

# Decent Work: The Albanian Fason Industry



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In February 2011, a two year programme called "**Decent Work Balkan Network - Putting Equality and Solidarity at the heart of EU integration**" was launched by Olof Palme International Center (Sweden), SOLIDAR (Belgium), AGENDA Institute (Albania), Center for Democracy Foundation (Serbia), CLARD (Kosovo), STBIH (Commerce Trade Union in Bosnia Herzegovina), Progress Institute for Social-Democracy (Macedonia) and Progetto Sviluppo CGIL (Italy). The project is additionally supported by national associates and by the International Trade Union Confederation/Pan-European Regional Council (PERC). The key aim is to strengthen the capacity of trade unions, think tanks and NGOs to promote Decent Work and Quality Jobs in the Balkans together by developing national and regional networks, joint advocacy actions and public campaigns, formulating policy proposals and monitoring the implementation of the European socio-economic acquis. To read more see <http://www.solidar.org>

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## **Abbreviations**

<i>BSPSH:</i>	<i>Union of Trade Unions of Albanian Workers</i>
<i>EC:</i>	<i>European Commission</i>
<i>EU:</i>	<i>European Union</i>
<i>ILO:</i>	<i>International Labour Organization</i>
<i>IMF:</i>	<i>International Monetary Fund</i>
<i>INSTAT:</i>	<i>Institute of Statistics</i>
<i>ISB:</i>	<i>Institute for Contemporary Studies</i>
<i>KSSH:</i>	<i>Confederation of Trade Unions of Albania</i>

## **Summary**

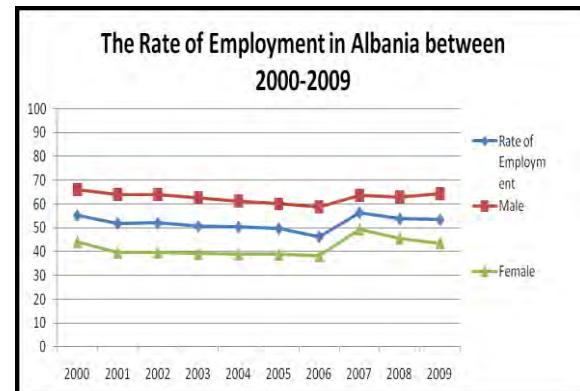
The aim of this case study is to assess the state of play in Albania regarding the implementation of decent work objectives by specifically looking at the textile and footwear industry and to then draw conclusions and policy recommendations on how to improve the situation. It was prepared based on literature reviews, data gathered from trade union confederations and interviews conducted with workers. The textile and footwear sector has been selected since it employs a significant share of employees, a high percentage of women and is characterised by a large number of unregistered workers. To achieve its goal, the study first presents the socio-economic situation in the country and the sector. It then evaluates the different elements of the Decent Work Agenda such as social protection, functioning of trade unions and women's rights in order to identify deficits. Finally, the recommendations outline multiple activities that should be undertaken by various sides to ensure further progress and better fulfillment of the decent work objectives.

## Introduction

*The concept of “Decent Work” was formulated by the International Labour Organization (ILO) and it is supported by the Labour Code, trade unions and other labour related actors that are part of civil society. This concept combines the quantity of work supply with its quality. The four strategic objectives of decent work refer to creating jobs, guaranteeing rights at work, extending social protection and promoting social dialogue. Today, decent work has been accepted as a solution for millions of people as a means to move out of poverty.*

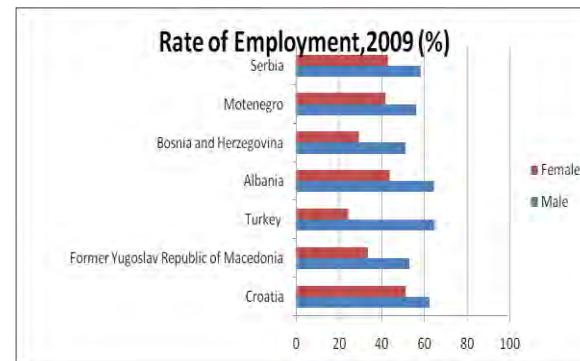
The macroeconomic stability achieved in 2000 was followed by a series of significant improvements in terms of economic indicators. Economic growth averaged more than 5% up until 2008 (International Monetary Fund (IMF), 2011). This economic progress partly resulted in reduced poverty and improved living conditions. However, it did not translate into more jobs, leaving Albania as one of the poorest countries among those aspiring to join the European Union (EU) with a per capita income of €2,661 (Eurostat, 2011). The IMF forecasted a moderate GDP growth of 2.8% in 2009 and 2.3% in 2010 which has a direct impact on the fulfillment of the Decent Work Agenda (IMF, 2010).

In comparison with EU countries, Albania has a relatively young population with an average age of 32.8 years (32.3 for men and 33.3 for women). The data on key labour market indicators is still uncertain but the employment rate was estimated to be around 53.4% in 2009, 64.3% for men and 43.6% for women (INSTAT, 2009). Graph 1 which illustrates the evolution of the employment rate between 2000 to 2009 shows that the rate among women has not changed considerably over time and confirms a gap between genders.



**Graph 1:** Employment Rate in Albania for 2000-2009  
Source: INSTAT: Albanian Labour Force Survey, 2009

The following graph shows that the Albanian employment rate is comparable with rates in other countries in the region (Graph 2), also when it comes to the female population.

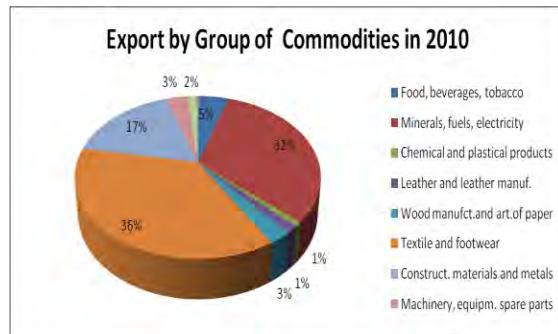


**Graph 2:** The Employment Rate in the Region for 2009  
Source: Eurostat: Population and Social Conditions, 2011

In 2009 the registered unemployment rate was 13.75% (INSTAT), where the rate among women was estimated to be slightly higher (15.9%) compared to the rate among men (12.2%). According to INSTAT, the female population runs a higher risk of being unemployed, especially those under 30.

## 1. The fason industry

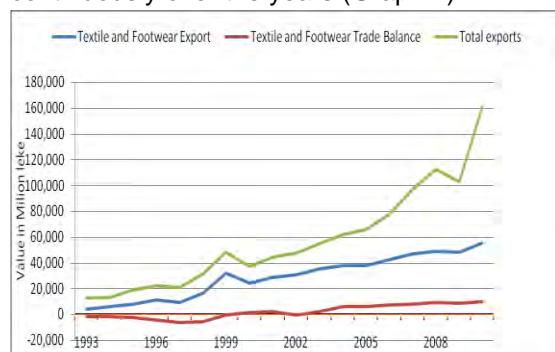
The fason industry forms a part of the private, non-agricultural sector and represents a major share of total exports. In fact, it is one of the most successful industries in the country where many small Albanian companies have been gradually consolidated into larger enterprises.



**Graph 3:** Export by Group of Commodities for 2010

Source: Ministry of Economy, Trade and Energy:  
Commercial Bulletin of 2010

According to data received from the Albanian Fason Chamber, in 2010 the textile and footwear industry accounted for 36% of total exports and involved approx. 540 companies operating throughout the country (Graph 3). In addition, the textile and footwear sector is the only sector in Albania with a positive trade balance where the trade surplus has been increasing continuously over the years (Graph 4).



**Graph 4:** Export Performace 1993-2010  
Source: INSTAT Economic Indicators: Foreign Trade

In addition, according to the National Employment Service, this sector employs approx. 100,000 employees out of which 91.7%

are women and girls (mostly between 20-34 years). From Table 1 which shows the number employed per sector, we can conclude that the industry employs about 2/5 of all workers in the private, non-agricultural sector.

	2008	2009	2010
Labour Force	1.115.562	1.042.618	1.059.199
Employment	974.067	899.278	915.981
a) Public Sector	166.543	166.250	166.600
b) Non Agricultural Sector	238.975	236.838	242.717
c. Agricultural Sector	569.000	496.000	506.000

**Table 1:** Employment by Sector

Source: INSTAT: The Result of the Labour Force Survey in 2009 & Labour Force Survey in second quarter of 2011

Despite being a major driver of exports, the size of the sector in real terms is modest. This is primarily due to the low value-added activities carried out in the Albanian firms and the pressure to keep down the contract prices and labour costs due to competition from abroad.<sup>1</sup> As a result of the global economic downturn and large exposure to European markets, a downshift in demand led to a decrease of 10.4% in the inward processing regime of exports (ordered material for re-exports) from 2009 to 2010 (Albanian Fason Chamber), a significant reduction in the number of employees and suspension of activities. According to data provided by the Institute of Labour of BSPSH<sup>2</sup> the present rate of unregistered workers in the industry is estimated at around 40%. Given the importance of the sector and the high number of workers who lack protection, as defined by the ILO, the involvement of all national stakeholders is necessary to improve the situation concerning decent work.

<sup>1</sup> The key success factors of the Albanian textile and footwear sector are the proximity to the EU market, low labour costs and low operation costs (UNDP & EU, 2005).

<sup>2</sup> Union of Trade Unions of Albanian Workers was established in 1991 and has around 86,000 members without counting the pensioners federation.

## 2. Rights at Work

Since Albania applied for EU candidate country status, the government and parliament have been increasingly concentrating their efforts towards fulfilling the political and economic criteria that are part of the EU integration process, rather than focusing on the social agenda. The European Commission's Opinion on the application for membership in 2010 clearly states that Albania has to make considerable efforts to implement the European acquis, especially chapter 19 on "Social Policy and Employment".

### Legislation Guaranteeing Rights at Work in Albania consists of:

- ILO Conventions ratified by Albania on the "core labour rights" (conventions 29, 87, 98, 100, 105, 111, 138, 182)
- "Labour Code" which is currently subject to a number of changes
- Social Security Law and its by-laws
- The Law on Promotion of Employment and the programme to promote employment and vocational training (Employment Strategy issued by the Ministry of Labour, Social Affairs and Equal Opportunities for the years 2007-2013)
- The Law on Safety and Health at Work, adopted two years ago but not implemented
- The Law on Bankruptcy of Enterprises
- The Law on Commercial Companies and Trade (articles 19, 20, 21) not implemented since 2008 due to its many legal deficits creating social conflicts between trade unions and employers' organisations

Box 1: Legislation Guaranteeing Rights at Work in Albania

Some of the main laws where improvements are expected are:

- The Labour Code
- Law on health and safety at work from 2010
- Law on traders and commercial companies from 2008
- Law on non-discrimination and equal treatment between men and women

According to the Union of Trade Unions of Albanian Workers (BSPSH) and the Confederation of Trade Unions of Albania (KSSH)<sup>3</sup>, workers in this sector face harsh working conditions as only a few factories respect and fulfill the obligations set out in the Albanian Labour Code. Revision of the Labour Code was approved in order to approximate it with EU legislation and is to be undertaken in collaboration with ILO experts. Unions have also prepared different proposals for changing the Labour Code by asking to:

- Change laws and articles in which specific restrictions were found concerning the future implementation of the European Social Charter, especially on information and consultation directives Article 32/1
- Change articles 141 and 143 which allow dismissal without any reason or motive by observing a notice period between one month and three months defined in Article 143 of the Labour Code
- Reformulate articles 146/3, 144 and remove court fees for labour rights cases in order to facilitate protection of labour rights
- Remove the ambiguity in the law on general strike and parts of the Article 197/8 in force
- Reformulate the legal terms on freedom of association Chapter XVI, letter A, Sections 178, 179 and 180, and other articles such as 124/2, 148, 169, 197/7

Another issue is the weak implementation of the Labour Code. Workers confirmed that for instance overtime, as defined in the Labour Code and in individual contracts, is often not appropriately compensated, if at all.

In addition, trade unions have recommended amendments to the law on mandatory healthcare insurance (nr 10 383) as this law does not contain provisions concerning men and women who have reached the retirement age

<sup>3</sup> Confederation of Trade Unions of Albania was established in 1991 and had around 105,000 members in 2006.

but do not fulfill the required years of service based on the law.

As mentioned earlier, the economic crisis has directly impacted on the daily cost of living and reduced the opportunities for finding a decent job due to the following outcomes:

- Overall reduction in the number of contracts
- Contracts with less favourable conditions
- Termination of existing contracts
- Difficult prospects of signing new collective agreements

In the Western Balkans the minimum wage represents a low percentage of the average income (Kohl, 2009, p.55) and in 2009 Albania had the lowest minimum wage in the region. The research *"Rapid Assessment of the impact of the global Economic crisis on the Apparel and Footwear Industry in Albania"* claims that wages in the textile and footwear sector are among the lowest in Albania (ISB, 2010, p.46) and clearly insufficient to guarantee a decent life.

Country	Minimum wage in Euro
Albania	138
Bosnia-Herzegovina	159
Croatia	381
Macedonia	-
Montenegro	-
Serbia	159

**Table 2:** Minimum Wages in the Western Balkans (Euros)

Source: Friedrich Ebert Stiftung, 2009.

Note: no statutory minimum wage in Macedonia and Montenegro

This sector is heavily dependent on a cheap and low-skilled labour force. Trade unions have been hesitant to demand higher wages fearing capital flight to more cost effective locations<sup>4</sup>. On 12 July 2011, the National Labour Council approved an increase in the minimum wage at the national

level from 19,000 (€138)<sup>5</sup> to 20,000 Leke (€143)<sup>6</sup> and the hourly overtime payment was raised to 115 Leke (82 cent)<sup>7</sup> per hour. Trade unions believe that the government should raise the minimum wage to 22,000 Leke/month (€157)<sup>8</sup>. During the last meeting of the National Labour Council, the National Chamber of Manufacturers for Clothing and Shoes requested a change in the law on customs tariff levels, including a removal of the customs tariff of 10%. The proposal was welcomed and approved. Such a fiscal relief could in fact provide a new opportunity for trade unions to negotiate a minimum wage for the sector.

Finally, very few enterprises are inspected and checked by inspectors, despite numerous denunciations of trade unions to relevant state bodies such as the Labour Inspectorate. In addition, reports are not made public even in the case of well known breaches of the law on social protection. This is mainly due to the lack of capacity of the Labour Inspectorate and ambiguous legislation governing the functioning of the latter. For instance, the Inspectorate's structure is based on 12 directorates in the regions but all lack the necessary equipment. Furthermore, up until now only one out of the 24 planned local offices has been fully established. According to unions, the number of inspectors is very low considering the size of the area they cover and the number of factories that they need to supervise. In 2008, the total number of inspectors was 90 which is insufficient to adequately perform tasks in the 540 fason factories, even in comparison with other countries in the region. This shows that there is an urgent need to increase the human, physical and financial resources of the State Labour Inspectorate.

<sup>4</sup> There are factors that could prevent capital flight even if wages would rise such as Albania's geographical position that offers rapid turnover of orders reducing transportation costs, the preference agreements in place, tax reducing policies etc.

<sup>5</sup> Exchange rate at the time of publishing

<sup>6</sup> Exchange rate at the time of publishing

<sup>7</sup> Exchange rate at the time of publishing

<sup>8</sup> Exchange rate at the time of publishing

Country	The total number of inspectors
Albania in 2008	95
Macedonia in 2008	102
Montenegro in 2007	41
Croatia in 2008	215
Bosnia- Herzegovina in 2007	590

**Table 3:** The Number of Inspectors in the Western Balkans  
Source: ILO, Labour Inspection Data Set

Another issue that has been raised by unions is the lack of transparency in the work of the State Labour Inspectorate. Despite frequent requests to be part of and to monitor the inspection process, the inspectorate has not been willing to involve unions in this activity.

In addition, Article 12<sup>9</sup> of the law on the labour inspectorate still lacks a by-law required for regulating cooperation between all interested groups which has created confusion on how trade unions should be involved in the consultative body<sup>10</sup>, if it continues to exist at all.

The current labour inspectorate is thus weak, not having sufficient personnel and power to impose sanctions, as demonstrated by the very few cases of substantial sanctions being imposed despite frequently discovered violations. Yet, it should be mentioned that lately, due to frequent controls by the State Tax Authority, some slight improvements could be observed.

<sup>9</sup> Law no. 9634, date 30.10.2006 "On inspection of Labour and State Labour Inspectorate"

<sup>10</sup> The body is a forum where the inspectorate, ministry and union representatives meet.

### 3. Social Protection

Employment should guarantee social protection of workers by providing social and income security. Often this is not the case in the apparel and footwear industry as enterprises declare fewer workers than actually employed to avoid legal obligations. Due to tough working conditions many have health problems (many suffer from accidents at work and headaches due to exposure to chemical substances). The fact that workers are not registered is an aggravating factor since it means that they have difficulties in accessing healthcare (usually they are forced to cover all medical costs out of their own pocket). In many cases, maternity leave is not paid and women leave their jobs without receiving the benefits they are entitled to according to the Labour Code. In addition, the law on safety and health at work passed in 2008 is still missing 6 out of 9 by-laws required for its full implementation.

In addition, the pension system does not guarantee social protection for the same reasons as described above. Moreover, coverage of the pension system is very low in comparison with EU benchmarks. This additionally discourages people from having regular jobs (EC, 2010, p.85). The benefits received are low since high inflation has led to the devaluation of their real value. If the situation is not improved by increasing pensions in proportion with contributions and needs, informality will remain high.

Due to global competition companies are leaving the country, terminating contracts and dismissing workers without fulfilling the monetary obligations accrued during the employment contract. The existing legal instruments available to workers in case of violation of their rights are limited. For this reason, the formation and implementation of the provision in the Labour Code regarding the establishment of the Labour Court is an item that should be emphasised more, not only by trade unions, but also by other

actors involved in promoting the Decent Work Agenda.

## 4. Trade Unions

Social dialogue is one of the central pillars of the Decent Work Agenda. In some countries social dialogue has been difficult to develop, accept and understand as it is affected by the political, social, legal and cultural past. Trade unions have a key role to play in promoting social dialogue given that they are directly concerned with the working conditions and the protection of workers' rights.

In Albania, social dialogue at the enterprise level is less developed since both the employers' and employees' organisations are not well organised. This is especially true in the apparel and footwear industry where there are 5 employers' organisations and it is very difficult to bring all partners together. At national level, social dialogue is regulated by the National Labour Council but trade unions have made many complaints concerning its meetings, agenda items and its fictitious decision-making process. This shows a total disregard for unions and has led to a very limited tripartite social dialogue.

In many cases, employers' representatives have stated that trade unions are unable to meet the representation criteria due to their internal problems. Internal weaknesses and their absence in many factories have produced poor results in terms of fulfilling the decent work objectives in this sector. Freedom of association and the right to collective bargaining are stipulated in ILO conventions 87 and 98 ratified by Albania and also affirmed in the Labour Code. Despite this legal basis, enterprises are still very hostile towards trade unions that attempt to strengthen their own position and perceive the latter as an obstacle for freely managing their relationship with workers. For instance, since this sector is based on imported raw materials, employers fear the possibility of potential alliances between domestic trade unions and those abroad which would strengthen and consolidate the domestic players. Employers also try to avoid collective agreements as the latter guarantee better

compliance with legal obligations than individual contracts. The number of factories that have a collective agreement in this sector is around 100 (out of the total of 540) which means that the level of unionisation is very low. Another issue which the two trade union organisations reported is the inadequate treatment of labour rights violations cases since the civil courts are overloaded and it may take up to three years to receive a verdict.

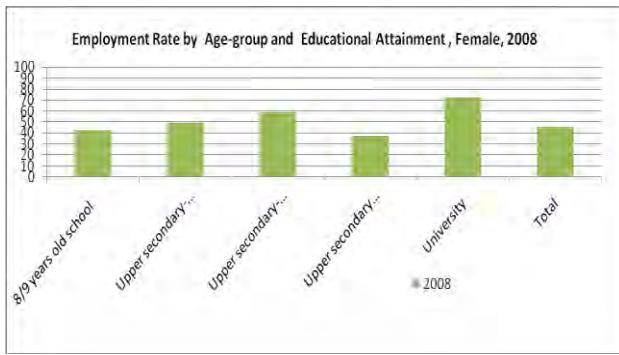
According to trade unions, approximately 20,000 workers have joined unions in the textile and footwear sector, but this number should be considered with extreme caution. To calculate the real number it is necessary to subtract those who are typically named "virtual users", i.e. those who do not pay membership fees but are counted as members since they have submitted a registration form. According to other sources, there are about 9000 to 10,000 actual members which is equal to 1/10 of the total labour force in this sector. Members are concentrated in large enterprises with a high number of employees. Where trade unions are present, workers mentioned that there had been a positive impact on their working conditions. In addition, social dialogue has been more successful and functional and collective agreements were introduced significantly improving working conditions, increasing income and guaranteeing better social protection. However, due to the threat of dismissal and actual dismissals, efforts to increase membership in the textile and footwear sector have produced few results. To counter this, trade unions tried to draw up a so called "preliminary agreement" with the owners using mediators. Unfortunately, this approach backfired since the dependency relationship which arose between unions and employers only worsened the public perception of unions as corrupt and consequently reduced their credibility.

It has also been noted that political parties have had a very strong impact on trade unions where

the main political parties formed a dependency-like relationship with them. As a result of the polarisation of the political situation in Albania, the relationship between the confederation and federation has deteriorated and their disputes are seriously endangering trade unionism as a whole by fragmenting and weakening trade unions, and by obstructing social partnership. Also, some kind of clan behaviour has been observed within trade unions where the narrow interests of a few are represented. These factors have additionally fueled a bad public image. In fact, surveys confirmed that the public does not perceive trade unions as actors capable of generating social benefits. In fact, there is a complete rejection of their role and mission (even violent anti-union behaviour in some private sectors) in the political arena and in industrial relations.

## 5. Women's rights

Gender disparities are strongly influenced by the sector of employment – a high concentration of women can be found in sectors employing a low-skilled workforce. In 2009 the apparel and footwear sector employed approx. 23.7% of the total number of women employed in Albania<sup>11</sup>. These jobs generate lower income which in turn has created a gap between men and women when it comes to quality employment. The gender disparities in the labour market are reinforced through symbols and images portraying women as docile and submissive, i.e. ideal factory workers. Factories are considered to be a “safe place” for young women and girls, despite their harsh working conditions. These socio-cultural norms of what is considered appropriate or not for women are preventing many women and girls from continuing to middle school, high school and university.



**Graph 5:** Employment Rate by Age-group and Educational Attainment, Women, 2008  
Source: AFP, INSTAT, 2008

Graph 5 shows the employment rate among women based on their level of education. According to the data, only 72.2% of those with higher education and only 46.8% of those without higher education are employed. In other words, the level of education is directly linked to their economic status and offers a higher probability of finding a job. This does not seem to hold true for men to the same extent.

<sup>11</sup> In 2009 the employment rate among women was 43% and the total number of employed was 899,273. This means that around 386,687 women were employed. The fason industry employs approx. 91,700 women, i.e. around 23.7% of all employed women.

Furthermore, the gender wage gap is higher when the level of education is lower and discrimination in the labour market is more profound. However, other reasons for this gap are occupational segregation; work experience and childcare (Miluka & Grown, 2010). Although there is an overall lack of statistical data for determining the wage gap between men and women per sector, in the private, non-agricultural sector it was estimated that only 17% of women have leadership positions (SRC & INSTAT, p.10).

Transition has particularly negatively influenced the economic status of women and limited their opportunities to find jobs in other sectors. Their weakened position vis-à-vis employers has meant that women are not ready to raise any objections or to claim better working conditions, extention of social protection and wage increases etc.

## 6. Case Study: The Reality in a Footwear Factory

This section is based on personal stories from workers in a foreign subsidiary. The subsidiary employs around 1,300 employees of which only approx. 150 are men. The minimum gross wage amounts to 22.000 leke per month which is not enough to meet basic needs. At the beginning a group of workers tried to organise themselves by establishing a trade union within the factory. To prevent this, the workers were offered positions as heads of unit which automatically meant higher incomes. Following on from this there have not been any substantial attempts to organise. One worker noted that since he started 10 years ago, the terms of his individual contract had not changed.

Although some improvements were made when it comes to security issues, many problems still persist. The factory has secured the presence of two doctors who are employed part-time, but only for the first two shifts and only during two hours in each shift. The third shift does not have any medical service. Medical tests are periodically requested to measure the level of poison in the blood and often show blood abnormalities, even cases of leukemia due to the use of dangerous chemical substances. Despite this, the only intervention made to improve working conditions was the replacement of the ventilation system with a larger one.

There is a person who deals specifically with Safety and Security at Work. However, in many cases, the workers ignored the importance of Safety and Security at Work and they do not use personal protective equipment such as masks, earmuffs or gloves as they are not properly informed about the associated risks. Occasionally, the factory was inspected by the state (the Office of Public Health) but due to problems with corruption no measure was taken against the factory.

There is no specific evidence pointing to the issue of equal pay for work of equal value in this factory. This is because the positions held by

men and women are usually different. There have been a few cases of sexual harassment in the workplace. In some cases, senior officials took measures against the responsible parties by dismissing them. In others, they were not reported to the competent bodies as issues were resolved outside the formal framework.

## 7. Conclusions and Recommendations

Overall, despite various national strategies that have been launched linked to the respect of fundamental principles and rights at work, employment promotion and equal income opportunities for men and women, extension of social protection and promotion of social dialogue, the objectives of the ILO's Decent Work Agenda are still far from being achieved in Albania. As shown, workers in the industry which was analysed:

- Face low wages
- Work under harsh conditions
- Lack adequate social protection
- Lack strong representation
- Are often unregistered

In other words, the case study identified numerous deficits when it comes to the respect of decent work objectives in the textile and footwear sector which should and can be tackled in collaboration with different actors. The section that follows summarises the findings and proposes a set of recommendations.

### Internal features of trade unions

Overall the research shows that trade unions are very fragmented and weak which has hampered opportunities to establish a strong employee representation. There have been some cases where the two confederations tried to cooperate - for instance, when drafting the common requirements for economic and social policy, promoting a functional tripartite social dialogue at the national level and during collective bargaining with employers. This was done to ensure media coverage while in practice the cooperation never took hold due to their strong dependency relationship with the two major political parties. The conceptual and political division between the two trade union confederations has prevented cooperation, not only between confederations, but also between branch organisations. As a result, social

dialogue deteriorated both at the enterprise and national level.

The key is to create solid relations with workers by increasing their participation in the internal structures and/or decision-making processes of the unions. Special activities such as offering legal opinion to workers should be carried out in enterprises where contact with the workers is denied. It is also important to strengthen all forms of association, in particular by targeting young people and women through tailored programmes. At the same time, unions should develop specific strategies which aim to increase their participation in society. To demonstrate their relevance to the public, they should go beyond their core functions within collective bargaining and deal with broader themes. Today, this is rather difficult given that they lack capacities due to inadequate personnel (e.g. technical staff are difficult to retain due to their high personnel costs) and financial resources to conduct research which could help develop certain strategies.

Finally, unions should continue to support sector based collective agreements at the national level which guarantee comparable working conditions and remuneration for comparable work, and demand the Labour Code be amended concerning the minimum wage. This would lead to a higher recognition of their role and legitimacy, and potentially result in the development of genuine industrial relations in Albania. This would also assure unions' long-term sustainability.

### Trade unions and their external ties

In a country with high unemployment, where the informal economy is an ongoing issue, where the state administration controls the conduct of economic and social dialogue and civil society is weak, trade unions should position themselves as a central actor in matters directly or indirectly affecting workers' situation. In fact, only a

genuine cooperation between all stakeholders (public institutions, trade unions, employers' organisations, NGOs, media) can help create and implement strategies for decent work not only within the textile and footwear sector, but also in every other sector in Albania.

Today, cooperation between civil society and trade unions is insignificant or non-existent as the latter lack both capacities and will to engage with NGOs and to share best practices and experiences. For a long time, trade unions prevented other actors from getting involved by monopolising all issues concerning the protection of workers. Civil society on the other hand has not shown great interest in working on topics linked to the Decent Work Agenda apart from implementing some projects on informal employment, the exploitation of female workers, low wages and harsh working conditions for young girls.

According to the trade union confederations, the media has negatively portrayed the unions, in many cases by not highlighting the essence of their problems or simply marginalising them by transmitting news during less attractive hours. Although the relationship is underdeveloped, the discussion shows that communication needs to be improved by using various tools such as leaflets, posters, websites and Internet. Moreover, trade unions should try to develop a strategy which would help them improve their overall relationship with the media. For instance, a concrete strategy to attract powerful media could be developed in close cooperation with civil society, interest groups, employers' organisations and state institutions.

Further efforts are needed to strengthen cooperation between trade unions and employers' organisations in order to consolidate the bipartite social dialogue. Despite the fact that some employers' organisation have better capacities, they are also often fragmented and do not cooperate with neither each other nor with trade unions. However, a fruitful cooperation between these actors would improve the situation for both enterprises and

workers in the sector and potentially lead to the development of industrial relations.

### **Recommendations to Trade Unions**

- Union subscription fee should no longer be collected only via the employer but the trade unions should also be involved in this process. Furthermore, unions should enable workers to take part in activities at all organisational levels in order to increase their internal level of democracy.
- The focus of social dialogue and collective bargaining should not only be on remuneration but also on working time reduction and on improvement of working conditions.
- Strategies should be formulated in cooperation with other actors such as the media, civil society, research institutes and universities. This cooperation could also help increase the capacities of trade unions.
- To improve their image and public opinion, trade unions could try to regularly organise a "jour fixe" (e.g. every three months) involving both the KSSH and BSPSH. On this occasion, their work on issues relevant to the broader public (including women's rights) could be presented, thereby demonstrating their added value. In addition, it would be useful to organise awareness-raising activities to inform the wider public, especially when it comes to workers and their rights.
- To enhance the role of women in society (in terms of their economic independence, decision-making, participation) it would be highly desirable if trade unions and non-governmental organisations focusing on women's rights would draw on each other's expertise by cooperating more.
- Trade unions should demand the implementation of the special provision for

the establishment of Labour Courts as stipulated in the Labour Code.

## **Recommendations to the Albanian Government**

- The government needs to change its perception that trade unions are insignificant actors and that they can be easily bypassed. To achieve this, the government should promote and support the role of trade unions as partners by delegating responsibilities on matters directly or indirectly affecting workers' interests. In addition, it should play an active role in protecting trade unions from employer organisations' abuses.
- The government should reduce the minimum number of workers required to form a union-based organisation within a company to below 20 by amending the Labour Code. This would increase employees' representation in small companies.
- In addition, according to trade unions, the final draft for amending the Albanian Labour Code needs to be revised in a way which prevents unfair dismissals. The burden of proof should not be on the victim but should be the responsibility of the employer. Furthermore, a provision which would make rehiring of a formal employee mandatory, in case of unfair dismissal, should be introduced. Also, Articles 141 and 143 should include an additional provision which would ensure that the employer is obliged to provide a justified explanation for dismissal - even when the notice period is respected.
- The government should establish a Labour court as defined in the Labour Code from 2003 and ensure efficient functioning of the special arbitration tribunals dealing with trade union rights violations.
- It is crucial that the Social and Economic Council, an independent consultative body and a forum to promote civil society participation in economic and social life and civil dialogue, is established.
- Voting power in the National Labour Council should be changed by conferring the power of veto to the two trade union confederations. This would prevent decisions directly affecting workers' rights being taken without their possibility to intervene.
- Linked to this, the government should not pass any legislation affecting workers' rights without first consulting the National Labour Council. In addition, the government should not amend or prepare laws without having discussed the draft with all relevant stakeholders, especially with trade unions as legal representatives of employees. This recommendation is a result of a large number of deficits identified in the Law on Commercial Companies and Trade, especially concerning Articles 19, 20 and 21 that stipulate the functioning and responsibilities of the employer council, since its draft version was never discussed in the National Labour Council. In short, it should become common practice that state institutions consult unions on the final draft law before sending it for adoption in the parliament.
- Cooperation between institutes acting in the field of safety and health at work should be supported in order to establish a system for exchange of information.
- State inspectorates should be strengthened by ensuring satisfactory working conditions, increasing cooperation with other authorities, securing adequate training, and creating effective management and organisational structures. To counteract constant information leaks (in the fason industry the factory owners are usually informed before their arrival at the site) a working method needs to be defined.

- In addition, the Council of Ministers should issue, as soon as possible, by-laws regulating the implementation of the law on state inspectorates and the law on safety and health at work.
- Finally, the Albanian government should support the aggregation of data by age and sex in order to calculate the gender pay gap, thereby better capturing various gender dimensions of the Albanian labour market. To this end, a database needs to be created by the National Institute of Statistics (INSTAT) which would help identify factors causing this gap and better formulate policies for preventing this type of discrimination. Moreover, the government should improve the information system for dissemination of official statistics as regular updates could be an important instrument for improving labour market deficits.
- tanks and social partners that would monitor the application of international policies.
- Furthermore, the EU should provide more technical and financial assistance to support the implementation of the Decent Work Agenda, such as assistance to raise the capacities of labour inspections.
- In addition, the EU could assist in the formation of the Social and Economic Council by helping to share best practices and experiences from Member States and push for the establishment of the Labour Court and special arbitration tribunals.
- In the Albanian case, a genuine and constructive dialogue at the national level should be supported by the EU as the only meaningful approach towards bringing overall progress in the country including the fulfillment of the Decent Work Agenda.

### **Recommendations to the European Union**

- The future integration of Albania in the European Union will not be achieved without compliance with EU social and economic standards. To achieve this and to fulfill decent work's objectives, the EU actors have to focus *continuous* attention on policies that target sustainable economic development in Albania.
- By implementing the Decent Work Balkan Network project, for the first time, experiences as well as expertise were shared between trade unions and civil society such as NGOs and think tanks about the issues in this sector. The EU should thus continue promoting similar socio-economic partnerships through joint research and monitoring, cooperation between NGOs and trade unions, and participation in the social dialogue.
- In addition, the EU Civil Society Facility should promote the creation of social observatories consisting of NGOs, think

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