

## PROMOTING EMPLOYMENT IN ALBANIA AND LEGAL FRAMEWORK

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**Abstract:** *The program of the Albanian government, 2013 - 2017, among others has set forth as one of the fundamental objectives of its employment and the qualitative development of the labor force, in accordance with the vision and directives of the European Union, the European Employment Strategy 2020 and requirements for Albania's EU integration<sup>91</sup>.*

*Also, as part of regional strategic planning in terms of improving the legal and institutional framework, is the strategy SEE 2020<sup>92</sup> where the core principles in the field of employment set out in this document are: (i) the growth of welfare and development and (ii) job creation<sup>93</sup>.*

*In addition, the National Strategy for Development and Integration 2015-2020 (NSDI II), provides directions and objectives for social and economic development of the country during period 2015-2020, combining the advantages of integration agenda and reforms for development country.<sup>94</sup>*

*Some aspects of the labor market and skills supply demand radical changes and at the same time, the system must continue to develop policies that are relevant to the current situation and, as such, they must be realistic, substantive and accessible in time, based on the capacity for change.*

*In this context, the main aim of revising the legal framework for promoting employment, through the adoption of a new law is identification, and designing appropriate policies stimulating employment in the country and training of the workforce, to create jobs quality and to provide opportunities for skill throughout the life cycle.*

*The purpose of this exploratory study is to investigate about the changes in legal and regulatory of labor market in Albania and the role that legislative measures play in this field of activity. The study employs a mixed methodology, comprising a review of the legislation, institutional framework and of the relevant literature in the labor market context.*

*The findings of this study are supported in prior research in other countries. The in-depth analysis of the qualitative data revealed a basic understanding of labor market and promotion of employment in my country.*

**Keywords:** *legal and regulatory of labor market, legal framework, employment, promoting employment, government, strengthening capacity of labor market, etc.*

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<sup>90</sup> Council of Ministers, Republic of Albania

<sup>91</sup> 2010 EU countries adopted new policies and strategies by 2020, in order to be considered "modern living" in line with "satisfactory employment" for everyone, in accordance with international conventions and declarations.

<sup>92</sup> The Action Plan for implementing this Strategy was approved by the Council of Ministers with Decision No. ... .. date ....

<sup>93</sup> Designed it, with 5 main pillars where the employment dimension is part of the tower 4 and focuses on employment policies, social economy and labor mobility

<sup>94</sup> This document sets out the key strategic directions of development of the country, for a period of 5 years, not only related to national development, but also while ensuring policy orientation for effective cooperation regional, as well as to increase competitiveness, through an approach regional bonds in terms of the Balkan countries with the EU. Also, the document reflects the agenda for sustainable development globally, related to the objectives of Sustainable Development, aiming at reaching sustainable development in three dimensions: economic, social and environmental, in a balanced and integrated.

## INTRODUCTION

Today, in the world, employment in general, constitutes one of the priorities of social development globally, becoming one of the major concerns of the various governments and at the same time in one of the main challenges with which they are facing<sup>95</sup>. The entire society's attention is focused towards the concrete commitments, finding opportunities and coherent ways, for the employment different categories of social classes, especially the young people, as the main target group and those in difficulty<sup>96</sup>.

For achieving the proper results is important the existence of a contemporary approach, oriented towards policies to support and to promote employment, based on two components:

- First, the adoption of a new legal framework for employment, with an integrated vision of promoting a decent work opportunities, through productive policies of the labor market;
- Second, through the application of the concrete programs of promoting employment, for certain categories.

Even in our country, the current policies of the ministry responsible for employment issues, the labor market in general, are focused especially towards the young people, because Albania is considered as a country rich in human resources, because to the structure of the young age of its population. The development of the labor market and promoting employment comprise one of the main components of the state policy to increase the employment rate and consequently reduce poverty<sup>97</sup>.

### ***1. Drafting and approving the new draft law – necessity***

In this context, the Government has taken concrete steps to reform the legal framework in terms of promoting employment, in order to adopt employment policies and new programs for employment with practices and models of EU countries.

The need to draft a new legal framework came up as a result of necessity for a new approach to the current labor market in the country, aiming to include into of the new model of employment services<sup>98</sup>. Therefore, the adoption of the new draft law to promote employment is a necessity<sup>99</sup>.

This new draft law, has in its focus an increase opportunities for decent work through the effective policies of the labor market, the promotion of social inclusion and cohesion, and strengthening labor market. It focuses on critical employment issues. Also, the draft law is

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<sup>95</sup> At the World Summit 2005, the majority of participants in it, agreed on to develop a common agenda for the employment policies, in particular of young people category, for a decent work, comprehensive and productive for them.

<sup>96</sup> Guidelines for the preparation of National Action Plan for Youth Employment, a publication of the International Labor Office, ILO, Geneva, 2008.

<sup>97</sup> Peka N, "Employment and its incentive policies in Albania", National Conference organized by faculty of Economy, University of Tirana, on December 5, 2014.

<sup>98</sup> This model, which was introduced in Albania by ILO-IPA 2010 project, aims to develop human resources, reforming the National Employment Service, by turning in an institution in the labor market.

<sup>99</sup> This draft law has already been drafted, has passed the preliminary stages of the legislative process (such as consultation with stakeholders, the public, coordination with line ministries and other central institutions, independent institutions, etc.) and is for dossier to the Council of Ministers, waiting to be passed by this body, to follow later the other phases of legislative procedures for review and approval by the Parliament of the Republic of Albania.

one of the main steps for implementation of the National Strategy for Employment and Skills 2014-2020.

### ***1.1. Purpose and Objectives***

This draft law aims to increase the employability of labor force through the provision of services and public employment programs and self-employment and professional training<sup>100</sup>. The old legal framework for this issue will be abrogate<sup>101</sup>, when the new draft law will be approved. This Law sets new standards and rules related to the new model of employment services including:

- a) Informing job seekers and employers<sup>102</sup>;
- b) Intermediation for the employment<sup>103</sup>, as an instrument aimed at finding a suitable job for jobseekers, training, skills and qualities whose match the requirements declared by the employer for the job;
- c) Consultation and orientation of career<sup>104</sup>, which aims to help job seekers in their selection and establishment of a suitable profession with individual qualities and required in the labor market.

Programs of creation of new jobs, provided in this new legal regulation, include a wider range of programs<sup>105</sup>, compared with the existing law<sup>106</sup>.

### **2. New programs of employment provided by this new draft law**

Compared with the existing law, under this new draft, programs promoting employment include unemployed workers, for engage in various programs of employment, public works, self-employment, professional training, which are necessary for supporting the subsidy, in percentage of certain costs for:

- Social and health insurance;
- Salaries;
- Training through working and learning;

<sup>100</sup> The draft law sets out objectives and functions of the Public System of Employment Services, active and passive programs labor market, vocational training and institutions responsible for managing them.

<sup>101</sup> Law No.7995, dated 20.9.1995, "For the promotion of employment", as amended.

<sup>102</sup> Article 8 of the draft law, which stipulates that the supply and demand in the labor market will be made by the National Employment Agency.

<sup>103</sup> Article 9 of the project, specifically provides that "**... intermediation for employment and compatibility with workplace includes consulting services to employers in order to employ the most suitable candidates according to their requirements and at the right time, and mediations in active labor market ...**".

<sup>104</sup> Article 10, which explicitly states that: "**... for career guidance and counseling, employment and occupation provided by the employment offices, through the consulting services for special jobseekers and students about choosing and training them into a profession convenient with individual qualities and orientation to the labor market ...**".

<sup>105</sup> More concretely, pursuant to the existing law, were adopted some bylaws of the Council of Ministers, which aim to promote the Albanian employers, make efforts to prepare professionally unemployed persons, but not only them, who are without one. For example, the decision no.47, dated 16.1.2008, of the Council of Ministers, "On employment promotion program through vocational training" is one of them, in which is expressly provided, that the State supports employers who organize general training for qualification purposes, through the work of unemployed jobseekers in certain percentage of training costs. The duration of the training program is not more than 6 months for all professions. The employer at the end of the training period must hire no less than 50 per cent of the trainees, with teaching contract, for a period of 6 months.

<sup>106</sup> With the support of ILO project - IPA 2010, Human Resources Development in Albania and RISI Albania, became a fairly comprehensive study of the impact of all the programs promoting employment implemented since 2008-2014. The purpose of such an assessment was to analyze and measure the effectiveness, relevance and efficiency of compilation and implementation of active labor market implemented in this period. The purpose of this study was to make not only the analysis of the impact assessment of these programs on the labor market, but more importantly, were the findings and recommendations, which were used to guide the drafters in determining these programs in this draft law.

- Self-employment;
- Support for new business;
- Having a job with all necessary devices and accommodation;
- Implementation of programs to support vocational training in the dual form;
- Support programs of graduates /certified in education and professional development;
- Professional Internships;
- Social re-integration programs;
- Ensuring the youth program.

These promoting employment Programs are foreseen to be implemented by the National Employment Agency, in collaboration with other public institutions responsible for economic development and training, and in cooperation with the private sector and civil society<sup>107</sup>.

A special place in the draft is dedicated for employment promotion program, with the main focus on youth<sup>108</sup>. So, the new programs for the young are the programs that ensuring young people registered as unemployed within a period of several months of engage in one of the these programs, such as: programs for the promotion of employment for “employment prompt”, professional practices, job training, education or vocational training, etc.

Programs for professional training as part of active programs of the labor market are foreseen to serve as the employers and job seekers, and, they will be implemented through the educational processes and teaching theoretical courses and practical<sup>109</sup>.

Also, they are also provided other forms of support, both for public and private providers, to support financially for performing courses for unemployed workers for occupations required in the labor market according to the requirements of the employment offices.

In the draft is also provided another program, which has not existed earlier and has to do with programs passive labor market, connected integrally with program income from unemployment<sup>110</sup>.

### **2.1. The novelties of the new legal framework**

Involvement for the first time in this draft of the programs promoting employment for persons with disabilities (PAK), aims to fix that part of the existing law, which did not applying in practice because of the lack of these programs for this category. As constitutes innovation also, forecast of legal obligation to employ people with disabilities by employers<sup>111</sup>.

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<sup>107</sup> National Employment Agency may contract other public entities, private or civil society, to enable the implementation of the quality and on-time employment promotion programs.

<sup>108</sup> Preliminary data from INSTAT, it turns out that youth unemployment 15-29 years, in the end of 2014 was at 32.5% from 17.9% in the official unemployment rate for the same period.

<sup>109</sup> Under Article 12 of the draft, AKP will be the implementing institution of professional training programs and will provide:

- a) free courses for unemployed workers;
- b) courses paid for persons who require it;
- c) leasing of premises and equipment.

<sup>110</sup> This means that unemployed job seekers, who meet the conditions for obtaining income from unemployment, based on implement legislation for social security in the Republic of Albania, will be registered at the employment office as unemployed and they will profit every month in employment service offices, programs to take advantage of passive labor market.

<sup>111</sup> Article 22 of the draft law is especially for persons with disabilities. The draft provides that: “... **every employer who employs more than 24 employees is obliged to employ a disabled person for every 25 employees to his staff ...**”. An employer can hire a person with serious disabilities, instead of 5 persons with disabilities easier. An employer who does not employ the recommended number of persons with disabilities, according to

In the new draft law is provided the establishment of new institution<sup>112</sup>, which will assist in reforming and modernizing the labor offices, etc. Also, it provides for the establishment of tripartite local councils as consultative bodies of employment offices.

Another innovation provided by this draft law is the fact that the system will function as labor market information. Exactly, institutions reformed and created by this Draft Law, collect and process information through the information system of independent institutions or through special studies for this purpose, or surveys, dealing with dynamics and market trends work or segments of it.

Within the scope of coordination, another innovation is the cooperation of state institutions involved in this field of activity, to exchange information about the statistics of registered unemployment, making the determination of the information gathered in coordination with them, so that , have a system of harmonized system of data collection and analysis<sup>113</sup>. In addition, all state bodies, at central or local level have a legal obligation under the legislation in force, to provide the necessary information required by the relevant structures, and have the right to seek and receive information from it<sup>114</sup>.

In this draft law is reconceived the whole process of relationship with employers, setting out the rights of employers, considering it as a collaborative process and not a process of unilateral obligations by employers, as it is in existing law. All this, in function of the application of package "Doing Business", in order to facilitate the procedures for starting a new business<sup>115</sup>.

### **Conclusions**

Labor market policies, according to this draft law are conceived, in order to provide a comprehensive package of services and programs to ease the transition of individuals to decent work and to include an activation strategy. This means:

- Appropriate measures for a more effective labor market through the provision of employment services for all individuals registered in employment offices<sup>116</sup>;

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the stipulations of this provision is liable to pay the tax authorities an amount equal to the minimum wage nationwide each month and person with disabilities, if he should have employed, but has not done so.

<sup>112</sup> The creation of the National Employment Agency, as an independent public service, that is to replace the National Employment Service, which operates today, pursuant to Law No.7995, dated 20.9.1995, "On employment promotion". This agency will operate as a unit, which will bring together in one, and will reframe best practices by modernizing the labor offices, employment services system, employment promotion programs. Among the basic functions of this office are: (i) general supervision of the regional and local employment offices and (ii) functions deriving from the legislation on education and vocational training.

<sup>113</sup> Specifically, Article 19 of the Draft provides that: *"... the ministry responsible for employment policy, ensures from Institute of Statistics (INSTAT) registered unemployment statistics, except for those arising from the census and statistical surveys authorized by INSTAT ... "*

<sup>114</sup> The decision nr.867, dated 10.12.2014, the Council of Ministers, "On the cooperation of the state administration institutions".

<sup>115</sup> So, it is anticipated that any employer has the right to receive information on the labor market, labor legislation, public employment programs and employment offices. Also, the employer has the right to publish in these office vacancies to take advantage of intermediation services, as well as apply for employment promotion programs. Employers have the right to apply to the relevant employment office to take advantage of active programs implemented by the National Employment Agency.

<sup>116</sup> This is realized through self-service, group counseling and job search training and continuous assistance, targeted towards those people who are *"hard to place"*.

- Presentation of an integrated model of delivery service<sup>117</sup>;
- Modernization of employment offices and the expansion of range and scope of services and employment programs.

During recent years the economic growth, employment levels, have not been a stable constant, but have consistently suffered ups and downs. Although the legal framework for attracting foreign investment and protection is fundamentally reformed, employment remains a problem again for the Albanian society. From this situation, young people, even though they are the most productive and active population, suffer the consequences of unemployment and, above all, lack of policies that support the strengthening and opening of youth entrepreneurship and, consequently, to increase the number of youth employed

For this purpose, the adoption of a new law to promote employment, which responds to the demands of the time and with the main focus on increasing employment of all categories of social strata, especially those in need, but also the growth of youth employment, through effective policies of the labor market, is a necessity to minimize the disadvantages today in the labor market shortcomings, which, combined with the circumstances and other factors, bring unemployment.



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3. The decision No.383, dated 5.06.2015, of the Council of Ministers, "On approval of the Action Plan for Youth, 2015-2020"
4. The decision No.27, dated 11.01.2012, of the Council of Ministers, "On the incentive program of employment women from specific groups.", as amended
5. The decision No.47, dated 16.1.2008, of the Council of Ministers, "On the incentive program employment, through vocational training", as amended

<sup>117</sup> This model will contain a profiling approaches and objectives assigned to differentiate employment assistance and continuous monitoring of impact (Impact Assessment) of the measures implemented to assess the results achieved. The implementation of this model in the whole system of the National Employment Service was conducted in 2014.

6. The decision No.48 dated 16.1.2008, of the Council of Ministers, "On the measure and the eligibility criteria of employment promotion program for unemployed persons in difficulty", as amended
7. The decision No.119, dated 11.01.2012, of the Council of Ministers, "For the measure of financing, criteria and procedures for implementation of the program of promoting employment of unemployed workers who enter for the first time to work."
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