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**2013**  
**Annual Review of**  
**Labour Relations and Social Dialogue in South East Europe:**

**Albania**

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**1. Summary**

Albania has made particular progress in socio-economic development during 2013. Economic indicators also increased during the year, but over the last two years the overall rate of growth was lower, compared to the previous period. Economic growth did not meet the predicted figures and 2013 turned out to be one of the most difficult years, as was the case with the other countries in the region. There has also been an increase in wages and pensions.

Economic development and EU integration are amongst the main priorities of the government's programme. The country's main 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 and more unfavourable loans, etc. However, compared to 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 in the volume of exports, growth of direct foreign investments, growth of the number of active businesses, facilitation of business fiscal barriers, etc.

In the field of social dialogue, the mandate of the National Labour Council expired at the end of March 2013. The Ministry of Labour, Social Affairs and Equal Opportunities (MLSAEO) in September 2013 and the Ministry of Social Welfare and Youth, in December 2013, proposed a new composition of the Council, partially aligned with the representation criteria as defined by ILO standards, which are still being discussed by the social partners. Bipartite social dialogue remains weak, especially in the private sector. Trade 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 remains small.

## 2. Socio-economic developments

Albania has recorded an increase in its Gross Domestic Product (GDP) from year to year, but in the last 5 years growth-rates have been low. In 2010, growth was reported at 3.8%, in 2011 it stood at 3.1%, and in 2012 it was at 1.5%. GDP growth was positive in 2013 at about 1.4%, (a lower level than as in 2012), however the final GDP growth rate for 2013 will be correctly classified during 2014. Albania received 789 million € in direct foreign investments in 2010, 717 million € in 2011 and 725 million € in 2012<sup>1</sup>. The balance sheet for the first half of 2012 ended up in general surplus of 10.7 million €. The budgetary situation for the period January – July 2012 marked a general deficit of about 21 billion Lek; the overall incomes collected during the period of January – July 2012 reached about 190 billion Lek, or about 94.6% of the plan for that period; total expenditure during the same period reached nearly 211 billion Lek, or about 99.7% of planned expenditure for the same period. In the period 2010-2012 imports and exports experienced gradual growth. Imports were outstripped by exports to the amount of 37%, which compared to 34.5% for the same period in 2011. 67.7% 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% of overall trade, while trade with Greece is estimated at 7.5% of overall trade realized by Albania.

Public debt in relation to GDP is increasing. Levels of 59% were recorded in 2011, 59.8% in 2012, and for the year 2013 a level of 64% was recorded. About 57% of total debt is internal, from which 85% of the banking sector. In the last few years Albania has become part of a group of countries that present an unhealthy picture of its public finances. However Albania is far from the level specified from World Bank and IMF as optimal for these types of economies, about 40% of GDP. The programme for privatization of the major sectors includes most of the assets of Albania's economy; oil and gas, the hydro-energy system, telecommunications, transport infrastructure, mines, water resources and water distribution sources, etc. Most of the current strategic sectors have been privatized. These privatizations have failed, as exemplified by cases of the extraction and refining company Albpetrol and the CEZ Distribution company.

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<sup>1</sup> Source: [www.open.data.al](http://www.open.data.al).

During the last few years, the annual average inflation rate was within the limits accepted by the Bank of Albania, which is of between 2 and 4%. In April 2013 an increasing trend continued with 2.3%, but it always remained within the envisaged limits. The average monthly salary of an employee has increased year on year. For the private sector it was 330 € in 2012. For the state sector it was 351 € in 2013. The minimum salary increased from 22,000 Lek (158 €) in 2013, compared to 20,000 Lek in 2011. The average growth from 2008-2013 was approximately 1,000 Lek (8 €) every year.

The employment rate has grown since 2010 onwards. Changes in employment have varied in the private sector, while employment in the public sector is almost unchangeable. The unemployment rate in the last years decreased from 13.3% in 2012 to 12.8% in 2013. Unemployment is more predominant among women (14.1%) than among men (11.6%). The structure of those registered as unemployed is not favourable because of the fact that 63.5% of them are long-term unemployed. Poverty in Albania<sup>2</sup> increased from 12.4% in 2008 to 14.3% in 2012. During previous years, poverty fell from 25.4% in 2002 to 18.5% in 2005 and to 12.4% in 2008. The extremely poor population, defined as persons that have difficulties in meeting basic food needs, increased from 1.2% in 2008 to 2.2% in 2012. Extreme poverty fell from 4.7% in 2002 to 3.5% in 2005 and to 1.2% in 2008. In 2012, extreme poverty increased in urban areas to 2.2% and in rural areas to 2.3%.

### 3. Governmental policies and legislation

From 2005-2013 the country was led by the right-wing coalition composed of the Democratic Party (PD) with 68 MPs, the Socialist Movement for Integration (LSI) with 4 MPs, the Party for Justice, Integrity and Unity (PDIU) with 2 MPs and the Republican Party (PR) with 1 MP. Parliamentary elections (2013-2017) were held on the 23<sup>rd</sup> of June 2013, with the country now led by a left-wing coalition of a total of 83 deputies: composed of the Socialist Party with 65 MPs, the Socialist Movement for Integration (LSI) with 16 MPs, and Others with 2 MPs. The right-wing opposition coalition has 57 MPs: Democratic Party (DP) 50 MPs, Others 7.

The main reforms undertaken by the Government are mainly related to legal, economic, health, education and 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 and the maintenance of a high public investment norm, in order to ensure sustainable development, improve public services and improve rural infrastructure. Efforts have continued regarding approximation of Albania's legislation to the *acquis* of the EU. Work is being done on amending and supplementing the Law "On Occupational Health and Safety" and the Law "On Inspections in the Republic of Albania" along with several by-laws. There have also been positive developments related to the health care domain, including health care and safety issues, elongating the list of reimbursed medications, and extending the number of social groups to be covered by the health insurance scheme to include such as the retired, children, the disabled, veterans, potential victims of trafficking, etc.

After a three year period of effort, the Administrative Court started operating in November 2013. The Administrative Court, as a new structure of the judiciary system, handles the disputes between business and state administration. All commercial subjects or subordinates in state institutions, who suspect that administrative acts taken against them are unlawful, can file a complaint to this court, which, according to the law should begin its review of each case within 7 days. For citizens' complaints, the court will proceed quicker. During 2013 a lot had been done to amend the labour law. The most

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<sup>2</sup> INSTAT. September 2013. Albanian: Trends in Poverty 2002, 2005, 2008, 2012

important amendments had to deal with the 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 employers' organizations, strikes, social dialogue, days off, etc.

Although the GDP growth has been relatively low, there have been just a few new jobs created, 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 small and medium-sized enterprises in the regional and global markets through development of information technology, the reduction of administrative barriers and the establishment of business facilities. There were 69 employment encouragement programmes developed in 2013 alone, receiving state funding and employing 844 employees, mainly young people. Employment of young people is still a challenge. According to the International Labour Organization (ILO) young people between 15-29 make up 21.6% of the total unemployed.

In 2013 trade unions played a positive role regarding protection of employees, layoffs, wages, work safety and pension reform. They cooperated closely with employers in order that the shortage of jobs due to the crisis was met with minimal consequences. Employees thus benefited from 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 to 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**

There are 83 trade unions established and operating in Albania. Most of them operate under the umbrella of the two confederations, whereas the rest operate independently. The two biggest and most influential confederations are: the Confederation of Trade Unions of Albania (KSSH), and the Union of Independent Trade Unions of Albania (BSPSH), which are represented with 5 members in the National Labour Council. The two biggest confederations represent about 90% of the members of trade unions in Albania. KSSH and BSPSH are represented in 12 regions in Albania and are mainly operational in the sectors of education and science, administration staff, the retired, industry, agriculture, the food industry, public health, transportation, oil, construction, textiles, craftsmanship, trade, metallurgy and chemistry and telecommunications. 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 purely private sector. In 2013 there was no change in the internal organization of trade unions. The federations that left KSSH (education, construction, health) have carried out their activities without cooperating with KSSH or with its federations. Instead of them, as members of the KSSH, new Federations have been established in accordance with the statute of KSSH, adopted by the Congress in November 2009.

After many efforts and intensive negotiations between the Independent Miners Trade Union of Albania (SPMSH), the Trade Union of the Mining Region of Fushë Arrëzi and the Beralba sh.a. company, the Act-Agreement that prevented the dismissal of workers of the Enrichment Factory of Fushë Arrëz and the miners of Munella Mine in Puka was signed in November 2013. Due to impoverishment of the mineworkers, the employees of Laku Roshi Mine will benefit by 25,000 Lek a year which is regarded as a solidarity payment for the right to return to work upon the beginning of the exploitation of other

mines. During the time of negotiations', workers have demonstrated solidarity with other trade union members by supporting them in this grand undertaking aimed at solving their economic difficulties.

The National Assembly of BSPSH met in October 2013 in order to open the election campaign in all its structures. It defined unanimously the procedures and phases of campaign development and the development program of the election campaign in the trade union structures of BSPSH for November 2013 – September 2014 and in the framework of its 6<sup>th</sup> Congress. BSPSH and KSSH have presented to the new government following the parliamentary elections of the 23<sup>rd</sup> of June 2013, their platform of cooperation for the future.

In April 2013, the Federation of Health Employees of Albania (FPSHSH), member of KSSH, organized a protest in front of the Public Hospital in Tirana in order to focus attention on issues in the health sector. The underlined issues were: the necessity of investing in public hospitals, especially in districts, the non-privatisation of the whole health sector, lack of medications in state hospitals, unfair dismissals for political reasons and return of previous job positions and the review the unfair dismissal of 50 employees of Lushnja District Hospital, etc.

KSSH organized a big protest on the 1<sup>st</sup> of May 2013. KSSH has been holding manifestations and such protests for over a decade now. The main requests were related to employment, occupational safety, social justice, reforms in education, health, welfare, and pensions, and towards actions against the aggravation of the economic situation and obstacles of country's integration in the EU, corruption, etc.

KSSH, together with the miners of chromium mine in Bulqiza (main mining area in southeast of country), promoted decent working day on the 7<sup>th</sup> of October 2013. Throughout the years, the miners of Bulqiza have been promoters of the trade union movement in Albania. The miners of Bulqiza addressed a petition to the Albanian Government, presenting once again their legal requirements to guarantee decent work and dignified life for miners. At the beginning of December 2013, 73 the miners of area D in Bulqiza organized several days of hunger strikes in very difficult conditions. Over 600 employees work in this mine. The hunger strike addressed issues of payments for the period during which the penalized workers did not perform any production activity. The strike ended only after negotiations with the miners to whom the requirements were owed were fulfilled.

The Trade Union Federation of Industry of Albania (FSPI), a member of KSSH, has organized several trade union activities in 2013. Amongst the most important were protests: for the trade union of the chromium mines, for working conditions and salaries; for trade unions of metallurgy for occupational health and safety and in support of the energy trade union, CEZ (the energy distribution operator), against dismissals, etc. The federation has concluded eight collective bargaining agreements belonging to: the energy sector (public and private), the metal mineral extraction and processing industry, the oil and gas sector, the metal-mechanical light industry sector, the production and processing industry, and the information technology sector. The Trade Union Federation of Police Service of Albania (a KSSH member), composed of police officers, prison guards, security staff of municipalities, fire fighters and private police, have also been rather active in 2013. It has submitted staff requests to the high ministry bodies, and it raised the bar for collective bargaining and organized protests.

## 5. Tripartite social dialogue

The three year mandate of the National Labour Council expired at the end of March 2013. Representatives of the trade unions requested the Government to restructure the National Employment Council, by taking into account the opinion of trade unions for restructuring and membership issues. In order to cover the main issues of Albania's employees, this Council is important for the trade unions. The National Labour Council was functional in the first quarter of 2013 and organized its meeting. The main issues covered related to unemployment. For this issue, many debates took place because the figures presented by the representatives of social partners were different. Opening of new jobs and employment perspectives were discussed. Regarding the labour market, insurance and social assistance, annual reports of various institutions, such as the Social State Service, National Employment Service and State Labour Inspectorate, were discussed. The inauguration of the online portal system for job applications and offers, which will further give new breath to the labour market, was evaluated positively for 2013.

Sectoral and bipartite dialogue remains weak, mainly because of the insufficient organisation of trade unions, a lack of a culture of dialogue and scepticism of employers towards trade unions. Collective bargaining is more developed in urban areas, especially in Tirana, Durrësi and Vlora, because the largest enterprises are concentrated in these cities/areas. Institutionalization of cooperation at the grassroots and enterprise level, between legal representatives of trade unions, employers and state structures should lead to an improvement of social dialogue and protection of employees. These efforts should help move the country away from all too common situations of conflict between social partners at the grassroots level, or even as high as at the National Labour Council discussions. This kind of improved cooperation is also one of the EU's requests for Albania's integration efforts.

## 6. Forecasts

The GDP is expected to grow even in 2014, but the negative impacts of the global economic crisis will probably continue to have a negative influence, slowing the positive rates and trends of the last few years. Public debt<sup>3</sup> will reach 75% in 2014. 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 and debts are expected to increase at the level of 67% of the GDP. Unemployment is expected to remain at the same level. In 2014, salaries and pensions are expected to increase, but less than in other years.

In 2014 other legal improvements are envisaged in order to ensure a better alignment with the *acquis* of the EU, in particular in the area of legislation related to public administration and approval of amendments of the Labour Law in the Parliament. Further developments are also expected in 2014 in social dialogue and relations between the employees and the employers in the private sector. Employers' organizations and trade union activities are also expected to undergo positive developments.

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<sup>3</sup> The Parliament of Albania in December 2013, has approved the increase of the public debt for 2014 the extent 75%.

## **Annex of data**

- **Collective bargaining system**

Collective bargaining at the national level between a trade union and ministries has mainly been achieved with the Education and Industry federations; an example of such being between the Ministry of Education and Science and the Federations of Education of KSSH and BSPSH. The collective bargaining of Industry Federations covers former state enterprises that have been privatized and are active in the energy sector. The bargaining of the 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. They mostly deal with general level negotiations which involves all the relevant enterprises. Collective bargaining at the enterprise level makes up for the biggest number of collective bargaining agreements and is equivalent to bargaining at branch level, but suited to a specific 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, rather remarkably, present in the construction and other sectors. In some cases, collective bargaining is related to the cooperation 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 (NLC), which is composed of 27 members: 7 coming from the Government, 10 from trade union organizations, the Confederation of Trade Unions of Albania (KSSH), and the Union of Independent Trade Unions of Albania (BSPSH), which are represented with 5 members. 10 members are from employers' organizations. The National Labour Council was established in 1997 and its work has been consolidated over the years. Indicators of trade union performance are: numbers of members, certified by the quotas or notary certificates; the number of signed collective bargaining agreements and number of employees covered by these contracts; the number of branches/professions and territorial organisations; engagement in negotiations, conclusion of collective bargaining agreements and resolution of conflicts through mediation and membership in international organisations, etc. Representation in the National Labour Council and other bodies is arranged according to the same scheme.

Following the adoption of the new structure, in relation to the composition, the new National Labour Council met in December 2013 just as its (three year) mandate expired. NLC shall be reformed and consolidated in 2014. The appraisal indicators, sanctioned also in the Labour Law, improved in 2013.

The new Council is expected to grant representation to employers' and employees' organizations more easily. Joint consultations of the employers' and employees' organizations at all levels are organized for setting specific indicators of their representation. Cooperation between different partners, 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 1,106,480 workers, 58% are insured. Employees in the public sector are provided with calculated contributions from

the state budget. Employees in the private sector (non-agricultural) who are registered pay insurance. This does not cover those employees in the informal economy that do not pay insurance. Only 36% of employees in the Agricultural sector have paid insurance. According to data of Social Security Institute, the category of *self-insured* covers 7,864 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 recently, with the onset of health care reform they are paid together.

The number of contributors to the social insurance scheme is 636,798 persons, while the number of beneficiaries is 561,306 persons. The ratio beneficiary/contributor is 1/1.2. These statistics dictate the urgent undertaking reforms in the social insurance sector.

#### Coverage of labour force by social insurance

(In number and percentage)

Name/sector	Labour force	Social insurances	
		Number	%
State sector	164,000	164,000	100
Private non-agricultural sector	282,000	282,000	100
Private agricultural sector	518,000	182,934	36
Unemployment	141,960	7,864	5,5
Total	1,106,480	636,798	58

Source: Social Security Institute, *Statistics from Social Insurance of 2013. The administrative data for 2013*

- **Education and vocational training**

Albania spends less on education in terms of its GDP share than other countries in the region (3.1% in 2010, 2.9% in 2011, 2.8% in 2012 and 2.8% in 2013) in the 2014 budget a projected 2.9% compared 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 as it endeavours to be integrated in the EU. The 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 data from 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 from higher 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 had 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's 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 and a weak commitment of social partners, etc.

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



• **Employment rate**

(In thousands)

Working force balance	2010	2011	2012	2013
Working force – total	1,059	1,070	1,076	1,106
-Men	623	560	590	606
-Women	436	509	486	500
Employed – total:	916	928	933	964
-Men	553	492	495	511
-Women	363	436	438	453
a) state sector	166	165	165	164
b) private non-agricultural sector	244	256	261	282
c) private agricultural sector	507	507	507	518

– Note: annual average

Source: INSTAT, Statistical bulletin 2013

• **Unemployment rate**

(In number and percentage)

Name	2010	2011	2012	2013
Registered unemployed (number )	143,876	142,484	143,421	141,960
Unemployed getting an unemployment payment	9,265	8,537	9,569	8,345
Long-term unemployed	89,269	88,768	91,226	90,296
Registered unemployed (in %)	13.5	13.3	13.3	12.8
- Men	11.2	12.4	12.1	11.6
- Women	16.7	14.3	14.6	14.1
Unemployed getting an unemployment payment	6.4	5.9	6.6	5.5
Long-term unemployed <sup>4</sup>	62.5	62.3	63.6	63.5

– Note: Annual average; Source: INSTAT, Statistical Bulletin 2013, Ministry of Social Welfare and Youth

• **Average monthly salaries**

Salaries of the public sector tend to be higher compared to the salaries in the private sector. Behind the difference of the salaries in the public sector are hidden; informality, evasion, double payments or “salaries with two payroll lists” and payments in cash, (which are observed in the enterprises registered and unregistered outside the public sector). Salaries in the private sector for some categories, such as in construction, industry, transport, telecommunication, etc. are supposed to be higher from what has identified from the official data. 62% of the total employees identified themselves as private subjects, when inspected by the State Labour Inspectorate (SLI) during 2013 resulting in minimum salaries, based on which personal income tax and payments of social and health insurance contributions are calculated.

(In €)

Salary according to sectors	2010	2011	2012	2013
<i>Industry</i>	283	316	347	357
<i>Construction</i>	270	306	342	342
<i>Transport and telecommunication</i>	286	315	352	352
<i>Trade</i>	267	297	321	321
<i>Services</i>	236	255	273	273
<i>Total (average)</i>	268	298	330	330
Average monthly wage (state sector)	315	336	350	370

<sup>4</sup> The long-term unemployed are the ones registered as unemployed for more than one year; Percentage of the long-term unemployed versus registered unemployed.

– Source: Enterprise Structural Survey 2000-2010  
Administrative data 2011-2013

- **Gender pay gap**

The gap in pay between women and men is 17.4 percent less<sup>5</sup> for women. The gender pay gap has a direct correlation with the rate of participation of the labour force in the labour market. The number of women who worked without a contract was 7 percent higher than that of men. The gender pay gap is also related to levels of education. The gap becomes smaller with the increase of education levels. Men who have completed primary and secondary education are much better paid than women with the same education level. The pay gap for women and men with university education is significantly reduced (26 percent and 7 percent respectively). In highly skilled occupations the gender pay gap in the hourly rate of wage is smaller. In these occupations, women's higher level of education allows them to receive remuneration comparable to men's, although they still earn 4 percent less on average. The gender pay gap widens significantly with age. For age groups that are near the end of the official working age, the gender pay gap is 40 percent in favour of men. Women tend to receive less in extra pay for overtime, or in bonuses. Men were paid twice as much as women in profit-related bonus payments. Only 20% of women in 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.

- **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	2010	2011	2012	2013
Minimum official wage	137	144	151	158
Monthly unemployment wage	48	50	50	50
Full economic assistance for households	29	30	32	32
Average monthly wage ( <i>state sector</i> )	315	336	350	370

Source: INSTAT, Conjecture 2013. Main Economic Indicators  
Administrative data

- **Actual weekly working hours**

Daily and weekly working hours are sanctioned by law. According to Article 78 of the Labour Law the duration of the normal working day is not more than eight hours. Article 83 states that the number of normal weekly working hours is not more than forty; as set in a Decision of the Council of Ministers through collective bargaining. Data from the State Labour Inspectorate from inspections carried out during 2013 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.

Employees with a weekly working time of 40-48 hours make up 10.5% of the total employees identified as private subjects inspected during the year.

Employees with a weekly working time of 48-50 hours make up for 0.2% of the total employees identified as private subjects inspected during the year.

Employees with the duration of annual paid leave below 28 days make up 4.1% of the total employees identified as private subjects inspected during the year.

<sup>5</sup> The study of "Gender Alliance for Development Centre".

- **Normal work / atypical work**

Official data of the State Labour Inspectorate (SLI), emerging from the controls conducted in 2013 of inspected private entities show 326 subjects, with 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, such as house helpers, child-care assistant and cleaning personnel, etc. These are mainly women's jobs used undertaken over long-term time periods or as part-time jobs. Men tend to work in different sectors, such as in the construction sector. My opinion is that atypical work makes up for 10 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. of Subjects	Atypical work	%
State sector	164,000	138		
Private non-agricultural sector	282,000	15,788	326	2
Total	446,000	15,926	326	2

Source: INSTAT, *Statistical bulletin 2013*  
State Labour Inspectorate (SLI), *statistics data 2013*

- **Migration<sup>6</sup>**

In 2013 it is estimated that there are about 1.4 million Albanian migrants, or 30% of the country's population. Given that migration was chaotic, clandestine and unregistered, figures on this phenomenon from the state are not very accurate. Regarding the migration causes, most persons migrated because of poverty or unemployment (75%), whereas the other rest (25%) migrated due to social, cultural, life-security issues (blood feuds are a special concept in Albania), etc. Greece, where most of migrants reside, is suffering a harsh economic crisis and most Albanian migrants are now returning 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.

Remittances from emigrants in years  
(In million €)

	2010	2011	2012	2013
Remittances	690	665	675	227 (1 <sup>st</sup> semester of 2013)

Source: Bank of Albania  
[www.open.data.al](http://www.open.data.al)

In 2011 remittances made up for 7.4% of the GDP, whereas in 2012 remittances were lower at 7.2% of the GDP. Therefore, in the first semester of 2013, emigrants have sent 227 millions compared to 338.1 million € sent in the same period of the previous year, or 32.6% less. With these figures, remittances from emigrants make up only 7% of Albania's GDP.

<sup>6</sup> 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**

Year	2010	2011	2012	2013
Human Development Index (HDI)	0.746	0.748	0.749	<i>no data</i>

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

- **Gini-coefficient**

Albania has a Gini-coefficient of 34.5%. This data for Albania refers to the disparity of consumption, which has a tendency of being more fairly distributed than incomes.

- **Collective agreement coverage**

Pursuant to official administrative data of the Ministry of Labour, Social Affairs and Equal Opportunities, in total at the branch level there are 15 signed collective agreements in the public and private sector in the fields of education, health, public affairs, arts, culture, agriculture, environment, public order and construction, covering 145,826 employees. At the enterprise level there are signed 531 collective contracts in the public and private sectors. In total, 81,591 employees are covered by collective bargaining at enterprise level. (There are currently 11 collective bargaining agreements between the Federations and the respective ministries, which cover over 114,500 employees; 4 collective bargaining agreements between Federations and public institutions that cover 30,326 employees).

*Collective agreement coverage according to sectors*

*(In number and percentage)*

	Employees 2013	Collective agreement coverage		
		Contracts	Employees	%
Public sector ( <i>branch level</i> )	164,000	11	114,500	69
Private sector ( <i>branch level</i> )		4	30,326	4
Private non-agricultural sector ( <i>enterprise level</i> )	282,000	531	81,591	29
Private agricultural sector ( <i>enterprise level</i> )	518,000	30	5,000	1
Total	964,000	576	231,417	24

Source: INSTAT, *Statistical bulletin 2013*  
MLSAEO, *Administrative data. Trade Union*

In the state/public sector, about 69% of employees are covered by collective bargaining agreements; most belonging to the education and health sectors. In the non-agricultural private sector, which employed 282,000 employees in 2013, according to the data of the above-given table, only 29% are covered by collective bargaining. In the agricultural private sector, which, according to the data in 2013 employed a total of 518,000 persons (data INSTAT), the number of agreements is very small.

- **Ongoing important collective bargaining agreements**

During 2013, efforts of the trade unions have continued ensure the enforcement of many collective bargaining agreements signed previously. In addition, there are also positive developments regarding the new collective bargaining agreement in the textile, fashion, industry, health, construction, education and other sectors. There is an increase of collective bargaining at the enterprise level compared to 2012. This means that there have been more agreements, leading to an increase of coverage of employees with collective bargaining agreements covering about 5% more than in 2012. The Trade Union Federation of the Workers of Textile, Confections and Handicraft of Alba-

nia (affiliated to KSSH) has signed new collective bargaining agreements in fashion enterprises. The Trade Union Federation of the Industry Employees of Albania, a KSSH member, in 2013 reached 3 collective bargaining agreements belonging to the mining sector in Bulqiza; the energy sector, the Albanian Power Corporation and CEZ Distribution. 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 Construction, Paper, Wood and Public Infrastructure Employees of Albania (FSNLDIP) has continued its work on signing 1<sup>st</sup> level act agreements, and collective bargaining agreements in enterprises and private entities dealing with construction, service and public infrastructure. 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 fashion industry. The Trade Unions Federation of Education, Training and Science Employees of Albania (a KSSH member) has continued its extension to the private sector, signing contracts with some pre-university education institutions (public and private), with some compulsory 9-year education organisations (public and private), with higher general and vocational education institutions, and with some higher education institutions. Despite improvements and a 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 operations remain problematic.

- **Trade union density**

The analysis on the labour market and the membership of trade unions in Albania shows that out of 164,000 employed in the state sector, (according to the trade union data) about 100,000 are trade union members; half of them belonging to the education and health sectors.

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

*(In number and percentage)*

Name	Employed	Supporters	%	Real (Quota)	%
Public sector	164,000	100,000	60	30,000	18
Private non-agricultural sector	282,000	100,000	35	30,000	10
Private agricultural sector	518,000	10,000	2	5,000	1
Total:	964,000	210,000	22	65,000	7

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

Out of 282,000 people employed in the non-agricultural sector, about 100,000 are members of trade unions (according to unions' data, including supporters), or about 35% of the total. Often, trade unions report their membership based on their supporters (virtual members), and not on paying members. The number of employees from the private sector who are members of trade unions is very low (only 7%). This remains the main challenge for the future of trade unions of Albania.

- **Employers' organizations density**

Albania has a total of about 104,275 active enterprises and half of them are concentrated in the counties of Tirana and Durres, (out of which 94,025 or 90.2% employ 1-4 people, 5,396 or 5.2% employ 5-9 people, 3,898 or 3.7% employ 10-49 people, and 956 or 0.9% employ over 50 people). Enterprises with main activities of trade, hotels, bars and restaurants dominate in number, 59.6 percent. The enterprises are small, and when it comes to numbers, and most of them are not a member of an employers' organizations, but when it comes to their relevance in terms of the national income for

their size, most of these businesses are members of “Business Albania”<sup>7</sup>, or of other employers’ organizations. The employers’ organizations are getting consolidated. In 2012-2013 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**

Establishment of labour councils is a new phenomenon; therefore several trainings were organized by trade unions during 2013. Changes between Labour Councils and Trade Union Councils, relations and cooperation between the Trade Unions and Labour Councils in enterprises, benefits and issues concerning both parties were identified. Establishment of labour councils in enterprises marks the beginning of this process, in compliance with EU Directives, as an indispensable European social norm. Trade unions should use this additional instrument in order to increase their competences in labour relations and strengthen the protection of workers’ interests.

Trade unions are the main representative authorities of labour at the workplace, although legislation allows for selected representatives of the employees if there are no members of organized trade unions. Trade union representatives at the work place play an important role in negotiations and in collective bargaining with the employees. Trade union organizations at the work place are the main representative bodies for 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 the establishment of Occupational Health and Safety Councils with representatives of employees. The Decision of the Council of Ministers No. 108 dated 09.02.2011 on the skills needed from employees dealing with occupational health and safety is being implemented.

- **Trade unions**

In 2013, the trade unions of Albania underwent 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 unions<sup>8</sup>

No.	National trade-union confederation	<i>In number</i>	
		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*	-	-

<sup>7</sup> 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 labour market.

<sup>8</sup> 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.

	<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 Punonjësve të Shqipërisë</i>	-	-

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

The Confederation of Trade Unions of Albania and the Union of Trade Unions of Albania represent over 90% of the overall number of 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>	Industrial-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 Industrial-Global Union	KSSH	8,000
7	The Trade Union Federation of Textile, Fashion and Craftsmanship <i>Federata e Sindikatave të Punonjësve të Tekstilit, Konfeksioneve dhe Shërbimeve Artizanale</i>	Industrial-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 Poli-</i>		KSSH	1,500

	<i>cor</i>			
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 <i>Federata e Sindikatave të Shërbimeve Financiare, Tregtare, Bankare e Turizmit</i>		KSSH	
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 Lehtë dhe Tekstile</i>	Industrial-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 Industrial-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		BSPSH	8,000



	<i>Sindikata e Pavarur e Punonjësve të Ndërtimit, Punëve Publike të Shqipërisë</i>			
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](http://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 being monitored by BSPSH for full membership. The 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.

## • Employers’ 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, Albania*)
- 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 Ndërtuesve të Shqipërisë*)
- The Association of Wood Processing (*Shoqata e Përpunuesve 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 Prod-huesve të Këpucëve*)
  - The National Association of International Road Transporters (ANALTIR) (*Shoqata Kombëtare e Transportuesve Rrugorë Ndërkombëtarë (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).