

# ALBANIA

## DECENT WORK COUNTRY PROGRAMME DOCUMENT

### 2008 - 2010

#### Introduction

The primary goal of the ILO is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Decent Work Country Programmes (DWCPs) promote decent work as a key component of development policies and at the same time as a national policy objective of governments and social partners. The present country programme is informed by international development agendas such as the Millennium Development Goals, as well as the ONE UN Programme in Albania and it is based on the National Strategy for Development and Integration of Albania. It also takes account of the priorities of the ILO constituents, as expressed in consultations held with them. The programme details the policies, strategies and results required to realise progress towards decent work for all. This document reflects the strategic planning of ILO cooperation activities with Albania for the period 2008-2010. Reflecting the constituents' as well as the ILO's assessment of past cooperation (DWCP 2006-07), the Programme aims at ensuring greater synergies and stronger coherence of ILO's support to Albania and thus contributes to achieving impact and sustainable outcomes.

This programme has been developed through a participatory process with the involvement of tripartite constituents. The DWCP consists of a narrative part outlining the context, the lessons learned, the strategy of interventions and a logical model that details the interventions.

#### I. The current situation from a Decent Work perspective

During the last decade Albania has made considerable progress in its social, economic and political development. However, it still remains among the poor countries in Europe and faces a number of outstanding challenges. With per capita national income of just US\$2,960 per annum and a population of 3,1 million, Albania is classified as lower-middle income country. With 46 per cent of its citizens aged less than 25 years, Albania is one of the European countries with the youngest population.<sup>1</sup>

After the deep recession of 1997-1998, the country achieved macroeconomic stability in the early 2000s together with economic growth averaging more than 5 percentage points year on year. Progress has been achieved in fighting poverty, with a fall of seven percentage points of the number of people living below the poverty line (from 25.4 in 2002 to 18.5 per cent in 2005) over a three-year period<sup>2</sup>. This is undoubtedly a major step towards the achievement of MDG-1, which in Albania aims to cut the poverty rate to 13 per cent by 2015. However, these high growth rates did not translate into the creation of more jobs.

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<sup>1</sup> The average age of the Albanian population is 31.7 years. See: ILO, *Analysis of the youth labour market in Albania* (forthcoming).

<sup>2</sup> World Bank, *Albania Country Brief 2007*

Data on key labour market indicators are still riddled with uncertainty, given that Albania has not yet produced labour market analyses that are based on the Labour Force Survey.<sup>3</sup> The overall rate of registered unemployment was 13.18 per cent by the end of 2007<sup>4</sup>. Compared to their male counterparts, women experience much lower participation in the labour force (in 2006 the labour force participation rate in Albania was 56.5 per cent - 66.6% men and 45.9% women).<sup>5</sup> Over the past decade, the youth unemployment rate has been consistently higher than that of adults. In 2005, young people experienced a rate of unemployment of 12.8 per cent (14.4 per cent for young men and 11 per cent for young women), compared with a rate of 6.9 per cent of the population in the working age. Employment prospects of young people are rather meagre. The youth employment rate of 31.9 per cent is quite low.<sup>6</sup> The employment rate of young women is five percentage points lower than that of young men (28.6 and 33.5 per cent, respectively) The youth employment figures show that most youth living in rural areas are engaged in subsistence farming, either as self-employed or as contributing family members. Young women are twice as likely to be inactive and participate less than boys in education.

One of the major issues that negatively influences the Albanian economy is the widespread phenomenon of the informal economy. A large informal economy causes losses in revenues from tax evasion, distortions of the labour market, hides the true unemployment figures and encourages unfair competition. Common features of work in the informal economy are represented by the lack of an employment contract, paid annual and sick leave and other social security benefits. The informal economy has serious costs for individuals, enterprises and society as a whole. In Albania the informal economy is estimated to contribute to about one third of total gross domestic product (GDP). About 55 per cent of workers in the non-agricultural sector are engaged in low-productivity jobs in the informal economy.<sup>7</sup> Estimates run much higher for workers in agriculture, where most of them are self-employed and own-account workers, with half of them being poor. Approximately 27 per cent of non-agricultural workers are wage employees in the informal economy, mostly in the construction sector, and 28 per cent are either self-employed or engaged in unpaid work.<sup>8</sup> Young workers are over-represented in the informal economy. The likelihood of being an informal worker is significantly correlated with being young, male and with low educational attainment.<sup>9</sup> In 2005, the share of young informal workers was estimated to total approximately 70 per cent of all young workers. The mobility between employment statuses is rather low. Only 15 per cent of the unemployed and 10 per cent of the inactive in 2002 had managed to find jobs in the formal economy two years later, while as many as 38 per cent of jobseekers had found

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<sup>3</sup> It is worth noting that Albania's labour market indicators calculated with data from administrative records differ significantly from those calculated with data from household-based surveys (i.e. Living Standard Measurement Survey).

<sup>4</sup> INSTAT (Labour force, Fourth quarter 2007)

<sup>5</sup> INSTAT - Women and Men in Albania 2006, Tirana, 2007.

<sup>6</sup> Elaboration based on the 2005 Living Standard Measurement Survey (LSMS).

<sup>7</sup> Republic of Albania, Strategy for Social Inclusion 2007-2013, November 2006

<sup>8</sup> Republic of Albania, Strategy for Social Inclusion 2007-2013, November 2006 Draft.

<sup>9</sup> Numerical estimates based on the 2005 LSMS. See also: ILO, *Analysis of the youth labour market in Albania* (forthcoming).

jobs in the informal economy, and almost half of all informal workers were still in the informal economy two years later.<sup>10</sup>

Over the past two decades, Albania has experienced high migration rates, both internal and international. It is estimated that about 40 per cent of the working-age population is working abroad. This high rate of international migration has generated both opportunities and constraints for Albanian households and in particular for women. Migration has been for years a coping strategy to counter poor quality and low paid jobs, unemployment and poverty. Data on poverty indicate that the categories of the population facing higher risk of poverty are the unemployed, the less educated, members of large households and people living in rural areas and engaging in own account farming. Surprisingly, women-headed household do not show a higher risk of falling into poverty than their male counterparts. This is partly due to the fact that their households include migrant workers who boost income through remittances.

In October 2007, the government of Albania launched the National Strategy for Development and Integration (NSDI) for the period 2007-2013. The NSDI aims to i) achieve rapid, balanced and sustainable economic, social and human development, ii) develop and consolidate a democratic state, iii) establish the rule of law and fight corruption, and iv) integrate Albania in the European Union and NATO. It assigns high priority to policies giving a stronger role to young people in the economy.<sup>11</sup> The priorities of the Ministry of Labour, Social Affairs and Equal Opportunities for the period 2007-2013 are set out by the Strategies on Employment and Vocational Training, Social Inclusion, Gender Equality and Domestic Violence that were approved in 2007, as well as in the National Strategy on Migration that was approved in 2004. The objectives of the Employment and Vocational Training Strategy are centred on the promotion of an active policy on employment through the establishment of a modern system of employment services (8 of 12 objectives), the development of an active policy of employment, the strengthening of the vocational education and training system, the reduction of informal employment, the improvement of conditions of work and the promotion of social dialogue.<sup>12</sup> This active policy on employment is also advocated by the Strategy on Gender Equality and Domestic Violence, while the Social Inclusion Strategy pays special attention to measures for reducing the vulnerability of informal workers.

Albania is one of the eight pilot countries for the ONE UN Programme. Over the past year, both resident and non-resident Agencies of the United Nations System have been working together for the UN to deliver “as One”. They drafted the One UN Programme for Albania and the related workplan. The ILO has fully participated in this exercise. Its mandate and the Decent Work Agenda are reflected in the current One UN Programme that covers the period 2007-2010. It has also led a major joint programming exercise that resulted in the approval of a Joint Programme document on youth employment and migration. Through its unique tripartite structure, the ILO has contributed to the One UN Programme by highlighting topics that fall under the mandate of its tripartite constituents. In this respect, the DWCP supports the tripartite constituency to participate more

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<sup>10</sup> World Bank, *Albania: Labour market assessment*, Washington D.C. 2006

<sup>12</sup> See Ministry of Labour, Social Affairs and Equal Opportunities, *Sectoral Strategy on Employment and Vocational Training (2007-2013)*, Tirana, 2007

effectively in public policy and decision making, improve governance structures and to participate in initiatives aimed at reducing regional disparities.

In the context of the One UN Programme the ILO is assisting Albania in the process of establishing modern labour standards by advising on the ratification of international labour standards and their implementation through national law and practice. The Government of Albania is currently engaged in the ratification of the Employment Policy Convention (No.122), 1964. The ratification of Convention 122 will complete the list of Fundamental and Core Conventions already ratified by the government of Albania.

The drafting of the present DWCP has also taken into account the Albanian Country Assistance Strategy (CAS) of the World Bank for 2006-2009, which has two main priorities, namely i) promoting economic growth through support to private sector development, and ii) improving public services delivery, particularly in the social sector.

The DWCP has as a long term goal the reduction of the informal economy, as agreed upon and implemented by the government in consultation with social partners, which in the end will serve to create a fair and sound development environment for private economy, thus promoting economic growth. The DWCP aims also to strengthen the capacities of the government institutions and social partners for improving the governance of the labour market. This goal well matches with the second priority of World Bank CAS 2006-2009 for Albania.

Social dialogue at the national level as well as at branch and local levels will also be one of the priority issues of attention. The National Labour Council (NLC), established in 1996, to serve as a forum for tripartite consultations between the government and social partners went through some difficulties in the years 2002-2005. However, according to the government, since 2006, it started to meet more regularly and discuss substantive issues such as employment strategies, social security measures and equal opportunities and non discrimination in the labour market. Seven government ministers participate at its sessions including the Minister of Labour, Social Affairs and Equal Opportunities; Minister of Finance, Minister of Health, Minister of Education and Sciences, Minister of Justice, Minister of Economy, Trade and Energy, Minister of Public Works, Transportation and Telecommunication.

The issue of representivity criteria of social partners needs renewed attention as it seems to be complicating the cooperation among the latter within the NLC. Another issue which merits attention is the fact that, despite several attempts made in the past, there has been no consensus on the conclusion of a General Agreement in Albania so far. The social partners stress that tripartite social dialogue should go beyond consultations and deliver concrete results relating to the main problems facing the country such as the informal economy, reduction of poverty and employment promotion. The reorganisation of the NLC scheduled for 2009 offers a unique opportunity for enhancing the functioning and the effectiveness of tripartite social dialogue in order to address effectively the above-mentioned economic and social problems.

Currently, neither workers' nor employers' organisations play as effective a role as they could at national and regional levels. They are fragmented because of a lack of clear representivity criteria which leads to a lessening of internal cooperation and a consequent lack of capacity to understand and engage in the variety of issues that need to be addressed.

Pensions have significantly lost their real value due to the rapid inflation in the past. The low level of pensions increased old-age poverty and consequently recipients of social assistance. The financing of the pension scheme presents problems. Currently, due to insufficient contribution income, about 25% of the urban pensions and 70% of the rural pensions are subsidized by the government. In order to provide adequate benefits and to establish the long-term sustainability of the schemes, pension reform is an issue that needs urgent attention.

Occupational safety and health (OSH) is a common concern for all tripartite partners. Although accurate data on work accident and occupational diseases are not available, the safety and health situation at workplaces in Albania is far from perfect. Serious accidents happened in the beginning of 2008 (i.e. the Gërdeci blast) with a toll of some tens of victims, as well as a significant number in the construction industry. There is a low awareness of OSH among workers - in particular those who work in the rural agricultural sector or in the informal economy. The government requested the assistance of the ILO and work is currently being undertaken to develop a new Act on OSH with an accompanying strategy for implementation.

The capacities of the National Labour Inspection Service and OSH institutions need to be strengthened and to be transformed into an integrated system, with a wider and deeper scope of activity and authority. For the implementation of the law, development of a National OSH strategy by tripartite stake holders is critical.

The elimination of the worst forms of child labour is another concern of the joint ILO/Albania cooperation programme. According to the Albanian Institute of Statistics, 32 % of children between 6 and 17 years old in the country are working. The main worst forms of child labour in Albania are working street children, trafficking in children, children involved in illicit activities, children working in the formal sector and children working in the agriculture sector. The main reasons for children working are poverty, their parents' unemployment or migration, disrupted family environment, education related reasons, such as: poor school attendance, lack of schools near the residence area, expulsion from school, poor performance at school, and dislike of school.

The phenomenon of child labour and trafficking will continue to have in Albania an important impact on the perpetuation of the cycle of poverty over the generations unless a focused approach is taken to its eradication. Therefore, the ILO strategy in the country will continue to operate based on a combination of policy-related upstream interventions with downstream service activities at the community level to pilot models of intervention.

The 2008-2010 DWCP for Albania is the outcome of a broad discussion with local partners that started with the evaluation of the past DWCP (2006-2007) and ended up with the definition of the content of the future programme with government authorities and representatives of the social partners. This process gives to the forthcoming programme a national character, a decisive factor in achieving the jointly set outcomes and targets.

## **II. Lessons learned from previous cooperation**

At the end of 2007 the ILO conducted a participatory evaluation exercise (Biennial Country Programme Review - BCPR). This evaluation was led by an independent

consultant and had the purpose of providing an assessment of progress towards expected results and identifying lessons to inform the development of the new DWCP.

The evaluation found that the overall environment for the ILO's interventions had substantially improved as a result of a stable and conducive legal framework, major government contractual commitments to the Stabilization and Accession Agreement (SAA) with the EU, with the international agendas of the UN such as the MDGs and the UNDAF, as well as the commitment of the ILO constituents in the country. The government and the social partners gave a positive assessment of the technical assistance provided by the ILO during the period 2006-07, which encompassed all four pillars of the decent work paradigm, namely: employment promotion, social dialogue, social protection and fundamental rights at work. According to them, the ILO's technical cooperation proved to be well designed, methodologically and technically sound and effective. Based on the achievements of the previous DWCP, the constituents and other major partners in the country expressed their willingness and sincere commitment to further cooperate with the ILO in implementing the next DWCP cycle. The flexibility and responsiveness of the ILO in adapting priorities to the needs of its constituency was highly valued.

The ILO has been playing a leading role in creating a stimulating environment for the promotion of employment, realising fundamental rights at work, enhancing social dialogue and advancing social protection. However, more efforts should be exerted in order to take into consideration the absorption capacities of the social partners. The evaluation also identified the need to focus more activities at the regional/provincial level.

The degree of the absorption of the outputs sometimes is highly dependant from the human and financial resources available at national institutions and partner organizations. The absorption capacity (political and financial) of employers' and workers' organizations will be carefully observed during the implementation. Thus, targeted capacity building of the constituents to effectively run their institutions and organizations needs to continue. During the review the constituents reiterated in particular the need to strengthen the functioning of the National Labour Council (NLC).

The constituents further expressed the need of being kept regularly informed about the progress made in Programme implementation. In parallel, the accountability of the constituents has to be enhanced as well. In order to increase the outreach for all nationwide representatives (local and regional partners), the current communication and information exchange mechanisms are not considered sufficient and more efforts will have to be put in place by the government and the ILO (e.g., use of information and communication technology such as electronic mail, the worldwide web).

### **III. Priority areas of cooperation**

The current DWCP aims to support the integration of Albania in the international structures (e.g. the European Union) and agendas (e.g. the MDGs). Many of its outcomes are in line with the ONE UN Programme, the World Bank Country Assistance Strategy and the European Stabilisation and Association Agreement (EU-SAA). The programme aims to help the country meet its obligations under the EU-SAA related to the social security systems, fundamental rights at work, decent working conditions, equal

opportunities and the free movement of workers. This would be done through supporting the implementation of the sectoral and cross-cutting strategies that are included in the National Strategy for Development and Integration (2007-2013). This approach seeks to ensure coherence of policy advice provided by international organizations and, at the same time, to provide support and technical assistance in areas that have been identified as priority by the constituents.

Within the overarching theme of Decent Work for All the ILO will concentrate on three country programme priorities in Albania in the period 2008-2010, which should be seen as long-term goals:

- I. Strengthen the capacity of government institutions and the social partners to improve the governance of the labour market.
- II. Support the government's implementation of measures to reduce the informal economy.
- III. Improve the coverage of the social protection system.

The ILO has a comparative advantage in developing programmes, plans and in delivering technical cooperation for attaining the above-mentioned goals. More specifically, the ILO's Secretariat has long-standing experience and technical expertise in the areas of labour standards, employment promotion, social protection and social dialogue. The ILO has also been implementing a number of projects in Central and Eastern Europe to the full satisfaction of donors and governments of the countries covered.

**Priority 1: Strengthening the capacity of government institutions and the social partners to improve the governance of the labour market**

The need for stronger institutions that are able to implement the reform processes related to the EU-SAA and the NSDI are crosscutting all development priorities. The ILO capacity building interventions will target the actors of social dialogue and the institutions of social dialogue, the Ministry of Labour, Social Affairs and Equal Opportunities (MOLSAEO), the National Employment Service, the Labour Administration, the Labour Inspection and the social partners.

***Outcome 1: The functioning of the National Labour Council (NLC) is improved with a wider mandate to incorporate social and economic issues. (ALB101)***

There is a general consensus among tripartite actors in Albania on the need to consolidate the functioning, structure and composition of the NLC, so that it becomes a stronger and permanent forum for tripartite consultations over national, economic and social policies. The composition and representivity are major problems in the NLC proceedings and decision making process.

Bipartite social dialogue at the branch, territorial and enterprise levels needs to be strengthened.

The ILO has been supporting the NLC during the 2006-07 DWCP and will continue to provide comprehensive technical assistance to the National Labour Council (NLC) to improve its functioning and enhance its authority, by:

- a) reviewing the regulation and composition including from the gender viewpoint;
- b) strengthening its secretariat;

c) training its members on social dialogue procedures and strategies/exposure to innovative social dialogue practices in EU countries.

Technical assistance will be provided to employers' and workers' organisations to enable them to participate actively and effectively in bipartite and tripartite social dialogue at all levels. The work with the social partners will further intensify compared to the previous years.

A programme of training will be designed to promote innovative practices of bipartite social dialogue at branch, territorial and enterprise levels through the enhancement of negotiation skills of social partners and the strengthening of the dispute prevention and resolution mechanisms.

**Outcome Indicators:**

A tripartite agreement is signed by the constituents approving the new draft regulation of the NLC. Representativity criteria agreed and established.

The NLC works more effectively: it meets more regularly; it addresses substantive issues such as the informal economy; it has a new composition including from the gender viewpoint, which better reflects the present context of industrial relations

Workers' and Employers' Organisations develop and submit policy proposals for discussion at the NLC and other forums.

More collective agreements are signed at branch, territorial and enterprise levels.

***Outcome 2: Gender-sensitive employment policies and programmes are formulated and implemented to address both efficiency and equity objectives and are aligned with the provisions of international labour standards on employment policy and employment services (C122 and C88). (ALB102)***

This outcome builds on the work of the government of Albania that was undertaken during the biennium 2006-07 with the support of the ILO. Based on the commitment taken by the Ministers in charge of employment of South-East European countries that took place in Bucharest in 2003, Albania had its employment policy reviewed by the ILO and the Council of Europe. The recommendations of the Country Review of Employment Policy (CREP) of Albania were endorsed by a National Tripartite Conference in 2005. Based on the priority recommendations of the CREP, the MOLSAEO developed the first Strategy on Employment and Vocational Training.

The current DWCP aims to support the government to shape and implement an active policy on employment. This will be done through the ratification of the international labour standards on employment policy and employment services and the transposition into national law and practice of the principles enshrined in these Conventions. A modern employment promotion law that addresses both efficiency and equity objectives will be adopted by the Government, in consultation with the social partners. In parallel, the ILO will support the implementation of eight of the twelve objectives of the employment and vocational training strategy, as well as the development of the youth employment policy and related national action plan. Technical assistance will be provided to the MOLSAEO to develop the knowledge and tools for the design and delivery of employment services at both central and local levels (institution building) with pilot



active labour market programmes through contracting training and services (direct assistance). Both institution building and direct assistance will be instrumental to the implementation of the above-mentioned Strategy, as well as that on social inclusion, gender equality and migration.

This outcome will produce the following results: i) a strengthened institutional capacity to design, monitor and evaluate a gender-sensitive active policy on employment, ii) development of integrated employment and training services, iii) design and implementation of active labour market programmes that are gender-sensitive and target unemployed persons at risk of labour market exclusion. It will be achieved through cooperative action of the MOLSAEO, the National Employment Service, the social partners, the ILO, the EU-funded initiatives on employment services and labour inspection, the IOM and other relevant international and national partners.

**Outcome Indicators:**

The Employment Policy and Employment Services Conventions are ratified.

Employment promotion law enacted and implemented.

Youth employment policy and national action plan adopted and implemented

The performance of the public employment service assessed and measures to modernize the core functions of a modern PES adopted.

Gender-sensitive active labour market policies, including employment services provided by the NES to groups at risk of labour market exclusion.

A system for contracting training and other employment services in place and funding active labour market programmes.

***Outcome 3: Labour administration, including labour inspection effectively implements ILS through national legislation. (ALB103):***

Albania has ratified 42 international labour conventions. According to ILO supervisory bodies some of these standards are not effectively implemented either in law or in practice. To address this problem, the ILO will build the capacity of the labour administration, including the labour inspection and social partners on implementation of international labour standards and reporting procedures through training and advisory services. It will also carry out activities aimed at enhancing the capacity of officials of the labour ministry including labour inspectors, and the social partners, in the formulation of laws in the labour and social fields and in securing their effective enforcement. Although this was also a priority during the last DWCP cycle, the ILO could not secure funding for a larger programme. Efforts of the ILO and the national constituents will need to be continued to obtain funding to ensure this outcome is achieved.

Technical assistance will be provided to strengthen the labour inspectorate to enforce OSH standards.

**Outcome Indicators:**

The quality of reports on ratified conventions and replies to comments of supervisory bodies submitted to the ILO is improved (measured by the satisfaction of CEACR.)

The country's record on Submissions (article 19 of ILO Constitution) is improved.

The labour laws are enforced more effectively and such improvement is reflected in the annual report of the labour inspection in 2009.

***Outcome 4: Increased value of employers and workers organizations to existing and potential membership through the provision of new or better services (ALB104):***

To play a more effective role at NLC deliberations, the workers' and employers' organizations need to be widely representative of their respective constituents - workers and employers. They therefore need to build their membership numbers. This is most effectively done through the provision of new or better services.

Capacity building of trade unions will be related to strengthening sectoral social dialogue and restructuring of the branch structure (training seminars, technical assistance, workshops). Capacity building of Employers' Organisations will focus on training to enable them to identify, develop and deliver new services for members and thus attract more members and become more representative as well as training in developing position papers to better contribute to development of policies affecting employers.

**Outcome Indicators:**

For trade unions: improved services; increased membership, streamlined branch agreements, agreements integrate gender equality issues.

For employers' organisations: new services, increased membership, including increased membership of women entrepreneurs.

**Priority 2: Measures to reduce the informal economy agreed upon and implemented by the government in consultation with the social partners.**

The problem of the informal economy will be addressed from several aspects. The ILO will provide assistance in strengthening institutions, developing policies and building the capacities of tripartite actors i.e. developing and implementing active labour market policies, developing of youth employment policies, strengthening and activating employers' organisations and trade unions and creating a more business friendly environment.

***Outcome 1: Inter-institutional coordination mechanisms are in place, that include the social partners, to implement measures to promote moving from the informal to the formal economy. (ALB126):***

The ILO will assist tripartite constituents to develop an action plan to address the problem of the informal economy, focusing on the construction sector, through provision of training to build their capacity on the different approaches to address the problems of the informal economy, creation of a tripartite forum in the construction sector for combating the informal economy and launching of a media campaign to raise awareness about the extent of this problem, its social and economic consequences and the need to address it in a comprehensive way. This is a new work area that the ILO is addressing with an integrated approach. The informality in the construction branch will be the theme of the National Labour Conference, one of the most important tripartite activities of the year organized by the ILO in collaboration with the Government and Social Partners.

**Outcome Indicators:**

A diagnosis on the extent, causes and consequences of the informal economy in the construction sector is conducted through the preparation of a new study by a national expert and involving tripartite constituents.

A tripartite working group is established and makes proposals for a sectoral action plan to address the problem of the informal economy.

The action plan is adopted in a tripartite forum and submitted to relevant public authorities for approval.

The action plan starts to be implemented.

***Outcome 2: Youth employment policies and programmes are in place to enhance the management of migration and to reduce informal employment. (ALB127)***

This outcome focuses on a new area of work where the ILO will be working in partnership with four other UN agencies as part of the One UN approach. It addresses the over-representation of young workers in the informal economy, which is a temporary strategy for many young people to cope with poverty before they get a chance to improve their working and living conditions through both internal and international migration. It aims to improve decent work opportunities for young women and men through a better alignment of national development strategies on youth, employment and migration. The expected intermediate results include: i) improved capacity of the Albanian government to monitor youth employment and migration indicators; ii) a framework for youth employment partnerships between the public and the private sectors; iii) an improved knowledge and understanding of integrated policies and measures to tackle the informal economy and their impact on migration; iv) a coordination system for social pacts for youth employment at local levels. Innovative youth employment programmes will be piloted in the Regions of Shkodra and Kukës. These programmes will target under-employed and informal young workers who are exposed to migration and are mostly engaged in subsistence agriculture,.

This outcome will contribute to the achievement of two of the five outcomes of the One UN Programme (i.e. more transparent and accountable governance, and regional development) and to promote *partnerships for decent and productive work for youth* (MDG8) through joint action of the ILO, IOM, UNDP, UNICEF and of the MOLSAEO, Ministry of Tourism, Culture, Youth and Sports, Ministry of Foreign Affairs, local authorities and the social partners. More specifically, it will produce the result 1.1.4 of the One UN Programme on migration management that focuses on minimizing risks of youth migration through better alignment of employment and migration policies. Also, the DWCP outcome will contribute to operationalise result 4.1.4 of the One UN Programme that addresses regional disparities through the promotion of economic development and decent employment.<sup>13</sup>

**Outcome Indicators:**

Labour market indicators on youth employment and migration established.

Migration, employment creation and youth development policies of the NSDI aligned with labour market strategies.

Framework for public-private partnerships for youth employment established.

Innovative and gender-sensitive employment programmes targeting informal young workers and other disadvantaged youth exposed to migration piloted in two regions.

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<sup>13</sup> Result 4.1.4 of the One UN Programme aims to expand economic development in three pilot regions, including Shkodra and Kukes, through local economic initiatives focusing on employment creation, income generation and farmers' productivity.

***Outcome 3: A more business friendly legal environment is in place and measures aimed to increase productivity and quality of work to encourage enterprises and workers to engage in the formal economy. (ALB128)***

As part of its work on the informal economy, the survey to be undertaken in the construction sector will identify practical barriers to employers moving to the formal economy.

Capacity building of employers' organizations will be related to identifying measures to assist potential EO members to move from the informal to the formal economy.

Capacity building of trade unions will focus on organizing in the informal economy.

**Outcome Indicators:**

The capacity of the social partners to engage in discussions and policy development to combat the informal economy will be enhanced.

Action plan for awareness raising and assisting moves to the formal economy developed by the Employers Organizations.

Strategies for increasing TU membership amongst those in the informal economy developed.

**Priority 3: Improving the quality of the social protection system**

The Albanian social security system, in place since May 1993, now faces significant challenges related to the size of benefits, level of coverage and financial sustainability. Conceived as a Pay-As-You-Go (PAYG) system, the social insurance scheme had financing problems since the first years of its implementation, given that almost a third of the employment-age population emigrated to mainly neighbouring countries, thus reducing sources of income for the social insurance fund. On the other side, the fast development of the economy (the average economic growth for many years has been in the vicinity of 6%) in the circumstances of lack of effective law enforcement, led to a considerable growth in the informal economy. This situation means less contribution to the social insurance fund, while a very large number of individuals and their families are simply excluded from coverage. With the continuous price increases in the country, the yearly increments of social insurance benefits barely cover, in the best case, inflation and price increase effects. The overall situation of the social insurance system calls for reform of the scheme and the World Bank has taken the lead in this process. From the beginning of 2008 an official effort, jointly organized by the Ministry of Finance and the World Bank, was initiated. Stakeholders have been consulted on the necessity of reforms, while experiences from other countries have been made available for this audience.

Although occupational safety and health is a common concern for all tripartite partners, the safety and health situation at workplaces in Albania suffers from lack of capacity and low awareness by both employers and employees.

In addressing the issue of social protection in its broadest form, the DWCP in Albania will focus on problems of governance of social security. It will advise ILO partners on the paths to be taken during the reformation of the scheme and will offer training for upgrading the professional capacities of the stakeholders. The DWCP will also address the development of a national OSH plan, and will work on the prevention of the worst forms of child labour and human trafficking through technical assistance and capacity building for the ILO's tripartite constituents.

***Outcome 1: The governance of social security is improved through tripartite mechanisms. (ALB151)***

The capacity of the tripartite board of social security institutions will be strengthened through a set of training activities and other advisory services.

**Outcome Indicators:**

Guidelines and trainings on social security governance used by the tripartite board of the social security institution.

Workers and employers actively participate in the pension reform debate.

***Outcome 2: National occupational safety and health (OSH) strategy is developed and the promotion of a preventative culture developed. (ALB152)***

The ILO will provide technical assistance to improve the OSH system, in particular the legislation. The ILO will build the capacity of tripartite constituents to develop and implement the national OSH strategy.

The ILO will provide technical assistance to government officials, trade unions and employers' organizations as a follow-up to Convention 187 (2006)

**Outcome Indicators:**

ILO's technical assistance is used to design and develop a national OSH system.

OSH experts from the Government, trade unions and employers organizations use ILO tools.

***Outcome 3: Curbing Human Trafficking and other Worst Forms of Child Labour in the country. (ALB153)***

The ILO will continue to assist the country to mainstream the elimination of the worst forms of child labour into national strategies; build capacity; assist in enforcement of legislation; awareness raising; building knowledge base with downstream service-oriented activities at the community level by direct services provided to children and their families through the following activities:

- Support the Child Labour Monitoring System (CLMS) identification of children, assessment of their risks, and referral of children in order to provide them with viable alternatives in three cities: Tirana, Korca and Berati through the Local Action Committees and four Multi-Disciplinary Groups.
- Prepare a National Report on Child Labour in Albania including a National Plan of Action against child labour.
- Support multi-disciplinary approaches on direct services to working children and children at risk through the provision of non-formal education; formal education, recreational activities; vocational training, nutrition.
- Conduct activities with peer educators in three youth centres based on the Life Skills Manual and SCREAM package (Supporting children's rights through Education, Arts and Media).

**Outcome Indicators:**

Preparation of the Annual Albanian National Report on child labour with data generated by the CLMS.

Well functioning CLMS able to identify children, asses their risks, and enrol them in the referral systems established in Tirana, Korça and Berati.

Increased involvement and capacities of the Social Partners on CL issues, including prevention of trafficking.

#### **IV. Management and implementation**

The cooperation programme will be managed through a network among SRO Budapest, the National Coordinator in Tirana, the Europe Regional Office and technical units at headquarters in Geneva. The National Coordinator will play a coordination role together with SRO Budapest. The ILO will continue its cooperation with major stakeholders in the country such as other UN agencies under the framework of the ONE UN programme and the EC Delegation.

The objectives of the programme will be pursued through technical cooperation projects, advisory missions, seminars and training workshops for information dissemination and capacity building. Extra-budgetary resources, joint funding through the ONE UN and the ILO's regular budget resources will be used to finance the implementation of this Country Programme. The ILO network mentioned will continue to mobilize further resources for the follow-up to the results achieved, bearing in mind priority concerns of the constituents. The government and the social partners will facilitate their respective expert staff and premises and provide logistical support, as appropriate. They are committed to implementing the follow-up steps necessary to achieve the expected results. These will be further explained in the DWCP workplan (*see Annex*)

#### **V. Performance monitoring and evaluation arrangements**

The implementation of the Decent Work Country Programme will be reviewed on a regular basis with the constituents by the establishment of a DWCP Overview Board. The selection of the Board members will be formalised during the launching ceremony of the DWCP.

The task of the National Overview Board is to promote the DWCP goals and monitor the implementation of the DWCP, ensure the active participation of all parties involved and the fulfilment of their commitments to achieve the jointly agreed outcomes.

The Board will meet twice a year to assess progress made. This occasion will also be used to review the DWCP workplan with the National Coordinator. Adjustments will be made to adapt to changing circumstances, if necessary, with a view to guaranteeing the achievement of the expected results, including redefinition of some of the country programme activities. The SRO Director will assess the programme achievements with the constituents in Albania towards the end of each biennium.