

**Research Paper**

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## THE DEVELOPMENT OF LABOR FORCE OF ALBANIA

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### Abstract

In the 1990s, Albania underwent a profound transformation process which is the perspective of a social, political, economic, from socialist regime to a liberal regime. The process of democratic transformation led to the transition from a planned economic model to a liberal economic model. With this model, the efficiency of the state in the economic field has been reduced and the production facilities in the hands of the state have been privatized and the state owned lands have been removed from the state. With the withdrawal of the state, which has a producer and planner role in the economic field, an important gap has occurred in the economic field. In the process, agriculture, animal husbandry and industry were paralyzed and most of the facilities were shut down. In some cities and industrial areas, mass unemployment has led to migration. This situation caused excessive urbanization. This study aims to draw the attention of central and local government authorities to the specific problems of rural labor market development in Albania, its impact on socioeconomic and environmental processes, and opportunities for sustainable development.

**Key words:** Rural Migration, Urbanization, Rural Poverty, Unemployment

**JEL Kodları:** J01, J40, E01

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## Arnavutluk İşgücünün Gelişimi

### Öz

1990'lı yıllarda Arnavutluk, sosyal, siyasi iktisadi yönetsel açıdan sosyalist bir rejimden liberal rejime doğru derin bir dönüşüm süreci geçirmiştir. Yaşanan demokratik dönüşüm süreci planlı bir ekonomik modelden liberal ekonomik modele geçişi de beraberinde getirmiştir. Bu modelle birlikte devletin ekonomik alandaki etkinliği azaltılmış ve elinde bulunan üretim tesisleri özelleştirilmiş, devlete ait olan araziler de devletin elinden çıkarılmıştır. Ekonomik alanda üretici ve planlayıcı bir rolde olan devletin çekilmesi ile birlikte ekonomik alanda önemli bir boşluk meydana gelmiştir. Süreçte tarım, hayvancılık ve sanayi felç oldu ve tesislerin çoğu kapanmıştır. Bazı şehirlerde ve sanayi bölgelerinde kitlesel işsizlik göç yaşanmasına neden olmuştur. Bu durum aşırı kentleşmeye neden olmuştur. Bu çalışma, merkezi ve yerel yönetim makamlarının dikkatini Arnavutluk'taki kırsal işgücü piyasası gelişiminin belirli sorunlarına, bunun sosyoekonomik ve çevresel süreçler üzerindeki etkilerine, sürdürülebilir kalkınmaya yönelik fırsatlara çekmeyi amaçlamaktadır

**Anahtar Kelimeler:** Kırsal Göç, Kentleşme, Kırsal Yoksulluk, İşsizlik

**JEL Codes:** J01, J40, E01

## **Introduction**

The introduced article in the field of human geography aims to analyze the development of labor market in Albania after the 1990s. The stimulating or inhibitory factors, interactions and challenges of the present. Providing estimates through the preparation of local regional policies and many indispensable interregional institutions for the future by offering forecasting through drafting of local, regional policies and the many indispensable inter-regional ones.

Of course, the article will positively and negatively illustrate the situation of Albania and the opportunities for achieving sustainable development, local, regional and inter-regional progress of the labor force by ensuring the most appropriate allocation of social, economic and environmental resources.

The sources of information for the realization of this article in the spatial and administrative aspects have been diverse and detailed: very reliable and official (central and local) governmental entities, not very reliable entities (from different associations and foundations).

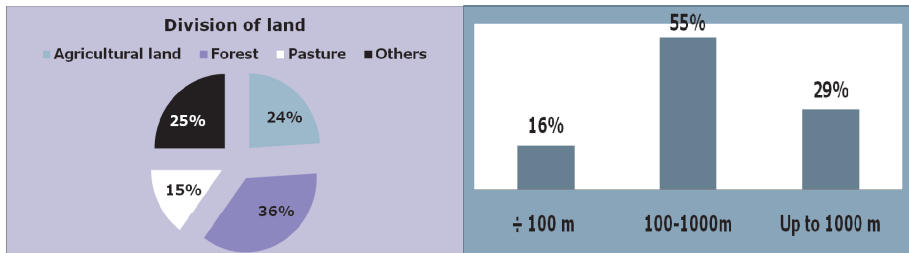
But in the absence of them from various field surveys, the three of them are being used in a confrontational and dynamic way. This statistical information was elaborated with graphical and cartographic presentation.

## **1. Natural Potentials that Favor the Development of the Country**

### **1.1. The Natural Resource Basic Level**

*Extremely favorable natural conditions:*

Albania has a total area of 28,750 km<sup>2</sup>, of which 699 thousand ha are classified as agricultural land (24% of total area), 36% forest, 15% pasture and the rest, 25% is classified in other category, including urban areas, lakes, streams and unused rocky and mountainous areas. The average area of agricultural land per capita is quite low around 0.2 ha, being considered the smallest in Europe, despite the fact that the agricultural land grew more than double from 1950 to 1990 due to groundwater drainage, the creation of terraces and the cultivation of forests and pastures and the creation of new irrigation schemes.



**Figure 1.** *Division of Land in Albania* **Figure 2.** *The Land According to Altitude*  
 Source: [www.ujqesia.gov.tr](http://www.ujqesia.gov.tr) (Accessed on 26.08.2017)

The country is quite mountainous with sea-level altitude along the Adriatic Sea to the west to 2751 m in the mountain of Korab in the northeast of the country. Only 16% of the land lies below 100m, 55% between 100 and 1000m and 29% is over 1000m. For this reason the land used for agriculture issues is quite steep, with only 44% of the agricultural area sloping less than 5%. Albania is divided in three agro ecological areas (Strategjia e Zhvillimit Rural për Shqipërinë, Tiranë 2002, page 88) based on climatic and topographic conditions:

*Lowlands*, up to 200 m, which consist of coastal areas along the Adriatic Sea. These conditions allow the production of a wide range of agricultural cultures.

*The hilly area*, from 200 to 900 m, consists of hills extending from north to south between the coastal and mountainous areas, which include the Korça basin in the southeast of the country, where olives, vines, fruit trees grow etc.

*The mountainous area*, which consists of mountainous meadows and high mountain peaks, with forests and pasture for wildlife.



**Photo 1.** *The neck and the anticline of Selcka* & **Photo 2.** *The karstic field of Poliçan-Zagorie of local importance: The valley of Zagorie near the natyral monument of Zhej in Gjirokastra district* (A. Sinani)

As a Mediterranean country, Albania has wonderful natural conditions. The country's land area has farmed land, 60% of this is based on natural development conditions under water and agriculture and livestock that rely on natural development conditions. This fact provides a very sought-after natural resource, and is a guarantee for a successful and competitive development of the agro-food industry as essential for developing tourism and mitigating employment.

Albania has many superficial and underground assets. The Albanian subterranean is rich in diverse minerals, of great value. Energy sources, especially the hydro power, are very large. Albania is ranked among the 4-5 leading chrome exporters in the world.

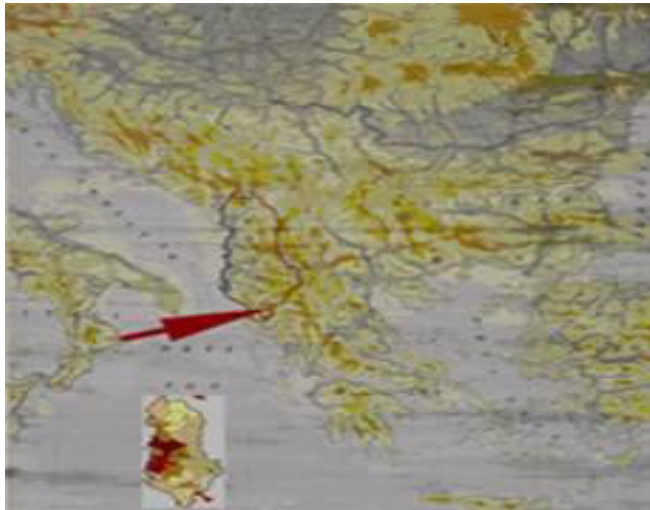
The vertical zone of climatic-earth conditions has determined the expressed termination of the *natural plant cover* and the variety of plants within each floor, including those with medical values and plants of all areas. The broadest spreads have Mediterranean deciduous and evergreen bushes that stretch up to 600-700 m in height, covering all the hilly reliefs. They are represented by *Arbutus unedo* (strawberry tree) *Quercus ilex*, heath.



**Photo 3.** The pine-fir forest of Rexhine-Nivica in Tepelena district (A. Sinani)

In many sectors this vegetation has disappeared as a result of deforestation for the opening of agricultural land for the cultivation of cereals, forage, fruit trees, vineyards etc, or it has been replaced with black pine. The improper use of these trees for firewood, artistic products (heather), livestock food etc. has led to the depletion and degradation of plant coverage. The 1 million ha forest area plays an important role in land protection and provides fuel and oat. The

quality of the pastures and their productivity is low and are over-utilized, as a consequence of the increase in populations of small animals and the high degree of uncontrolled grazing on the implementation of the reforms. Surface water resources flow into 8 main river basins, 650 irrigation reservoirs, with a collection capacity of 560 million m<sup>3</sup>. The natural environment is also distinguished for rich and diverse fauna. The natural conditions of Albania are diverse and suitable for living and diversifying economic activity. Greater opportunities for development include agriculture, livestock, forestry and beekeeping, in which the inhabitants have early traditions.



**Map 1.** Geographical position of Albania (A. Sinani)

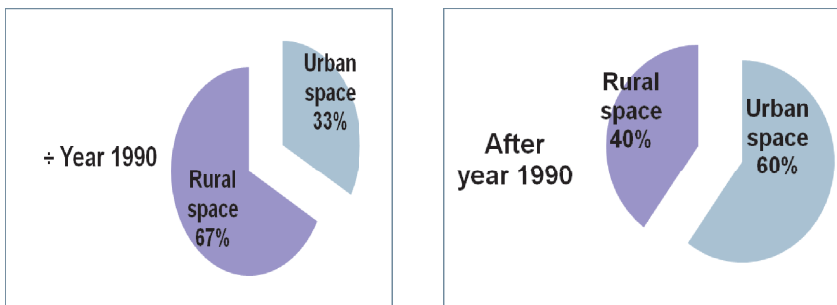
### **Population Dynamics, a Retrospective Glimpse of Today and Forecasts**

The labor market is closely related to the dynamics of the population, which is one of the main factors for the development of the country as well as the purpose of production and services. Analysis of population census in 2001 shows that the total population of the resident population was 3.82 million, but the total population and housing census in April 2001 was 3.07 million people. Between these two data the difference of 750 thousand inhabitants (Academia 2005:21) are involved in the process of migration, internal migration and especially foreign affairs towards Greece, Italy, Germany, USA, Canada, and England and recently towards the Nordic countries. Among the main causes of this phenomenon we mention *abandoning of rural areas and emigration mainly abroad* (it is thought that after 1990 approximately 1 million people emigrated and during the intercensal period 2001-2011 is estimated that around 500 thousand persons emigrated); *the decline in fertility* (fertility coefficient

is almost halved at the 20-birth limit per 1000 inhabitants) and *change in the ratio of the village-city population*.

### ***Village-city structure***

Thus, on the eve of 1990, 33% of the population lived in the city and 67% of the population lived in the village. Thanks to migratory movements within the country, the population structure by dwelling changed and based on the estimates, the specific share of the population reached about 60% and the peasant population at 40%. Most of the population is affected by the deep mountainous areas of the country, especially the Albanian Alps and the southern ones, such as Gjirokastra, Tepelena and Përmet, up to 30-60%. All this population influx addressed the country's Western Lowlands, in the most important regions of the country, Tirana, Durrës, Vlora, Fier, etc., which were characterized by a positive intensity of rural populations.



**Figure 3.** The ratio of the village-city population in Albania, before & after 1990 (A. Sinani)

The resident population in urban areas are 53.5 percent while 46.5 percent of the population are living in rural areas. This shows that internal population movements have increased during the intercensal period 2001-2011 mainly from rural areas to urban areas. As a result of the migratory movement after 1990, the phenomenon of agriculture abandonment appeared, with indicators below the country's average level in the southern region of the country such as: Vjosa valley in Përmet, Drino valley in Gjirokastra, Buz of Tepelena, in the districts of Zagorie and Lunxheria in the district of Gjirokastra. These areas are characterized by a rather substantial net migration, to the extent of over 60%. The highest level of this indicator is the country's mountainous regions, especially the northeastern ones. So migration has been recalled as possible as consequence of labor force redundancies or job shortages and ongoing aging of the potential labor force. The following impression is that a huge labor potential is wasted, which includes teenagers, whose wait is to get employed

in a satisfying way but unluckily that takes too long, so that strengthens the motivation to migrate abroad. The problem is that the new generation seem to have lower proportions of university degrees and upper-secondary diplomas.

The new generation migrate in search of a good education, but on the other hand that is a negative base for the future economic development of the country. So, we see that in the entire physical environment of the country, the labor market within the agricultural economy is rather limited. The development of the country's rural environment has begun to be oriented towards other sectors of the economy, towards tourism, services, crafts etc. The chaos of the 1990-1992 years created a serious situation in agriculture, where about 70% of the land remained not fertilized and the destruction of national wealth was too great. These demographic changes brought with them a number of negative consequences.

### ***Gender structure of population***

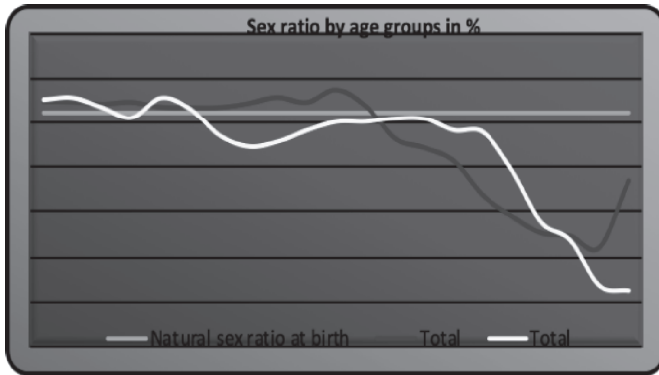
Among the changes, the most important we mention *changes in the gender structure of the population*; referring to this report in favor of women. Thus, according to the 2001 census, the country had 9 thousand more women than men. The main role in this change is immigration, about  $\frac{3}{4}$  of migrants are male and  $\frac{1}{4}$  are females.

**Table 1:** Sex ratio according to Prefecture data based on population census of 1989, 2001 and 2011

<b>Sex ratio</b>	<b>1989</b>	<b>2001</b>	<b>2011</b>
Total	106.1	99.5	100.4
Berat	107.1	101.8	101.4
Dibër	106.9	100.5	103.9
Durrës	105.6	96.2	101.4
Elbasan	106	102.6	101.2
Fier	106.2	100.3	102.3
Gjirokastër	107	101.6	102.6
Korçë	105.4	101.7	102.1
Kukës	108.7	100.2	101.7
Lezhë	106.9	96	100.3
Shkodër	107	97.1	98.5
Tiranë	102.9	98.1	97.8
Vlorë	106.8	98.3	101.2

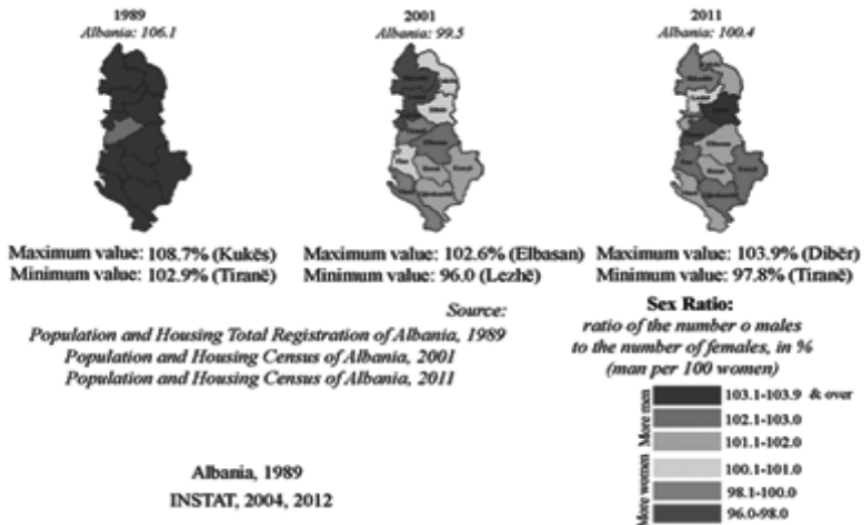
**Source:** *www.populsia.al* (Accessed on 26.07.2017)





**Figure 4.** The sex ratio by age groups in Albania (A. Sinani)

The natural sex ratio at birth is worldwide 105, while for Albania was 107.8. In 2001, it was the very first time in the census of Albania. Ratio of females was higher than the ratio of males by 99.5 males per 100 female. According to the census of the general population in 1989 Albania had 394 males more than females meanwhile, in 2001 Albania had nine thousand females more than males, thus in 2001 the number increased by 5980 males more than females.



**Map 2.** Sex ratio according to general population census of 1989-2001 and 2011 (A. Sinani)

### *Age-group structure of population*

Among the changes, we mention also an important change, *age-group structure of population*. The country has a new population (average age about 27 years old).

**Table 2:** The composition of the different age groups of the population (in %)

Nr.	Age groups	1989	2001
1.	First age group (up to 15 years old)	33	29
2.	Second age group (15-60years old)	59	61
3.	Third age group (60 years old and above)	8	10
<b>Total</b>		100	100

**Source:** *Census of population, 1989, Instant 2001, page 82.*

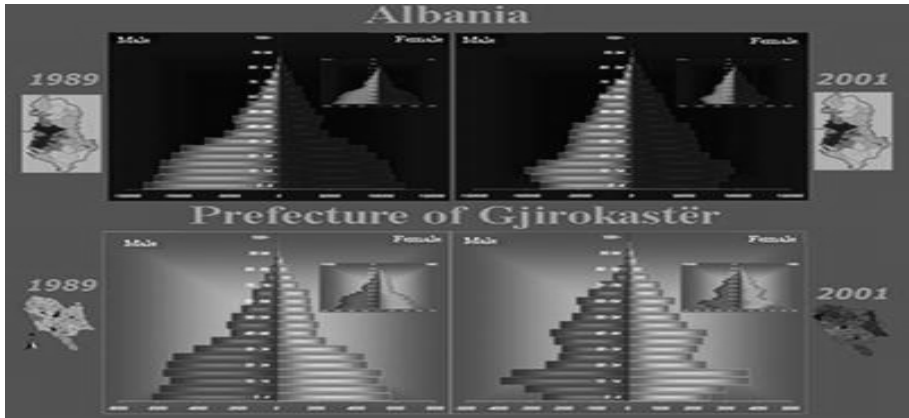
In a much summarized way, variation of the male multiplayer, for some age groups of population, is given according to the data of censuses along the years 1979, 1989, 2011.

**Table 3:** Consumption of different age groups (in %) for years 1979, 1989, 2001 and 2011

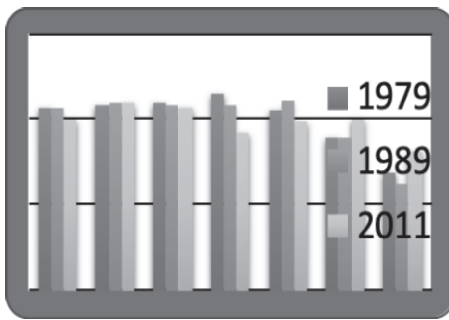
Composition of different age groups in percent					
Census		Years			
Number	Age groups	1979	1989	2001	2011
1	First age up to 15 years old	35.7	33	29.3	20.7
2	Second age 15-60 years old	57	59.2	59.5	63.3
3	Third age over 60 years old	7.3	7.8	11.2	16

**Source:** *Sinani, A. Organizimi hapësinor, rregullimi rural dhe perspektivat e zhvillimit të qendrueshëm në qarkun e Gjirokastrës, Tiranë 2009, page 283*

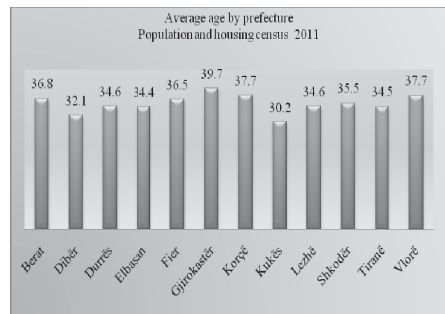
The above substitution index is the proportion of the population under 15 years old divided by the total population, is reduced from 35.7 per cent in 1979 to 20.7 per cent in 2011. The proportion of population 60 years and over divided by total population, is higher than in any previous Albanian censuses; this value increased from 7.3 per cent in 1979 to 16 per cent in 2011 while the percentage of age-group 15-60 years old is increased from 57 per cent in 1979 to 63.3 per cent in 2011.



**Figure 5.** The pyramid of age in Albania & Gjirokastra region (A. Sinani)



**Figure 6.** Age-groups 1979, 1989 & 2011



**Figure 7.** Average age by prefecture 2011(A.Sinani)

Notwithstanding the huge “deficits” produced by a decade of selective international migration and the ongoing aging of the potential labor force, Albania has demographic potential for the future economic development, provided that a sufficient labor demand in quantity and quality is generated to avoid further migration.

### The Level and Structure of Employment

The labor market analysis relies on the review of the staff structure of the employees. The structure of employees by spheres and branches was presented as follows:

**Table 4:** Employment structure in 1990 (in %)

Nr.	Denomination	Specific weight in %
1.	In production field	88.8
1.1.	industry	23.5
1.2	agriculture	47
2.	In non-production field	18.3

*Source: Vjetari Statistikor i Shqipërisë, Tiranë 1991, page 77.*

Reforms in the economy changed the structure of the employees. In 2005 there is a noticeable decline in the number of employees (by 35%), which is the result of chaotic transition.

**Table 5:** Number and composition of employees in 2001 (in %)

Nr.	Denomination	Specific weight in %
1.	Agriculture, hunting, forests, fishing	50
2..	Industry and construction	14
3.	Trading, hotels, restaurants	16
4.	Transport, telecommunication	6
5.	Education	5
6.	Health	2
7.	Others	7
<b>Total</b>		100

*Source: Popullsia e Shqipërisë 2001, INSTAT, Tiranë 2001, page 51.*

It is therefore considered that the situation in agriculture is at those levels and if we compare Albania with the European Community countries that the structure of employees by branches varies considerably:

**Table 6:** Employment structure by branches (in %)

Nr.	Denomination	Albania	European Community
1.	Agriculture	58.6	12.7
2..	Industry and constructions	13.7	26.9
3.	Services	27.7	60.4
<b>Total</b>		100	100

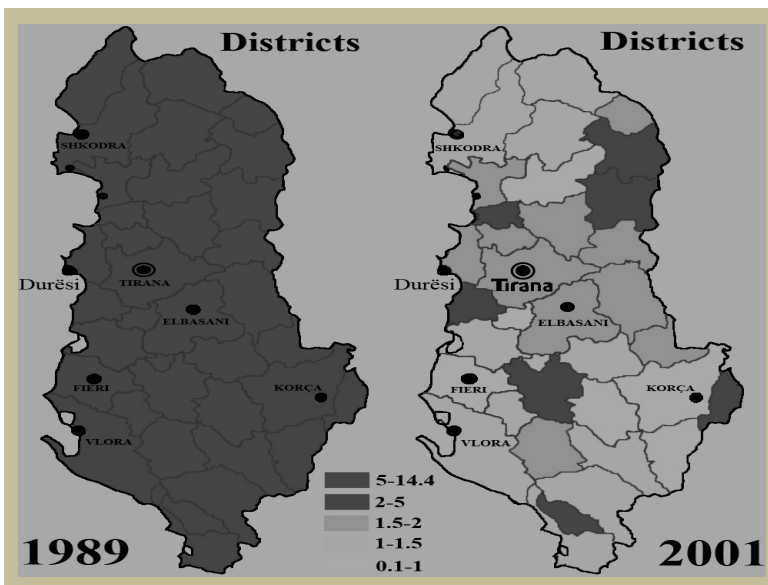
*Source: Tregu i punës në Shqipëri, INSTAT, Tiranë 2004, page 14.*

Economic reforms to the market economy have released about 60% of the former state-owned employees, which seriously affected the living standards of the population. The employed population was decreased by 30% compared to 1989 (INSTAT 2002:55). This has happened alongside with the slow withdrawal of women from the labor market and the large increase of the inactive population. On the other hand, unemployment was doubled from 9.1%

in 1991 to 22.7% in 2001, mainly for younger age groups and women.

The unemployment rate by age groups indicates that the highest share of people seeking employment is over 35 (50.4%). Very concerning for today and the future is the high level of unemployment for young people in the most vital age of life. About 54.7% of the unemployed have a low educational level (8-year education), 44.1% have secondary education and only 1.2% has higher education. An extremely alarming phenomenon for the Albanian economy is a large percentage of long-term unemployed with 92.3 % in one year (INSTAT 2004:18-19). As a result, in Albania, agriculture remains the country's main economic sector with 50.5% of the working population.

Even though in Albania over %50 of the employed people work in agriculture, only %35 of GDP at national level comes out of this branch. Part-time employment is diffused in the Albanian labor market both because of the nature of subsistence agriculture which is in the main not full time and because of the occasional short-term jobs in the services sector or in hand-crafts. Most agricultural workers have a lower-secondary level education which corresponds to the present compulsory education.



**Map 3.** Illiteracy rate in Albania 1989-2001 (A. Sinani)

First, by the General Census of Population and Houses 1989 (Regjistrimi 1991:27-47). We see that before 1989 there was an artificial increase in the level of employment, especially in the period 1980-1989, which led directly to the decline in labor productivity and productivity.

**Table 7:** Balance of labor force according to registration of 1989

Unit	Active labor forces	Level of activity	Gender coefficient of active population	Level of employment	Active employed population			Unemployment rate	
					15-29	30-49	50+	Total	Females
area	57.6	87.3	111	79.5	43	48.2	47.1	9.8	12.4
Urban area	61.4	88.5	106.5	77.2	33.7	36.9	56	13.2	15.9
Rural area	55.5	86.5	114	80.9	48.5	55	41.9	7.7	10.1

*Source: Popullsia e Shqipërisë 2001, INSTAT, Tiranë 2001, page 49.*

In 1989, the working age population was represented 57.6% of the whole population. This percentage is higher in the urban areas and with the prevalence of males. Activity rate was 87.3%, employment rate 79.5%. Secondly, based on the General Census of Population and Houses (INSTAT, April 2001), we note that: political developments that took place in the early 1990s were reflected in socio-economic changes. The country opened to the world and the market began to dictate directions of economic development. The labor market in this space was conditioned by closure of previous economic activities; the dissolution of cooperatives and agricultural enterprises.

Reform in the field of agricultural economy influenced the agrarian labor market, giving it a unique physiognomy: According to the 2001 census carried out by INSTAT. Among the employed in the agricultural economy, the highest percentages are occupied by age groups 30-44 (34.3%) and 45-59 (35.9%). This difference in the level of unemployment depends mainly on the net migration of the agrarian population, which moves in two main directions: from remote villages of mountainous areas, to the cities and urban areas of the country and abroad.

**Table 8:** Labour market for females in Albania in Census 2001

Denomination	Nr of employed %	Level of activity	Gender coefficient of active population	Employment rate	Unemployment rate
Area	63.6	56.0	146.1	40.1	28.4
Urban area	66.2	62.6	123.9	36.0	42.5
Rural area	61.6	50.7	167.9	43.3	14.5

*Source: Sinani, A. Organizimi hapësinor, rregullimi rural dhe perspektivat e zhvillimit të qendrueshëm në qarkun e Gjirokastrës, Tiranë 2009, page 286-298*

The labor-intensive population indicators during 1989-2001 have had this performance: in the 1989-2001 period, the working age population, activity rate and employment rate decreased by 5.6%, 17.8% and 25.8% respectively, while the unemployment rate increased by 12.9% (Sinani 2009:286-298).

**Table 9:** Working age Population, labor force and employees by age group in percentage

Active labor force of population:	According to the age group in percentage			
	15-29	30-44	45-64	65 +
Albania	38.2	33.6	28.3	0
Urban areas	33.7	35.1	31.2	0
Rural areas	41.6	32.4	26.0	0
I. Labor forces: (economically active)	According to the age group in percentage			
	15-29	30-44	45-64	65 +
Albania	35.5	38.5	25.7	0.3
Urban areas	30.2	43.2	26.4	0.2
Rural areas	39.8	34.5	25.1	0.5
I.a Employed	According to the age group in percentage			
	15-29	30-44	45-64	65 +
Albania	28.9	40.1	30.6	0.4
Urban areas	22.0	44.6	33.1	0.3
Rural areas	33.4	37.0	29.0	0.6
I.b Unemployed	According to the age group in percentage			
	15-29	30-44	45-64	65 +
Albania	58.2	33.0	8.8	0
Urban areas	48.4	40.1	11.5	0
Rural areas	74.2	21.2	4.5	0

*Soruce: Sinani, A. Organizimi hapësinor, rregullimi rural dhe perspektivat e zhvillimit të qendrueshëm në qarkun e Gjirokastrës, Tiranë 2009, page 299.*

The negative performance of these indicators during this period is related to the negative balance of net domestic migration:

- High unemployment rate has brought,
- reducing the level of income,
- increasing external migration,
- reducing the number of employees in the public and private non-agricultural sector,
- increasing the level of informality (the number of private farmers provided is small),
- reduction of the level of pensions (as a result of non-declaration of the balance of income of private entities and their minimal social insurance).

The realization of below objectives would only be achieved if it:

- To include more labor force in the rural labor market,
- to achieve the aim of raising the awareness of the labor force in the sustainable and long-term consumption of socio-economic and environmental potential,
- to develop agro-tourism development policies,
- to re-evaluate the physical, biophysical, social, infrastructure,
- to strengthen agriculture-migration-tourism links-handicraft-fishing-environmental protection,
- to orientate employment towards agro-industry and service sector,
- to build a regional land market development plan,
- maintain equality in employment-education and to achieve balanced regional development and Curb Rural Migration From The Mountains.

## **Reforms in Agriculture and Their Problematic**

### **General Background**

The Albanian geographic environment, in the entirety of geographic coverage elements: relief, hydrographic systems, climate, lands, flora and fauna, represents a considerable potential for the development of the agricultural economy, with a very diverse structure. Subtropical agriculture with full-cycle vegetation is the basis for the development of rural areas of the country. The chaotic transition in Albania for more than two decades has not made this a reality. The beginning of 1991 marked the beginning of the transition, which was associated with uncontrolled mass action of the population, hurting former agricultural cooperatives and agricultural enterprises, assets of great value inherited from the communist regime. This situation brought not only the decline in production, but also its paralysis, bringing the rise of prices for agricultural and livestock products.

This is not just Albania's problem. Regarding the subject, the data of the Turkish Statistical Institute must be taken into consideration, the rural population is 35% in 2000 and this ratio has decreased to 7.3% in 2016 (<http://www.tuik.gov.tr/HbGetirHTML.do?id=24638>, Accessed on 26.08.2017).

In a survey conducted in Turkey, rural migration has been revealed as the main cause of unemployment and bankruptcies brought by living economic troubles (Yazıcı, 2017: 101). Before 2000, Country was influenced by the reforms that the international institutions, such as the IMF, the World Bank. These institutions wanted Turkey to apply the quota in agricultural and



livestock production. As a result of this, the agricultural population, which was 35% in 2000, decreased to 7.3% in 2016.

In the remigration study conducted for migrants, it is understood that immigrants migrated because of the problems they experienced. For this reason, immigrants want to return to their homeland.

According to the survey conducted in the Çınar Quarter of the Esenler District of Istanbul, migrants identify themselves as poor by 34.4% before migration. This ratio decreased to 6.1% after migration. According to this study, the subjects also stated that they had to migrate due to the unemployment and the economic troubles they experienced. The subjects stated that they thought they would carry by 56% of the subjects back and they would consider the idea of return. If the homeland offers job opportunities after being developed (Agallija & Yazıcı 2017:81-82).

As a result, migration problem of two countries is similar. However, the reason for migration in Albania is a gap in the state authority due to a different regime transition. But Turkey had to borrow money due to the economic difficulties it experienced before 2000. For this reason, international organizations such as the IMF and World Bank are asking Turkey to apply restrictive policies for agriculture and livestock. This situation is caused by the migration in Turkey

### **Progress of Land Reform**

The land reform in Albania passed in two important phases: in the first phase (April-July 1991), the land was in use and land ownership was not affected, neither cooperatives nor agricultural enterprises as institutions; in the second phase (July 1991 and thereafter), ownership change in agriculture was taught by liquidating cooperatives and agricultural enterprises as institutions. On 19 July 1991, Law 7501 "On Land" was approved. Through this New Agrarian Reform was achieved the dissolution of the socialist system, the essence of which was the transformation of ownership relations in agriculture: from state to private property (in use). Under the conditions of spontaneous and powerful population movements from the inner mountainous regions to the lowland plains of the Western Lowlands (the most important region of Albania's country-barn), the lands of former agricultural enterprises were illegally occupied, the vineyards were destroyed, numerous plantations of fruit trees, livestock farms, buildings on agricultural lands. Damage to this national wealth significantly affected the whole country's agricultural environment as well as the labor market. Demolition of cooperatives led to the creation of rural economies with an average land area of less than one hectare and fragmented.

Land reform also affected the change in the structure of agricultural production, whereby after 1991, the main weight (46% yielded livestock) and field crops 44% from 51% (Akademia, 2005) which yielded prior to 1990.

In the framework of the country's economic and political structural changes, the cultivated area also underwent structural changes, where forage and dairy were already over 43% of the surface, followed by grains, two voices with access to the labor market. A significant part of the agricultural land began to be unsorted, which is evidence of a shrinking labor force in the agro-market. Fruit trees were the most affected category, which suffered significant injuries other than livestock, which was characterized by a perpetuation in the function of expanding the labor market and the development of the agro-food industry.

### Overall Assessment of the Agricultural Labor Market

*Until 1960 in Albania* there were several types of labor market:

- *Socialist labor market*, monopoly market by the state, lying in industry, construction, transport and commerce;
- *Cooperative labor market*, in the field of cooperative agriculture, where state action came to be strengthened;
- *Free and individual labor market*, in private agriculture

The whole of these markets until the 1960s came to being limited to a single market in the socialist market.

**Table 10:** Types of labor market up to 1960 (in %)

Nr.	Denomination of labor market	1946	1950	1955	1960
1.	Socialist state market	12.2	18.9	23.5	33.2
2.	Cooperatives state market	0.1	1.7	5.2	55.7
3.	Free Market	87.7	79.4	71.3	22.5
	Total	100	100	100	100

**Source:** *Vjetarët Statistikorë të vendit*

So, as seen in the above picture, the socialist market over a 15-year period dominated the Albanian economy. Until 1990, the socialist labor market dominated over 50%.

*In political and social terms:*

- Albania is embarking on the path of political-economic-social change, in the free market;
- the main part of the agricultural labor market consisted of the working age of the agricultural population (15-59 for women and 16-64 for males);

*In the environmental and landscape view:*

- The agrarian working environment and the agricultural sector were characterized by a high rate of unemployment, low income, chronic poverty and social problems;
- spontaneous internal migration brought artificial shifts to employment and poverty problems from the departing and receiving regions in urban and suburban environments.

In 1998, the total census of the agricultural economy was carried out, with a geographical extension in 2968 residential centers and 368 local units (communes/municipalities) (INSTAT 2001:20-55), but today after the new administrative division of 2014, Albania has divided in municipality. Also, in 2001, the general population and housing census was carried out, which assessed the socio-demographic elements of the present population, from which 69.5% of the population occupied by the simple agricultural economy were clumps up to 29 years and 30 -44 years old. In the rural area of the country was concentrated 98.6% of the agricultural workforce.

A significant indicator is the indicator of *hidden agrarian unemployment*, which varies depending on the migration of the population in three directions: village-town direction; towards other regions and towards external migration (especially for the districts of Përmet, Tepelenë and Gjirokastra). Of course, economically and demographically very delicate are the highlands such as: Zagorie-Pogon, Rrëza e Përmetit, Shqeria.

The highest indicator of hidden agrarian unemployment of up to 50% has the centers of the Western Lowlands, as labor forces have been significantly aggravated by positive rural migration in significant proportions but also limited the workplace space in agriculture. Another reason is the reduction of interest for some agricultural crops because their production is suffocated by the foreign regional market.

Units with the highest agrarian unemployment index above 50% have Shkodra in the northwest of the country and the capital of the country, Tirana. This is because, *firstly*, for Shkodra traditionally in agriculture, it is impossible to absorb the workforce from deep mountainous areas, but also because of the migration of the peripheral rural population.

*Secondly*, for Tirana it happens for immigration reasons from other regions artificially increasing the rural population.

*In conclusion*, the high magnitude of rural migration from domestic and coastal areas to seaside absorbed over 60% of the country's total population

(Laçi 1998:198) while they own over 60% of the country's agricultural land. Meanwhile in the remote mountainous areas, the climate is harsh and the arable land is scarce and fragmented. Almost one third of rural households have less than 0.5 hectares of arable land each (Vlerësim, 2002:20). Families are isolated from markets, social activities, and vital services such as drinking water.

### Rural Poverty

Poverty is a common and prevalent phenomenon mainly in rural areas of the country. Certainly, this prolonged transition proved a strong link between poverty and unemployment. The undeniable fact is that unemployment in Albania is at high levels, even higher than the official statistical data. They have their own features in the spatial extent, which reflect the pace of change, but also the tradition, characteristics and development opportunities of different areas. Thus, during 1998-2001, Laç, Librazhd, Kuçova, Tropoja, Shkodra and Puka were seen as unemployment enclaves (Raporti 2002:23).

**Table 11:** Poverty according the main source of income (in %)

Nr.	Denomination of labor forces	Poor	Rich
1.	Employed in state sector	10.3	40.0
2.	Employed in agriculture	48.4	24.0
3.	Unemployment social payment	4.4	1.0

*Source: Strategjia e Zhvillimit Rural për Shqipërinë, Tiranë 2002, page 4.*

Poverty has a regional dimension. The very small amount of arable land distributed per capita in rural areas is considered one of the main causes of poverty. Hidden unemployment and incomplete employment are a consequence of the low amount of arable land and the low level of economic and non-agricultural activities in rural areas. The rapid and unscheduled pace of socio-economic changes and the use of space have adversely affected the rural and urban environments and landscapes of the country.

Albanian law forbids the employment of children under the age of 16 that makes them compulsory to take education that lasts 8 years, starting from the age of 6 or 7.

Results of studies showed that %9.8 of children 6-14 year old were engaged in work. They are mainly from rural areas, working in agricultural economic unit by their family. In urban areas, only %0.3 of children worked, while in rural areas working children constituted %16 of the total number of children are aged 6-14 years.

Most children work while attending school, since only %8.9 of them declared not to attend school. Data shows that %2 of the working children were

engaged in trade activities, whereas the major part %95.6 were engaged in agricultural activities (INSTAT 2004).

## CONCLUSION

Albania has given rise to an important chance since 1990. This change based on moving from socialist economic model to liberal economic model. Because of this alteration there was a migration from rural areas to urban area. And that became a reason of overcrowding in some cities in the same time as a result of liberal economic policies. The industry was paralyzed and most of the facilities were closed causing a mass unemployment and degradation of some cities and industrial zones.

This situation cannot stay any longer. Albanian government should involve in the economy by considering liberal economic principle. which help with developing the rural areas, relieve the pressure on the large cities and opening the facilities that were closed due to the situation. Thanks to the favorable geographic position; important harbors of the country (Durrës, Vlora, Saranda, Shëngjini); expansion of key markets; natural and human resources, Albania has all the premises for fast, complex and sustainable economic and social development. In the country's economic development strategy, the agricultural sector should be given priority. In line with natural potentials, developments should be oriented mainly to the development of agriculture, livestock, forestry and beekeeping. It is important to preserve and strengthen the traditions of the development of biological agriculture, products of which are increasingly required in the domestic and foreign markets. This will make it possible to improve the quality of the environment and the sustainable development of this area in the future.

Albania needs to exploit in the interest of economic and social development many opportunities in the field of tourism. Historical and cultural heritage (fortresses, cult objects, economic objects, characteristic dwellings, traditions and customs of the area, folklore riches) are an important premise for the development of historical and cultural tourism, especially religious tourism and conditions for the development of bathing tourism, strolling, recreation, scientific, water sports etc.

Albania has an interest in further pursuing the successful tradition of regional and interregional markets, so strategies need to be developed for their development and modernization. Industry and crafts should be developed in the function of agriculture and tourism to process raw materials of agricultural and livestock, produce for the supply of the population and the tourist market with local foodstuffs, textile, artistic, iconographic products. Of course, it is

also expected to develop those branches of industry that have tradition and raw material of the country: the material-building industry (production of inert, lime, prefabricates, bricks and concrete pipes), wood processing, melting and processing of metals. Current and future developments should be made within the Spatial and Terrestrial Adjustment Plans in order to stop abusive constructions, maintain the arable area, forests and protected areas (mainly on the coast and in the river deltas). In all cases, economic development should aim to generate jobs and sources of alternative, safe and enjoyable income for the residents, while preserving and improving the landscape environment to ensure sustainable development. Necessity is the design and implementation of incentive strategies for sustainable rural development at various levels, relying in particular on tourism, forestry, environmental protection, rural handicrafts, the revitalization of traditional festivals in the function of historic and cultural tourism, the promotion of business small agricultural production etc.

In conclusion, this situation cannot last any longer, and important changes in the labor market have to be undertaken. This demands a careful monitoring of the situation from the statistical point of view, as well. The establishment of a labor force survey to run annually becomes necessary to follow the occurring changes, as well as to direct the formulation of suitable labor policies.

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