

January 2013

**Annual Review
2012
on Labour Relations and Social Dialogue in South East Europe:**

Albania

By Nikoll Doçi*

Content

- **Summary**
- **Socio-economic developments**
- **Governmental policies and legislation**
- **Industrial relations**
- **Tripartite social dialogue**
- **Forecasts**

Annex - Information about:

- **Collective bargaining, social dialogue, social security, education & vocational training, employment, wages**
- **Trade unions and employer organizations**

* **Nikoll Doçi**, PhD, Faculty of Social Sciences, University of Tirana

© Friedrich-Ebert-Stiftung
Regional Project for Labour Relations and
Social Dialogue in South East Europe
Tadeusa Kosciuska 8/5
11000 Belgrade, Serbia

E-Mail: fes@fessoe.de
Internet: www.fessoe.de

The text is available online:
www.fessoe.de

The views expressed in this publication are
not necessarily those of the Friedrich-Ebert-
Stiftung or of the organization for which the
author works.

1. Summary

Albania achieved socio-economic progress in 2012. Its economy has grown even during this period, although the growth rate was lower in comparison to the previous years. The objectives of economic growth reached this year were not the ones envisaged, because 2012 turned out to be one of the most difficult years, as is the case with the other countries in the region. There has been an increase in wages and pensions as well.

Quick economic development and EU integrations are amongst the main priorities of the government programme. The main country policies in the last years led to a liberalized economic framework and improved conditions for business development and for attracting foreign investments. Albania is affected by the global economic crisis in many ways, such as: lowering of the GDP's economic growth, significant reduction of remittances, high inflation rate, more unfavourable loans, etc. However, compared to the other countries in the region, Albania has suffered less negative impacts of the crisis. Some of the factors that have so far prevented negative impacts of the crisis in Albania are: a consolidated banking system, growth of the export volume, growth of direct foreign investments, growth of the number of active businesses, facilitation of the business fiscal barriers, etc.

The National Labour Council, collective bargaining and other levels of social dialogue have improved. Unions have increased their activity in the protection of employees and in collective bargaining, but have not managed to overcome the rift between them. Membership in the private sector is small.

2. Socio-economic developments

Albania has marked an increase of its Gross Domestic Product from one year to the other. Hence, in 2010, growth was reported by 3.8 %, whereas in 2011 it reached only 3.1 %. For the nine months period of 2012 (January - September) 2012 the GDP rose by 1.5%. The GDP growth was positive even in fourth quarter of 2012 however, the final GDP growth rate for 2012 shall be clarified in 2013. In 2012, Albania received € 740 million in direct foreign investments, a bit less than in 2011. The balance sheet for the first half of 2012 ended up in general surplus of € 10.7 million. The budgetary situation for the period of January – July 2012 marked a general deficit of about Lek 21 billion; the overall incomes collected during the period of January – July 2012 reached about Lek 190 billion, or about 94.6 percent of the plan for that period; total expenditure during the same period reached nearly Lek 211 billion, or about 99.7 percent of planned expenditures for the same period. In the period of 2010-2012 imports and exports surged through a gradual growth. Imports are covered by exports in the amount of 37 %, while this index was 34.5% for the same period of 2011. 67.7 percent of foreign trade is with EU-countries. The main trading partners of Albania continue to be Italy and Greece. Trade with Italy makes up 42.1 percent of overall trade, while trade with Greece is estimated at 7.5 percent of overall trade realized by Albania.

Public debt in the fourth quarter of 2012 reached its highest limits of 59.8 percent of the general national production, only 0.2 per cent far from the current maximum legal threshold of 60%. The data show that figures are still growing. The debt structure has changed and external debt has increased, while the internal short-term debt has been reduced.

The programme for privatization of the major sectors includes most of assets of Albania's economy, in the sectors of oil and gas, hydro-energy system, telecommunication, transport infrastructure, mines, water resources and of water distribution sources, etc. The privatization process is still ongoing.

During the last years, the annual average inflation rate was within the limits accepted by the Bank of Albania, which is in the range of 2-4%. In August 2012 an increasing trend continued with 2.8%, but it always remained within the envisaged limits.

Average monthly salary of an employee has increased from one year to the other. For the private sector it was 45,766 in 2012. For the state sector it was Lek 48,800 in 2012. Minimum salary has increased by Lek 21,000 (150 €) in 2012 compared to Lek 18,000

in 2009. The average growth from 2009-2012 was approximately Lek 1,000 (8€) every year.

Employment rate has grown since 2009 onwards. Changes in employment are various in the private sector, while employment in the public sector is almost unchangeable. Unemployment in the last years decreased, to 13.3% in 2012. Unemployment is more predominant among women and it amounts to 14.6% than among man (12.1 %). The structure of those registered as unemployed is not favourable because of the fact that 63.6 % of them are long-term unemployed. There are no clear poverty limit data in Albania. About 9 percent of households at the country level get an economic assistance. The amount of full assistance, allocated from the state budget, is set according to the family structure. The full economic assistance, despite the number of household members and its composition cannot be higher than Lek 7,500 (55 €) per month for one household. According to the last observation of INSTAT's living standard, Albania has a Gini coefficient of 34.5 %.

3. Governmental policies and legislation

The country is led by the coalition composed of the Democratic Party (DP) with 68 MPs, the Socialist Movement for Integration (LSI) 4 MPs, the Party for Justice, Integrity and Unity (PDIU) 2 MPs, and the Republican Party (PR) 1 MP. The LSI belongs to the left wing spectrum, nonetheless is part of the government coalition. The right-wing coalition with LSI is in the last year of its second mandate, while the upcoming parliamentary elections are set for 23 June 2013. The Socialist Party has 65 MPs and is in opposition for the last 8 years together with other left-wing parties. Main reforms undertaken by the Government are mainly related to the legal, economic, health, education, social initiatives, seen as important in Albania's integration process towards the EU. Programs and fiscal policies of priority in the state budget are related to the support of business in the situation of crisis, the maintenance of a high public investment norm, in order to ensure a sustainable development, to improve public services, and to improve rural infrastructure.

Efforts have continued regarding approximation of Albania's legislation to the *acquis* of the EU. Work is done on amending and supplementing the Law "On Occupational Health and Safety" and the Law "On Inspections in the Republic of Albania", with several by-laws. There have also been positive developments related to the health care domain, including the health care and safety issues, elongating the list of reimbursed medicaments, extension of social groups to be covered by the health insurance scheme, including such as the retired, children, the disabled, veterans, potential victims of trafficking, etc.

During 2012 a lot had been done to amend the labour law. The most important amendments have to deal with issues of discrimination, written contracts, consultations with the employees, the risk assessment document, sexual harassments, exposure to noise, payment of working days during holidays, overtime, annual leave, treatment of breast-feeding mothers, pregnant women, representation of the employer organizations, strikes, social dialogue, days off, etc.

Although the GDP growth has been relatively high, there have been just few new jobs, especially in the private sector. The Government has taken measures to establish a positive climate for business development and promotion of investments, to raise competitiveness of the small and medium-sized enterprises at the regional and global market through development of information technology, reduction of administrative barriers and establishment of business facilities. There were 63 employment encouragement programmes that were applied in 2012 alone, that received state funding of about Lek

87,595,710 employing 901 employees, mainly young people. Employment of young people is still a challenge. According to the International Labour Organization (ILO) the young people between 15-29 make up for 21.6% of the unemployed.

In 2012 trade unions played a positive role regarding suspension of price increase in particular for energy, by closely cooperating with employers in order that the shortage of jobs due to the crisis is met with minimal consequences, employees benefited a better protection, especially for occupational health and safety in sectors of high risk, where numbers of accidents were higher, such as in mines, etc. Trade unions were part of working groups in charge of important amendments in legislation, especially in the working group dealing with amendments of the Labour Law. Both, the National Labour Council and the Ministry of Labour, Social Affairs and Equal Opportunities have taken account of the contribution made by trade unions.

4. Industrial relations

Albania applies three main levels of collective bargaining: collective bargaining between TU Federations and Ministries; collective bargaining between TU Federations and public institutions and with corporations or enterprises. The collective bargaining between trade union federations and ministries is mainly conducted between federations whose membership is involved with the public sector, or former state enterprises which are now privatized.

There are 83 trade unions established and operating in Albania. Some of them operate under the umbrella of the two confederations, whereas the rest operate independently. The two biggest and most influential confederations are: Trade Union Confederation of Albania (KSSH), and the Union of Independent Trade Unions of Albania (BSPSH), which are represented with 3 members in the National Labour Council. The two biggest confederations represent about 90 percent of the members of trade unions in Albania. KSSH and BSPSH are represented in 12 regions in Albania and are mainly operational in the sector of education and science, the administration staff, the retired, industry, agriculture, food industry, public health, transportation, oil, construction, textiles, craftsmanship, trade, metallurgy and chemistry, telecom, etc. A characteristic feature is that trade unions have grown in the public sector and in private enterprises (former state enterprises), whereas representation is lower in the pure private sector.

In 2012 there has been no change in the internal organization of trade unions. The federations that left KSSH (education, construction, health) have carried out their activity without cooperating with KSSH or with its federations. The 6th Congress of Independent Trade Union of Miners of Albania (which is a key federation of BSPSH with a rich activity since its foundation in 1991) held its proceedings on 7-8 September 2012. The Congress was attended by delegates from all mine regions, cement and heavy industry areas of Albania, delegations from sister trade unions, leaders of international trade unions, such as representatives of IndustriALL-Global Union.

In June 2012 the Ministry of Economy and Trade of Kosovo issued a decision on imposing a 35% tax for cement. Given that this decision had highly negative impact on the workers of cement factories in Albania, the Union of Independent Trade Unions of Albania (BSPSH) reacted immediately at the situation, protecting the interests of over 1000 employees of three cement factories, rejecting such decision and addressing the highest representatives of the Governments of Kosovo and Albania in order to abrogate such decision. Given that the decision was not abrogated in July 2012, BSPSH organized a big protest of workers of the cement factories and of different enterprises in Tirana and of trade-unionists from different regions of the country. More than 2000 citizens took part in the protest. There was high solidarity between the trade unions of Albania, Kosovo and of other trade unions from other countries. Following the protest,

dialogue and discussion between the parties started and an acceptable solution for the parties thereof was reached.

The Confederation of Trade Unions of Albania (KSSH) organized a big protest on 1 May 2012. KSSH has been holding manifestations and such protests for over a decade now. Main requests were related to employment, occupational safety, social justice, reforms in education, health, welfare, reforms in pensions, against aggravation of the economic situation, against political approach and obstacles of country's integration in the EU, against corruption, etc. The Trade Union Federation of Police Service of Albania (a KSSH member), composed of police officers, prison guards, staff of municipality, fire fighters and private police, has also been rather active in 2012. It has submitted the staff requests to the high ministry bodies, it raised the bar for collective bargaining and organized protests. The Trade Union Federation of Industry of Albania (FSPI), a member of KSSH, has organized several trade union activities in 2012. Amongst the most important are protests of trade unions of metallurgy for occupational health and safety, the protest of energy trade union, CEZ (the energy distribution operator), for dismissals, the protest of trade union of the chromium mines, work conditions, salary, etc. This federation has realized eight collective bargaining agreements belonging to the energy sector (public and private), metal mineral extraction and processing industry, oil and gas sector, the metal-mechanical light industry sector, the production and processing industry, information technology, etc.

Regarding employers, Albania has several employer organizations, such as the Council of Employers' Organizations of Albania (KOPSH), Albanian Confindustria, the Confederation of Employers' Organizations (KOP), the National Chamber of Fason¹ and Shoe Producers, the Albanian Agro-business Council, the Association of Constructors of Albania, the Union of Investors and of the Industrialists of Albania, which are the main legally recognized partners and which are also represented at the National Labour Council (KKP) being highly active while discussing various business-related issues at the Council and in other commissions. The employers' organizations are weaker from the organizational and territorial extension viewpoint than trade unions. Despite these weaknesses, they have managed to influence the National Labour Council in raising and finding a solution to some of their problems. Further efforts have been made during the last year by the employers' organizations and various business companies to join under an umbrella organization, "Business Albania", established in 2011 with the aim of boosting their role and influencing the social and economic life of the country.

5. Tripartite social dialogue

During 2012 the activity of the National Labour Council improved significantly. The Council convened regularly and dealt with problems of special interest, in particular for trade unions and employers and tried to find a solution to them. It is worth mentioning the treatment of social dialogue in the field of education in trade union councils in schools, which the Federation of Education Trade Unions sought to be discussed. Also, the Energy Regulatory Entity (ERE) informed the National Labour Council about contracts of CEZ with consumers and on preparations for opening procedures for the price of electricity. The representatives of BSPSH and of KSSH asked CEZ and the Government to take into account the tripartite pact and to apply the clause of the agreement referring to non-increase of the price of electricity. The Board of ERE Commissioners, taking into account the arguments of trade unions and the employers' organizations kept the current price of electricity. Other issues that needed consultation were the government employment policies as well as its measures to alleviate poverty and

¹ The term "fason industry" is used in Albania to refer to the inward processing industries of textile, garments and footwear manufacturing.

the economic/financial crisis. In this dialogue the trade unions asked the Ministry of Finance to reconsider the possibility of lifting income tax for salaries up to Lek 21,000, which is the minimum salary at the national level. During 2012 the Council also focused on the activities of the National Employment Service, of the State Labour Inspectorate and the State Social Service and approved their objectives for the future.

Institutionalization of cooperation at the grass-root and enterprise level, between legal representatives of trade unions, employers and state structures shall lead to improvement of social dialogue and protection of employees, not in conflicting situations, as frequently is the case in activities or confrontations of social partners at the grassroots level, or even as high as at the National Labour Council discussions. This is also one of the EU's requests for Albania's integration efforts.

6. Forecasts

The GDP is expected to grow even in 2013, but the negative impacts of the global economic crisis will probably continue to have negative influence, slowing the rates and trends of last years. Inflation is expected to grow, however it is expected to be at the level of 3-4% as forecasted by the Bank of Albania, although other sources speak of a higher figure. In addition, public investments are foreseen to reduce, in particular in local government units, debts are expected to increase at the level of 60% of the GDP. Unemployment is expected to remain at the same level. In 2013, as the Government promised, salaries and pensions are expected to grow. The average increase is expected to be 4-5%.

For 2013 other legal improvements are envisaged in order to ensure a better alignment with the acquis of the EU, especially in the area of legislation related to public administration, parliamentary elections and activities of the parliament, approval of amendments of the Labour Law in the Parliament, etc. Further developments are also expected in 2013 in social dialogue and relations between the employees and the employers in the private sector. Employers' organizations and trade union activities are expected to undergo positive developments as well.

Annex of data

- **Collective bargaining system**

Collective bargaining at the national level between a trade union and ministries is mainly reached with Education and Industry federations. Example of such bargaining is the one with the Ministry of Education and Science and Federations of Education of KSSH and BPSH. The collective bargaining of Industry Federations covers former state enterprises that are now privatized and are active in energy sector. The bargaining of Health Federation with the Public Health Directorate covers all the workers in the health sector. Branch- collective agreements mainly occur at the national level, or at the regional level, between the relevant branch trade unions and the employers. They cover minimum salary, remuneration in case of dismissal, overtime work, term of contract and the free activity of trade unions, and they are mostly dealing with general level, which involves all the relevant enterprises. Collective bargaining at the enterprise level make up for the biggest number of collective bargaining agreements and is the same as bargaining at the branch level, but suitable to a relevant enterprise. In this case the partners in negotiations are the employer and the enterprise trade-unions. They are more frequent in the garment sector, which is highly developed in Albania compared to other sectors. However, they are remarkably present even in the construction and other sectors. In some cases, collective bargaining is related to coopera-

tion of trade-union federations of the two biggest confederations in the country, such as KSSH and BSPSH, as is the case with the Federations of Education, industry trade unions, construction trade unions, etc.

- **System of tripartite social dialogue**

The highest cooperation body for social partners is the National Labour Council (KKP), which is composed of 27 members: 7 coming from the Government, 10 from trade union organizations, and 10 from employers' organizations. The National Labour Council was established in 1997 and its work has consolidated during the years. Indicators of trade union performance are the paying membership, collective bargaining, legal recognition, membership in Confederations in the country, membership in international bodies, etc. Representation in the National Labour Council and other bodies is arranged according to the same scheme. The two most powerful trade union organizations are: the BSPSH and the KSSH.

The National Labour Council shall be reformed in 2013 as its (three year) mandate shall come to an end. The appraisal indicators, sanctioned also in the Labour Law, improved in 2012. The new Council is expected to grant representation to the employers' and employees' organizations easier. Joint consultations of the employers' and employees' organizations at all levels are organized for setting specific indicators of their representation. Cooperation between different partners, but in particular cooperation and coordination among trade union confederations themselves, remains indispensable.

- **Social security systems**

Coverage of the labour force with insurance systems (social security, health insurance, pension, unemployment insurance) is relatively low. Out of 1,076,421 workers, 72% are insured. Employees in the public sector are provided calculated contributions from the state budget funds. Employees in the private sector (non-agricultural) who are registered pay the insurance. This does not cover those employees in the informal economy that do not pay insurance. Only 53% of employees in the Agricultural sector have paid insurance. According to the data of Social Security Institute the category of self insured covers 80,792 persons. They mainly belong to the short-term or long-term unemployed, who pay voluntary contributions to the insurance system.

The above data is not divided into separate categories for health, pension and unemployment. Those who pay contributions to social security pay for health insurance as well, and until recent years, with the onset of health care reform they are paid together.

Coverage of labour force by social insurance

(In number and percentage)

Name/sector	Labour force	Social insurances	
		Number	%
State sector	165,000	165,000	100
Private non-agricultural sector	261,000	261,000	100
Private agricultural sector	507,000	269,590	53
Unemployment	143,421	80,792	56
Total	1,076,421	776,382	72

*Source: Social Security Institute, The administrative data for 2012
Statistics from Social Insurance of 2011*

- **Education and vocational training**

Albania spends less on education in terms of its GDP share than the other countries in the region (3.5% of the GDP in 2009, 3.1 in 2010, 2.9 in 2011 and 2.8 in 2012) com-

pared to 4.6% which is the average share of GDP spent on education in Eastern Europe. Efforts are being made to enhance the quality of education in Albania in its endeavours to be integrated in the EU. High number of private higher education institutions, from the perspective of the number of population and their education quality, remains a serious concern. According to the data of the National Accreditation Agency, Albania has 53 non-public higher institutions or universities, of which only 14 are accredited, while 39 keep working without accreditation. Taking into account the high unemployment rate of young people, especially of the ones that have a degree in high education, and the labour market demands, which is mainly interested in technicians and specialists, vocational education is proclaimed as one of the priorities of the Government in the field of education. Actions have been taken that have an impact on qualitative improvements of vocational education and training related to structure, content, and approach in line with the needs of labour market. Vocational education is still facing a number of difficulties related to students', parents' and the labour market' perception of this type of education the low number of students enrolled for this type of education, the lack of qualitative experts in such schools, a weak commitment of social partners, etc.

According to data of the Vocational Education and Training Agency, students of the vocational schools make up for about 20% of students enrolled in the high education. There are 40 such schools, located mainly in cities, and only 3 of them focusing on agriculture and agro-business are located in rural areas.

- **Employment rate**

(In thousands)

Working force balance	2009	2010	2011	2012
Working force – total	1,041	1,059	1,070	1,076
Men	619	623	560	590
Women	422	436	509	486
Employed – total	899	916	928	933
a) state sector	166	166	165	165
b) private non-agricultural sector	237	244	256	261
c) private agricultural sector	506	507	507	507
Men	549	553	492	495
Women	350	363	436	438

– Note: annual average

Source: INSTAT, Statistical bulletin 2012

- **Unemployment rate**

(In thousands and %)

Name	2009	2010	2011	2012
Registered unemployed (number)	142,012	143,876	142,484	143,421
Unemployed getting an unemployment payment	9,010	9,265	8,537	9,569
Long-term unemployed	93,369	89,269	88,768	91,226
Registered unemployed (in %)	13.6	13.5	13.3	13.3
- Men	11.5	11.2	12.4	12.1
- Women	16.7	16.7	14.3	14.6
Unemployed getting an unemployment payment	6.3	6.4	5.9	6.6
Long-term unemployed ²	65.7	62.5	62.3	63.6

– Note: Annual average; Source: INSTAT, Statistical bulletin 2012, Ministry of Labour, Social Affairs and Equal Opportunities

² The long-term unemployed are the ones registered as unemployed for more than one year; Percentage of the long-term unemployed versus registered unemployed.

- **Average monthly salaries**

(in €)

Salary according to sectors	2009	2010	2011	2012
<i>Industry</i>	237	283	316	357
<i>Construction</i>	235	270	306	342
<i>Transport and telecommunication</i>	250	286	315	352
<i>Trade</i>	237	267	297	321
<i>Services</i>	217	236	255	273
<i>Total (average)</i>	235	268	298	330

– Source: Enterprise Structural Survey 2000- 2010
Administrative data 2011-2012

- **Gender pay gap**

In the labour market women do not get same salaries and opportunities as men do. Only 20% of women in the public administration hold leading positions. The salary system is built in such a way that the higher someone's job is in the hierarchy, the higher his/her salary is, therefore, given that women have few leading positions, they get lower salaries. In general, salaries of women are 25 % lower than salaries of men. Data from the State Labour Inspectorate collected in the inspections carried out in 2012 in the private sector indicate that payment of contributions is calculated over the minimum salary for 58% of the women employees, whereas for men 54 % of men have contributions calculated over the minimum salary. Women are paid less than men. Causes of this differentiation in salary and employment between men and women are various. There is a high unemployment rate among women. INSTAT data on employment of women in the age group of 15-64 show that only 15 percent of unemployed women seek for a job, whereas 85% of them are inactive. Many factors have an impact on such situation, including lack of facilities of care for their children, insufficient resources and the limited opportunities in the labour market. Encouragement of a wide range in the labour market in Albania would provide women with a greater control of their personal and social life and would increase participation in the labour market, their impact on decision-making and increase of incomes.

- **Monthly minimum wage**

Average monthly salary in the state sector, the minimum official salary, the monthly unemployment salary, the full economic assistance for households

(in €)

Monthly incomes	2009	2010	2011	2012
Minimum official wage	130	137	144	151
Monthly unemployment wage	46	48	50	50
Full economic assistance for households	28	29	30	32
Average monthly wage	295	314	336	351

Source: INSTAT, Statistical Bulletin 2012. Administrative data.

- **Actual weekly working hours**

The daily and weekly working hours are sanctioned by law. According to Article 78 of the Labour Law duration of the normal work time is not more than eight hours per day. Article 83 provides that the duration of the normal weekly work hours is not more than forty hours per week, as set in a Decision of the Council of Ministers and by the collective bargaining. Data from the State Labour Inspectorate from inspection carried out during 2012 in the private sector show that for 87.5% of the total number of employees, the duration of the normal working day is eight hours, for 7.2% of the total number of employees the daily working time goes beyond 8 hours. For 81.3% of the total of em-

ployees, the weekly working time is over 40 hours, for 15.8% the weekly working time is 40-48 hours, whereas for 0.14% of the total number of employees, the weekly working time is 48-50 hours, for 0.2% of the total of employees the weekly working time is over 50 hours.

- **Normal work /atypical work**

Official data of the State Labour Inspectorate (SLI), emerging from the controls conducted in 2012 in the private sector, show that 241 inspected private entities have 790 atypical employees. Data for this category of employees are limited, but this type of employment is particularly frequent in the private sector, especially in the service sector, as house helpers, for child care, as cleaning personnel, etc. These are mainly women's jobs used for long-term periods or as part-time jobs. Instead, men work in different sectors, such as in the construction sector. My opinion is that atypical work makes up for 15 percent of the overall employment, while the number of women employed in atypical work is double compared to the number of men.

Number of employers and atypical work, inspections of SLI

(in number and percentage)

Work force balance	Normal work	Inspections (SLI)		
		No. Subjects	Atypical work	%
State sector	165,000	117		
Private non-agricultural sector	261,000	15,961	241	1.5
Total	426,000	16,078	241	1.5

Source: INSTAT, *Statistical bulletin 2012*

State Labour Inspectorate (SLI), statistics data 2012

- **Migration³**

In 2012 it is estimated that there are about 1.4 million Albanian migrants, or 30% of country's population. Main countries of destination are: Greece 700,000, Italy 500,000, the USA 100,000, the United Kingdom 50,000, Germany 15,000, Canada 10,000, Belgium 5,000, Turkey 5,000, Austria 2,000, France 2,000, Switzerland 1,500, The Netherlands 1,000, etc. Given that migration was chaotic, clandestine and unregistered, figures on this phenomenon are not very accurate. Regarding the migration causes, most of migrants have migrated because of poverty or unemployment (75 %), whereas the other part (25 %) have migrated due to social, cultural, life security issues (blood feud is a special concept in Albania), etc. According to the recent publications of the Bank of Albania in 2012 the Albanian migrants have remitted less money in their country than in 2011.

Migrants' remittances in 2012 were lower than in 2011. That said, reduction of remittances is still not considerable. We also have to bear in mind that the neighbouring country of Greece, where most of migrants reside, is suffering a harsh economic crisis and most of Albanian migrants are getting back home. Also, Italy is not in a positive economic situation either. In such circumstances, one can easily come to the conclusion that the current remittance indicator is just a reflection of the consequences of the global economic crisis. Such ratio is also reflected in the portion of remittances in the country's GDP. Therefore, in 2011 remittances made up for 7.4% of the GDP, whereas in 2012 remittances have lowered by 7.2% of the GDP. In conclusion, it can be said that migrant remittances are reducing, although not considerably, as initially thought, because of the global financial crisis.

³ According to the Civil Registry Office, Albania has 4.2 million inhabitants whereas according to the latest census, the outcomes of which were published in 2012, Albania has a population of 2.8 million inhabitants. The difference of 1.4 million inhabitants represents the number of Albanian people migrating.

- **HDI**

	2009	2010	2011	2012
Human Development Index (HDI)	0.734	0.737	0.739	0.741

Source: <http://hdr.undp.org>

- **Gini-coefficient**

Albania has a Gini-coefficient of 34.5 %. These data for Albania refer to disparity of consumption, which has got a tendency of having a fairer distribution than incomes.

- **Collective agreement coverage**

Pursuant to official administrative data of the Ministry of Labour, Social Affairs and Equal Opportunities, there are currently 8 collective bargaining agreements between the Federations and the respective ministries, which cover over 74,356 employees; 11 collective bargaining agreements between Federations and public institutions that cover 62,295 employees; 10 collective bargaining agreements with big corporations covering about 10,000 employees as well as 463 collective bargaining agreements at the enterprise level in both sectors.

Collective agreement coverage according to sectors

(In numbers and %)

	Employees 2012	Collective agreement coverage		
		Contracts	Employees	%
State sector	165,000	19	11,5500	70
Private non-agricultural sector	261,000	463	65,250	25
Private agricultural sector	507,000	10	10,000	2
Total	933,000	492	190,750	20

Source: INSTAT, *Statistical bulletin 2012*

MLSAEO, Administrative data. Trade Union

In the state/public sector, about 70% of the employees are covered by collective bargaining, most belonging to education and health sector. In the non-agricultural private sector, which employed 262,000 employees in 2012, according to the data of the above-given table, only 25% are covered by collective bargaining. In the agricultural private sector, which, according to the data in 2012 employed a total of 507,000 persons, the number of agreements is very small.

According to the ILO Office for Albania, the summary index of the employment protective legislation⁴ (LPM) including contracts (regular contracts, temporary contracts, collective dismissals) for Albania is 2.1, Serbia 2.2, Montenegro 2.2, Bosnia and Herzegovina 2.6, Italy 2.6, Croatia 2.7, Greece 3, Former Yugoslav Republic of Macedonia 3.1.

- **Ongoing important collective bargaining agreements**

Implementation of agreements signed in previous years with partners, namely employers and employees in public and private sectors, continued in 2012. In addition, there are also positive developments regarding the new collective bargaining agreement in construction, health, education, industry and other domains. There is an increase of collective bargaining at the enterprise level compared to 2011. This means that there

⁴ The LEP index measures the level of seriousness of the legislation for protecting employment. The index goes from 0 (very liberal) to 6 (very coercive).

have been more agreements, leading to increase of the coverage of employees with collective bargaining agreements for about 5-10% more than in 2011.

The Trade Union Federation of the Industry Employees of Albania, a KSSH member, in 2012 reached 8 collective bargaining agreements belonging to energy (public and private), metal mineral extraction and processing industry, oil and gas sector, light metal-mechanical industry sector, production and processing industry, information technology, etc. The Independent Trade Union of Construction and Public Works Employees of Albania (BSPSH) has reached several agreements with entities in the construction sector, in public works, cleaning and maintenance sectors, etc. The Trade Union Federation of the Construction, Paper, Wood and Public Infrastructure Employees of Albania (FSNLDIP) has continued its work on signing 1st level act agreements, collective bargaining in enterprises and private entities dealing with construction, service and public infrastructure sectors. It has signed an act-agreement with the Association of Public Services of Albania, a BSPSH member, and has continued with signing contracts with some representatives of fason industries. The Trade Unions Federation of Education, Training and Science Employees of Albania (a KSSH member) has continued its extension to the private sector, signed contracts with some pre-university education institutions (public and private), with some compulsory 9-year education (public and private), with high general and vocational education, and with some higher education institutions. Despite improvements and growing of number of contracts, increase of the number of employees covered by contracts, trade union fragmentation and in particular the existence of several trade unions and federations for one profession, frequently even in one district or enterprise remains problematic.

- **Trade union density**

The analysis on the labour market and the membership in trade unions in Albania shows that out of 165,000 employed in the state sector, according to the trade union data about 100,000 are trade union members. Half of them belong to the education and health sector.

Table of the number of the employed and of the membership in trade unions

(in number and %)

Name	Employed	Supporters	%	Quota	%
State sector	165,000	100,000	60	30,000	18
Non-agricultural private sector	262,000	90,000	34	25,000	10
Private agricultural sector	507,000	10,000	2	5,000	1
Total:	933,000	200,000	21	60,000	6

Source: INSTAT. Trade unions; data processing by author.

Out of 262,000 people employed in non-agricultural sector, about 90,000 are members of trade unions (according to unions' data, including the supporters), or about 34%. Often, trade unions report their membership based on their supporters (virtual members), and not on paying members. The number of the employees from the private sector who are members of trade unions is very low (only 6%). This also remains the main challenge for the future of trade unions of Albania.

- **Employers' organizations density**

Albania has a total of more than 106,503 active enterprises (out of which 96,429 or 90.5% employ 1-4 people, 4,952 or 4.6% employ 5-9 people, 4,164 or 3.9% employ 10-49 people, and 958 or 0.8% employ over 50 people). The enterprises are small, and when it comes to numbers, most of them are not a member of employers' organizations, but when it comes to their relevance in the national incomes or their size, most of

businesses are members of “Business Albania⁵”, or of other employers’ organizations. The employers’ organizations are getting consolidated. In 2011-2012 there were about 30 employers’ organizations. The majority of them, over 25 employers’ organizations and associations have joined thus forming a bigger organization of the employers in Albania, called “Business Albania”.

- **Workplace representation**

Workers’ representation at the work place is done by trade unions, although the legislation allows for selected representatives of the employees if there are no members of organized trade unions. The trade union representatives at the work place play an important role in the negotiations and in collective bargaining with the employees. Trade union organizations at the work place are the main representative bodies for representing employees. There are not yet other bodies representing the employees, except for the procedure in implementation of Law No.10237, of 18.02.2010 “On Occupational Health and Safety”, allowing for establishment of the Occupational Health and Safety Councils with representatives of employees. The Decision of the Council of Ministers No. 108 of 9.2.2011 on the skills needed from the employees dealing with occupational health and safety is under implementation.

- **Trade unions**

In 2012 trade unions of Albania have undergone no significant change. 83 trade unions are recognized in Albania. Most of them (over 90%) are part of confederations, whereas the remaining part, although high in number, represent less than 10% of the trade union membership in Albania.

- **National Trade Union Confederations**

Table of membership in the Confederation of trade unions⁶

No.	National trade-union confederation	In number	
		Individual membership	International membership
1	Confederation of Trade Unions of Albania <i>Konfederata e Sindikatave të Shqipërisë</i>	105,000	ITUC
2	Union of Independent Trade Unions of Albania <i>Bashkimi i Sindikatave të Pavarura të Shqipërisë</i>	85,000	ITUC
3	Union of Trade Unions of Albania* <i>Bashkimi i Sindikatave të Shqipërisë</i>	-	-
4	Union of Independent Trade Unions* <i>Unioni i Sindikatave të Pavarura</i>	-	-
5	Union of Autonomous Trade Unions* <i>Bashkimi i Sindikatave Autonome</i>	-	-
6	The Confederation of Employees of Albania <i>Konfederata e Punonjesve të Shqipërisë</i>	-	-

Source: ITUC. Report for the WTO General Council Review of the Trade Policies of Albania; www.bsps.org.al, www.kssh.org.al

⁵ Established in 2011 due to a need to represent the interests of employee organizations, to build their capacities and to promote socio-economic policies, and to support and develop free entrepreneurship and the labor market.

⁶ Membership and activity of trade unions called confederations: Union of Trade Unions of Albania, Union of Independent Trade Unions, and Union of Autonomous Trade Union are low; there is no official data about them.

The Trade Union Confederation of Albania and the Union of Trade Unions of Albania represent over 90 % of the overall number of the trade union membership in Albania. BSPSH has 85,000 members, whereas KSSH has 105,000 members.

o **Trade Union Federations by branches**

No	Trade Union Federation	Individual membership	National membership	s/national membership
1	The Trade Union Federation of Education, Training and Science <i>Federata e Sindikatave të Punonjësve të Arsimit, Edukimit dhe Shkencës</i>	EI	KSSH	8,500
2	The Trade Union Federation of Industry Employees of Albania <i>Federata e Sindikatave të Punonjësve të Industrisë së Shqipërisë</i>	Industri-ALL-Global Union PSI/EPSU	KSSH	8,000
3	The Trade Union Federation of Civil Service and State Administration Employees <i>Federata e Punonjësve të Shërbimit Civil dhe të Administratës Shtetërore</i>	PSI/EPSU	KSSH	3,000
4	The Trade Union Federation of Health of Albania <i>Federata e Sindikatave të Shëndetësisë të Shqipërisë</i>	PSI/EPSU	KSSH	6,300
5	The Trade Union Federation of Transport and Telecommunication of Albania <i>Federata e Sindikatave të Punonjësve të Transportit dhe Telekomunikacionit</i>	ITF/ETF	KSSH	2,500
6	The Trade Union Federation of Construction, Wood and Public Infrastructure of Albania <i>Federata e Sindikatave të Punonjësve të Ndërtimit, Drurit dhe Infrastrukturës publike</i>	BWI PSI Industri-ALL-Global Union	KSSH	8,000
7	The Trade Union Federation of Textile, Fason and Craftsmanship <i>Federata e Sindikatave të Punonjësve të Tekstilit, Konfeksioneve dhe Shërbimeve Artizanale</i>	Industri-ALL-Global Union	KSSH	8,000
8	The Trade Union Federation of Employees in Agriculture, Forestry and Environment <i>Federata e Sindikatave të Punonjësve të Bujqësisë, Ushqimit, Pylltarisë dhe Ambjentit</i>	EFFAT IUL	KSSH	2,500
9	The Trade Union Federation of Police Service <i>Federata e Sindikatave të Shërbimit Policor</i>		KSSH	1,500
10	The Trade Union Federation of the Retired and Unemployed <i>Federata e Sindikatave të Pensionistëve dhe të Papunëve</i>	PSI	KSSH	5,000
11	The Trade Union Federation of Financial, and Trade sector, Banking and Tourism		KSSH	

	<i>Federata e Sindikatave të Shërbimeve Financiare, Tregtare, Bankare e Turizmit</i>			
12	The Trade Union Federation of Press, Media, Culture and Sports Employees <i>Federata e Sindikatave të Punonjësve të Shtypit, Medias, Kulturës dhe Sportit</i>		KSSH	
13	The Independent Trade Union of Education of Albania <i>Sindikata e Pavarur e Arsimit të Shqipërisë</i>	EI	BSPSH	8,500
14	The Independent Trade Union of Miners of Albania <i>Sindikata e Pavarur e Minatorëve të Shqipërisë</i>		BSPSH	8,000
15	The Independent Trade Union of Health of Albania <i>Sindikata e Pavarur e Shëndetësisë Shqiptare</i>		BSPSH	6,500
16	The Independent Trade Union of Telecom of Albania <i>Sindikata e Pavarur e Telekomit të Shqipërisë</i>		BSPSH	
17	The Independent Trade Union of Topography of Albania <i>Sindikata e Pavarur e Tipografëve të Shqipërisë</i>		BSPSH	
18	The Independent Trade Union of Civil Defence and Order Employees of Albania <i>Sindikata e Pavarur e Punonjësve Civilë të Mbrojtjes dhe Rendit</i>	PSI EPSU	BSPSH	3,500
19	The Independent Trade Union of Light and Textile Industry <i>Sindikata e Pavarur e Industrisë së Lehte dhe Tekstile</i>	Industri- ALL-Global Union	BSPSH	8,000
20	The Independent Trade Union of Artists of Albania <i>Sindikata e Pavarur e Artistëve të Shqipërisë</i>		BSPSH	
21	The Independent Trade Union of Energy of Albania <i>Sindikata e Pavarur e Energjetikës së Shqipërisë</i>	PSI Industri- ALL-Global Union	BSPSH	4,000
22	The Independent Trade Union of the Retired of Albania <i>Sindikata e Pavarur e Pensionistëve të Shqipërisë</i>	PSI	BSPSH	5,500
23	The Independent Trade Union of Construction and Public Works Employees of Albania <i>Sindikata e Pavarur e Punonjësve të Ndërtimit, Punëve Publike të Shqipërisë</i>		BSPSH	8,000
24	The Trade Union Federation of Trade sector, Banks and Services <i>Federata Sindikale e Tregtisë, Bankave dhe Shërbimeve</i>		FSTBSH	3,000

25	The Trade Union of Oil Industry Workers <i>Sindikata e Punonjësve të Naftës</i>		SPNSH	
----	--	--	-------	--

Source: The organization department, KSSH; www.bspsb.org.al

According to the publication “The Trade Union Movement in Albania” and to the administrative data, the Union of Independent Trade Unions of Albania (BSPSH) is composed of 22 federations. The current website of BSPSH reports that the current structure of BSPSH contains 11 federations, while other federations are under monitoring of BSPSH for a full membership. Number of federations is not important, while the coverage of professions by trade unions/federations and employee representation is of a high relevance. Both BSPSH and KSSH cover various professions and represent employees although their composition varies.

• Employer’s Organisations

1) Business Albania (*Biznes Albania*):

- Union of the Industrialists and Investors of Albania – represented in the National Labour Council with one representative (*Bashkimi i Industrialistëve dhe Investitorëve të Shqipërisë*)
- The National Union of Civil Guards (*Bashkimi Kombëtar i Rojeve Civile*)
- The Italian Chamber of Commerce in Albania (*Dhoma e Tregtisë e Italisë në Shqipëri*)
- The National Chamber of Fason Producers (*Dhoma Kombëtare e Prodhuesve të Veshjeve*)
- The Confederation of Entrepreneurs of Construction Materials (*Konfederata e Sipërmarrësve të Materialeve të Ndërtimit*)
- Albanian Confindustria – represented by one person in the National Labour Council (*Konfindustria Shqiptare*)
- The Association of Food and Beverage Business of Albania (*Shoqata e Biznesit të Ushqim Pijeve, Albani*)
- The Association of Albanian Publishers (*Shoqata e Botuesve Shqiptarë*)
- The Association of Organic Agriculture (*Shoqata e Bujqësisë Organike*)
- The Association of Albanian Exporters (*Shoqata e Eksportuesve Shqiptarë*)
- The Association of Professional and Business Women (*Shoqata e Grave Profesioniste, Afariste dhe Zejtare*)
- The Association of Meat Importers and Processors (*Shoqata e Grave Profesioniste, Afariste dhe Zejtare*)
- The Association of Accountants and Financial Experts of Albania (*Shoqata e Kontabilistëve dhe Financierëve të Shqipërisë*)
- The Association of Constructors of Albania – it is represented in the National Labour Council with 2 representatives (*Shoqata e Ndertuesve të Shqiperise*)
- The Association of Wood Processing (*Shoqata e Perpunuesve të Drurit*)
- The Association of Bread Producers (*Shoqata e Prodhuesve të Bukës*)
- The Association of Flour Producers (*Shoqata e Prodhuesve të Miellit*)
- The Association of Hydrocarbon Companies (*Shoqata e Shoqërive të Hidrokarbureve*)
- The National Association of Shoe Producers – it is represented with one person in the National Labour Council (*Shoqata Kombëtare e Prodhuesve të Këpucëve*)
- The National Association of International Road Transporters (ANALTIR) (*Shoqata Kombëtare Transportuesve Rrugorë Ndërkombëtare (ANALTIR)*)

- The Environmental Association for Sustainable and Rational Development (*Shoqata Mjedisore për Zhvillim të Qëndrueshëm dhe Racional*)
 - The Albanian Tourism Association (*Shoqata Shqiptare e Turizmit*)
 - “Dinamo” Agro-Food Market Association (*Shoqata Tregu Agro-Ushqimor “Dinamo”*)
 - The Union of Tour Operators of Albania (*Unioni i Operatorëve Turistikë Shqiptarë*)
- 2) The Council of Employers’ Organizations – represented with two representatives in the National Labour Council (*Këshilli i Organizatave të Punëdhënësve*)
 - 3) The Confederation of the Employers’ Organizations Council - represented with two representatives in the National Labour Council (*Konfederata e Këshillit të Organizatave të Punëdhënësve*)
 - 4) The Agro-Business Council of Albania - represented with one representative in the National Labour Council (*Këshilli i Agrobiznesit të Shqipërisë*)
 - 5) The Union of Business Organizations of Albania (*Bashkimi i Organizatave të Biznesit të Shqipërisë*)

International membership: The main employers’ organizations are members of the European Business Confederation (BUSINESS EUROPE).