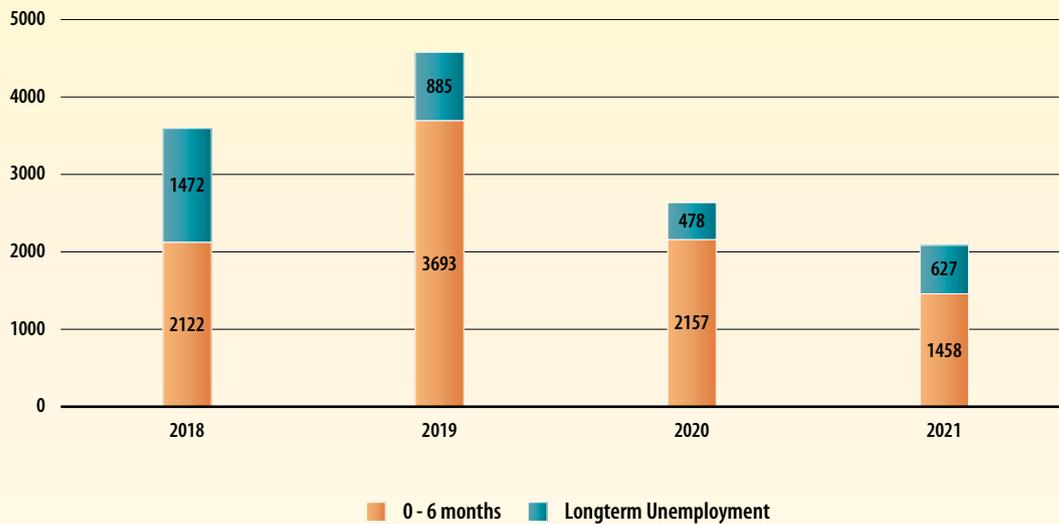
Source: NAES, 2021

In the last two years, the share of beneficiaries aged above 35 years old, has slightly increased. However, there has been a more relevant decrease in the number of younger age group beneficiaries, more apparent in the absolute numbers. This is particularly true for 20-29 years old participants in the programs after 2019 and during COVID-19.

**Figure 43.** ALMPs beneficiaries by education (2018-2021)

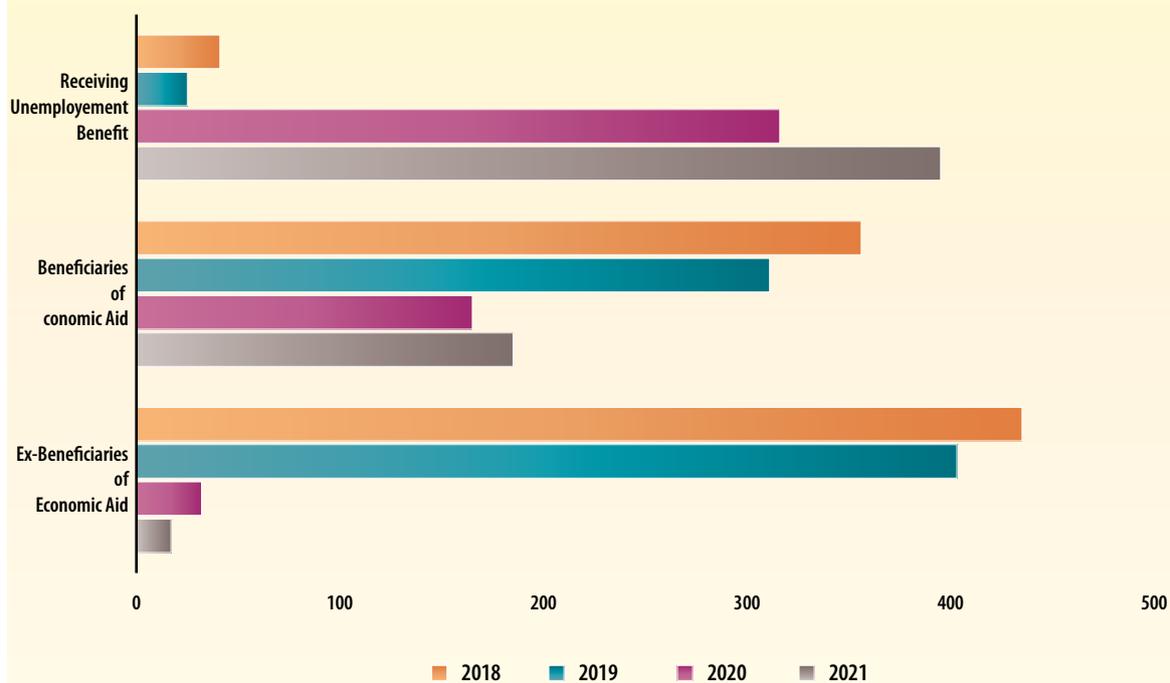
Source: NAES, 2021

The highest share of beneficiaries over time are those who had attained upper secondary education, be that general or vocational education. There has been, however, an increase in the proportion of beneficiaries with a lower secondary education. Data also show that the share of beneficiaries with tertiary education, holding a university degree, has increased in recent years, directly linked with the simultaneous increase in the number of registered jobseekers in this category. Although no gender disaggregated data were provided based on age, most of unemployed registered jobseekers with a tertiary education are women, as emphasized in the previous chapter.

**Figure 44.** ALMPs beneficiaries by unemployment duration (2018-2021)

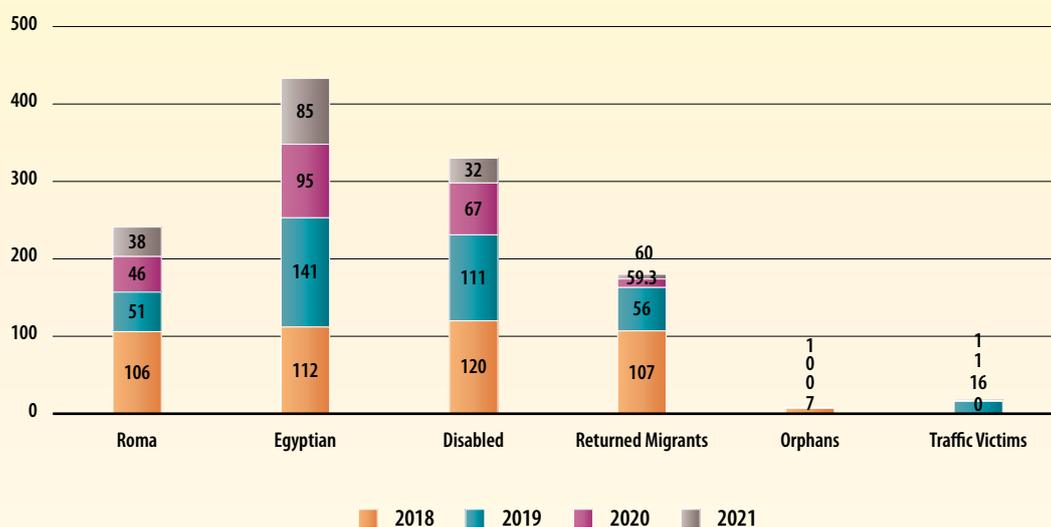
Source: NAES 2021

In terms of unemployment duration, there is a notable difference between the numbers of beneficiaries of ALMPs and registered unemployed. The majority of the ALMPs beneficiaries have been unemployed for less than 6 months. As explained in the previous chapter, the opposite is true for registered unemployment overall. At the same times, the share of registered unemployed who benefit from ALMPs has sharply decreased over time. While COVID-19, has diversified the typology of registered unemployment, further analysis is needed to understand why this shift has occurred. MFE and NAES needs to better target those who are furthest away from the labour market.

**Figure 45.** ALMPs beneficiaries by vulnerable groups (2018-2021)

Source: NAES, 2021

As unemployment rose due to COVID-19 and an increased rate of registration, participation in employment promotion programs became of greater importance to certain categories. The unemployed jobseekers receiving unemployment benefits' share of ALMP participants increased in 2020 and 2021, due to the increased number of jobseekers in this category. The share of beneficiaries of economic aid participating in ALMPs has decreased but by less than the share of the ex-beneficiaries of economic aid.

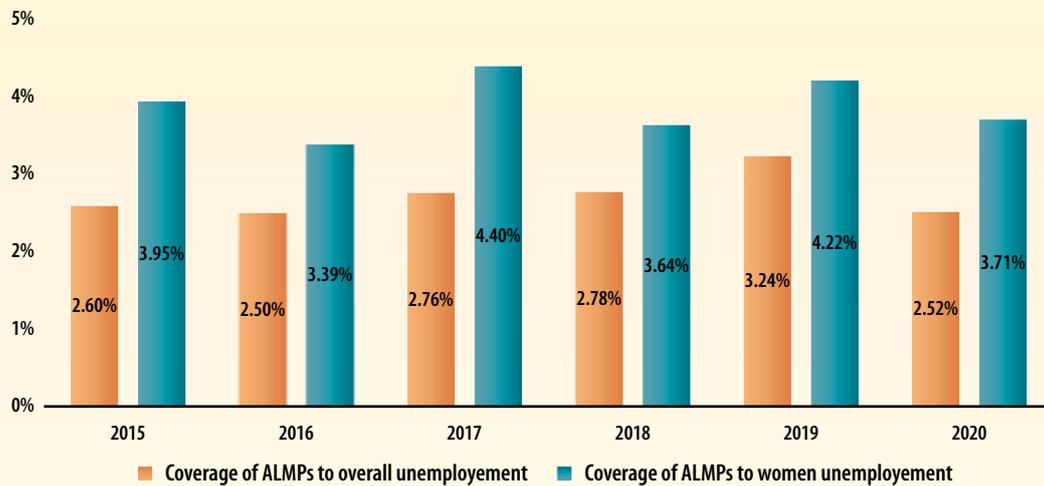
**Figure 46.** ALMPs beneficiaries by vulnerable groups (2018-2021)

Source: NAES 2021

The figure above presents information on the number of beneficiaries belonging to vulnerable groups. The following groups have very low numbers participating in ALMPs: orphans, traffic victims and returned migrants, suggesting a need for additional attention. External support from entities with a higher level of expertise, such as CSOs/NGOs working with these vulnerable groups was suggested during interviews with experts. These experienced entities could be effective future partners for implementation of ALMPs, allowing for streamlined processes and improved services.

The overall ratio of ALMPs participants to the total number of registered unemployed individuals has not changed much throughout time, reaching its maximum of 3.24% in 2019. Whereas, ALMPs coverage to women unemployment has been always been higher than the overall indicator, ranging from 3.39% to 4.40%.

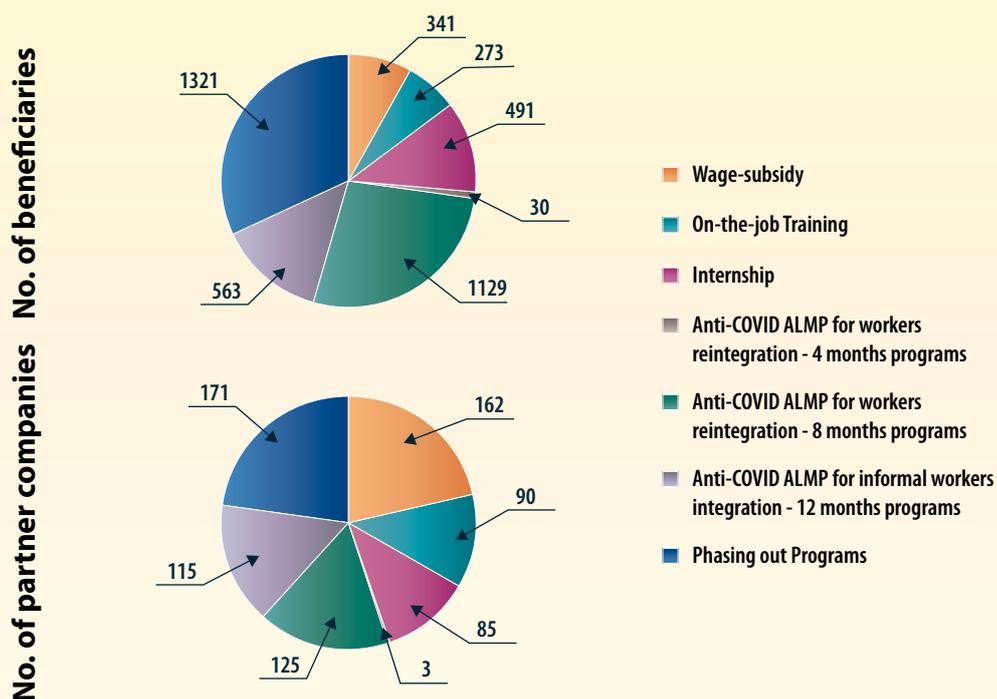
**Figure 47.** Coverage of ALMPs to registered unemployment (2015-2020)



Source: INSTAT, NAES, Author's calculations, 2021

As noted in the summary of ALMPs in Table 2, most of the currently active employment promotion programs, provide additional subsidies for jobseekers with multiple vulnerabilities, a much-welcomed practice, particularly considering the nature of this support. Nonetheless, as reported throughout interviews no significant use has been made of these additional subsidies.

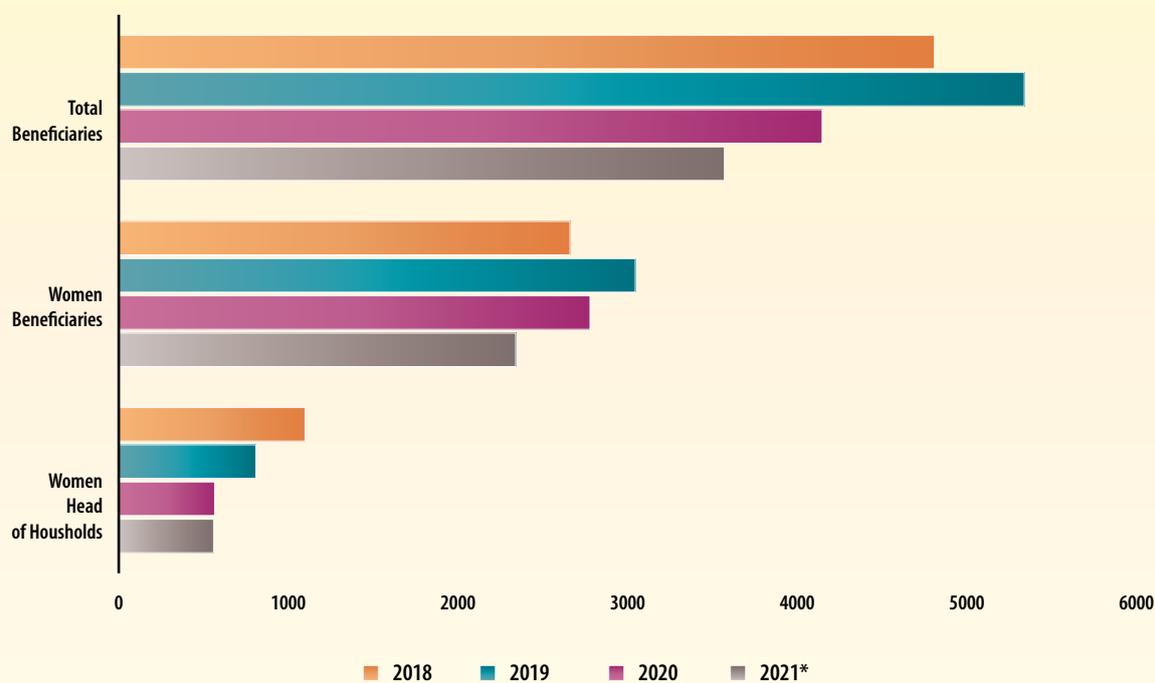
**Figure 48.** Implementation indicators of ALMPs in 2020



Source: NAES 2021





**Figure 51.** ALMP women beneficiaries (2018-2021)

Source: NAES, 2021

Additional gender-based analysis can be carried out, as gender disaggregation data become available once the PES online system is finalised. Improvement in gender-sensitive monitoring and evaluation of employment measures was included in the NESS as of the beginning in 2014, aiming for a full implementation of related actions by the end of 2020. Albeit efforts have been made to integrate gender as a key factor in monitoring and evaluation, there has been limited analysis of datasets on women with one or multiple vulnerabilities (except cases indicating general gender disaggregation).

Much remains to be done in terms of horizontal and vertical inclusion of gender indicators allowing for gender equity measurement of employment promotion programs. In a progress report of 2019 of NESS, experts of the Ministry of Finance and Economy stated the lack of critical follow up addressing the identified issues and gender gaps, despite most labour market information provides data on the share of women/men. This situation has not changed much since then.

Further delays with online system implementation in terms of monitoring and reporting and staff training hamper a fully-fledged implementation of the reforms, especially the monitoring and evaluation components and implementation of labour market policies. INSTAT should consider further inclusion of gender disaggregated data related to labour policies and expand the Minimum Set of Harmonised Gender Indicators.



take up jobs, without leaving children and the elderly uncared. Providing active support, such as up-skilling training or subsidised care for children and the elderly to such categories will result in positive changes to women labour force participation and bring women out of long-term unemployment. In the last two years, NAES has signed several agreements with municipalities in the context of strengthening and coordinating employment policies at regional and local level. Despite this latter, a larger scale action is needed to ensure best practices, particularly in terms of the care services, are implemented equally around Albania.

## 4.5.5 Recommendations

It is recommended to consider funding for active labour market policies including possible options for higher levels of funding, even to the detriment of the funding of passive support measures. Policymakers should carry a revision of the funds prioritisation methodology for employment promotion programs and ensure that the funds allocated to ALMPs are actually spent.

Efforts should continue in preparing realistic plans for the expansion of ALMPs and effective budget planning to support them. The NAES should continue to engage in striking a balance between current process streamlining and achieving the performance targets for ALMPs, particularly until the first evaluation reports are prepared, as foreseen in legislation.

Gender responsive active labour market policies should imply the use of gender-based assessments, particularly for women with one or more vulnerabilities. Such an approach should be piloted immediately and be implemented across the board within the upcoming strategy.

Additional active labour policy measures should be drafted to include social and employment support, by combining employment and up/re-skilling with child and/or elderly care support.

Employment policy governing structures should carry timely assessments on the successful implementation of each ALMP, as foreseen in the legal basis of each program. The MoFE should ensure collection and distribution of relevant data on ALMP at least on an annual basis.

The NAES should engage in finalising the online system implementation at all levels, and ensure appropriate training of staff members for report preparation and analysis from a gender perspective. NAES and INSTAT should promote additional gender disaggregated data, to be possibly included in the Minimum Set of Harmonised Gender Indicators.

For the effective implementation of employment promotion programs for women, and in particular those with multiple vulnerabilities, expand the typology of partner employers and make use of the outsourcing potential stipulated in the Law on Employment Promotion. Such an approach should be piloted as soon as possible, to allow for timely evaluation and possible adoption of such partnerships across Albania.

## 4.6 ENTREPRENEURSHIP

There is a wide recognition of the important role of women entrepreneurship in economic development and the losses arising from the current gender gap in entrepreneurship. Unequal access to economic opportunities and increasing women's economic participation is not a 'zero-sum game' (World Bank, 2020).<sup>211</sup> The region would have the benefit of a GDP approximately 20.0% higher, on average, should women participate in the labour market at the same levels as men do, and 5.0% of this is related to the gap in participation of women as entrepreneurs [Cuberes and Teignier (2015) cited in World Bank (2020)]. A later study from the same authors, Cuberes and Teignier (2016), of OECD members, demonstrates that gender gaps induce an average income loss of 15.0%, 40.0% of which is related to entrepreneurship gaps.<sup>212</sup> A study of the Regional Cooperation Council (2021)<sup>213</sup> identifies a heterogeneous positive relationship between women labour participation and GDP per capita among Western Balkan economies.

This chapter elaborates the existing governing structure on women entrepreneurship policies in the economy and examines the available data to identify the state of play of women entrepreneurs in Albania.

### 4.6.1 Governance of Women Entrepreneurship Policy

In Albania, central structures that promote entrepreneurship include the Ministry for the Protection of Entrepreneurship and the Ministry of Finance and Economy. The Ministry for the Protection of Entrepreneurship aims to assist and protect private enterprises operating in the Albanian economy, whilst promoting inter-institutional cooperation to improve public services for businesses (GoA, 2021).<sup>214</sup> The Ministry carries out investigations, when needed, and handles administrative complaints of businesses, including strategic and foreign investors, serving as a representative of the business community within governmental bodies.

The Ministry of Finance and Economy on the other hand, manages within its area of responsibilities, entrepreneurship promotion, policy preparation and implementation for a good business climate and promotes an intensive public-private dialogue. The Directorate for Economic Development prepares and coordinates implementation of strategies related to business and investment development, trade policies and promotion of the internal market, aiming to increase competitiveness and productivity.

The Albanian Investment and Development Agency (AIDA) is the executive agency in charge of implementing the business and investment development strategy in the economy. AIDA carries out

211 World Bank, 2020, Promoting Women's Access to Economic Opportunities in the Western Balkans, Presentation: <https://thedocs.worldbank.org/en/doc/862651521147002998-0080022018/original/PresentationPDF.pdf> [Accessed on 03 December 2021]

212 Cuberes, D., and M. Teignier. 2016. "Aggregate Costs of Gender Gaps in the Labour Market: A Quantitative Estimate." *Journal of Human Capital* 10 (1). <https://doi.org/10.1086/683847>. Available at: <http://diposit.ub.edu/dspace/bitstream/2445/110982/1/658812.pdf> [Accessed 03 December 2021]

213 Regional Cooperation Council, 2021, Economic benefits of gender equality and women empowerment in the Western Balkans six. Available at: [Accessed 04 December 2021]

214 Government of Albania, Decision of the Council of Ministers, 20.10.2021, "On the determination of the area of responsibility of the Minister of State for Protection of Enterprise", Available at: <https://kryeministria.al/newsroom/vendime-te-miratuara-ne-mbledhjen-e-keshillit-te-ministrave-date-20-tetor-2021/> [Accessed 03 December 2021]

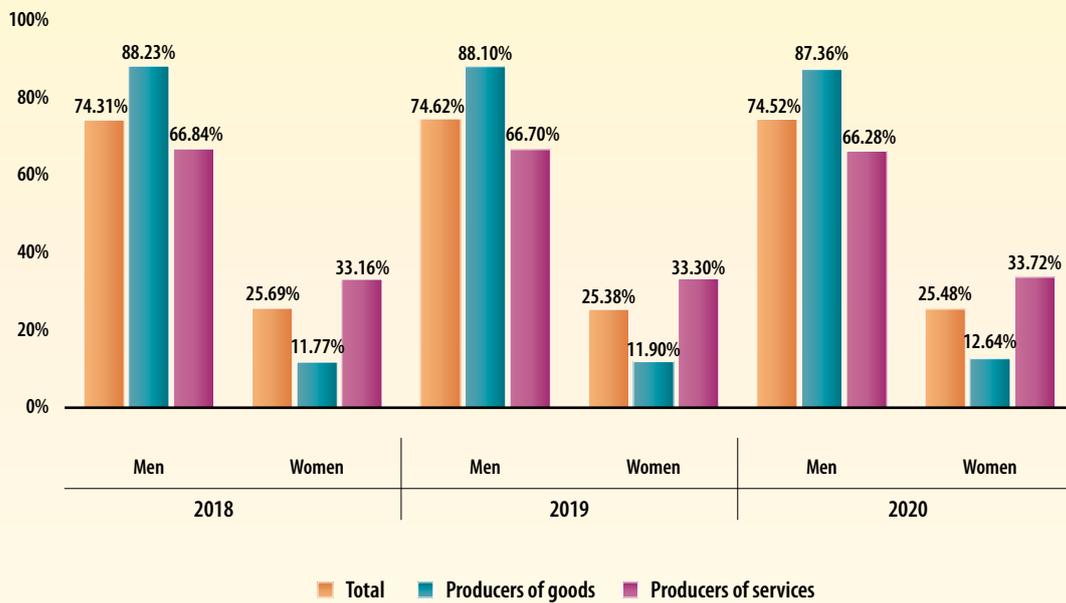








**Figure 53.** Active enterprises by gender of owner/administrator by economic activity (%) 2016-2020



Source: INSTAT, 2021

Considering agriculture is a primary sector for women’s employment (41.6% compared to 32.3% men) (INSTAT, 2021)<sup>224</sup>, the share of women-owned enterprises in that industry is quite low, not surpassing on average 11.0%, demonstrating the need to promote entrepreneurship and formalisation within women in rural areas. Data largely confirms women’s low involvement in specific sectors, such as construction and transport and storage. In its latest gender assessment of the sector<sup>225</sup>, the World Bank has developed an Action Plan in support of women in road construction, rehabilitation, and maintenance in Albania, concerning human resources and policies, contractual issues, institutional capacities of entities in contact with construction companies etc. (World Bank, 2019).

The above discussion noted a few promising signs of a growing women-inclusive approach to entrepreneurship in Albania. Despite specific weaknesses in the implementation of the Action Plan on Women Entrepreneurship, a positive environment has been developed by the overall attention given to women economic empowerment and other initiatives, aiming to improve the stagnating numbers of women in business in the economy.

On a more extensive perspective, increased support is still crucial for women entrepreneurs in Albania. Although formally women enjoy equal rights to inheritance and ownership of land and property, over 80.0% of land titles remain in the name of the “head of household” (mainly men), providing grounds for

224 Ibid

225 World Bank, 2019, Gender Assessment, Recommendations and Action Plan - Enhancing women's labour force participation in road construction, rehabilitation, and maintenance in Albania.

limitations in registering as a farming business, accessing credit, and extension services such advisory services (UN Women, 2016)<sup>226</sup>, (UN in Albania, 2021)<sup>227</sup>.

According to recent studies and reviews, know-how on financial opportunities, access to finance, access to services and access to property ownership remain some of the key challenges to a growth in women entrepreneurship in the economy (UN Women, 2021)<sup>228</sup> (RCC, 2021)<sup>229</sup>. Prevailing social norms and patriarchal practices, negatively influence women's position in enterprise development (UN Women, 2021)<sup>230</sup> and deter challenges to text book gender roles. Thus, the need remains high to strengthen economic justice and ensure empowerment of women and girls, from a holistic point of view.

### 4.6.3 Recommendations

Initiate the preparation of key strategic documents on women entrepreneurship, building upon the challenges identified during the implementation of the Action Plan on Women Entrepreneurship 2014-2020 and the current NSGE 2021-2030; Speed-up the preparation and implementation of a Strategy on Women Entrepreneurship and a new Action Plan.

A revision of the current business promotion structures within the responsible ministry is needed to ensure increased attention is provided to the role of women in business. Monitoring mechanisms should be developed and established ensuring assessment of the effectiveness for programs and their impact.

Action should be undertaken, including local government units and municipal councils, re-establishing relevant policymaking and monitoring and evaluation structures in support of women entrepreneurship. Such action should include research on the challenges faced by women; development of an entrepreneurial ecosystem, and re-establishing advisory bodies at high institutional levels, with the inclusion of a diverse number of stakeholders, particularly CSOs.

Scale up policies supporting women in business and developing their entrepreneurial skills in the economy and establish lifelong entrepreneurial learning. The current state of play requires, developing gender-differentiated social and economic empowerment programs for women, particularly those which include financial support and coaching, access to new markets and skill development.

Policymakers should identify and implement new measures in support of the transition from employment to self-employment and ensure investment in human capital for women throughout the life cycle, from childhood development to building skills, promoting independence from text book gender roles and encouraging entrepreneurship.

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226 UN Women, 2016, National study on economic diversification for women living in Albania rural areas, Tirana: UN Women

227 United Nations in Albania, 2021, Advancing gender equality and the empowerment of all women and girls in Albania - a position paper by the United Nations in Albania. Available at: [https://albania.un.org/sites/default/files/2021-02/Web\\_CCA\\_2020\\_final.pdf](https://albania.un.org/sites/default/files/2021-02/Web_CCA_2020_final.pdf) [Accessed 04 December 2021]

228 United Nations in Albania, 2020, Common Country Analysis 2020, United Nations Country Team, Albania. Available at: [https://albania.un.org/sites/default/files/2021-02/Web\\_CCA\\_2020\\_final.pdf](https://albania.un.org/sites/default/files/2021-02/Web_CCA_2020_final.pdf) [Accessed 04 December 2021]

229 Regional Cooperation Council, 2021, Economic benefits of gender equality and women empowerment in the Western Balkans six. Available at: [Accessed 04 December 2021]

230 United Nations in Albania, 2020, Common Country Analysis 2020, United Nations Country Team, Albania. Available at: [https://albania.un.org/sites/default/files/2021-02/Web\\_CCA\\_2020\\_final.pdf](https://albania.un.org/sites/default/files/2021-02/Web_CCA_2020_final.pdf) [Accessed 04 December 2021]

A separated pillar of the new self-employment ALMP could be piloted for future women entrepreneurs, to support or induce a distribution of women entrepreneurs across all sectors of the economy, particularly in strategic sectors; Implement special programs for clusters of women-run business and start-ups. Measures to provide additional up-skilling training, particularly for women in long-term employment or returning to the labour market after a child-rearing break are needed.

Address market and institutional failures (restrictive social norms, access to information and networks etc.): prepare and implement measures for increasing access to finance for women-led enterprises; scale up entrepreneurial learning and financial literacy, at all educational levels, starting from training teachers.

## 4.7 GOOD PRACTICES IN EMPLOYMENT POLICIES AND GENDER

Discussions during interviews with experts and desk research have provided several examples of good practices that can serve as positive examples to be adopted or inspire revision of procedures in the region's economies. Some of them are the reform process of the NAES, including the drafting and adoption of the new relevant law, the review process undertaken on the ALMPs in the economy, development partners coordination in the Albanian economy on topics of employment and VET, preparation and implementation of manuals for services provided by NAES, COVID-19 response through ALMPs etc. As emphasized earlier, most of these measures or procedural reviews pertinent to the labour market are gender neutral. More gender-sensitive practices are noted in terms of measures in support of women entrepreneurship, but no particular gender-sensitive measure has been implemented for any length of time or has been shown to produce outstanding results.

### 4.7.1 Implementing jobseeker's-oriented instruments for targeted employability

**Title:** Active Labour Market Policies for increased employability in response to COVID-19

**Abstract of the good practice:** Upon the outbreak of the pandemic, the government resourced additional active labour market policies to support the labour market reintegration of those laid off due to COVID-19 and assist the matching of needs between employers and jobseekers in this difficult phase. The ALMPs provide two categories of benefits: compulsory social and health insurance subsidies and wage subsidies. They comprise two key components: a programme for unemployed jobseekers, previously informal workers, laid off as a result of COVID-19 and a programme for other unemployed jobseekers laid off as a result of COVID-19.

The first component aims to support reintegration of the recently laid off workforce. It provides support through wages, defined based on the market salary rates, for a duration from 4-8 months. Specific benefits include:

- **Employers Compulsory Social and Health Insurance:** 4-8 months (16.7% of the minimum statutory wage).
- **Wage:** Up to 100% of the minimum statutory wage for 2-4 months.

The second component aims to support integration of informal employees recently laid off and it provides support through wages, defined based on the market salary rates, for a duration from 12 months. Specific benefits include:

- **Compulsory Social and Health Insurance:** 12 months payment for employers; and employees' compulsory social and health insurance based on the minimum statutory wage.

**Profile:** The practice is an active labour market policy, aiming to provide direct impact to the labour market across the board, without a highlighted gender-sensitivity. It extended from a short-term to

a mid-term measure to ensure increased employability tackling formal and informal workers in the labour market. The measure requires pre-registration as a jobseeker or as an employer in the Public Employment Service.

**Context:** Challenges arise throughout COVID-19 developments in the labour market, with business closures and rising unemployment in 2020. Registered unemployed jobseekers also increased the need to provide additional active measures to help their reintegration into the labour market, rather than just providing passive labour market assistance in the form of unemployment benefits. Furthermore, the measures tackled partially employed individuals and those in particularly vulnerable categories. Evidence also showed that many women in Albania who were employed in informal, low-wage activities were affected by the COVID-19 quarantine measures and that the economic impact on women was direct and could be long-term (UN in Albania, 2021).

Thus, DCM 608 was adopted, initiating the implementation of an employment-promotion programme for formal laid-off workers and those who declared that they had been employed, but could not be identified as such through the General Directorate of Taxation. The ALMP was initially foreseen to be implemented only in 2020. Considering the positive level of implementation, it was extended three times, and was updated from a short-term measure to a mid-term one, to be implemented for up to three years.

**Resources:** To implement this ALMP, standard practices, tools and techniques were utilised, including methodological approaches to coaching, guidance and other services. Trainings or explanatory meetings to increase understanding of the ALMP from PES staff, particularly employment advisors/specialists was undertaken.

**Procedures:** ALMPs within the Albanian economy are initiated by the Ministry of Finance and Economy, approved through a Decision of the Council of Ministers, accompanied with budgetary allocations.

**Lessons learnt:** No formal assessment or evaluation has yet been carried out to assess the effectiveness of the package. Nonetheless, there was a high level of inclusion in terms of companies/employers and an increase in the number of those participating in ALMPs. Further to this, additional evaluation on the job search of participant post-participation in these programmes should be urgently undertaken.

**Links to resources:** National Agency for Employment and Skills - [www.akpa.gov.al](http://www.akpa.gov.al)



## 5

## RECOMMENDATIONS

Reducing gender participation and employment gaps in the labour market together with addressing the gender pay and care gaps requires a multi-folded approach. This should incorporate the inclusion of additional partners and an emphasis upon monitoring and evaluation of current policies. In evaluating these policies, it is necessary to design platforms, which do not provide a solely economic development-oriented approach, but rather one combined with social and more gender-sensitive perspectives.

### I. Call for Action: Building a case and awareness of gender gaps

*This study supports earlier findings of considerable gender gaps in the Albanian economy, as assessed in recent years. Vis-à-vis these findings, the first step towards a roadmap to reducing gender gaps is the mobilisation of a call for action, which invites and includes a wide range of institutional actors and ensures a cross-levelled engagement from political will to grass-root activism. Such call should serve as a catalyst to tackle and transform gender roles and norms in order to reduce gender gaps in the labour market.*

- Regarding short-term measures, there is a need for government stakeholders, as foreseen in the legal framework, to mobilise and initiate a policy-level advocacy campaign with regional actors, local government units and municipal councils. Such a campaign should serve to **build a case for increased women employment and entrepreneurship** as two major catalysts for economic and social development, through meetings with local actors, mid-level and final-end staff providing public services, women formal and informal groups, particularly in rural areas, representatives from vulnerable groups etc.
- Mobilising a regional initiative within the Western-Balkans for a unified call for action would bring additional momentum to efforts to raise women's economic empowerment.
- In the mid-term, a methodology for systemic inclusion of women partners in decision-making should be provided at the local and central level. A large-scale action should be developed ensuring high-level inclusion of stakeholders, mobilising periodic research on the challenges faced by women in employment and self-employment (development of an entrepreneurial ecosystem), and establishing or re-establishing relevant monitoring and evaluation structures in support of women employment and entrepreneurship.
- Support to women based organised groups should be provided through systemic support, to ensure their increased advocacy efforts in the economy in areas such as gender employment gaps, gender pay and care gaps, equal pay rights etc.

## II. Strengthen gender and employment governance

*No integrated and holistic approach can be implemented with limited central government structures or inadequate human resources.*

- Short-term measures should include revising and strengthening the current existing structures in the three main pillars, of employment, entrepreneurship/business promotion, gender and social protection, respectively within the Ministry of Finance and Economy and Ministry of Health and Social Protection. Experts suggest that a separate Ministry working solely on employment issues could be a better option in a post-COVID recovery period. This body should be responsible for advancing gender equality and human rights in employment, increase integration, combat segregation, racism and discrimination, and strengthen the rights of children and LGBTI people in the labour market.
- Governance structures should build upon the momentum from recent institutional developments, by continuing capacity building and ensure that more effective monitoring and evaluation instruments are fully in place for NAES, NAVETQ and other implementing/support bodies. Similar monitoring mechanisms should be developed and established when discussing women entrepreneurship.
- Mid-term action should provide sustainable budgetary commitments for labour market policies, to continue implementation of economy-scale strategies, reform measures and action plans. Policymakers should ensure an adequate budget is provided to all areas of interest, from promotion of self-employment and women entrepreneurship, to addressing the lack of skills among adults.
- Mid-term measures should include significantly increase the activities carried out by the Labour and Social Services Inspectorate. There is a need to increase this budget and increase the capacity of labour inspectors to detect informal employment, child labour and detect poor working conditions.
- The legal framework should further comply with the ILO Convention, C190 - Violence and Harassment Convention, 2019 (No. 190) and ILO recommendation, R204 - Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204). Following the prompt adoption of the ILO Convention C190, tR2014 should be also adopted as soon as possible.

## III. Making Gender Data available and visible

*Amongst the positive practices being implemented is the annual report on “Women and Men in Albania”, a practice which should be continued, as the only current resource of digestible public information on gender data. Nonetheless, such practices need to be enriched as the lack of gender-disaggregated data is detrimental to gaining a full understanding of gender gaps in the labour market.*

- Short-term actions should include enforcing implementation of gender-disaggregation in administrative data for all public institutions and publishing such data as part of their transparency pack. The MoFE, NAES and INSTAT should promote the collection and analysis of additional



- Short-term measures should include adequate financial allocations for coordination and maintenance of the PES IT system and the recent integrated database for employment services.
- In the mid-term, policymakers should extend ICT systems to ensure alignment with EURES practices upon accession.

## V. Modernise and implement gender-aware operations

*Labour market developments in Albania should go hand in hand with increased gender equality, albeit current policies largely reflect gender-neutral approaches. Employment governance structures should continue their work maintaining a balance between process streamlining as per the reform process and achieving the performance targets for ALMPs and other policies.*

- The reform and administrative restructuring of NAES should continue in the short-term:
  - » promoting and monitoring staff recruitment as per the organisational structure and ensure adequate financial allocations;
  - » introducing performance-based reward systems for first-line employment specialists in local employment offices, to maximise employee retention and ensure enhanced outcomes for the clients;
  - » preparing realistic employability plans and an effective budget planning based on them;
  - » including business partners in all activities of the PES, providing additional collaboration opportunities for increased employability of women and men within the economy;
  - » finalising the online system implementation at all levels, and ensure training of staff members, for report preparation and analysis from a gender perspective.
- NAES should engage in developing capacities on gender-aware policy implementation of labour market measures.
- In the mid-term, the NAES should introduce gender mainstreaming tools integrated into its operational activities within the PES, particularly in their evaluation methodologies.

## VI. Elevate the reform momentum in the labour market with an emphasis on gender equality

*Building upon the current NSGE 2021-2030 and considering the phasing out of the current National Strategy on Skills and Employment, a timely preparation of new and inclusive employment and self-employment strategies in the Albanian economy should be undertaken. The current state of play of women in the Albanian economy, requires extensive gender-differentiated social and economic empowerment programs for women.*

- The Albanian PES should maintain the reform momentum in employment and social integration, reinforcing and diversifying typology and level of support to address the multiple inequalities in the labour market faced by women.
- Scale up employment and entrepreneurial policies supporting women in the labour market and in business, with financial support and coaching, access to new markets and skills and support for lifelong entrepreneurial learning.
- Assessments for the new strategy on employment and skills should be initiated as of 2022. The promotion of self-employment should form part of such strategy.
- Policymakers should implement gender-based assessments to provide gender-inclusive policies in the labour market. Such an approach should be piloted immediately and be implemented across the board within the upcoming strategy.
- Focus should immediately be on women entrepreneurship, as the Action Plan on Women Entrepreneurship 2014-2020 has expired. Stakeholders should be mobilised for the preparation and implementation of a Strategy on Women Entrepreneurship and a new Action Plan.
- Introduce gender-based budgeting to all initiatives and levels of interventions within strategic documents and every Economic Reform Programme.
- Increase the number of gender budgeting indicators to better understand the challenges women face continuously in labour market integration.

## VII. Address gender gaps in employment and entrepreneurship

*The pandemic highlighted the need to provide coordinated and mutually compatible labour market policy responses and create opportunities for investment and development in the private sector, galvanising on the EU initiatives and on previous efforts to promote innovation and digitalization in Albania. Closure of the current gender gaps in the Albanian labour market will require a similar emphasis on the coordination and compatibility of individual policies.*

### **I. Pilot and promote gender approaches to employment**

- Elevate the public discourse on topics such as unpaid care, facilities for childcare, and mental health.
- The government should continue developing a coordinated approach to address the consequences of the changes in the pattern of home and office working hours caused by the pandemic.
- Promote teleworking practices for employed parents, piloting the use of incentives for the service sector and large companies.
- Assess and develop incentives for part-time working and reduced time working for women. Pilot such incentives in specific occupations or sectors.

- Re-initiate nation-wide information campaigns on the long-term benefits of formal employment, contract negotiation and implementation, thus reducing informality in the labour market.
- In the mid-term, develop innovative approaches to labour market legal framework in terms of provision of care and atypical employment for women. Developing further insights on atypical employment, could provide further insights into how to achieve lower gender pay gaps.
- The government should make the case for increased distance working opportunities by the private sector, similar to the one developed in the public sector.

## **2. Develop prompt and systemic skills assessments of current and future labour market needs**

- Ensure timely implementation of the Business and Development Strategy measures in support of “*human capital development*” with a gender-sensitive approach.
- A skills needs forecasting system is required to be developed and regular annual training needs assessments carried from 2022.
- In the short and mid-term timeframe, policymakers should draft and implement measures to scale up the educational attainment of women entrants to the labour market and target the up-skilling of adult women.
- Additional measures are needed for up-skilling training addressing the phasing out of some traditional jobs, particularly for women in long-term unemployment or returning to the labour market after a child-rearing break.

## **3. Promoting equal pay rights and non-discriminatory wage practices**

*Increased awareness is needed of equal pay rights within the economy, particularly in the private sector. Further inter-institutional cooperation should be intensified in terms of reducing labour informality and promotion of equal treatment at work.*

- In the short term, measures towards reducing discriminatory gender pay gaps should be initiated. To this end, public institutions should inform employees and employers on equal pay rights. Such an approach can support the environment in which gender-responsive labour inspections are carried.
- Gender-responsive labour inspections should be carried, based on operational plans developed to address and promote equal pay rights, equal treatment of workers etc.
- Decent working conditions and decent wages for women in low-paid sectors are crucial to lowering the gender pay gap and fight for equal pay rights. The sectors where such discriminatory behaviour predominates should be targeted by the inspectorate.
- Mid-term measures to re-dimension inspection functions in the labour market could serve the end goal of promoting a formalised economy and the number of high-quality jobs. In this pursuit, best practices from other EU member states should be adopted.

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#### **4. Combine ALMPs implementation with social protection and inclusion measures**

- Short term measures should include a substantial increase in the funding allocated to active labour market policies.
- The NAES should make additional efforts to ensure implementation of employment promotion programs that provide support to care services.
- Pilot implementation of employment promotion programs through outsourcing partners, such as CSOs experienced in working with specific targeting of women, and those with multiple vulnerabilities.
- Provide revised incentives for unemployed women covered by the economic benefit scheme, not obliging them to choose between employment and such direct benefit. Allow for a transitory period where benefits continue to encourage the take-up of employment offers.
- Pilot additional incentives for the integration of unemployed women into employment at a local government level, focused on support services and subsidies for child and elderly care.
- In the mid-term, periodically revise the funds prioritisation methodology, particularly for employment promotion programs.
- Support local governments, to scale up their actions, through the provision of central funding, on measures that support employment, promote social protection and social inclusion, including but not limited to measures linked to child and elderly care. Further work should be undertaken by local government units to ensure services for children and the elderly are accessible and affordable for everyone.

#### **5. Empower transition from employment or unemployment to self-employment**

- Short-term initiatives should include piloting the new self-employment ALMP for future women entrepreneurs, especially promoting start-ups in high value-added sectors, thus promoting a better-balanced representation of women in the economy.
- Initiate the development of special programs for clusters of women-run business and start-ups, to support or induce the presence of women entrepreneurs in all sectors of the economy, particularly in strategic ones.
- Combine financial support to know-how and improved business literacy: implement financial incentives targeting women-led enterprises and scale up the provision of entrepreneurial and financial literacy training for women, especially in rural areas.
- In the mid-term, identify and implement new measures in support of those transitioning from employment to self-employment; these policies should ensure investment in human capital for women throughout the life cycle, from childhood development to building skills, promoting independence from traditional gender roles and encourage entrepreneurship.
- Ensure sustained implementation of programs supporting clusters of women-run business and start-ups.



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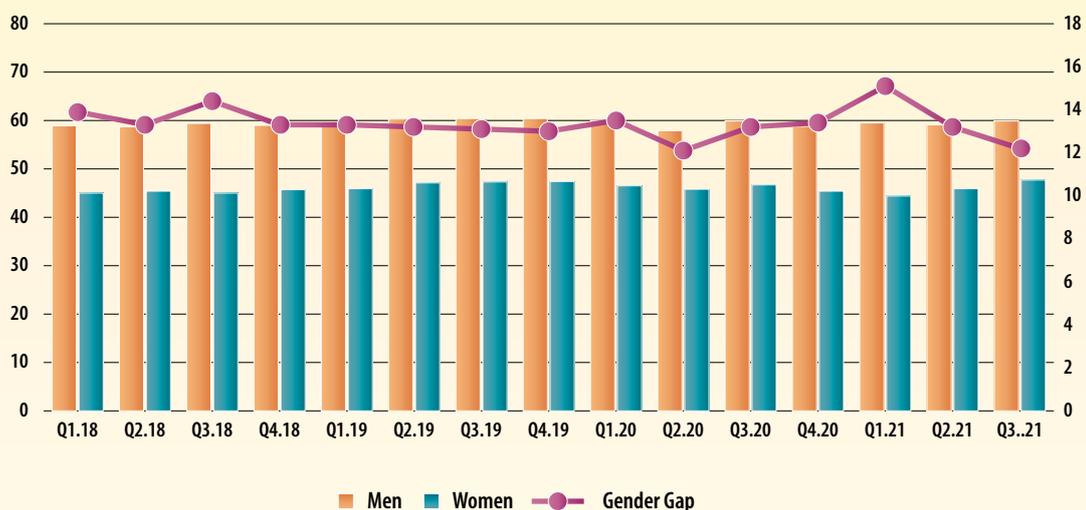
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## 7 Appendices

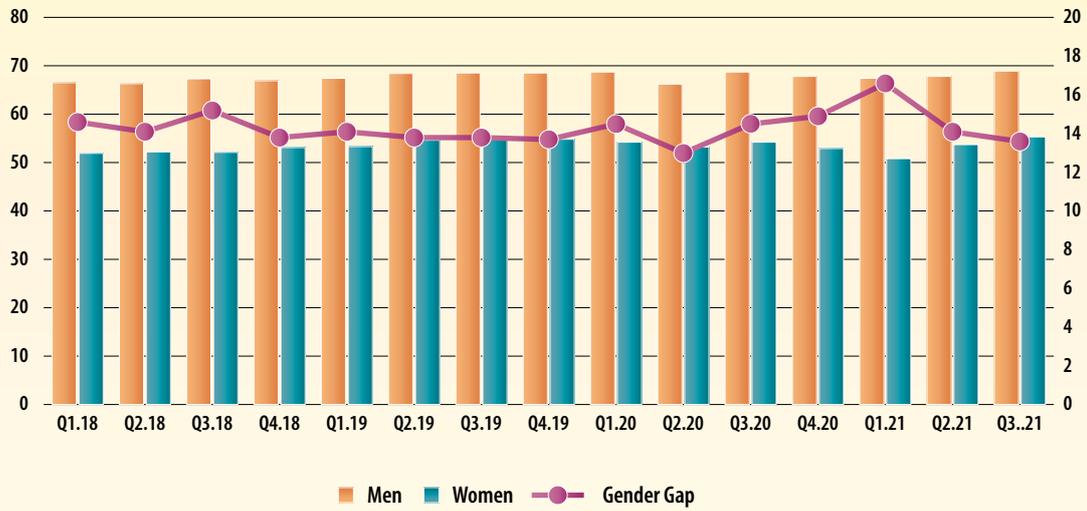
### A. STATISTICAL APPENDIX OF THE STUDY

**Figure 54.** Quarterly labour force participation 15+ years (2018-2021)



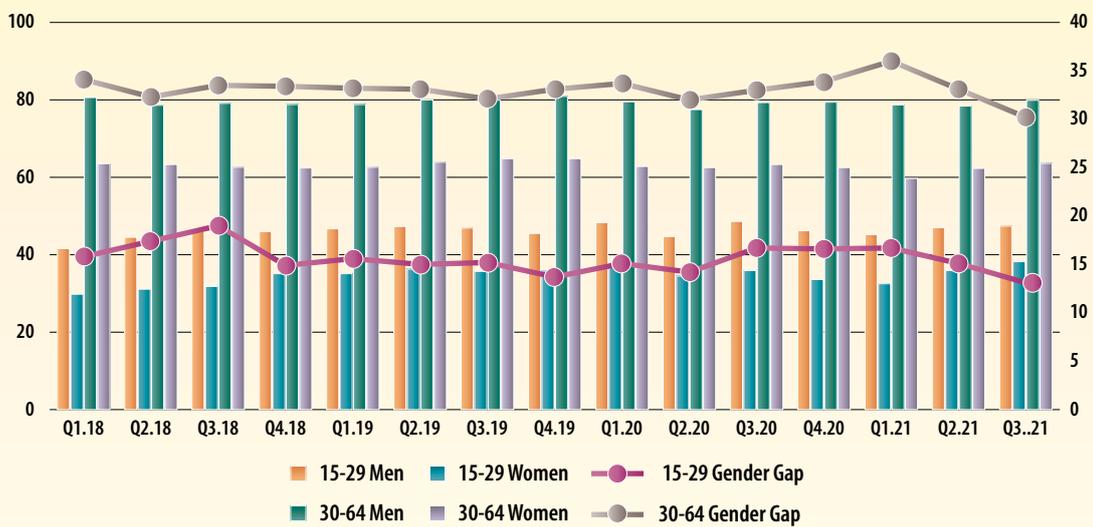
Source: INSTAT, 2021

**Figure 55.** Quarterly labour force participation 15-64 years old (2018-2021)

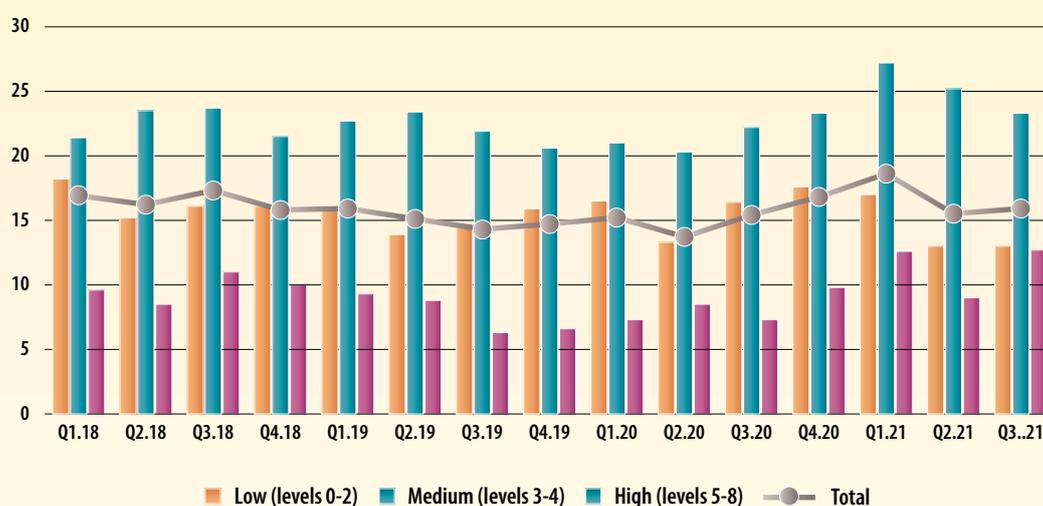


Source: INSTAT, 2021

**Figure 56.** Quarterly labour force participation 15-29 and 30-64 years old (2018-2021)



Source: INSTAT, 2021

**Figure 57.** Employment quarterly gender gap 20-64 years old (2018-2021)

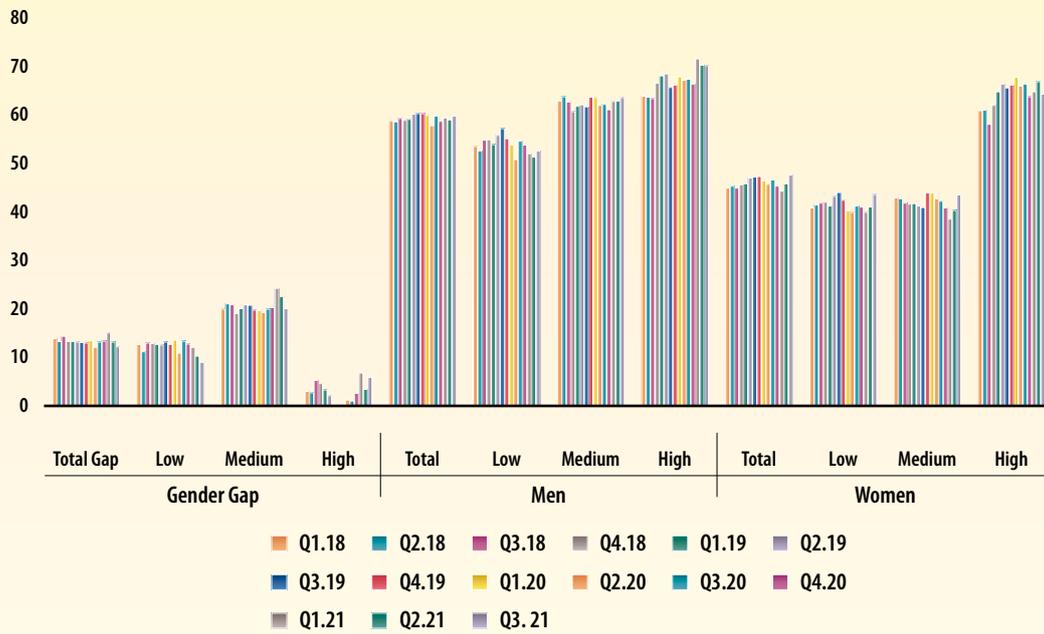
Source: INSTAT, 2021

**Table 8.** Quarterly employment of 20 – 64 years old by education and gender (2018-2021)

Education	Gender Gap				Men				Women			
	Total	Low	Medium	High	Total	Low	Medium	High	Total	Low	Medium	High
1Q18	16.9	18.2	21.4	9.6	74.1	77	71.5	74.4	57.2	58.8	50.1	64.8
2Q18	16.2	15.2	23.5	8.5	73.5	74.6	72.4	74	57.3	59.4	48.9	65.5
3Q18	17.3	16.1	23.7	11	74.4	75.9	73.6	73.3	57.1	59.8	49.9	62.3
4Q18	15.8	16.1	21.5	10	73.7	75.9	70.9	76	57.9	59.8	49.4	66
1Q19	15.9	15.8	22.7	9.3	74.1	75.4	71.7	77.7	58.2	59.6	49	68.4
2Q19	15.1	13.9	23.4	8.8	74.9	76.8	71.7	79	59.8	62.9	48.3	70.2
3Q19	14.3	14.7	21.9	6.3	74.6	77.2	72	75.7	60.3	62.5	50.1	69.4
4Q19	14.7	15.9	20.6	6.6	75.1	76.7	73	76.8	60.4	60.8	52.4	70.2
1Q20	15.2	16.5	21	7.3	74.7	75.2	72.7	78.5	59.5	58.7	51.7	71.2
2Q20	13.7	13.3	20.3	8.5	72.2	71.4	70.4	78.4	58.5	58.1	50.1	69.9
3Q20	15.4	16.4	22.2	7.3	74.9	75.3	73.5	77.4	59.5	58.9	51.3	70.1
4Q20	16.8	17.6	23.3	9.8	74.4	75.9	71.7	77.9	57.6	58.3	48.4	68.1
1Q21	18.6	17	27.2	12.6	74	72.2	72.5	81.7	55.4	55.2	45.3	69.1
2Q21	15.5	13	25.2	9	74	72	73.3	80.4	58.5	59	48.1	71.4

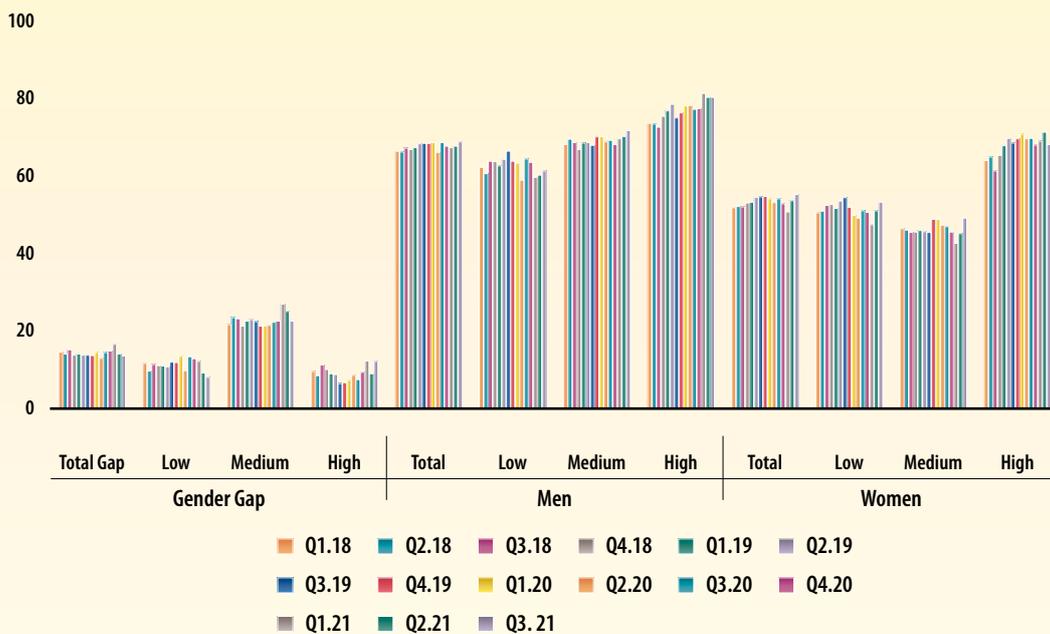
Source: INSTAT, 2021

**Figure 58.** Quarterly employment and gender gap for 15+ years old (2018-2021)



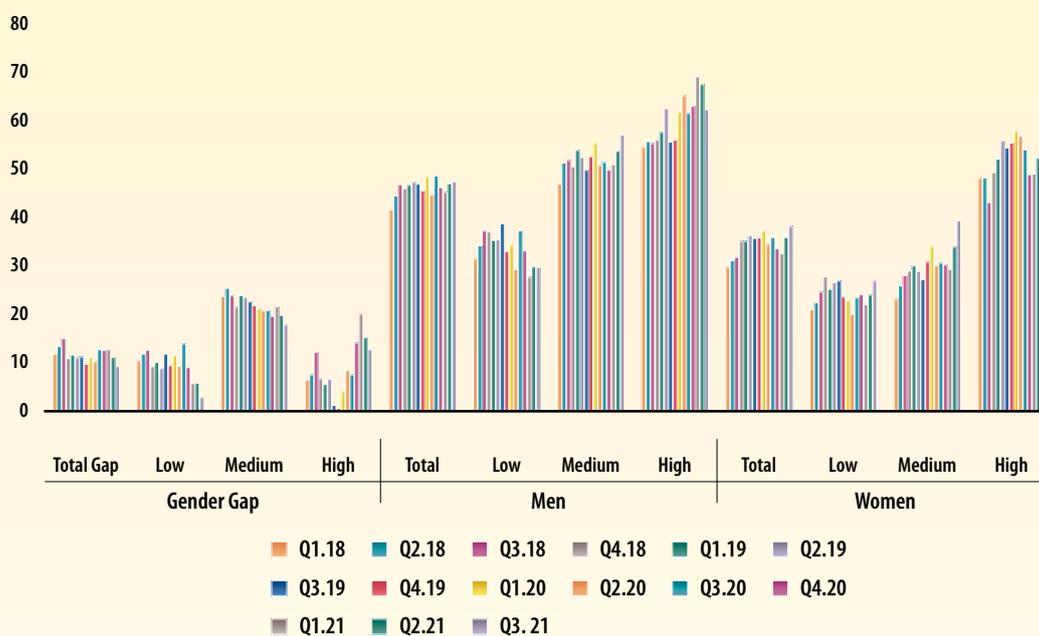
Source: INSTAT, 2021

**Figure 59.** Quarterly employment and gender gap for 15-64 years old (2018-2021)



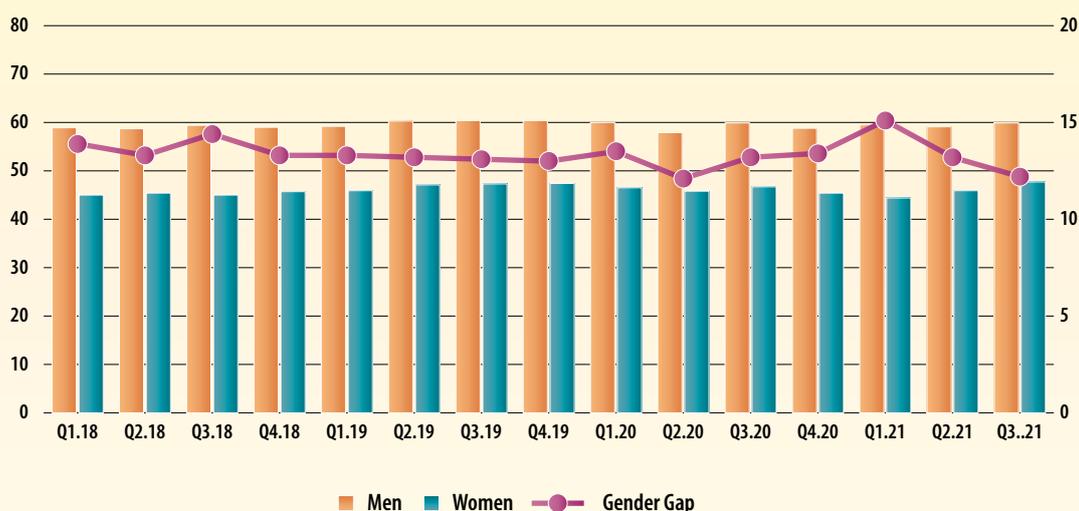
Source: INSTAT, 2021

**Figure 60.** Quarterly employment and gender gap for 15-29 years old (2018-2021)



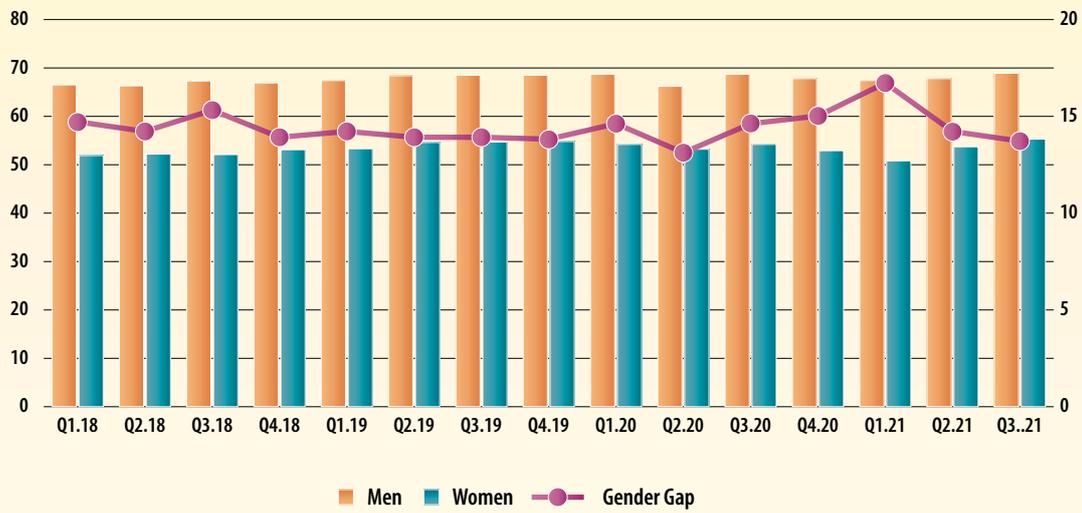
Source: INSTAT, 2021

**Figure 61.** Quarterly employment and gender gap for 15-64 years old (2018-2021)



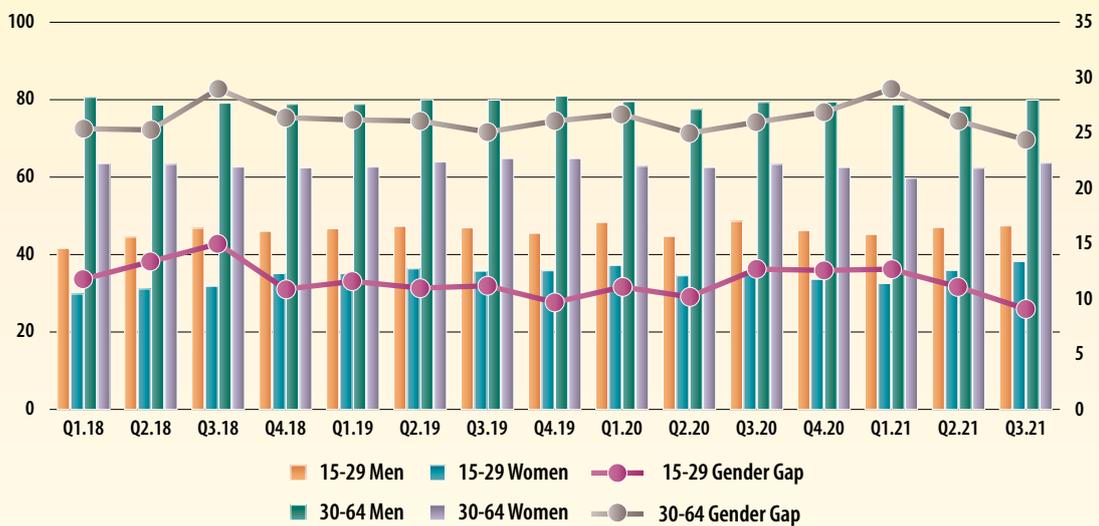
Source: INSTAT, 2021

**Figure 62.** Quarterly employment and gender gap for 15+ years (2018-2021)

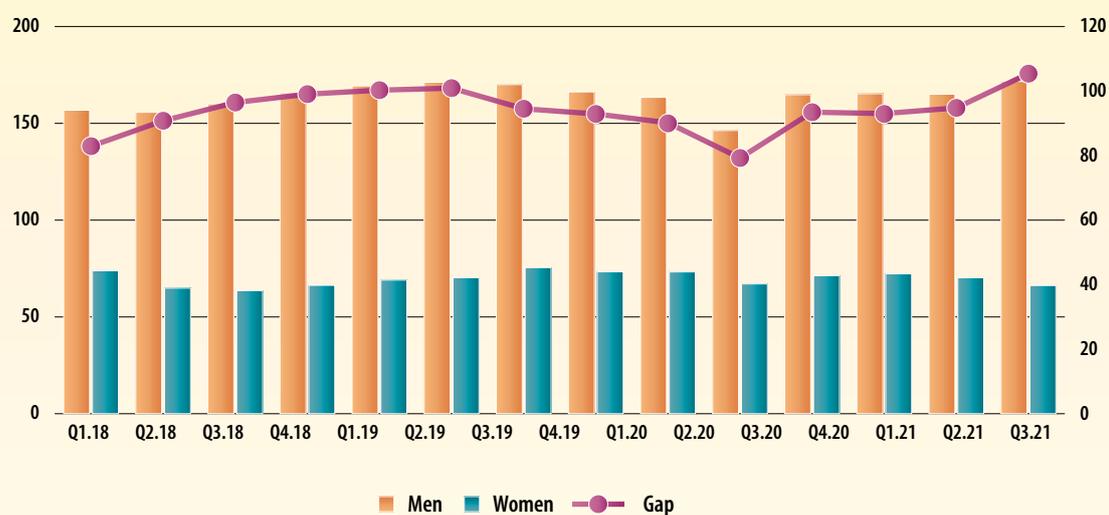


Source: INSTAT, 2021

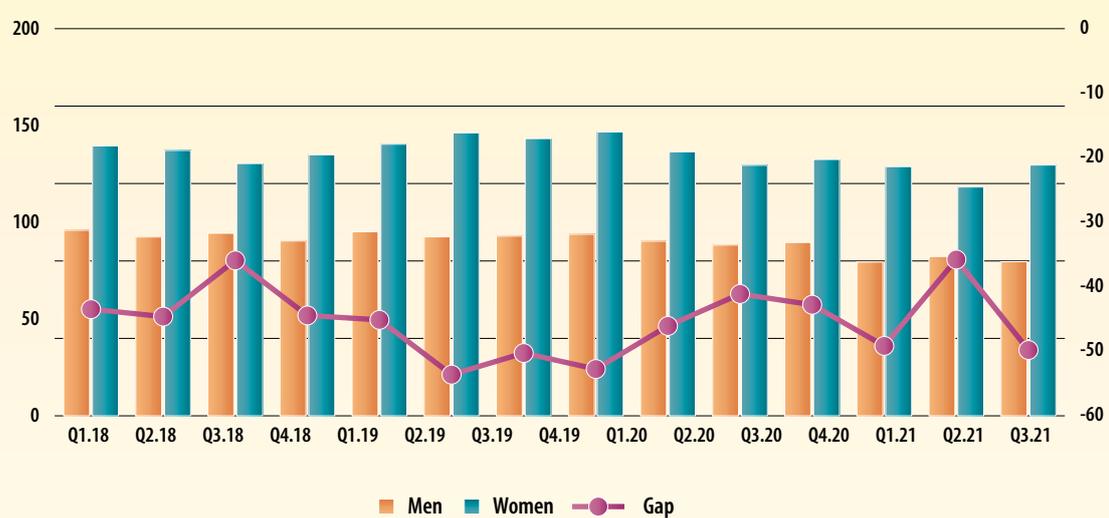
**Figure 63.** Quarterly employment and gender gap 15-29 and 30-64 years old (2018-2021)



Source: INSTAT, 2021

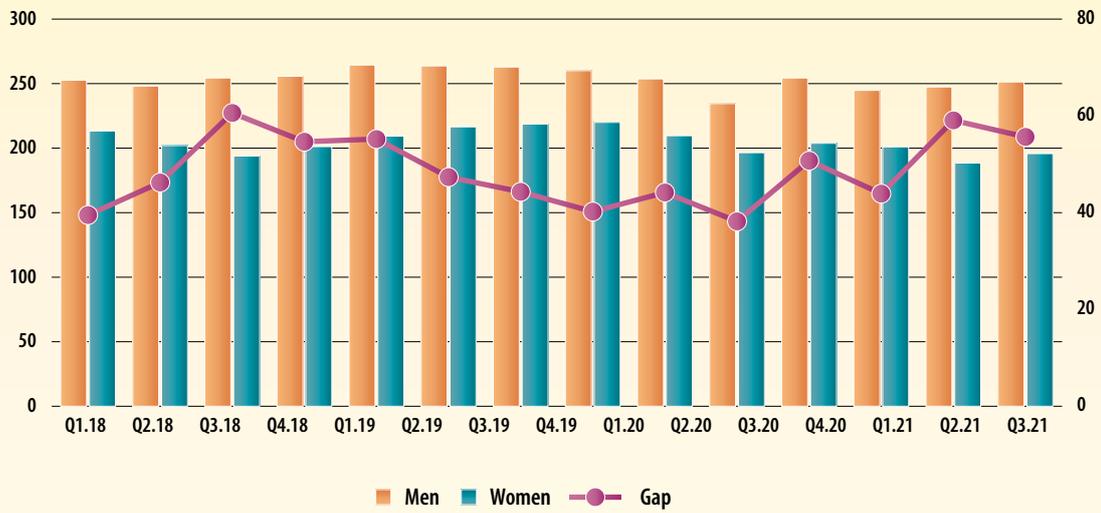
**Figure 64.** Informal Employment (Non-Agriculture) by gender +15 years old (000) (2018-2021)

Source: INSTAT, 2021

**Figure 65.** Informal employment (Agriculture - unpaid family workers) by gender 15+ years old (000) (2018-2021)

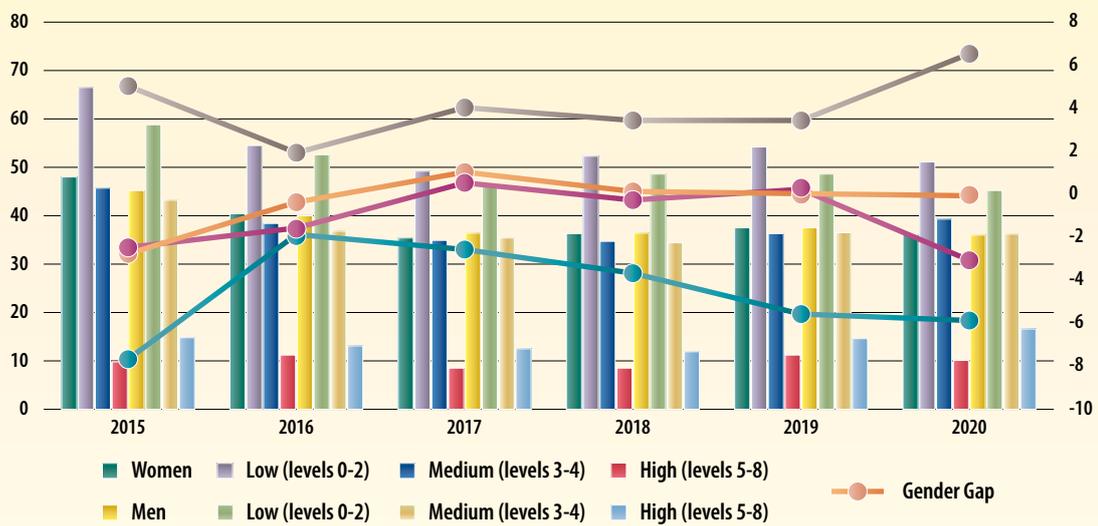
Source: INSTAT, 2021

**Figure 66.** Informal Employment by gender 15+ years old



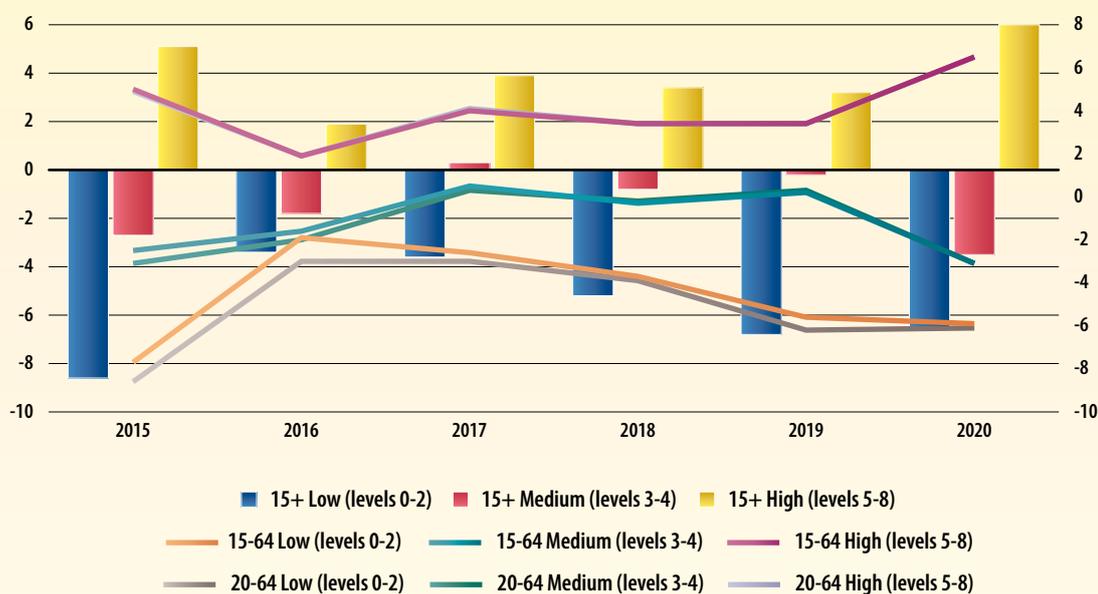
Source: INSTAT, 2021

**Figure 67.** Informality by education and age (15-64 years old) (2015-2020)



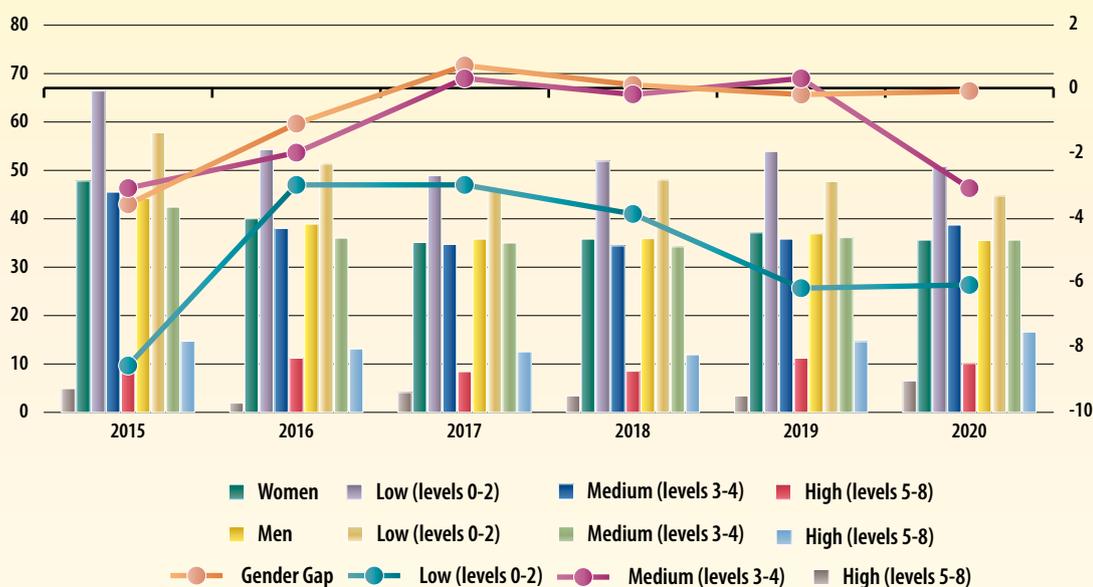
Source: INSTAT, 2021

**Figure 68.** Informal employment gender gap in education (15+; 15-64; 20-64) (2015-2020)



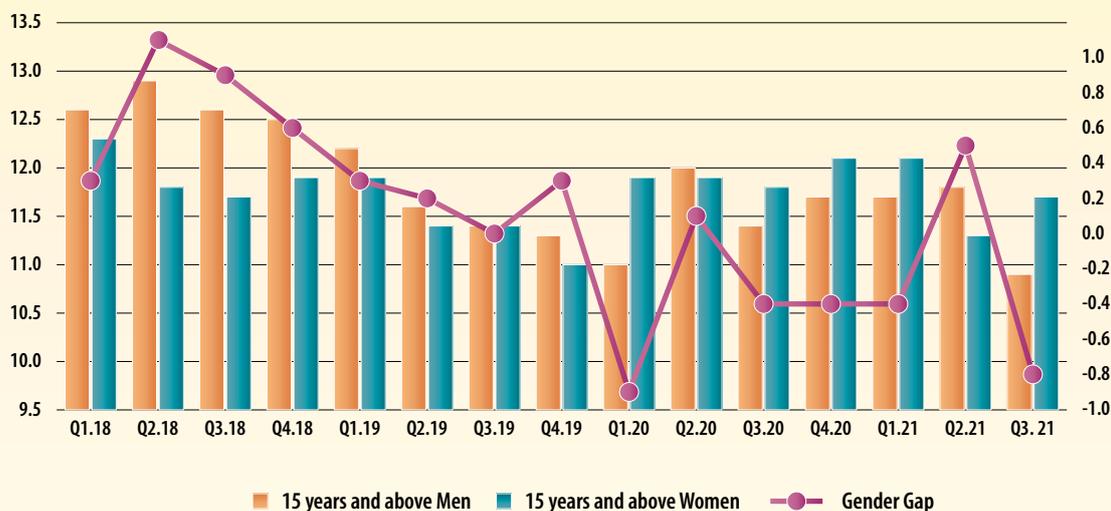
Source: INSTAT, 2021

**Figure 69.** Informality by education and age (20-64 years old) (2015-2020)



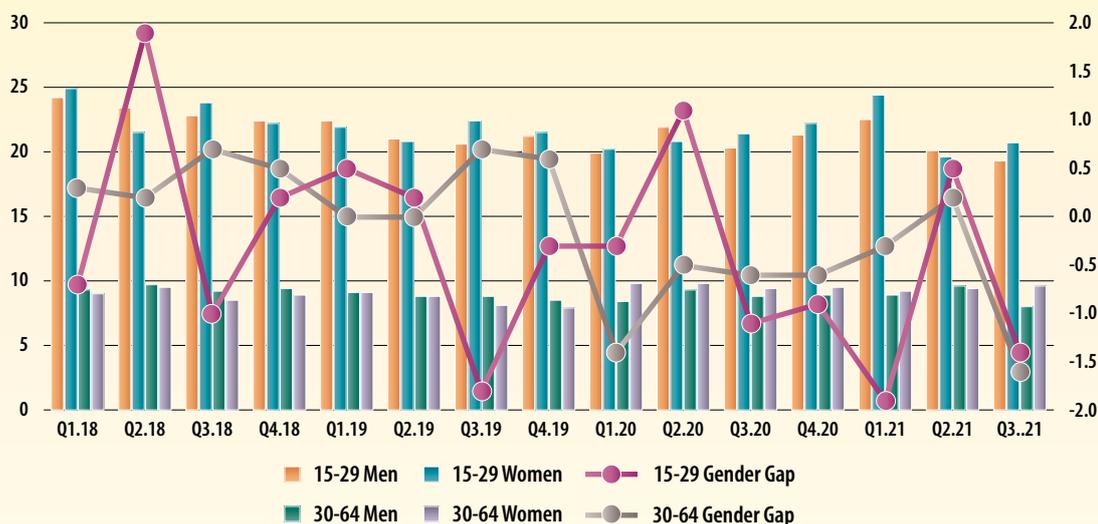
Source: INSTAT, 2021

**Figure 70.** Quarterly unemployment 15+ years old (2018-2021)



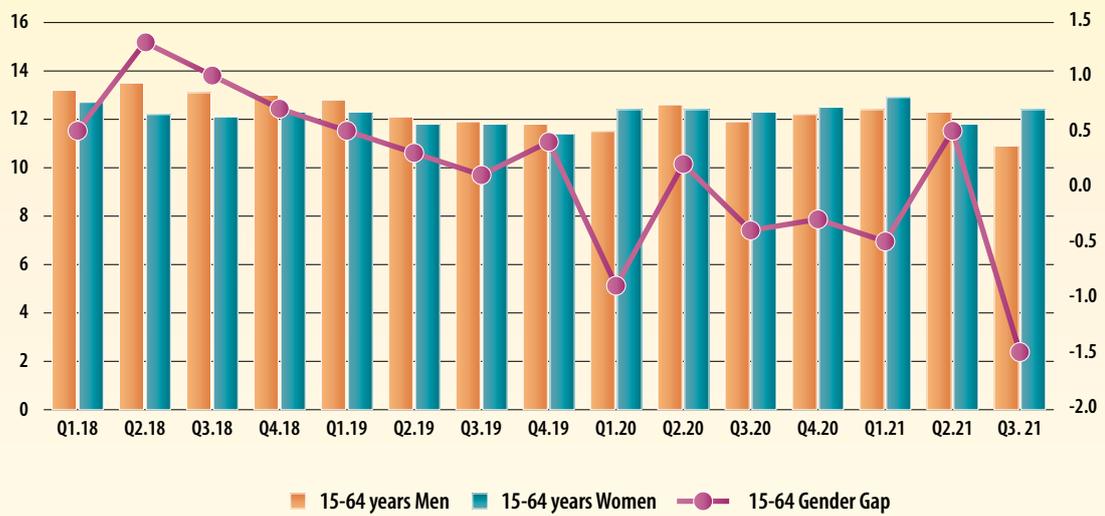
Source: INSTAT, 2021

**Figure 71.** Quarterly unemployment 15-29 and 30-64 years old (2018-2021)



Source: INSTAT, 2021

Table 9. Active enterprises by gender of owner/administrator and economic activity, in (%) 2016-2020

**Figure 72.** Quarterly unemployment 15-64 years old (2018-2021)

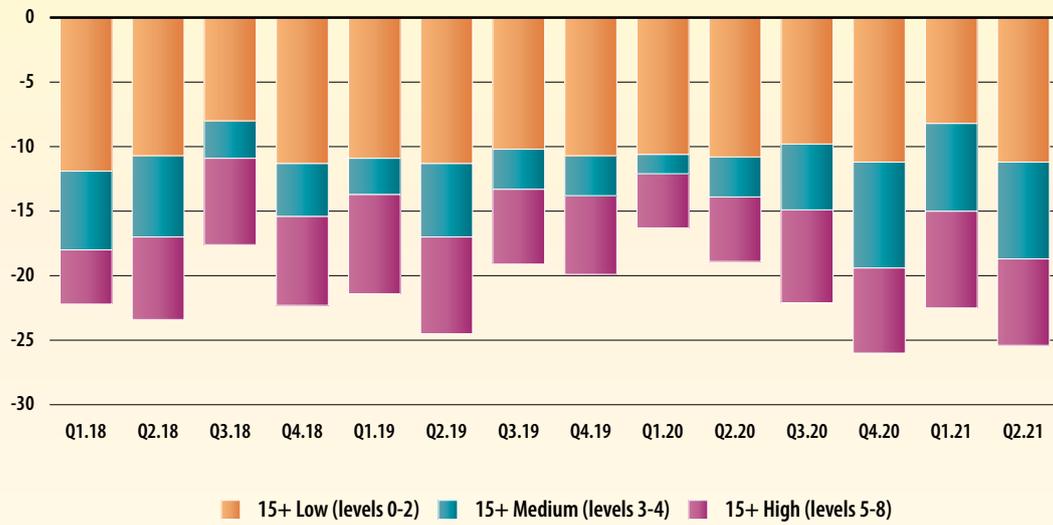
Source: INSTAT, 2021

**Figure 73.** Gross average monthly wage - gender/economic activity



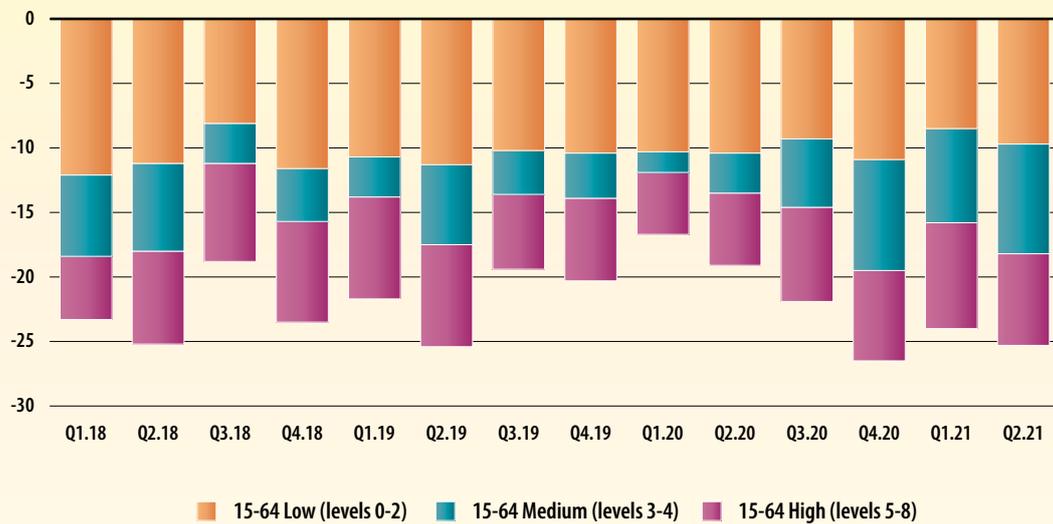
Source: INSTAT, 2021

**Figure 74.** Share of part-time employment 15+ years old



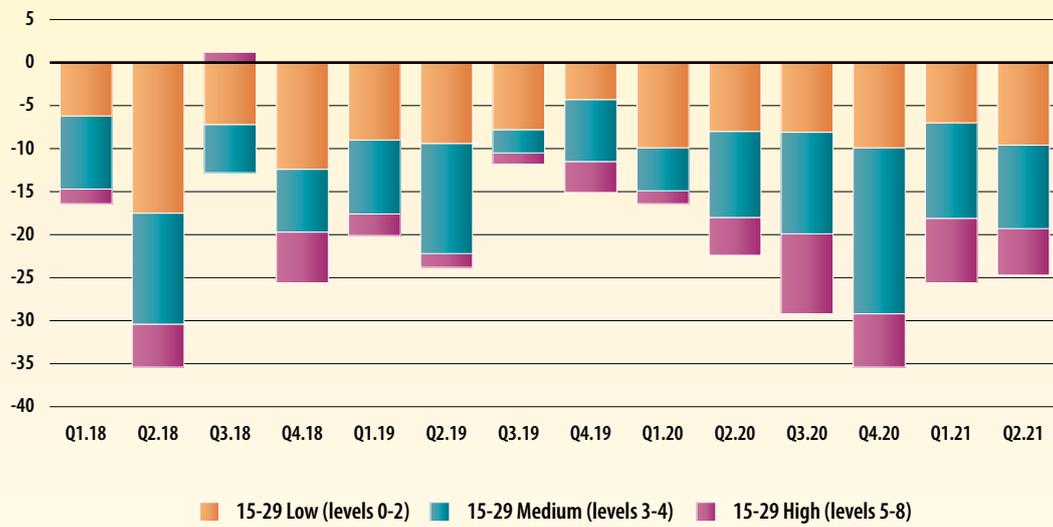
Source: INSTAT 2021

**Figure 75.** Share of part-time employment 15-64 years old



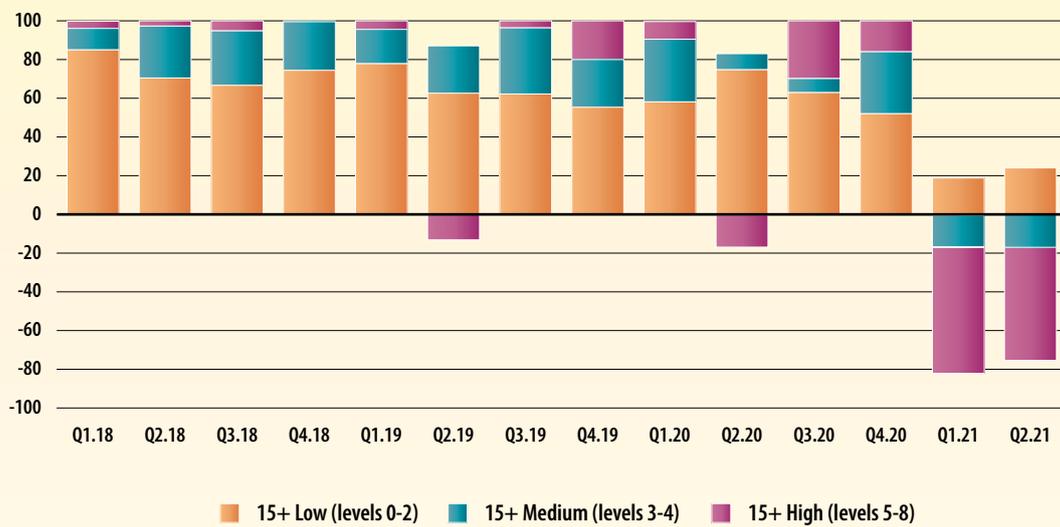
Source: INSTAT 2021

**Figure 76.** Share of part-time employment 15-29 years old

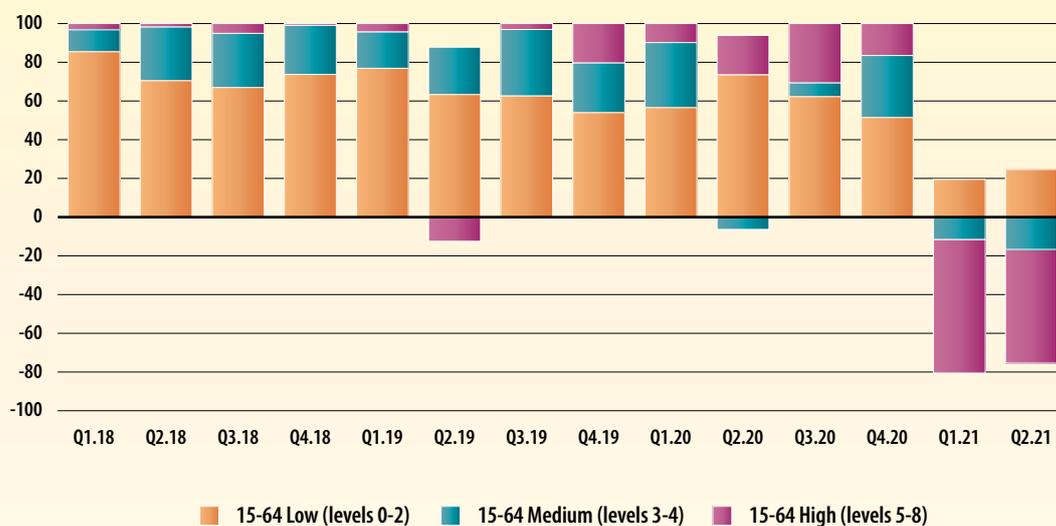


Source: INSTAT 2021

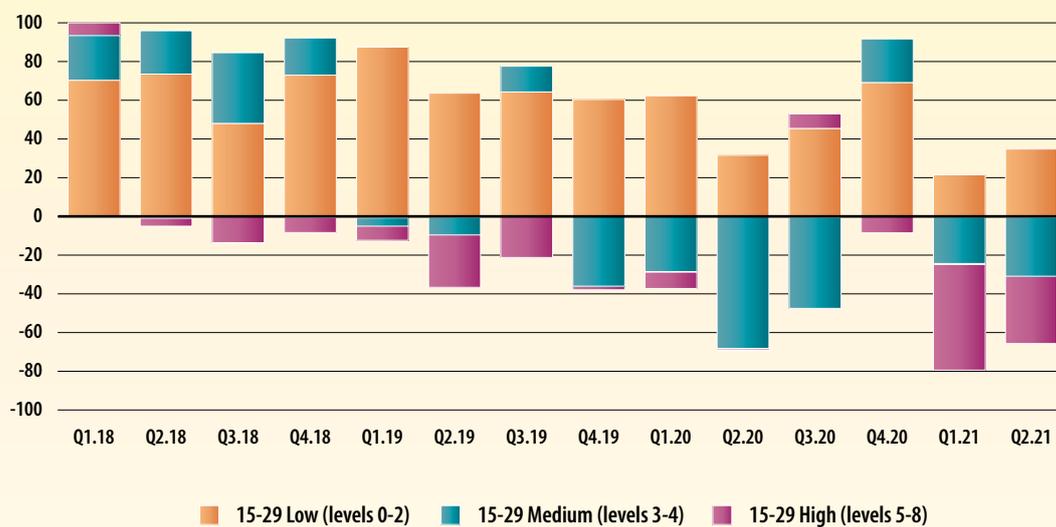
**Figure 77.** Share of temporary employment 15+ years old



Source: INSTAT 2021

**Figure 78.** Share of temporary employment 15-64 years old

Source: INSTAT 2021

**Figure 79.** Share of temporary employment 15-29 years old

Source: INSTAT 2021

Year	2016		2017		2018		2019		2020	
Gender	Men	Women								
Total	73.24%	26.76%	70.33%	29.67%	74.31%	25.69%	74.62%	25.38%	74.52%	25.48%
Producers of goods	88.26%	11.74%	83.89%	16.11%	88.23%	11.77%	88.10%	11.90%	87.36%	12.64%
Agriculture, forestry and fishing	91.30%	8.70%	86.14%	13.86%	89.91%	10.09%	89.42%	10.58%	88.58%	11.42%
Industry	78.51%	21.49%	75.22%	24.78%	80.35%	19.65%	80.83%	19.17%	79.43%	20.57%
Construction	90.64%	9.36%	86.36%	13.64%	90.37%	9.63%	90.16%	9.84%	90.16%	9.84%
Producers of services	66.72%	33.28%	63.72%	36.28%	66.84%	33.16%	66.70%	33.30%	66.28%	33.72%
Trade	63.50%	36.50%	60.81%	39.19%	64.57%	35.43%	65.21%	34.79%	64.99%	35.01%
Transport and storage	95.51%	4.49%	89.54%	10.46%	94.48%	5.52%	94.18%	5.82%	93.40%	6.60%
Accommodation and food service activities	71.35%	28.65%	68.72%	31.28%	71.74%	28.26%	71.19%	28.81%	70.99%	29.01%
Information and communication	77.47%	22.53%	74.14%	25.86%	77.27%	22.73%	75.85%	24.15%	75.10%	24.90%
Other Services	61.34%	38.66%	58.63%	41.37%	60.78%	39.22%	60.22%	39.78%	59.44%	40.56%

Source: INSTAT, 2021

Table 10. Active enterprises with women owners/managers by firm size (%) 2016-2020

	2016	2017	2018	2019	2020
Total	26.76%	29.67%	25.69%	25.38%	25.48%
1-4	27.42%	30.17%	26.21%	25.75%	25.76%
5-9	21.82%	25.98%	22.78%	23.63%	23.92%
10-49	19.16%	24.17%	19.94%	21.03%	22.04%
50+	19.23%	24.18%	19.62%	21.32%	22.84%

Source: INSTAT, 2021

## B. OTHER APPENDIXES

### I. List of stakeholders included in one-on-one interviews

No	Institution/Entity
1	Ministry of Finance and Economy, Representative
2	Ministry of Finance and Economy, Representative
3	Ministry of Health and Social Protection, Representative
4	National Agency for Skills and Employment, Representative
5	National Agency for Skills and Employment, Representative
6	Albanian Investment Development Agency, Representative
7	Expert
8	Expert
9	RISI Albania, Representative
10	ProSEED, Representative
11	Skills Development for Employment Programme, UNDP



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