

HUMAN RESOURCE DEVELOPMENT & EMPLOYMENT

ALBANIA & LISBON AGENDA

Dorarta Hyseni

Aiis Albanian Institute
for International Studies

ALBANIA

Population: 3.4 million

UNDP's 2006 Human Development Report:

- Middle income
- Human Development Index of 0.784

Unemployment: 13.8% in 2006.

Real unemployment – around 30 %

Long term- 66 % of unemployment

Indicators	Source	2000	2001	2002	2003	2004	2005	2015
Absolute poverty (%)	LSMS			25.4			18.5	13
Absolute poverty (%)	LSMS			4.7			3.5	0
The poorest 20% of the population in total national consumption (%)	LSMS			14			8.2	>13
Unemployment rates (%)	INSTAT	16.8	16.4	15.8	15.0	14.4	14.1	10

Source: UNDP, Millennium Development Goals Report (2005)

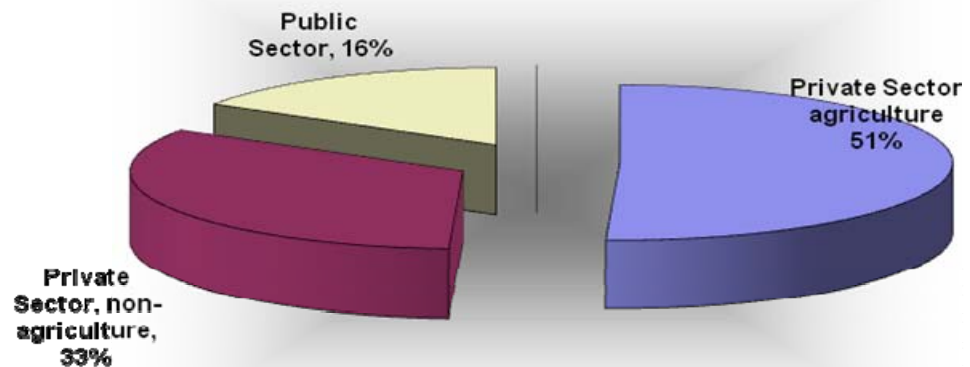
EMPLOYMENT STRUCTURE

Growth- 5- 8%, mainly due to capital accumulation

The private sector generates:

- 80% of GDP (SMEs- 64 %)
- 67% of total employment.

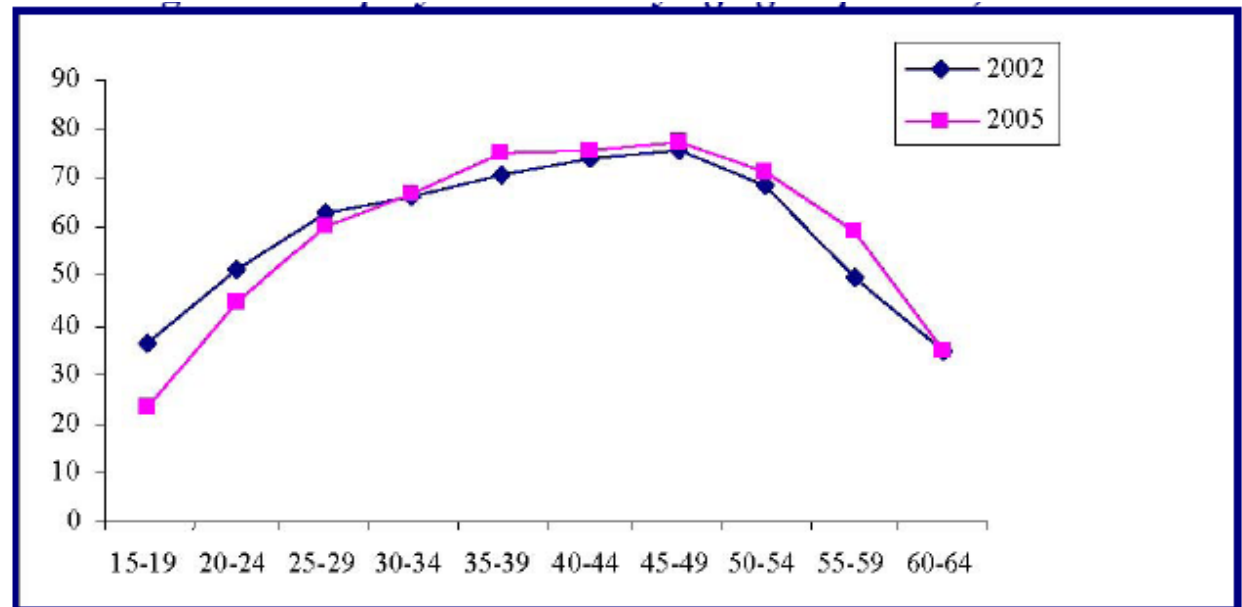
99% of all active enterprises- up to 80 employees



MAIN FEATURES

- Young population*

Working age population will increase 5% annually over the course of this decade and, in 2015, it will represent two-thirds of the total population.



Source: LSMS 2005

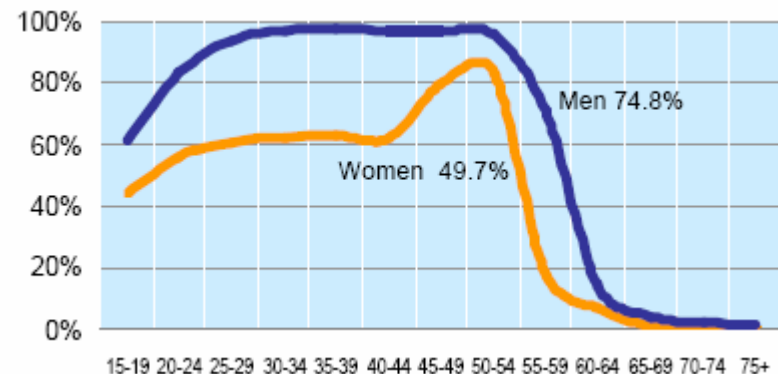
MAIN FEATURES

- ***Informality***

Three out of every four employees in Albania are working on the black market.

- ***Women***

- Paid 35 % less
- 37 % of employment



- ***Minorities***

- 70 % Roma- unemployed

- ***Emigration: Internal & Abroad***

- ***Brain drain ???***

- ***Large regional disparities***

GOVERNMENT STRATEGY

- **National Strategy for Development and Integration 2007-2013**
- **Employment Sector Strategy 2007-2013**
- **National Education Strategy 2004-2013**

DONOR SUPPORT

- **CARDS**
- **World Bank**
- **UNDP**
- **SIDA**
- **IDA**
- **USAID**
- **Soros Foundation**

EMPLOYMENT SECTOR STRATEGY 2007-2013

Goal:

Gradual lowering of unemployment to EU level by 2013

- *Lowering of unemployment rate by 0.3% each year*
- *Increase in the number of employed by 5% per year*
- *20% of the unemployment to actively participate in employment services until 2013*
- *Opening of new jobs*
- *Life-long learning*
- *Higher investment in Human Capital*
- *Employment services*
- *Fostering of private sector*
- *Informality*
- *Back to Albania*

LEGAL REFORM

**- Law on Employment Promotion of 1995
Amended 1999, 2002, 2005 and 2006**

Amendaments

- Life learning approach**
- Vulnerable groups**

Immediate goals:

Labour force survey- missing

Job Bank and a Jobseekers Bank

Increased transparency

FISCAL INCENTIVES

- January 1st, 2008- income tax decreased to 10%.**
- Social security contributions for employees from 29% to 20%.**
- 30% reduction of electric prices for businesses**
- Annulment of the yearly re-registration fee for businesses**

**Business sector in Albania still faces:
high levels of informality and corruption.**

OTHER EMPLOYMENT CREATION

- Social businesses**

 - YAPS- Youth Albania Professional Services*

- Public works**

- Concessions**

- Business of returning emigrants**

EDUCATION

- **Adult literacy rate (15 and above) - 98.7 %**
- **Combined gross enrolment ration for prim., second. and tert. Education: 68.6 %**
- **Education index 0.887**
- **Low budget spending on education**
- **53.6 % of unemployed: primary education**
- **44.7% Secondary education**
- **1.8% of unemployed: higher education**

YOUTH

- **Lack of formal training**
- **Use of personal relationships**
- **Family business employment**

Year 2005	Percentage of age group 18-24 that have not finished high school and do not follow any other educational or training process
Lisbone's Objective for 2010	10
EU-(15 countries) average	17.3
Albania	61.9
Kroatia	5.4
Macedonia	36.2
Serbia	11.4
Turkey	51.5

Source: European Commission (2006)

VOCATIONAL TRAINING

- 40 vocational schools - 22 cities (only 3 in rural areas)
- 9 public centers for vocational training
- 120 licensed private vocational centers

In 2006,

- 72% of graduates: computers/ foreign languages
- 62.87% of the people attending - <24 yrs
- 56.17% of the participants had graduated from high school

Problems:

- The quality of vocational training is regarded poorly
- 41% of those who partake in vocational training remain unemployed

UNIVERSITY & RESEARCH

University Education

- Private universities (11 Public/ 15 Private)
- Limited mobility of students
- Lack of career counseling/ job fairs
- Very high levels of students abroad: Brain gain or brain drain?

Research

- January 2008: Association - 7th Framework (ERA)
- Restructuring of research institutes

REFORM & TRAINING

NATIONAL EDUCATION STRATEGY 2004-2013

High School Education

- **National testing and evaluation center**
- **Teacher training and quality assurance**
- **Information Technology**

University

- **Bologna Charter**
- **2007 Law**

Public Administration

- **TIPA – Training Institute for Public Admin**

Private sector

Low number of employment & consulting agencies (14)
Limited HR Consulting & on-job training



THANK YOU

