

POPULATION AGEING

SITUATION OF ELDERLY PEOPLE IN ALBANIA



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PREFACE AND ACKNOWLEDGMENT

INSTAT, in close cooperation with UNFPA, initiated a process of deep analysis based on Population and Housing Census 2011 results comparing them with other administrative data sources and indicators coming from different surveys. Following this process, an in-depth analysis has been conducted analysing how elderly face challenges in changing times.

“Population ageing: the elderly situation in Albania” will serve to have a clearer appreciation of life of elderly people aged over 65. Albania is starting to experience the effects of population ageing. In the last two decades an unparalleled demographic transformation has occurred, where the increase of elderly persons is accompanied by the reduction of the proportion of children and young adults. Policy makers need to be prepared that the full force of this transformation process will be felt in the next decades and will impact all aspects of life: economic, social and political.

This analysis joins the previous series of deep analysis that INSTAT carried out in cooperation with other donors. INSTAT avails itself of this opportunity to express its gratitude and acknowledgement for the valuable contribution of the United Nations Population Fund (UNFPA), Swiss Agency for Development and Cooperation (SDC), National Center for Social Studies (NCSS), INSTAT experts and other local and international experts for this publication.

Gjergji Filipi, PhD

Director General of INSTAT



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ABBREVIATIONS

AAI	Active Ageing Index
GNI	Gross National Income
LFS	Labour Force Survey
LSMS	Living Standards Measurement Survey
MDG	Millennium Development Goal
PHC	Population and Housing Census
TFR	Total Fertility Rate
UNFPA	United Nations Fund for Population Activities
WHO	World Health Organization

1

INTRODUCTION

As one of the last countries in Europe, Albania is starting to experience the effects of population ageing – the process whereby older people account for a proportionally larger share of the total population. In the last two decades an unparalleled demographic transformation has occurred, in which increases in the proportion of elderly persons – those aged 65 years and over – are accompanied by reductions in the proportion of children and young adults. Policy makers need to be prepared that the full force of this transformation process will be felt in the next two decades, and will touch all spheres of life: economic, social and political.

The Second World Assembly on Ageing in April 2002¹ addressed the challenges that this process of population ageing presents to almost all countries in the world. These challenges importantly include the need to transform existing pension systems and to meet rapidly increasing demands for health services and medical costs, since older people are typically more vulnerable to chronic diseases. In the economic area, population ageing has an impact on economic growth, savings, investment, consumption, labour markets, taxation and intergenerational transfers. In the social sphere, it influences family composition and living arrangements and demand for housing. In the political arena, population ageing may shape voting patterns and political representation (United Nations 2009).

The Plan of Action that was adopted at the 2002 World Assembly focused on three priority areas, which provides guidance for policy makers to address population ageing and the wellbeing of the elderly: (a) older persons and development; (b) advancing health and well-being into old age; and (c) ensuring enabling and supportive environments (United Nations 2002). The Plan aimed to ensure that older people fully realize their human rights, achieve secure and poverty-free ageing, fully take part in economic, political and social life, and have opportunities to develop in later life. It also focuses on eliminating violence and discrimination against older persons, gender equality, the vital importance of families, health care and social protection for older persons.

This report is produced by INSTAT on behalf of UNFPA as input into the discussion about population ageing in Albania, its consequences and the associated policy needs. The 2011 Population and Housing Census provided the backbone of the analyses presented here. Where possible, the census 2011 results are compared with results of previous censuses, in order to establish trends in relevant indicators. Administrative data, as well as data from different surveys supplemented and gave more depth to the census information. For various topics, however, accurate and up-to-date information is scarce. This is especially felt in the area of health and participation in society.

Chapter 2 focusses on the demographic aspects of population ageing, its causes, the magnitude and speed of the process, its effect on the balance between age and gender groups, projections of the ageing process, as well as the regional differences within Albania. Chapter 3 addresses the living arrangements of elderly in terms of social arrangements – household composition and marital status, as well as in terms of material conditions, covering poverty and housing conditions and household amenities. Chapters 4 and 5 elaborate the health and working situation of elderly, whereas chapter 5 provide overall measures of the extent to which older persons in Albania are vulnerable or, on the other hand are able to realise an active and participatory old age. Chapter 7 provides a summary and main conclusions.

¹ http://www.un.org/en/events/pastevents/ageing_assembly2.shtml





2 DEMOGRAPHY

2.1 INTRODUCTION

The structure of the population can change considerably over time as a result of the interaction of demographic processes – such as fertility, mortality or migration – and other indirect factors, such as lifestyle choices or the provision and efficiency of healthcare services.

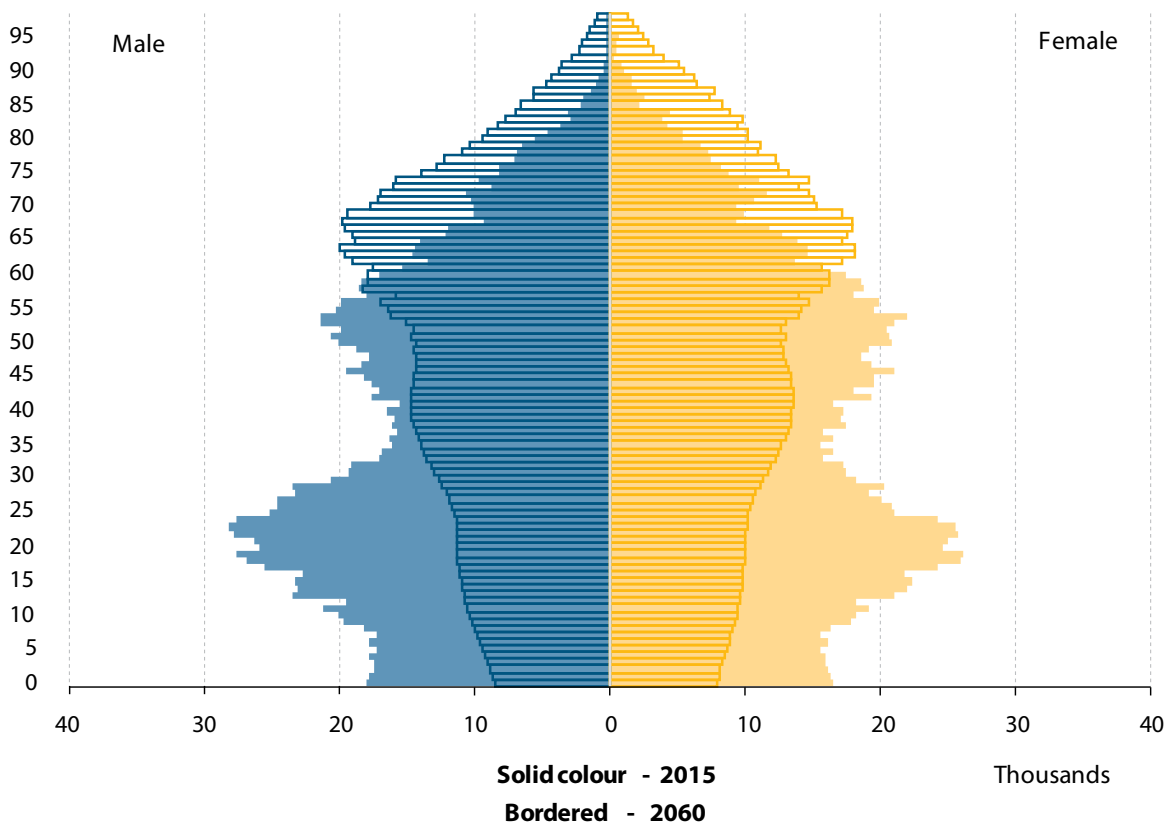
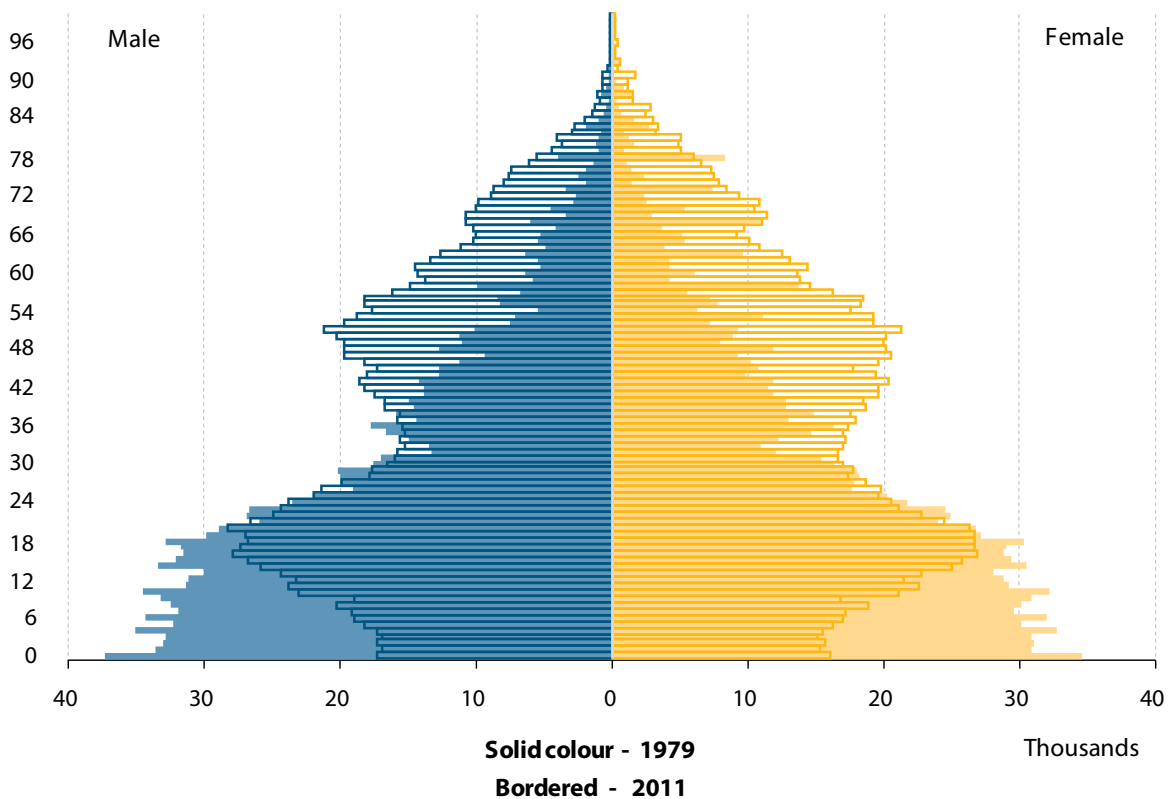
This chapter provides an overview of population ageing in Albania. It gives an overview of the size of the elderly population aged 65 and over, by focusing on the magnitude and speed of population ageing, as well as on the demographic determinants of ageing. These demographic determinants are the key factors underlying population change, such as declines in fertility and mortality, and large-scale emigration. Particularly at the earlier stages of the demographic transition, reductions in fertility are the primary determinants of the timing and extent of population ageing. However, at later stages of the transition, reduction in mortality, particularly at older ages, contribute more to increasing the number of older persons, thus accelerating population ageing. An important consequence of the decrease of fertility is a progressive reduction in the availability of kin on whom future generations of older persons can rely upon for support. At the same time, improved chances of surviving to the older ages are likely to spur efforts to improve the health status of the older population and lead to reforms in pension and health systems.

Furthermore this chapter considers the changing balance between age groups and analyses the changes in the relative size of the older and younger segments of the population from various perspectives. Indicators examined include the median age and various types of dependency ratios (total, youth and old-age). In this respect, it also explains the regional differences. Throughout the chapter, the analysis incorporates future expectations, based on the population projections for the five decades ahead.

2.2 MAGNITUDE AND SPEED OF POPULATION AGEING

The composite processes of continuous large-scale emigration and the declining fertility and mortality had an enormous effect on the population structure of Albania. A visual inspection of the distribution by age and sex (*Figure 2.1*) clearly shows the transition from a classic population pyramid in 1979 to a constrictive pyramid in 2011. Whereas up to 1989 the age distribution was characterized by age groups that consistently decreased with age, a notable dent is visible in 2011 for the young and middle-aged adult population due to age-selective emigration. In addition, an even more pronounced size reduction is evident for the young age groups – the youngest five-year-age cohort being even the smallest in the under-55 population – due to the combined effect of fertility decline from a TFR of over 3 before 1990 (Gjonca, Aassve and Mencarini 2008) to less than 1.7 in 2011, and age-selective emigration of the population in the reproductive ages. On the other hand, elderly cohorts have become noticeably larger.

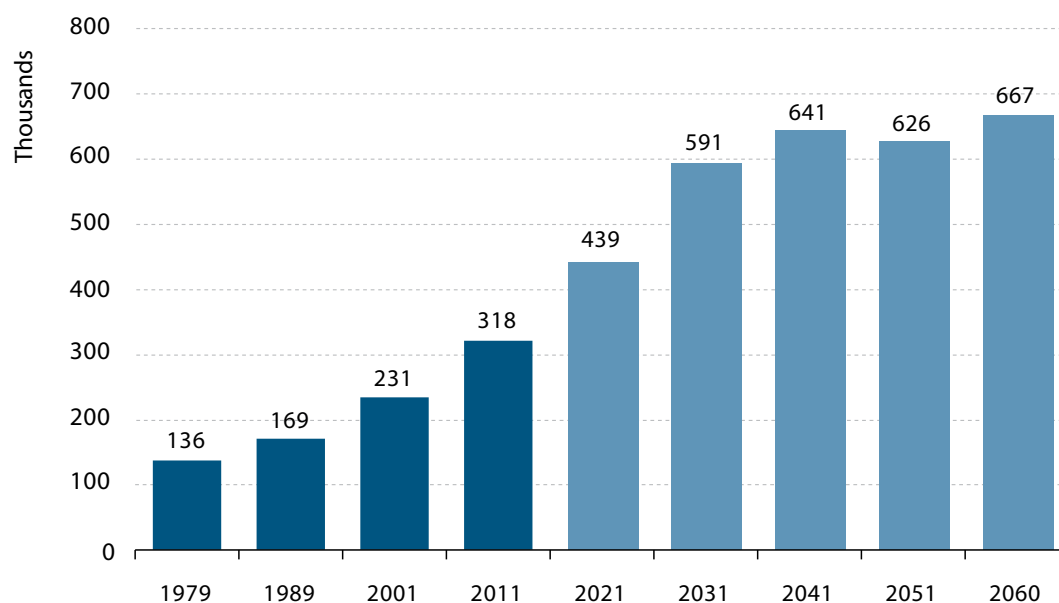
Figure 2.1: Population structure, 1979-2011 and 2015-2060 (in thousands)



Source: Population and Housing Census 1979 and 2011 and population projections 2011-2060

In 1979, there were 76.5 thousand persons aged 65 and over in Albania. By 2011, the number of persons aged 65 and over had increased more than 4 times to 318 thousand (Figure 2.2). Further increases of the number of elderly are projected for the next 5 decades, reaching 667 thousand in 2060.

Figure 2.2: Population aged 65 and over, 1979-2060 (in thousands)

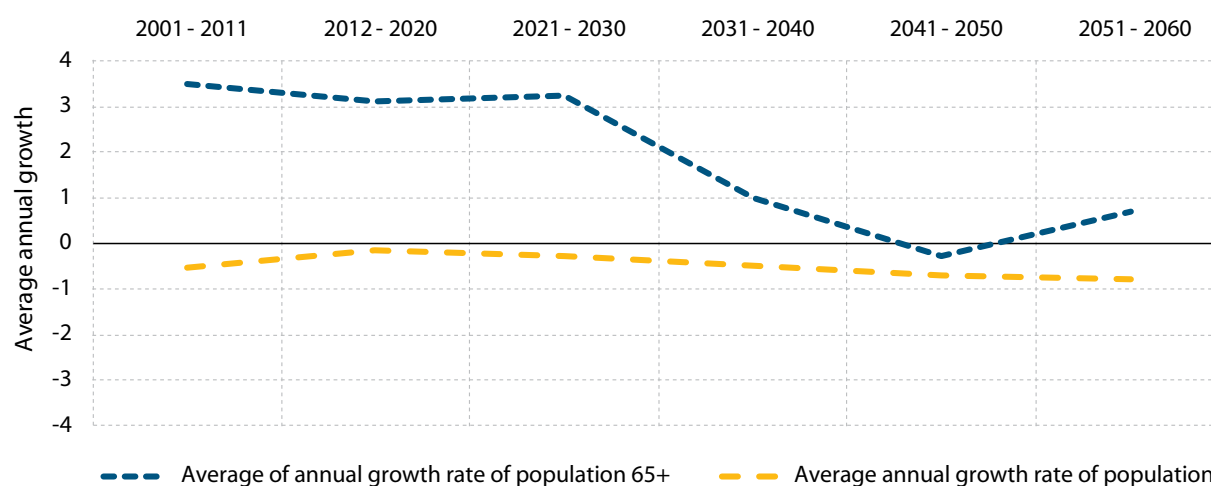


Source: Population and Housing Censuses 1979 – 2011 and population projections 2011-2060

The older population is growing faster than the total population

While the annual growth of the population is negative over the entire period from 2001 to the projection year 2060, the contrary is the case for the annual growth of the population aged 65 and over (Figure 2.3). In the years covered by the population censuses and in the period 2012 to 2030, the difference between these growth rates will remain large, as the baby boom generation reaches age 65. For the 2031-2050 period, projections indicate that the annual growth rate of the elderly population will decrease steadily and even reach a negative value in 2039, when the cohorts that were depleted by large-scale emigration age to old age. Beyond 2050, the growth rate of the population aged 65 and over is expected to rise again to an average annual increase of 0.5 percent in the 2051-2060 period, whereas the growth rate of the total population will remain negative during those years (-0.7 per cent).

Figure 2.3: Annual population growth and annual growth of population aged 65 years and over, 2001-2060 (in percentages)



Source: Population estimates 2001-2014 and population projections 2011-2060

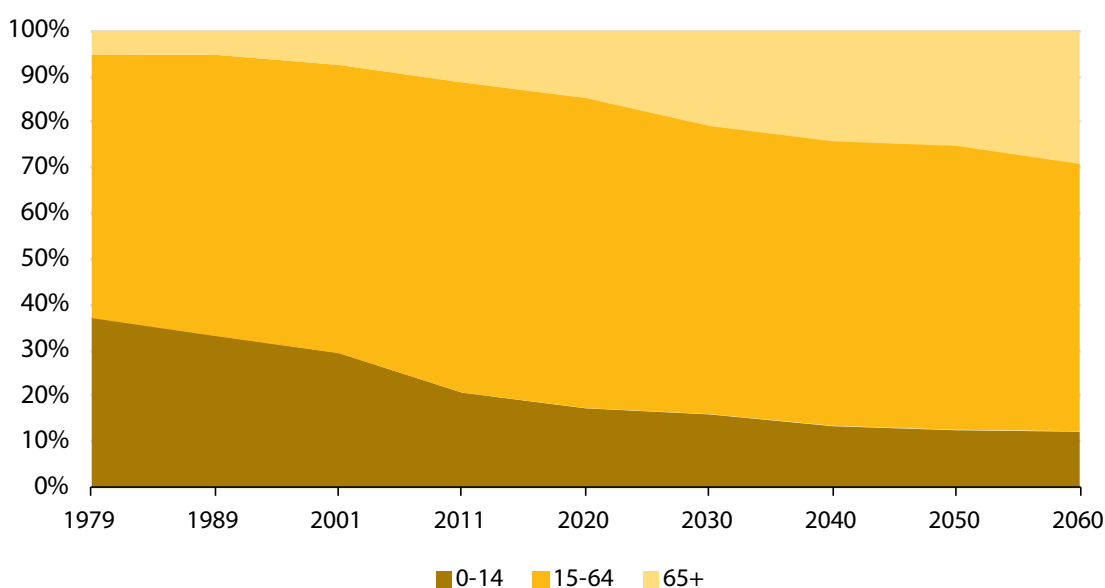
2.3 THE CHANGING BALANCE AMONG AGE GROUPS

Figure 2.4 further specifies the changes in the build-up of Albania's population. The number of persons in the age group of 15-64 has remained fairly stable over the last two inter-census periods, decreasing from 1.96 million in 1989 to 1.90 in 2011. The number of children under 15 years of age, however, sharply declined from 1.05 million in 1989 to only 579 thousand in 2011. On the other hand, in an overall decreasing population, a sharp increase is observed in the number of elderly people of 65 years and over, from 169 thousand to 318 thousand in the same period. These changes show a complete transformation of the society in just 22 years of time. In turn, these shifts involve important implications regarding development issues such as the number of schools and teachers needed, the requirements for pensions, old-age care and health facilities – significantly utilized by the elderly – and the number of persons expected to enter the labour market and tertiary education in the near future.

In relative terms, the increase in the number of elderly is even more significant. The share of the population of 65 years and over increased from 5 to 11 percent between 1989 and 2011. On the other hand, the percentage of the under-15 in the total population has declined to less than 21 percent, from 33 percent in 1989 and even 37 percent in 1979. The shifts in these relative shares in the population illustrate the composite processes of an ageing population: on the one hand 'ageing from the bottom' by increasingly smaller birth cohorts due to reduced fertility and emigration of women in the reproductive ages, and on the other hand 'ageing at the top' by an increasingly larger elderly population, as the combined effect of past high fertility and increasing longevity (Eurostat 2012).

In the future, the change in the age distribution is expected to be very significant as well. The proportion of older persons will increase from 11 percent in 2011 to 29 per cent in 2060, while the proportion of children is projected to halve, reaching 12 percent in 2060. Over this period the proportion of 15-64 will increase until 2020 and then slightly decrease to 59 per cent in 2060.

Figure 2.4: Population by three main age groups, 1979-2060 (in percentages)



Source: Population and housing census 1979-2011 and population projections 2011-2060

2.3.1 Dependency ratio

The total dependency ratio is a commonly used measure of potential social support needs. It is calculated as the ratio of the number of children (persons under age 15) and older persons (persons aged 65 years or over) to the number of persons in the working ages (that is, those aged 15 to 64) expressed as a percentage. The interpretation of the ratio is based on the notion that all persons under age 15 and those aged 65 and over are likely to be in some sense dependent on the population in the working ages. Those in the working ages are assumed to provide direct

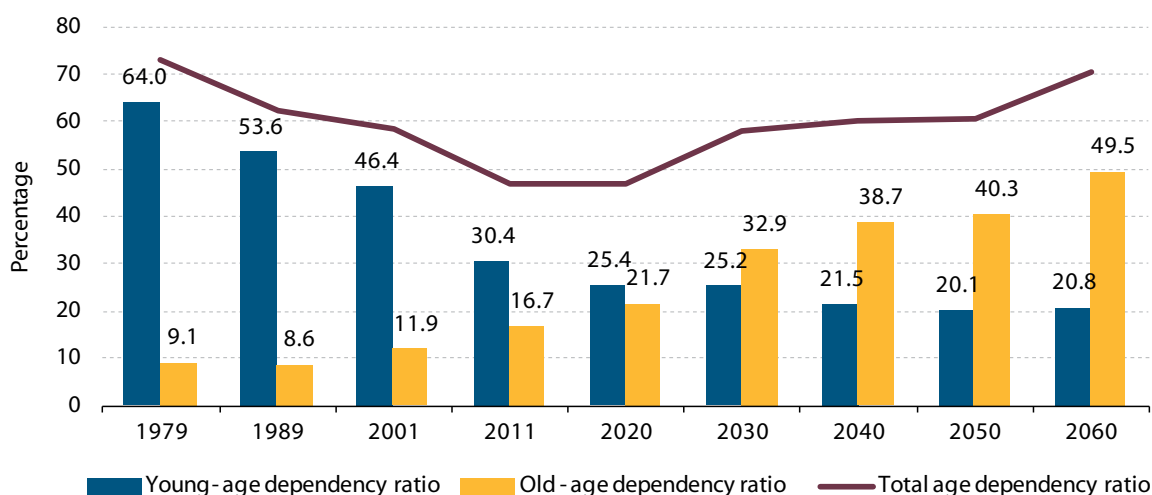
or indirect support to those in the dependent ages (Kinsella and Gist, 1995). It must be recognized, however, that the dependency ratio provides at best only a rough approximation of the actual dependency burden in a society. Not all children and older persons require support, nor do all persons of working age provide direct or indirect support to children and older persons (Taeuber 1992). In fact, evidence indicates that older persons in many societies are often providers of support to their adult children (Morgan, Schuster and Butler 1991, Saad 2001). Thus, although it is a useful indicator of trends in potential support needs, the dependency ratio, and more specifically, the old-age dependency ratio, should be interpreted with caution.

Figure 2.4 shows that the share of the population in the age group of 15-64 years has steadily increased from around 58 percent in 1979 to 68 percent in 2011. This implies that the dependency ratio has correspondingly decreased. Whereas in 1979, there were 73 persons in the less-productive young and old ages per 100 persons in the more productive ages, in 2011 this figure was only 47. Figure 2.5 implies a significant reduction in the burden of dependent persons within households and the economy at large. With its low dependency ratio of 47 percent, Albania is situated in the middle of a window of economic opportunity that roughly coincides with the period between the 2001 and the prospective 2021 censuses. This episode of 'demographic dividend' results from a large potentially economically productive population, relative to a small number of young and old people (e.g. Bloom, Canning and Sevilla 2003). From 2021 onwards, the window will start to close again because of the ongoing increase of the elderly and stabilizing numbers of children (see INSTAT 2014b). Whether or not Albania takes full advantage of this demographic dividend depends on the extent to which the labour force is adequately educated, skilled and healthy, and whether proper economic and social policies are in place to employ these people in productive jobs.

The total dependency ratio can be broken down into the young-age and old-age dependency ratio, which represents the ratio of, respectively, the population of 0-14 and 65 and over to the population in the age range of 15-64. This breakdown again echoes the effect of an ageing population, as the decreasing young-age dependency ratio, declining from 64 percent in 1979 to 30 percent in 2011, is gradually compensated by an increasing old-age dependency ratio, from 9 to around 17 percent in the same period.

Expanding the analysis into the future, population projections indicate that the young-age dependency ratio is going to further decrease, while the old-age dependency ratio will increase. It is expected that the old-age dependency ratio will have almost tripled in 2060, compared to 2011 (49.5%).

Figure 2.5: Total, young-age and old-age dependency ratios, 1979-2060 (in percentages)^a



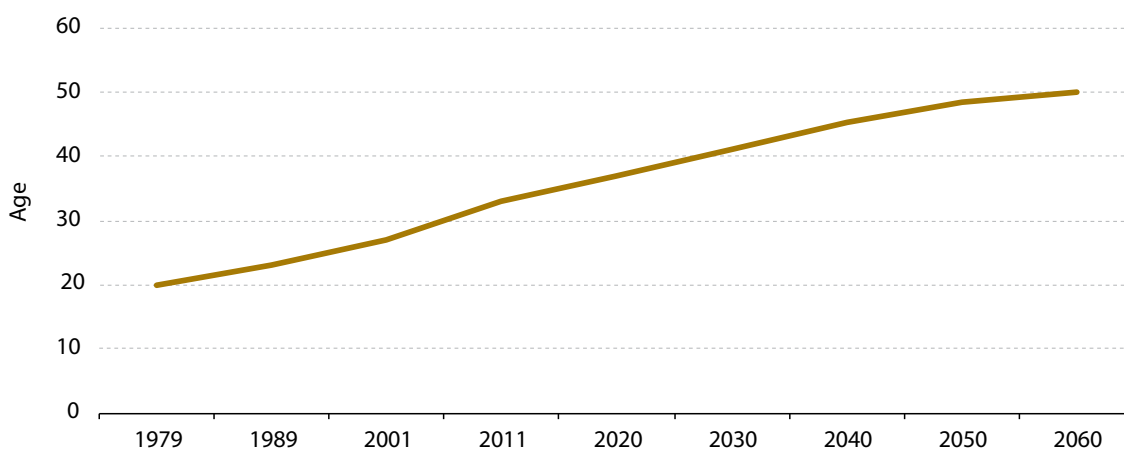
Source: Population and housing census and population projection 2011-2060

^a The total dependency ratio is the ratio of the population aged 0-14 and 65 and over to the population aged 15-64. The young-age dependency ratio is the ratio of the population aged 0-14 to the population aged 15-64. The old-age dependency ratio is the ratio of the population aged 65 and over to the population aged 15-64. All ratios are expressed as a percentage.

2.3.2 Median age

The median age is the age that divides the population into two equal parts, one with ages below the median age and the other with ages above the median age. Between 1979 and 2011, the median age of the population has increased by 13 years, from 20 years to 33 years (Figure 2.6). From 2011 to 2060, the median age is expected to further increase with an additional 17 years. That is, in 2060, half of the Albanian population is projected to be older than 50 years.

Figure 2.6: Median age of the population, 1979-2060

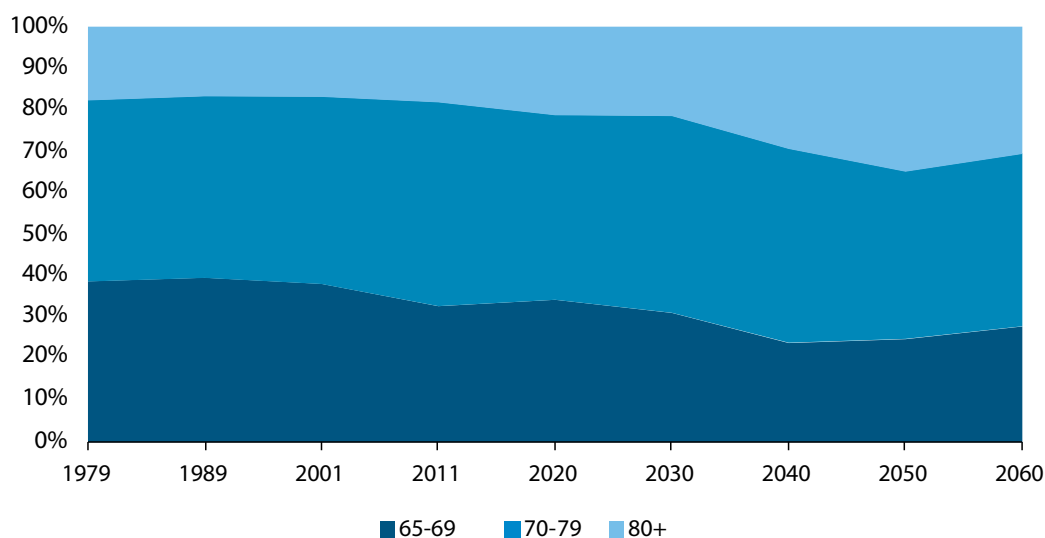


Source: Population and housing census and population projection 2011-2060

2.3.3 The oldest old population

A notable aspect of the ageing process is the progressive demographic ageing of the older population itself. In 1979, the proportion of population aged 80 and over comprised 17.8 per cent of the elderly population aged 65 and over and only 0.9 per cent of the total population. The oldest old, persons 80 years or older numbered around 58 thousands in 2011, making up 2 per cent of the total population. This oldest age group is the fastest growing segment of the elderly population. By 2031 the number of this group will be around 2.2 times that of 2011 and will make up about 4.6 per cent of the population. The population projections suggests that the share of oldest old population in the total old population (65+) is expected to be increased by reaching 31 per cent or 9 per cent of the total population in 2060.

Figure 2.7: Population aged 65 and over by age groups, 1979-2060 (in percentages)



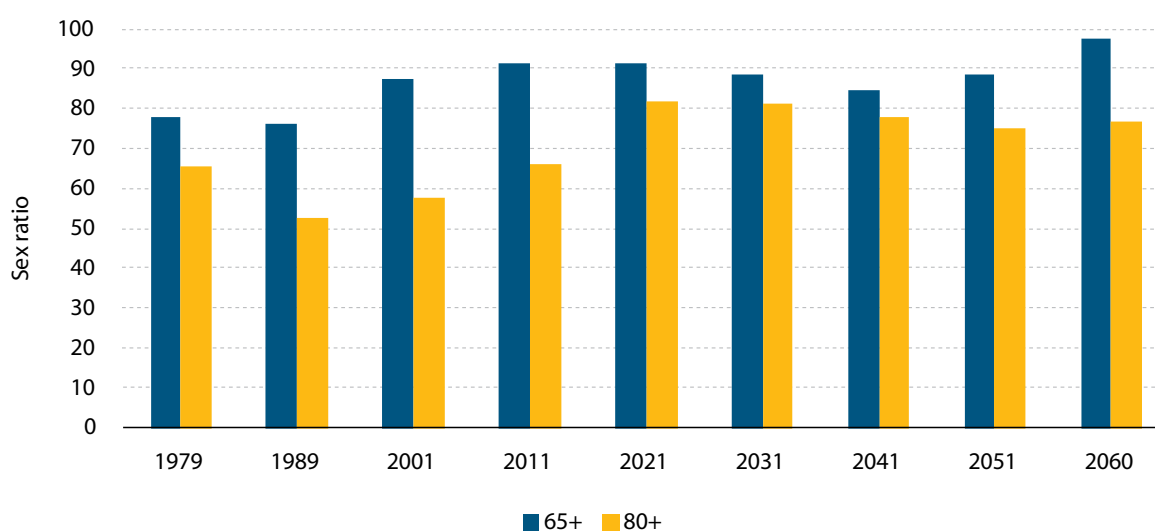
Source: Population and housing census and population projection 2011-2060

The growing number of oldest old is a direct result of increasing life expectancy, which was observed over the past decades and which is assumed to continue in the decades to come (see section 2.4.1). Whether extra years of life gained through increased longevity are spent in good or bad health is a different issue. Eurostat data indicate that men in the EU spend approximately 79 percent of their total life in good health that is in the absence of physical limitations, chronic disease or mental ill-health. For women, this proportion is lower, at 74 percent (2015a). The gender gap is considerably smaller in terms of healthy life years than it is for overall life expectancy: men and women spend about as much time in good health and the additional years that women on average live longer are mostly lived with activity limitations. As shown in section 4.4 of this report, 23 percent of the elderly population 65 years and over suffers from a disability, but 42 of the oldest old, aged 80 and over do so.

2.3.4 Sex ratio

Population ageing is not 'gender-neutral'. Men's higher mortality over the life course means that women typically outnumber men at older ages, and the difference is quite large among the oldest old. Among all elderly 65 and over, there were about 91 men for every 100 women in 2011. For the oldest old aged 80 and over, there were only 66 men for every 100 women. Assuming that past mortality trends will continue, it is expected that by 2060 there will be 98 men per 100 women aged 65 and over and 77 men per 100 women aged 80 and over.

Figure 2.8: Sex ratio of population 65 and 80 years and over, 1979-2060 (in percentages)



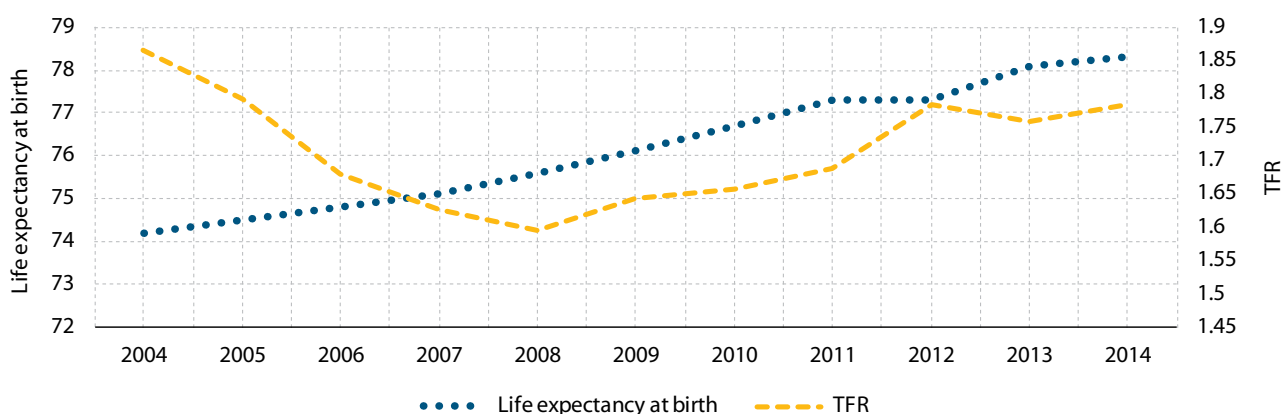
Source: Population and housing census and population projection 2011-2060

2.4 DEMOGRAPHIC DETERMINANTS OF POPULATION AGEING

2.4.1 Fertility and mortality

The process underlying population ageing is known as the 'demographic transition', a process whereby reductions in mortality, particularly at young ages, are followed by reductions in fertility. Decreasing fertility along with increasing life expectancy (Figure 2.9) has reshaped the age structure of the population by shifting the relative weight of the population from younger to older groups.

Figure 2.9: Total Fertility Rate (TFR) and life expectancy at birth, 2004-2014

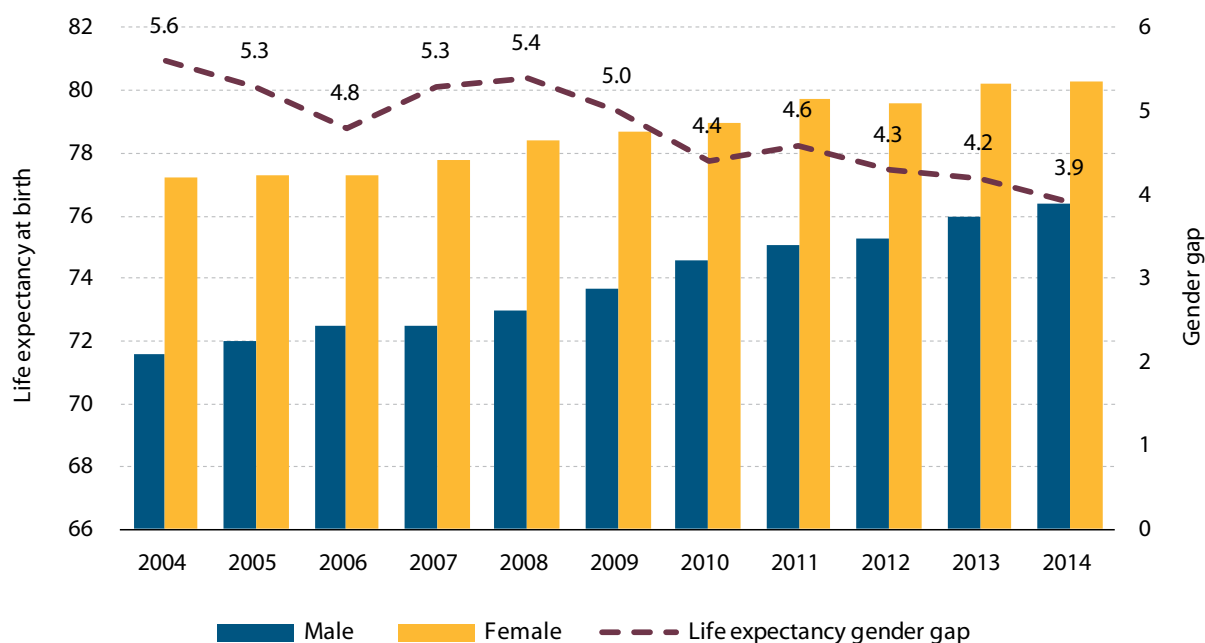


Source: Vital statistics and population estimates INSTAT, 2004-2014

Decreasing fertility is a cause of population ageing because, as fertility moves steadily to lower levels, people of reproductive age have fewer children relative to those of older generations, with the result that sustained fertility reductions eventually lead to a reduction of the proportion of children and young persons in a population and a corresponding relative increase of the proportions in older groups. As fertility levels drop, mortality has also continued to decline, especially at older ages. When fertility reaches low levels and remains low, reductions in mortality at older ages gain importance as a cause of population ageing.

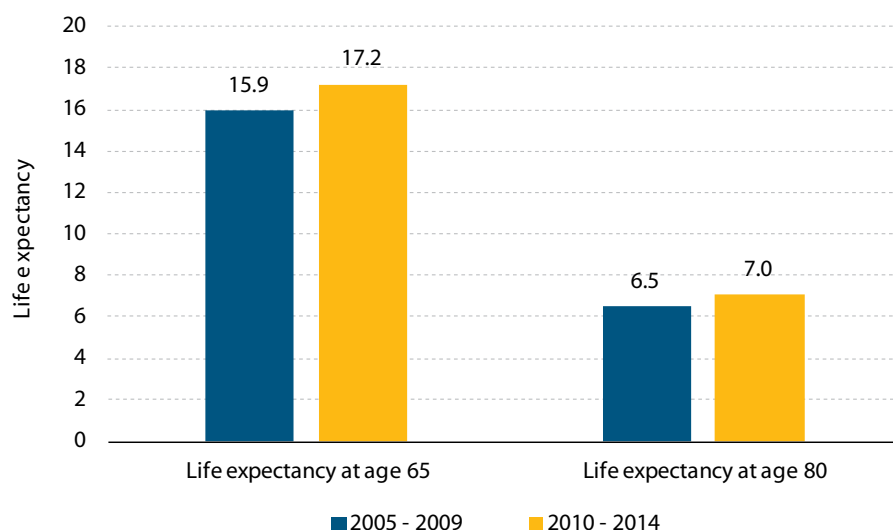
Mortality has decreased substantially during recent years. For both sexes combined, the gain in life expectancy at birth was around 4 years during the last 10 years (see Figure 2.9). This implies that in this period a newborn baby can expect to live on average 4 months longer than a baby born a year earlier. This means that older age groups, which are importantly affected by mortality change and very little by migration, will be larger year by year as mortality rates decline. This process directly contributes in the ageing of the population.

Figure 2.10 shows the changes in the life expectancy for males and females, and the life expectancy gender gap. In the period 2004-2014 the life expectancy for males has increased from 71.6 years to 76.4 years, and for females from 77.2 years to 80.3 years. In 2014, women outlived men by 3.9 years on average. Figure 2.10 shows that the gender gap in life expectancy at birth narrowed gradually from 5.6 in 2004 to 3.9 in 2014.

Figure 2.10: Male and female life expectancy at birth and gender gap, 2004-2014 (in years)

Source: Vital statistics and population estimations

From the perspective of the elderly population, it is relevant to determine the life expectancy at the start of the elderly life stage and at the age where people are considered the 'oldest old', from age 80 onwards. In a relatively short period of 5 years, significant improvements in respect of life expectancy at these ages have been noted. Comparing the life expectancy in the period 2005-2009 with that in 2010-2014, people who survived to age 65 could expect to live on average 1.3 years longer in latter period. The life expectancy for those who survived to age 80 increased with 0.5 years.

Figure 2.11: Life expectancy at ages 65 and 80 in 2005-2009 and 2010-2014 (in years)

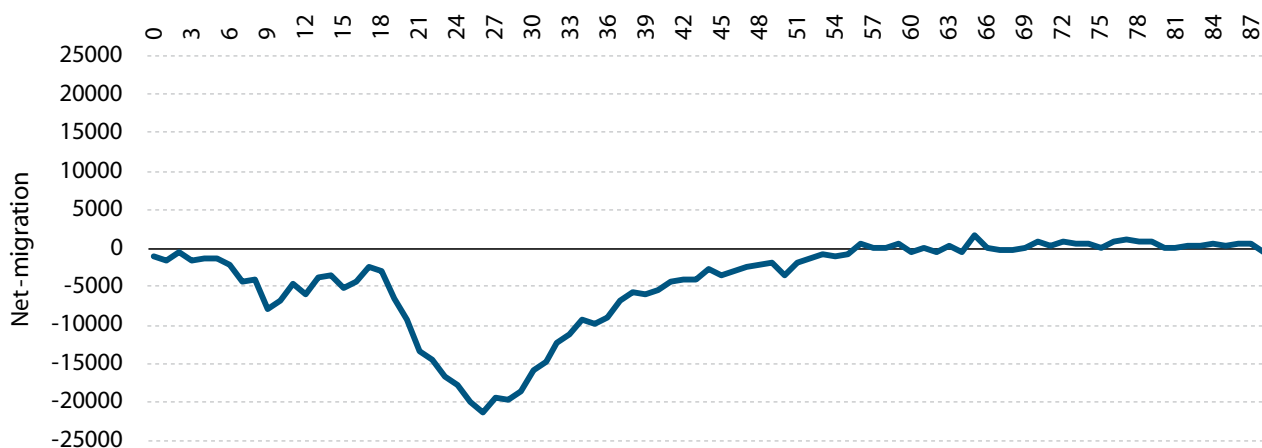
Source: Vital statistics and population estimations

2.4.2 Migration

In the case of Albania apart from fertility and mortality decline, a very important factor in population ageing is also the high out-migration of young people. The significant number of emigrants had important consequences for the population structure in Albania. One of the consequences of international migration is a serious loss of the actual young adult population. The figure below presents the estimated net migration for 2011. It highlights that not all age groups are affected to the same extent by migration, and that the working-age population is affected most. The population loss is strongly concentrated in the young adult ages 20-39. The loss of young persons (under age 20, and particularly under age 15) can reasonably be explained by the net emigration of dependent children together with their emigrating parents in the age groups 20-49.

The figure also indicates that migration at older ages does not affect the population age structure, as emigration and immigration largely offset one another (and are low anyway). According to the indirect estimation of emigration, figures suggest that 7 thousands of people aged 65 and over have returned to Albania while 9 thousands of them have emigrated. Anyway, since death rates for the oldest age groups are notoriously difficult to estimate (Migration in Albania 2014c), hence the apparent immigration for the oldest age groups may be spurious.

Figure 2.12: Estimated net-migration by age for 2001-2011



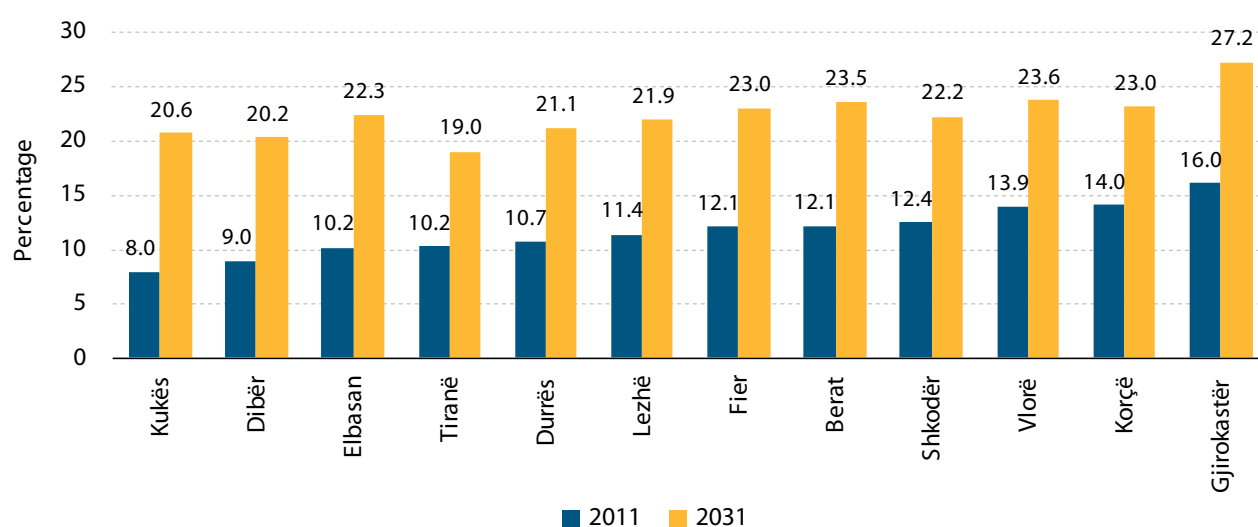
Source: INSTAT estimation

2.5 REGIONAL DIFFERENCES

In 2011, persons aged 65 years and over comprised around 11 percent of the total population. Across prefectures, this proportion elderly varied from a minimum of 8 percent in Kukës to a maximum of 14 percent in Gjirokaštër. This low proportion of elderly in case of Kukës is related to the relatively high fertility rate here compared with other prefectures. Gjirokaštër has a relatively low level of fertility and in addition experiences high rates of emigration.

In 2031, the percentage of elderly is expected to be over 20 percent in all prefectures, except Tirana, because of the constant influx in young adults from the other prefectures, who look for education and employment.

Figure 2.13: Percentage of population aged 65 and over, by census year, and by prefecture

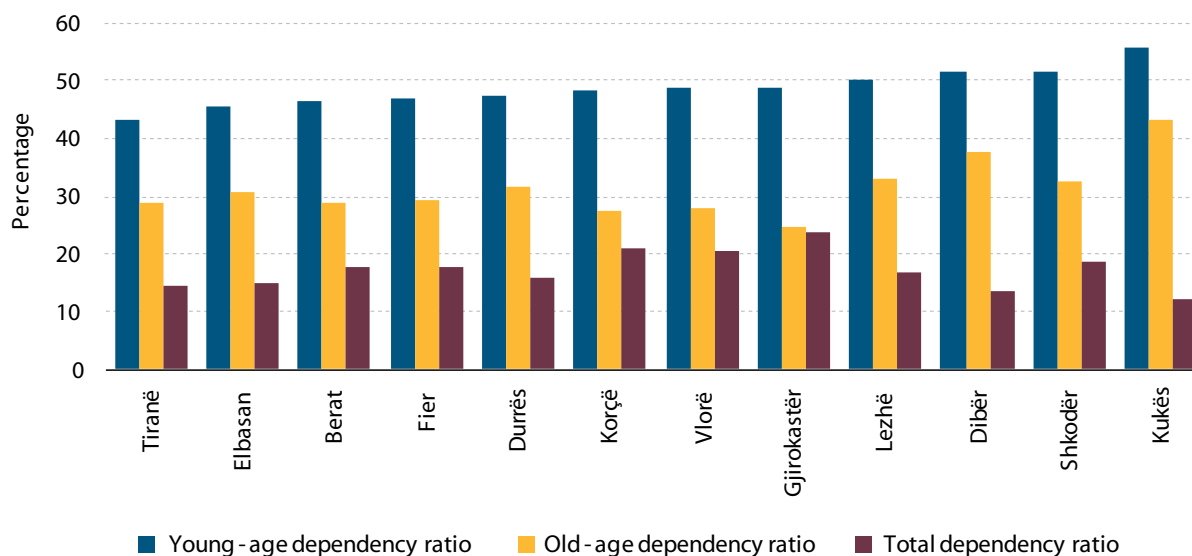


Source: Population and Housing Census 2011 and Population Projection 2011-2031

In a regional perspective, the total dependency ratio varies moderately between prefectures, ranging from 43 in Tirana with a relatively large population in the working age, to 56 in Kukës. However, differences in the composite age-specific dependency ratios are much more pronounced. Gjirokaštër (25 percent) and Korçë (27) stand out with low young-age dependency ratios, and Dibër (38) and Kukës (43) with high ones.

Especially regarding these outlier prefectures, the old-age dependency ratios present the reverse situation: the highest values were observed for Gjirokaštër (24 percent) and Korçë (21), and the lowest for Dibër (14) and Kukës (12). This means that for these typical prefectures, the dependent population in the latter group (Dibër and Kukës) consist for the large majority of children; and for the former group (Korçë and especially Gjirokaštër) to a much larger extent of elderly.

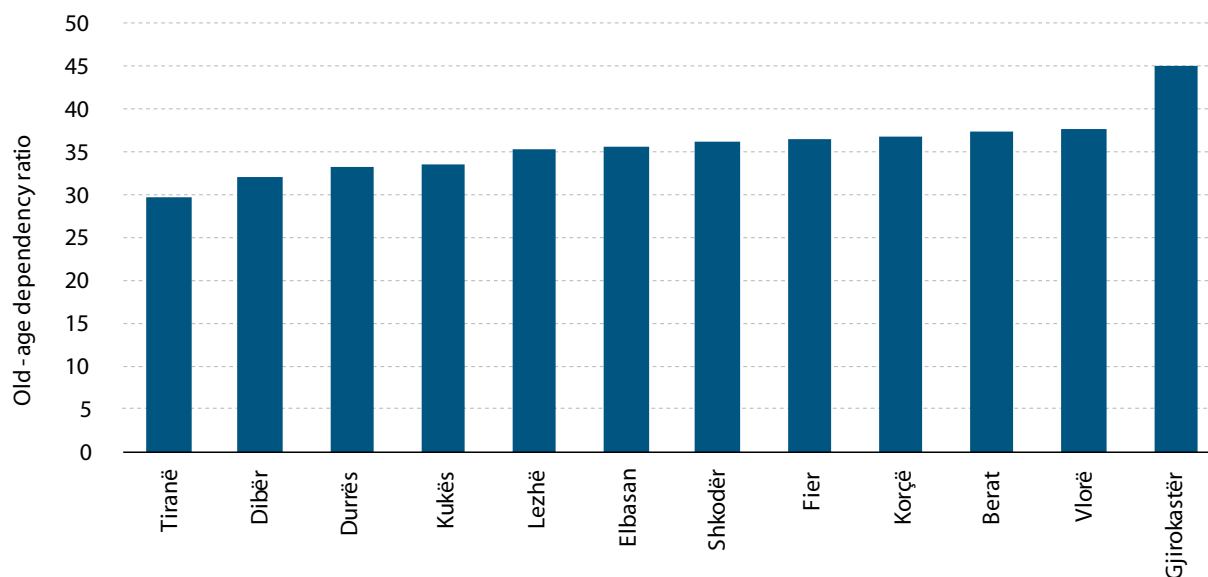
Figure 2.14: Dependency ratios by prefecture, 2011



Source: Population and Housing Census 2011

Considering the future trends of fertility, mortality and population movements we can expect substantial differences in the old dependency ratio between prefectures. In 2031 the prefecture with the highest old dependency ratio will be Gjirokastrë with 45 elderly for every 100 people aged between 15 and 64 years. The prefecture with the lowest old dependency ratio will be Tirana with 30 percent, because of the movement of people of working age (15-64) towards the economic and educational center of Albania that is Tirana.

Figure 2.15: Projected old-age dependency ratio, by prefecture, 2031



Source: Population Projection 2011-2031

3

Household arrangements and living conditions

3.1 INTRODUCTION

The social and demographic transformation that Albania experienced in the last few decades had a large impact on family and household arrangements. Many changes – although not all – are in line with the Second Demographic Transition (SDT) that is observed in most other European countries. A shift to individualization and more affluent and open societies not only affect the basic demographic processes of fertility, mortality and migration, which are at the root of the ageing and dejuvenation (see chapter 2), but also other developments, like changes in marriage patterns and living arrangements, and women's emancipation (Van de Kaa 2002, Lesthaeghe, Neidert and Surkyn 2007, Lesthaeghe 2010). Whereas young people are usually at the forefront in this process of change, to a lesser extent it also affects the lives of elderly. This chapter utilizes the 2011 census data to explore the household arrangements in Albania, particularly through the lens of the elderly population. Section 3.2 describes the household composition and the position of elderly in the household and section 3.3 focusses on the older persons' marital status and the changes therein in the process of ageing.

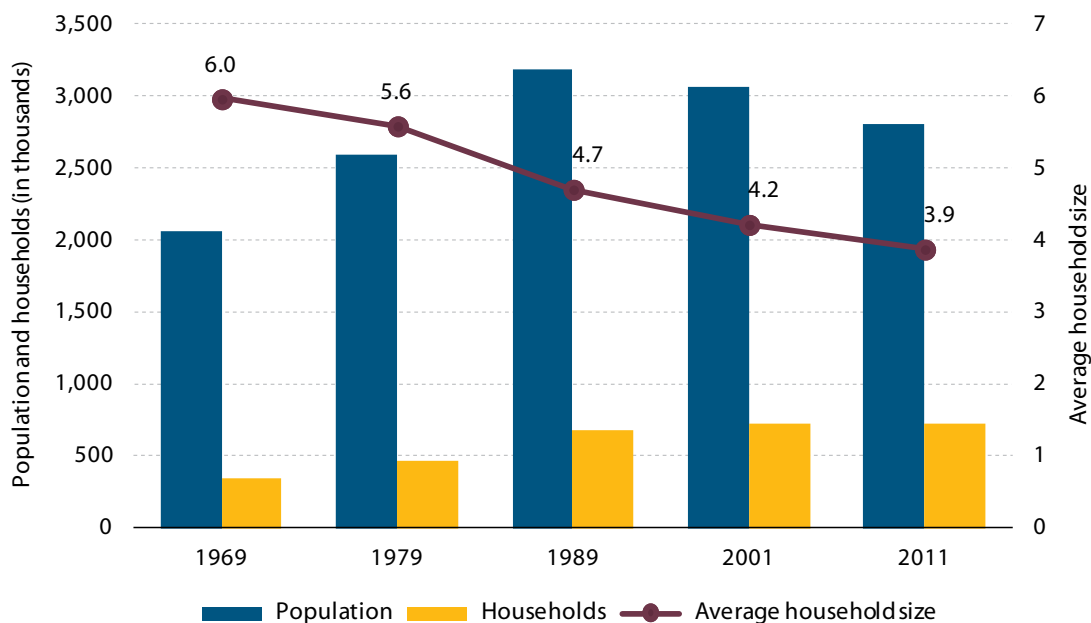
This chapter also provides information on the living conditions of elderly, in the sense of material wellbeing, poverty and access to specific housing conditions (section 3.4). For poverty information, the analysis relies on the Living Standards Measurement Survey (LSMS) of 2012. Where availability of previous census data allows and if relevant, changes in the household arrangements and housing conditions are presented as well.

3.2 HOUSEHOLD SIZE AND STRUCTURE

The successive censuses in Albania showed a rapid population increase until 1989 as a result of high natural increase in a closed migration system (*Figure 3.1*). However, the subsequent censuses of 2001 and 2011 revealed significant drops in population size, due to a combination of falling fertility and massive emigration (see chapter 2). The number of households did not synchronously develop with the number of people in these periods. It increased at a higher rate than the population in the decades before 1989 and even increased or stabilized when the population numbers dropped after that year. As a result, the average household size has been decreasing consistently since 1969.

In 1989, almost two-thirds (66 percent) of the population lived in households with five or more people; by 2011 this has dropped to half (50 percent) of the population. In the same period, the share of persons living in one- or two-person households more than doubled from 5.3 to 12.7 percent. Apart from the effects of lower fertility and fewer children in the household, this was also due to a change in living arrangements for different segments of the population. The occurrence of composite and multi-generational households has become less frequent, declining from around 20 percent in 1989 to 10 percent in 2011.

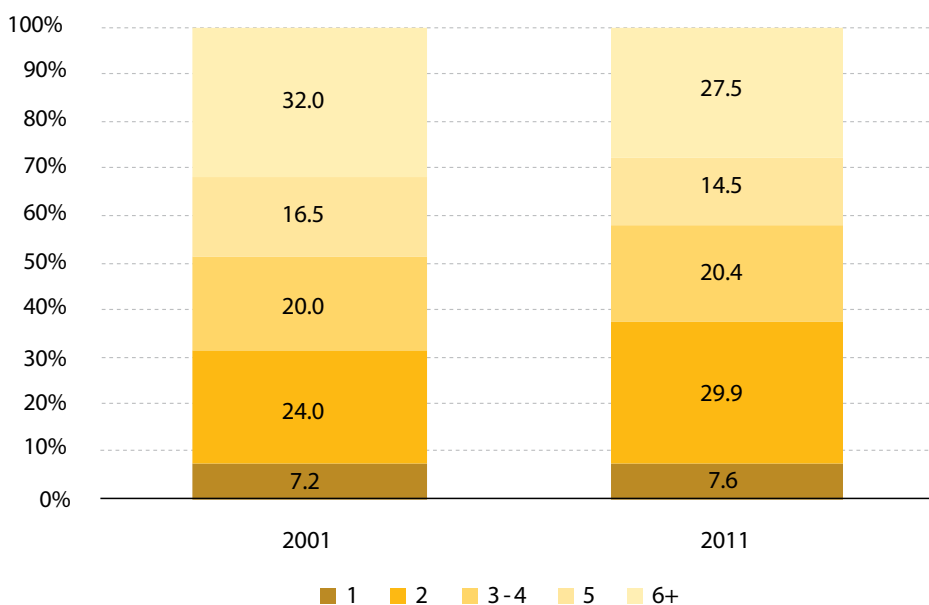
Figure 3.1: Population size, number of households and average household size, by census year



Source: Population and Household Censuses 1969 to 2011

The reduction of household size is also visible in the living situation of the elderly. In the last inter-census period, the average household size of elderly persons decreased from 4.2 to 3.9 persons, which is the same as the change for the total population in Albania. The proportion elderly that lived in large households of five or more people dropped from 49 to 42 percent in this period (*Figure 3.2*). The most common living arrangement in terms of household size is now a two-person household (30 percent). The proportion living alone increased little in relative terms (7.6 percent in 2011 compared to 7.2 percent in 2001), but grew by almost half from 16.8 thousand to 24.3 thousand in the same period.

Figure 3.2: Elderly population aged 65 and over, by census year, and by household size



Source: Population and Household Censuses 2001 and 2011

The share of elderly living in multi-family households has decreased from 30 percent in 2001 to 19 percent in 2011. On the other hand, the share that lives as a couple without children has increased from 24 to 32 percent in the same inter-census decade. This development is probably the result of combined factors, including a larger housing stock and the attractiveness of privacy and being more independent in the process of individualisation in society (cf. Grundy 2001). The observation that more elderly persons remain living as a couple is also resulting from the increase in life expectancy (see section 2.4.1), which allows people to spend more years together.

The situation of elderly living independently, either alone or as a couple, is one of the indicators of a project on health ageing to measure the untapped potential of older people for active and healthy ageing across countries.² However, the observation of older persons living independently does not indicate whether this is the desired arrangement and to what extent elderly people would be in need of support for daily living.

From the perspective of support to elderly persons, the presence of an adult household member younger than 65 years of age could be especially important. A large majority of 71 percent has one or more of these adult persons in the household. For elderly men this percentage is somewhat higher than for women: 74 against 68 percent. One reason for this gender difference is the generally younger age of wives in marriage. For the oldest old (aged 80 and over), who are on average even more dependent on support, the percentage who has at least one adult household member under age 65 is higher (80 percent). This implies that 20 percent of the oldest old – 29 percent for men and 15 percent for women – cannot rely on a younger household member.

Compared to the situation captured by the 2001 census, the proportion of elderly living without younger adult household members has increased. However, this change is only observed for the elderly aged 65 to 79, for which the percentage has increased from 24 to 29 percent. For the oldest old, the situation remained about the same, as in 2001 around 19 percent had no younger adult household members.

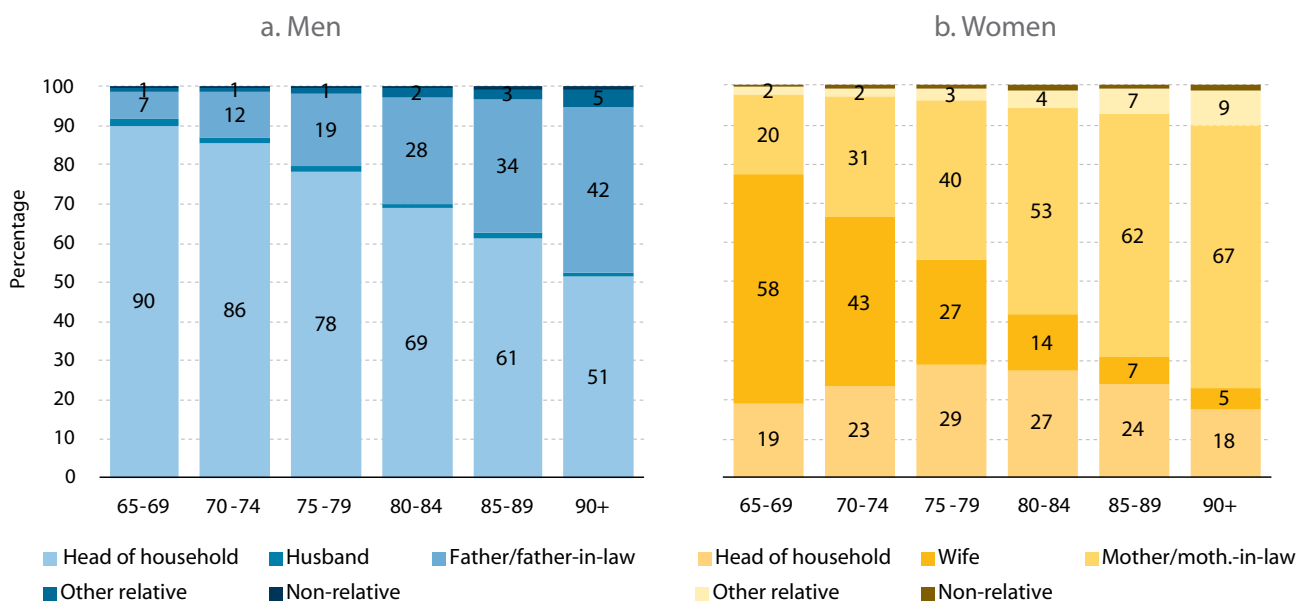
Older persons living alone are at greater risk of experiencing social isolation and economic deprivation, and may therefore require special support. In Albania, the number of elderly that live completely on their own has increased since 2001. At that time, 5 percent of all elderly lived in a one-person household, increasing to 8 percent in 2011. In absolute terms the numbers went up from 16.8 thousand in 2001 to 24.3 thousand in 2011. Because of higher survivorship and lower age at marriage, older women are much more likely to live alone: 77 percent of elderly living alone (18.6 thousand persons) were women.

During the older life stage persons' position in the household changes dramatically and changes in different ways for men and women. Most men enter the old age at 65 as the head of a household, either with one or more in-living children or only with their wife. With ageing, a large share of them becomes more considered as a dependent, usually of the family of a child with whom they live (*Figure 3.3*). This change happens if a man moves in with his child's family or if at a certain point in time the position of household head is transferred to a son. However, even at the oldest ages, a majority of men is still considered the head of household, even if they – and their wives – live together with adult children who probably provide the main household income.

On the other hand, women are rarely considered the head of household, unless they are widowed and live on their own. Most elderly women are considered as either the wife or the mother of the household head. With ageing their position usually shifts from the former position in the household to the latter, largely depending on the survival of their husbands.

² <http://www1.unece.org/stat/platform/display/AAI/Active+Ageing+Index+Home>

Figure 3.3: Male and female elderly population aged 65 and over, by relation to the head of household, and by age (in percentages)



Source: Population and Household Census 2011

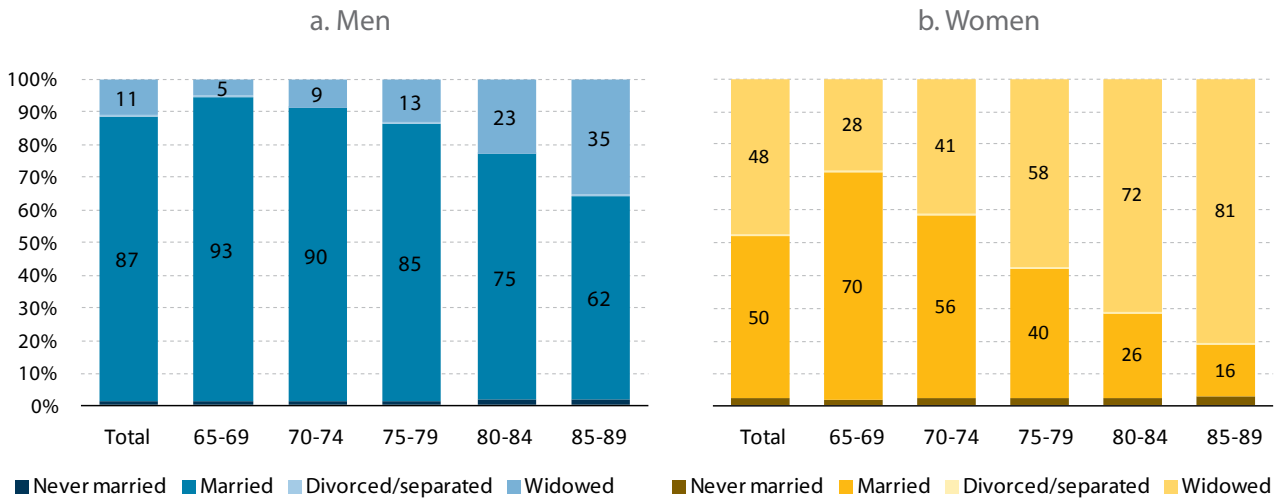
Compared with the situation in 2001, the most noticeable difference is that at that time men remained even more considered the head of household. This position was assigned to 95 percent of 65-69 year old men down to 65 percent of those 90 years of age and over. Correspondingly, the proportion that shifted their position from household head to a dependent position of father increased from 4 to 30 percent only in successively older age groups.

3.3 MARITAL STATUS

Marriage was a universal principle in Albania. Only recently – and almost exclusively among younger adults – changes have been observed in the sense of noticeable proportions remaining out of wedlock and lowering remarriage rates (INSTAT 2014a). Among older persons in the age range 65 and over, these changes are not yet visible. More than 98 percent of elderly were ever married, and the remaining few usually did not marry because of serious health dysfunctions (see also section 4.4 of this report). In addition, divorce rates are fairly low in Albania and the main dissolution of marriage is by death of the spouse. As a consequence, virtually all elderly are either married (67 percent) or widowed (31 percent).

The distribution of these marital states are quite different at older ages for men and women (Figure 3.4). Close to half (48 percent) of all elderly women are widowed, which to a large extent is the consequence of the lower life expectancy of men (see section 2.3.1 of this report) and the age difference between spouses. For the oldest old women of 80 years and older, even 76 percent is widowed. On the other hand, 87 percent of elderly men remain in marriage, because usually their – younger – wives outlive them and because of the high re-marriage rates among men in case of marriage dissolution (INSTAT 2014a). Only at very advanced ages the proportion of widowed men becomes more significant. Consequently, it is especially elderly women in Albania who are bereft of the practical and emotional support that the marriage bond usually provides.

Figure 3.4: Male and female elderly population aged 65 and over, by marital status, and by age (in percentages)



Source: Population and Housing Census, 2011

3.4 LIVING CONDITIONS OF ELDERLY

3.4.1 Elderly and poverty

For Albania, the Living Standards Measurement Survey (LSMS) provides information to assess the level of poverty in the country. Persons and households are considered to live in conditions of poverty if the basket of goods and services they consume is insufficient to produce a minimum level of material well-being, the poverty line. Although one should recognize that poverty measured in terms of per-capita consumption is strictly speaking a measure for economic welfare only, its impact clearly involves wider dimensions, as in most settings, consumption is closely associated with other dimensions of welfare, such as education or health. Many elderly depend on pensions, which usually provide a meagre level of income. Many elderly, however, live in with their children, especially at very advanced ages. In those situations, they share in the overall household income.

According to LSMS 2012 data, an estimated 10 percent of population aged 65 and over was poor and cannot meet the basic standards of living. The extent to which on average these poor elderly fall short of the consumption level that is considered the minimum for a basic standards of living is only 2 percent. This means that the 'depth of poverty' of the elderly poor was on average not very large or, in other words, poor elderly in Albania are, on average, just below the poverty line.³ The relatively low depth of poverty implies that the monetary value that is required to lift the poor above the poverty line is relatively small: with limited means many poor elderly can be raised to a non-poor status.

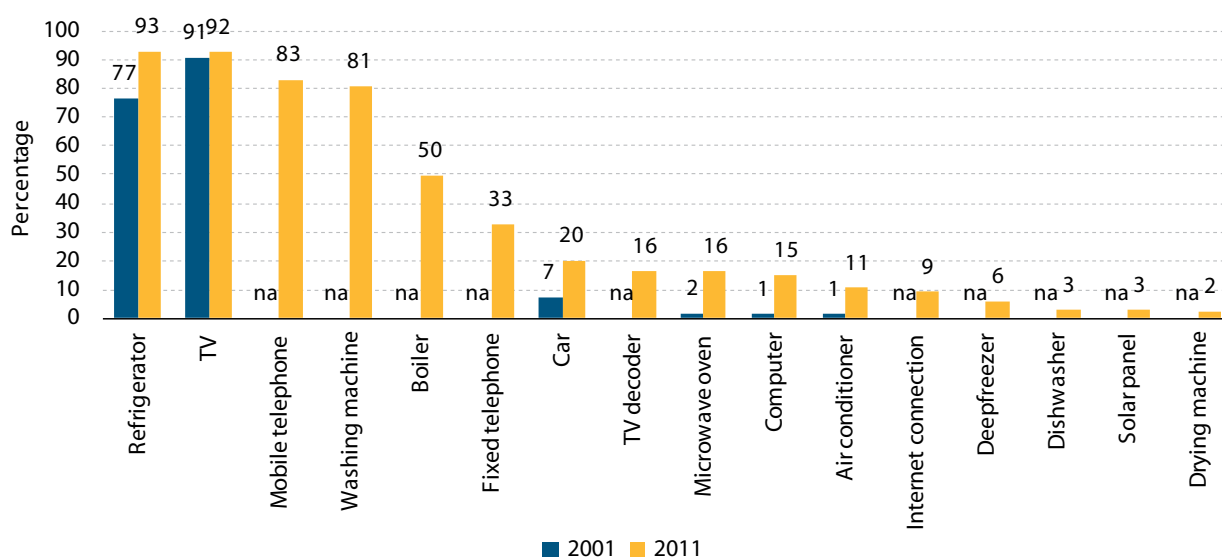
There are no LSLM data available to produce provide information on poverty trends for a longer period of time. However, census data include some measures of material wellbeing by providing information on the household possession of specific assets. *Figure 3.5* shows the proportion of persons aged 65 and over who possessed the assets that were included in the 2011 census and in the 2001 census, as far as available.

For 2011 the figure shows a relatively wide availability of standard household assets, such as refrigerators, TVs and washing machines. But possession of more luxury items – for example, microwave ovens, air conditioners, deep freezers, dish washers and drying machines – was much rarer and indicates sober living standards for many elderly. Also computers and internet connection were not available to a large number of elderly, which constrains adequate access to information. Similarly, only one in five elderly possessed a car, which is a constraint in terms of physical mobility.

³ The inequality among the poor elderly is also relatively low (the poverty severity was less than 1), which technically is also not otherwise possible with a relatively small depth of poverty.

Despite the modest possession rates of many household assets, comparison with the situation in 2001 shows considerable improvement. At that time many elderly already possessed refrigerators and TVs, but for all other items that were included in the 2001 questionnaire, the availability has become much wider. Modern communication and information technology – mobile phones, computers and internet connection – were virtually not available to elderly in 2001 or were not listed in the census questionnaire because they were considered not relevant at that time. In particular the possession of a mobile phone has increased spectacularly to 83 percent in 2011.

Figure 3.5: Elderly population aged 65 and over, by census, and by possession of household assets (in percentages)^a

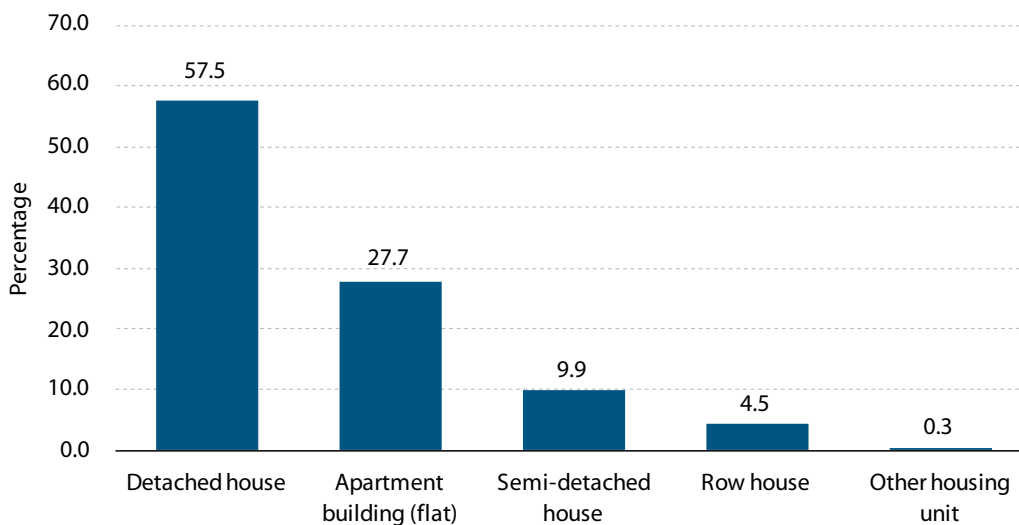


Source: Population and Housing Censuses, 2001 and 2011

a Items labeled 'na' were not listed in the 2001 census questionnaire, and consequently data are not available.

3.4.2 Housing conditions

Detached houses are the most common housing unit inhabited by elderly persons in Albania. According to the 2011 census, close to 58 percent live in this housing type, whereas smaller shares live in houses that are in a row of two (semi-detached, 10 percent) or more (row houses, 4 percent) (*Figure 3.6*). Another significant proportion of elderly (28 percent) live in flat buildings. This share has somewhat increased, compared to the previous census in 2001, when it was 24 percent of all elderly.

Figure 3.6: Elderly population aged 65 and over, by type of housing unit (in percentages)

Source: Population and Housing Census, 2011

Although apartment buildings may have several advantages over single houses, one disadvantage can be the absence of a lift in the building. This is especially relevant for elderly, who may have more problems in climbing stairs. More than half (51 percent) of persons aged 65 and older have some difficulty with walking and climbing stairs and 15 percent is even actually disabled in this respect. For the oldest old of 80 years of age and over, these shares are even 71 and 29 percent (see also section 4.4 of this report). Some 80 percent of the elderly who live in flats – 73 thousand people – lack the facility of a lift in the building. The same percentage applies to the oldest olds of 80 years of age and over living in a flat – 15 thousand persons – who have on average even more difficulty in walking stairs. For many this housing condition may severely limit their access to facilities and participation in society. However, compared to 2001 the situation has improved, because at that time the proportion of elderly living in a flat that did not have a lift was 97 percent.

A large majority of 79 percent of elderly are the owner of the dwelling they live in. Another 15 percent is in the process of acquiring the legal act of the dwelling. Only 6 percent live in the dwelling as a renter or as an occupant without paying rent.

3.4.3 Dwelling occupancy

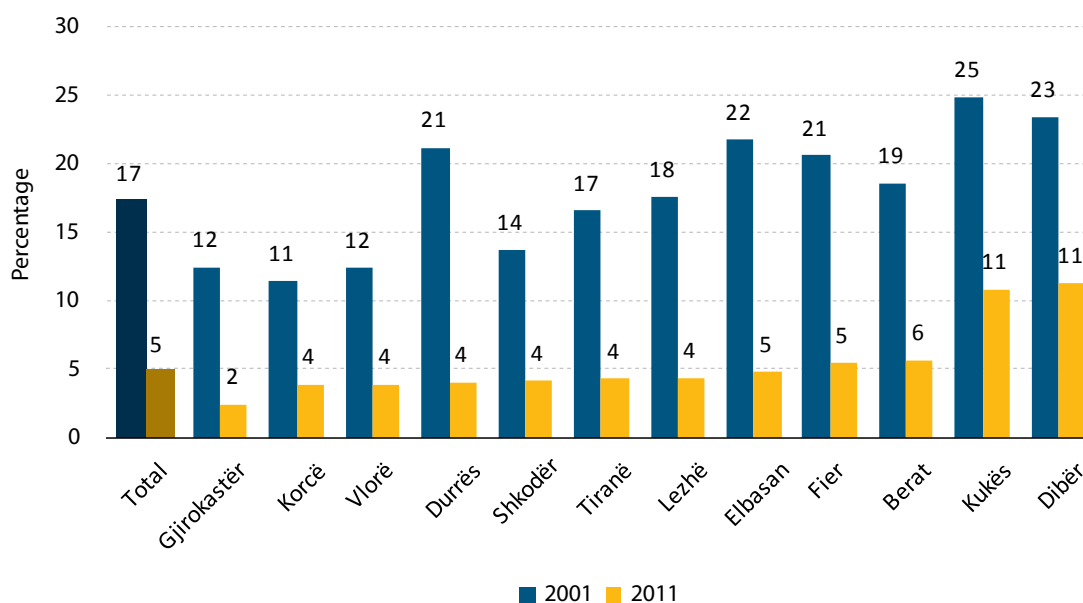
If too many people share a dwelling, this may have a negative impact on their wellbeing. Overcrowding is, in fact, a manifestation of housing inequality and is also a hidden form of homelessness. UN-Habitat defines overcrowding as dwellings with three or more persons per room (UN-Habitat 2007). The effects of overcrowding include an increased risk of disease transmission for a wide range of respiratory diseases, including pneumonia, tuberculosis and many allergies and negative social behaviours, such as domestic violence. On the other hand, dwellings inhabited by less than one person per room can be considered 'under-occupied' and if occurring on a large scale also reflect a poor functioning of the housing market. For Albania, dwellings with 1 to 2.9 persons per room are considered 'adequately occupied' and dwellings with three persons or more are defined as 'overcrowded'.

If this definition of overcrowding is considered, substantial improvement is observed between 2001 and 2011. Overall, the share of overcrowded dwellings in 2011 is around one-fourth of that of 2001, 3.8 and 16.5 per cent respectively. On the other hand, there are now 2.4 times more under-occupied dwellings in 2011 than ten years earlier, which is the result of a complex of factors, including new patterns of living for Albanian households, depopulation of certain regions in the country, but probably also an over-production in the housing sector.

The decrease in the share of elderly living in an overcrowded dwelling was of the same magnitude as the overall decrease, from 17 percent in 2001 to 5 percent in 2011. This decreasing trend of elderly living in overcrowded households has been noticed among all prefectures.

In 2011, the highest share of elderly living in an overcrowded dwelling was observed in prefecture of Dibër (11.3 percent), followed by prefecture of Kukës (10.9 percent) as shown in *Figure 3.7*. These high shares are likely related to the slower decline in fertility rates in these areas (see e.g. INSTAT 2004). The prefecture of Gjirokastra had the lowest share of elderly living in an overcrowded dwelling (2.4 percent), which is at least partly due to large-scale out-migration from this prefecture (see also chapter 2). Largely the same pattern was observed in 2001, when the prefectures of Kukës and Dibër also had the highest levels of overcrowding, with 25 and 23 percent, respectively. Although these prefectures still boast the highest levels of overcrowding, the decrease was the strongest of all prefectures in Albania. At that time the lowest share of elderly living in an overcrowded dwelling in 2001 was observed for Korçë (11 percent).

Figure 3.7: Percentage of elderly population aged 65 and over living in an overcrowded dwelling, by census, and by prefecture



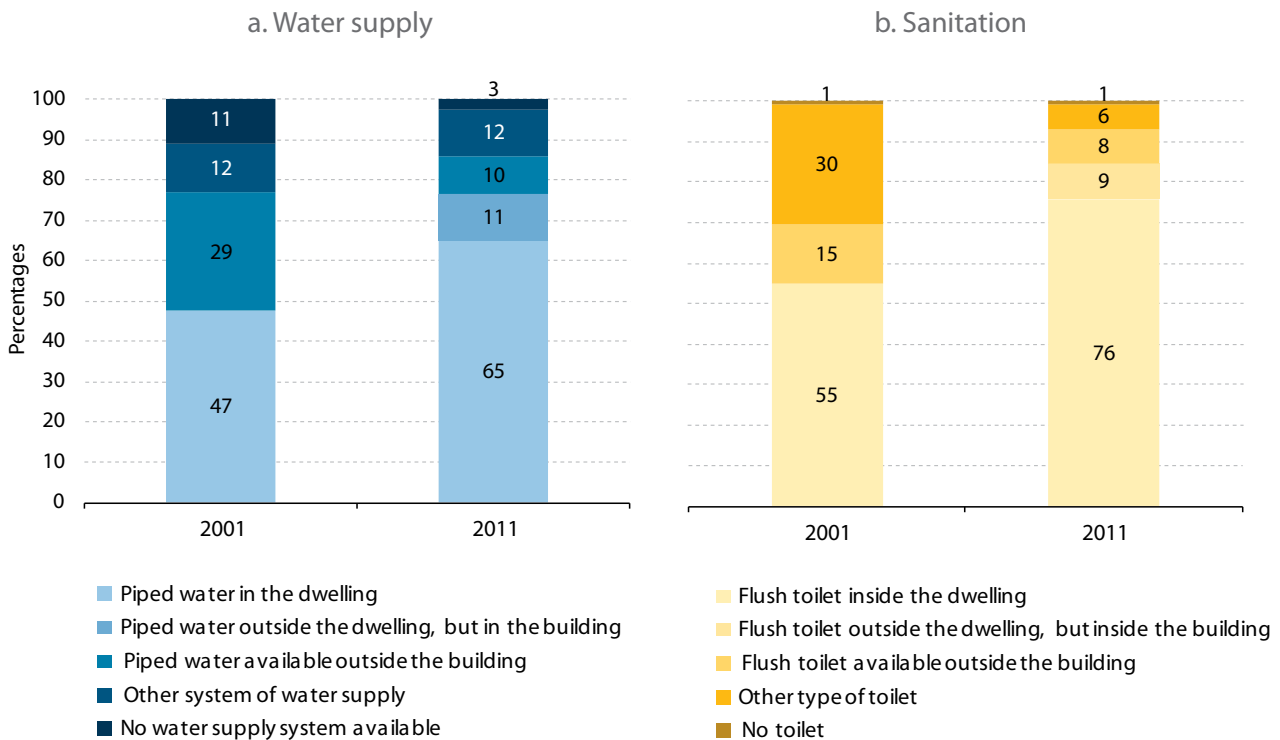
Source: Population and Housing Censuses, 2001 and 2011

3.4.4 Water and sanitation facilities

Basic hygiene provided by safe drinking water and adequate sanitation are the most effective strategies to improve and maintain the health status of the population. There is evidence that globally provision of adequate sanitation services, safe water supply, and hygiene education represents an effective health intervention that reduces the mortality caused by diarrhoeal disease by an average of 65 percent, and the related morbidity by 26 percent (WHO 2001). Given the generally more fragile health conditions of elderly, adequate facilities are especially important. For both water supply and sanitation, it is not only the type of facility that is important, but also the availability within the dwelling.

In Albania, the large majority of elderly had access to safe systems of water supply in the census year 2011. To most of them (86 percent) piped and safe water was available, but only 65 percent had immediate access within the dwelling (*Figure 3.8 panel a*). Some 12 percent had access to other systems of water supply, such as wells or water tanks, of which the water quality is not always guaranteed. A small minority of 3 percent did not have access to water in the vicinity of the dwelling at all. Even though the water-supply was far from adequate in 2011, it was a considerable improvement compared to 2001, when only 77 percent of the elderly had access to piped water, and less than half (47 percent) had piped water inside the dwelling. At that time even 11 percent had not water supply in the vicinity at all. The water-supply situation has even – slightly – more improved for the elderly population than for the total population.

Figure 3.8: Distribution of (a) water supply and (b) sanitation to the elderly population aged 65 and over, by census year, and by type of facility (in percentages)



Source: Population and Housing Censuses, 2001 and 2011

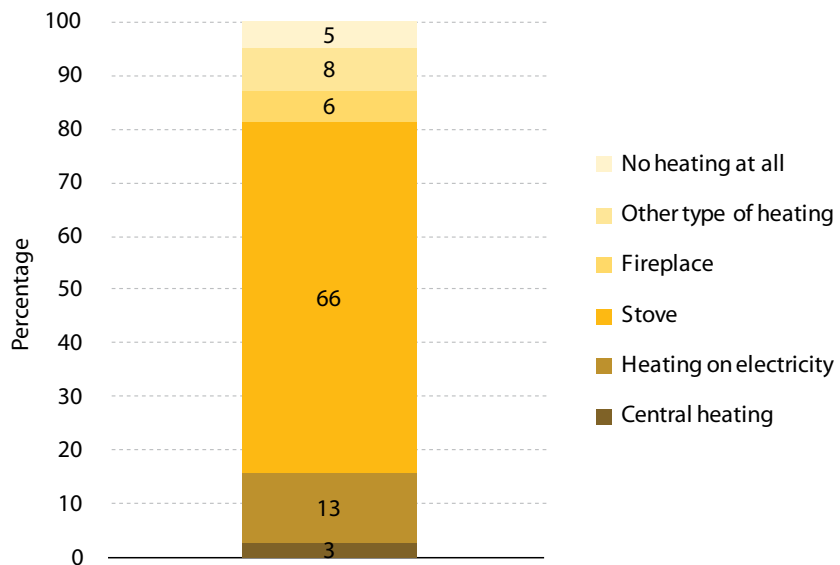
The sanitation conditions of elderly present a similar picture as the water supply situation. A large majority of 93 percent has access to an improved type of sanitation, but only 76 percent had this toilet inside the own dwelling (*Figure 3.8, panel b*). Around 6 percent has a different type of toilet, for which the adequacy is unknown. An almost negligible percentage had no access to sanitation (less than 1 percent). Compared to 2001, a significant improvement can be observed. At that time, only 70 percent of the elderly had access to a flush toilet, and only 55 percent had so within the own dwelling. Also for sanitation, the conditions for the elderly population have slightly more improved than for the population overall.

3.4.5 Heating of the dwelling

Adequate heating is not only important to avoid cold conditions in the dwelling, the type of heating is also a factor in the burden of household chores, for instance because of the daily need to obtain or produce firewood. In addition, specific types of heating can have an adverse impact on the health condition of household members. The use of solid fuels – such as firewood – usually results in incomplete combustion and hence in the emission of hundreds of compounds, many of which may induce cancer and other health problems and contribute to global climate change.

Two thirds of elderly in Albania relied in 2011 on a stove for heating, which is a type of heating that has the mentioned disadvantages of representing the physical burden of producing firewood, as well as being potentially hazardous from a health perspective (*Figure 3.9*). This is even more so for using a fireplace as a means to heat the dwelling, which was applied by another 6 percent of elderly. Electricity-powered heating – air conditioners and electric heaters – provided heating for one in eight elderly persons (13 percent). Central heating – either provided centrally in the building or the dwelling – was of only minor importance and was mainly used in urban areas. However, the central heating used by 3 percent of the elderly implies an increase from just 1 percent in 2001. Some 5 percent of elderly lived in a dwelling without any heating at all.

Figure 3.9: Elderly population aged 65 and over, by type of heating in the dwelling (in percentages)



Source: Population and Housing Census, 2011

4 HEALTH

4.1 INTRODUCTION

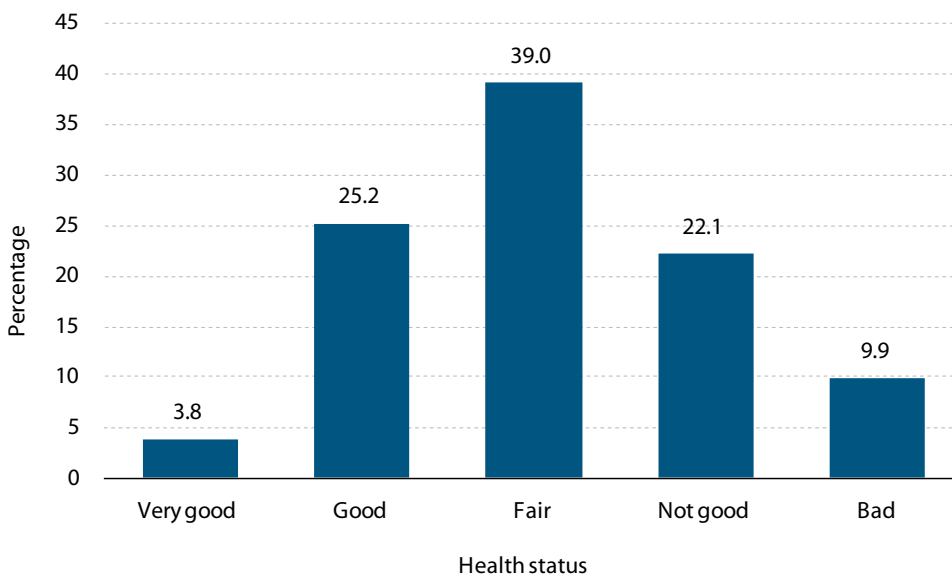
Until recently, the elderly population of persons 65 years and older made up a very small proportion of the Albanian population and attention from a health perspective was correspondingly small. However, the demographic transition that has been completed in Albania implies that the elderly population will rapidly increase, in terms of absolute numbers and in terms of its share in the total population. The expected growth is from 318 thousand in 2011 (11 percent) to 581 thousand in 2030 (21 percent). Chronic diseases disproportionately affect older adults (de Jong-Gierveld and van Solinge 1995; Holliday 1999) and are associated with disability, diminished quality of life, and increased costs for health care and long-term care. Consequently, health will become an increasingly important policy issue.

Health information about elderly in Albania is scarce. Three main information sources were available to assess the situation of elderly health. The first is the 2011 Population and Housing Census, which for the first time included a battery of questions on functional disability. The other were a survey conducted in 2007-08 by the Albanian Association of Geriatrics and Gerontology in the districts of Tirana, Skoder and Vlore (Ylli 2010) and the Living Standards Measurement Survey (LSMS) that is conducted by INSTAT on a regular basis.

4.2 SELF-REPORTED HEALTH

The study by the Albanian Association of Geriatrics and Gerontology in 2007-08 asked the elderly respondents (of 65 years of age and older) to assess their own health status. Some 32 percent of the elderly rated themselves unhealthy and 10 percent even in bad health (*Figure 4.1*). This is more than the opposite proportion that considered themselves in good or very good health (together 29 percent). The percentage of all respondents that reported to suffer from a chronic disease was 77 percent. For around half the elderly cardiovascular disease was reported and for 19 percent diabetes.

Figure 4.1: Elderly 65 years of age and older, by self-assessed health status (in percentages)



Source: Ylli 2010

More than a quarter (27 percent) of the elderly reported that they did not receive medical care when they needed it. Among the main reasons for this were difficulties to afford medical treatment (20 percent) and, to a lesser degree, the distance to healthcare facilities (4 percent) and a particularly strong disease severity, which prevented participants from being able to go to the doctor (3 percent). Around two-thirds (69 percent) of elderly people also reported that they were not able to obtain effective medicines prescribed by their family physicians, the main reason again being that they could not afford drugs. Coping strategies included to opt for less effective drugs or to rely on support from family members.

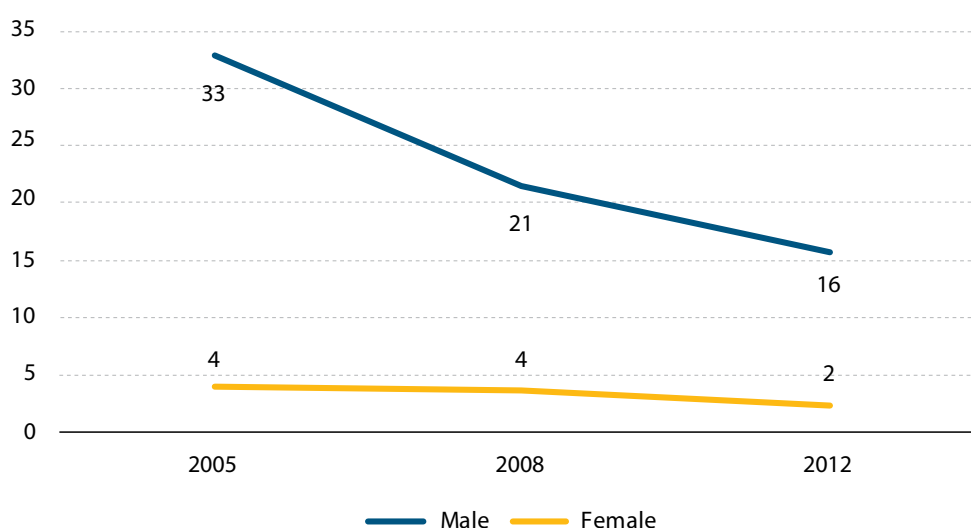
4.3 SMOKING BEHAVIOUR AND ALCOHOL USE

The World Health Organisation has identified tobacco smoking as a serious cause of premature illness and death: it is the single most preventable cause of premature mortality. The combined effect of nicotine (the main drug found in tobacco) and other gases entering the lungs with smoking, greatly increases the risk of ill-health and disease, including cancer and coronary heart diseases. It is also recognised that secondary or passive smoking can put the health of others at risk. This is one of the reasons why smoking has been banned by law in workplaces and areas since 2007.

In 2010, smoking accounted for 22 percent of all deaths in Albania. In the past two decades during the rapid political and socio-economic transition, the mortality rate attributable to smoking has almost doubled for non-communicable diseases (Institute of Public Health 2014).

Results from the Living Standards Measurement Survey indicated a large difference in smoking behaviour between men and women. In 2012, 16 percent of elderly men reported to currently smoke and only 2 percent of the elderly women. For men, this is less than the mature male population 30 to 64 years old (25 percent) and about the same as male youth (13 percent). Elderly women, on the other hand smoke relatively more than women 30 to 64 years old and female youth (both around 1 percent only). An interesting observation from subsequent LSMS surveys is that smoking among elderly seems to reduce, especially among men: in 2005, 33 percent of elderly men smoked, declining to 21 percent in 2008. The proportion of smoking elderly women came down from 4 percent in 2005 (Figure 4.2). These changes could be an indication of a positive effect of the ban on smoking.

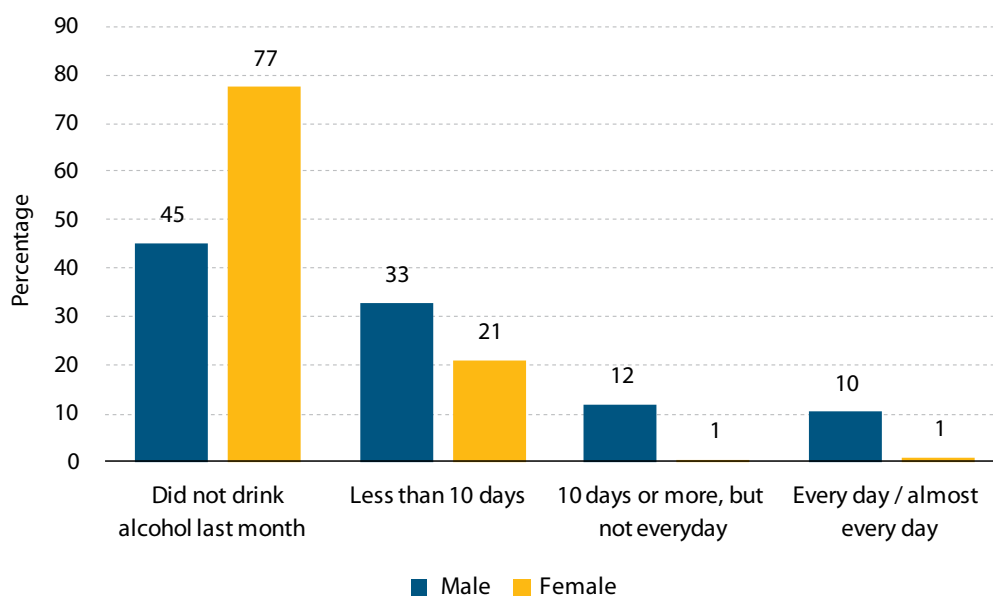
Figure 4.2: Percentage of elderly 65 years of age and older that is currently smoking, by survey year



Source: LSMS 2005, 2008, 2012

LSMS also collects information about alcohol consumption. As with smoking, large gender differences were observed for the use of alcohol. More than three quarters (77 percent) of elderly women reported not to have used alcohol in the past month, compared to less than half (45 percent) of the men. Relatively the largest differences were found among persons who drank alcohol on a frequent basis (at least on ten days in the month before the survey) or every day. The proportions of men that did this were, respectively, 12 and 10 percent, but hardly any women did so (1 percent each).

Figure 4.3: Elderly 65 years of age and older, by alcohol consumption (in percentages)



Source: LSMS 2012

4.4 DISABILITY

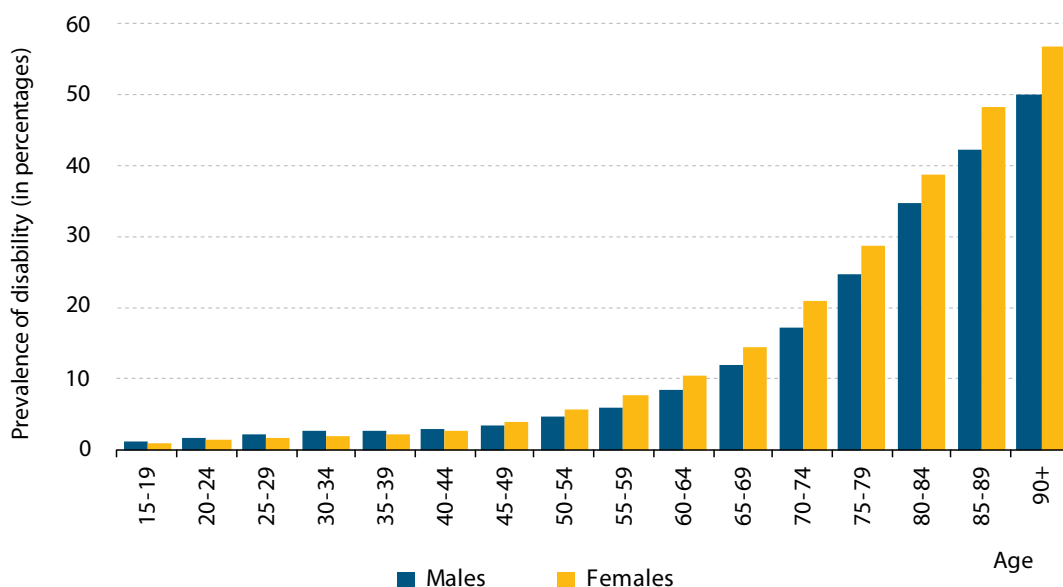
The 2011 Population and Housing Census included a battery of questions to assess the disability status in Albania's population. The questions followed the recommendations of the Washington Group by asking about experienced difficulties in basic actions, which pose barriers to full participation in society. The questions cover six basic actions or functional domains: seeing, hearing, walking, cognition, self care and communication. A person is considered disabled if he or she has severe problems in performing the activity or if he/she is not able to perform it at all.

Close to 73 thousand persons of 65 years and older are classified as disabled according to the 2011 census data. This is more than half (53 percent) of all disabled persons aged 15⁴ and over in the country, whereas the elderly population only represents 14 percent of all persons 15 and over. As shown in *Figure 4.4*, an increased likelihood of disability comes with increasing age. This is because as people live longer and do not encounter fatal diseases, their illnesses are chronic instead. Between one fifth and one quarter of the elderly of 65 and older are disabled: 20 percent of men and 25 percent of women. Among the oldest old (aged 80 and older), even 42 percent is disabled: 38 percent of men and 44 percent of women.

Elderly women consistently have a higher prevalence for disabilities than elderly men. To some extent this is the effect of the older age distribution of women, but this cannot be a full explanation because also female age-specific disability rates are consistently higher. In addition, gender roles prescribing women's responsibility for most household chores can be a factor, because disability will more seriously obstruct female than male functioning in this respect.

⁴ Since disability reporting at young ages is unreliable, the census data only report for persons aged 15 and older.

Figure 4.4: Prevalence of disability, by sex, and by age (in percentages)

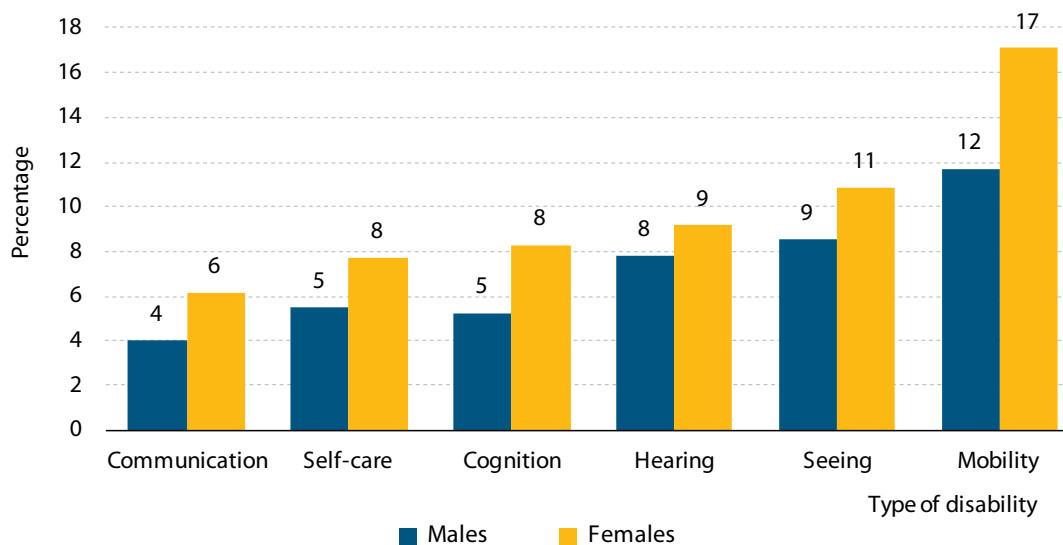


Source: Population and Housing Census 2011

The prevalence of disability varies across domains of functionality. The most common type of disability among elderly is mobility. For 17 percent of elderly, the census recorded that they had serious difficulty walking or climbing stairs (mobility) (Figure 4.5). For persons living in rural areas, this may be particularly problematic. Having a severe problem with self care (performing daily activities, like shopping, dressing, washing or eating; 8 percent of elderly) is a clear indication for not being able to live independently. However, also other types of disability can create unsurmountable problems in this respect. Compared to the younger population 15 to 64 years old, especially the sensory disabilities of hearing and seeing are more common among elderly.

Around half (49 percent) of disabled elderly persons suffered from one type of disability, but the other half – 37 thousand people – suffered from two or more disability types, indicating that multiple disability is a common problem among Albania’s older population. One fifth of the disabled even had four or more types of disabilities. The prevalence of multiple disabilities is similar for men and women.

Figure 4.5: Disability prevalence for different disability types among elderly, by sex (in percentages)



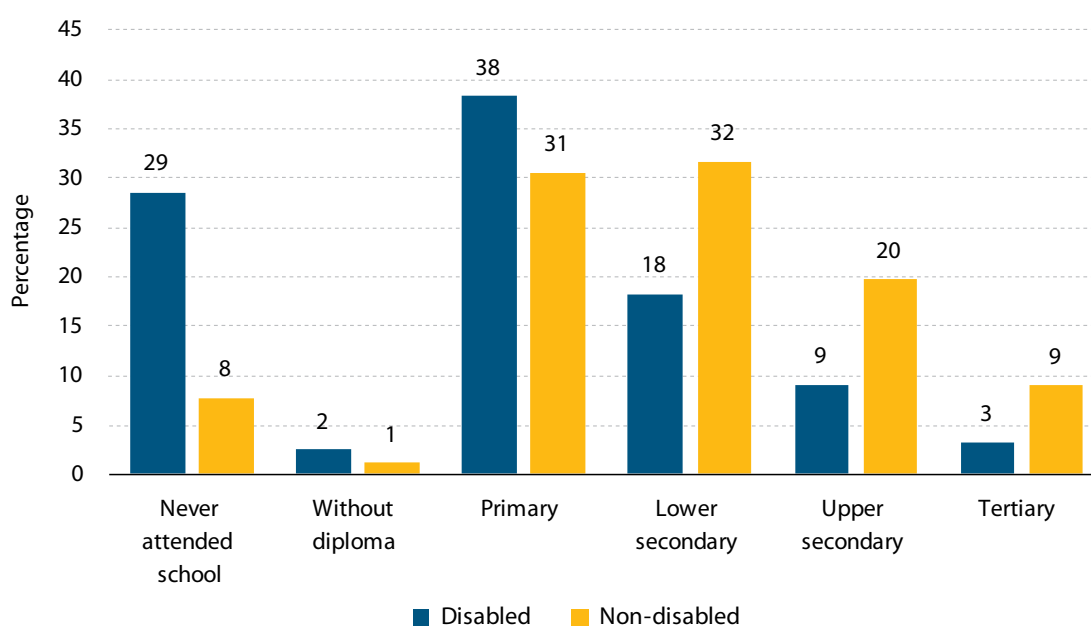
Source: Population and Housing Census 2011

About the same number of disabled elderly lived in urban and rural areas, but the disability rate differed by residence. Close to 21 percent of urban elderly reported to have one or more severe functional problems, compared to 26 percent of rural elderly. Census data cannot determine whether the cause of this difference is a higher level of impairments and poorer health in rural areas or a larger impact of disability on performing specific activities in daily rural life.

An even larger disability differentiation was recorded in the census between married elderly and not-presently-married elderly (including never-married persons and widowed, divorced and separated persons). Less than one-fifth (19 percent) of married elderly were mentioned to be disabled, compared to close to one-third (31 percent) of not-married contemporaries. The latter group is in an especially vulnerable position, as their functional impairment is aggravated by the lack of support of a partner. The group of not-presently married persons includes a small number of persons – 5 thousand – who never married. Given the principle of universal marriage among older generations in Albania, it is very likely that these people were never married because they were disabled. The high disability rate of widowed elderly is largely the effect of age as a confounding factor: the older people are, the larger the likelihood that they will become widowed and that they will become disabled.

The level of education completed by disabled elderly clearly shows their disadvantaged position compared to non-disabled elderly. Close to one third (31 percent) of disabled elderly have no education completed and 29 percent even never attended school (*Figure 4.6*). The corresponding figures for the non-disabled elderly are just 9 and 1 percent. At the other side of the scale, the proportion disabled that completed any level of secondary education (27 percent) was only about half that of their non-disabled peers (52 percent). For tertiary education completed, the relative difference was even greater: 3 against 9 percent, respectively.

Figure 4.6: Population aged 65 and older, by disability status, and by educational attainment (in percentages)



Source: Population and Housing Census 2011



5 WORKING ELDERLY

5.1 INTRODUCTION

In official labour statistics of Albania, the elderly population is not visible since the working age is defined from 15 to 64. However, in economies that are characterized by informal employment and a large agricultural sector, often people are economically active into old age. To some extent, this is also the case in Albania. This chapter reviews the labour participation of the population of 65 years and over and compares the characteristics of those that are working with the majority that is inactive. The Labour Force Survey (LFS) is the main source of information for this review. In addition, data from the 2011 Population and Housing Census are used. Since the end of an employment career is often linked to the entitlement of an old-age pension, section 5.2 first briefly describes the main characteristics of the pension system in Albania.

5.2 THE PENSION SYSTEM IN ALBANIA

The social insurance system in Albania encompasses three components: obligatory social insurance, voluntary social insurance, and supplementary social insurance. The pension system is largely based on the pay-as-you-go principle, meaning that pension benefits paid to pensioners are borne by working persons who contribute to pensions schemes and taxes. People are entitled to receive a pension if they participated in a pension insurance scheme during the years of work. With at least 35 years of contribution, a full-level pension is paid, starting from age 65 for men and age 60 for women. A partial pension can start a few years earlier. In case the person entitled to an old-age pension dies, the pension is converted to a family pension to his or her dependents, who may be children, husband and wife or parent.

The Albanian pension system faces severe challenges, which are partially internal to the system and partially driven by external developments. Over time, the rate of compulsory contribution to the pension scheme has decreased from 42.5 to 24.5 percent of the gross salary, which has directly reduced the amount of revenue that is siphoned off into the compulsory scheme. External developments that challenge the sustainability of the pension system are the increased unemployment in Albania and the large share of informal employment from which low pension contributions are collected. But on the long run especially the ageing of the population is a factor that undermines the present system. The number of persons who are of pension age is rapidly growing, while the number of those of working age (15 to 64) will gradually decrease. This is already experienced in the past decades: the old-age dependency ratio⁵ almost double from 8.6 percent in 1989 to 16.7 in 2011 (see section 2.3.1 of this report). In 2030, this ratio will have again doubled to 32.9 percent (INSTAT 2004). This demographic development implies that the pay-as-you-go principle is not sustainable and needs to be replaced by a defined-contribution principle (e.g. Creedy 1998, Bravo 1999***).

5.3 WORKING AND NOT WORKING

The LFS 2011 estimated the number of working elderly at 33 thousand. Within the total employed population of 1.2 million this is a tiny minority of 3 percent. However, this number suggests that 10 percent of the persons aged 65 and over is working. At these older ages, significantly many more men are working than women, respectively 21 thousand and 12 thousand persons. This translates into a percentage working that is twice as high for men (14 percent, around one in seven) as it is for women (7 percent). The figures for 2014 show a slightly lower number of working elderly (31 thousand) and proportion working (9 percent), but these differences are too small to derive a statistically significant trend.

As expected, the large majority of people not working mention that they are inactive because they reached the age of retirement and receive a pension (97 percent). An additional reason that was mentioned was disability. Also in this respect, the figures for 2011 and 2014 were very similar. The 2011 census found a very similar proportion that

⁵ The old-age dependency ratio is the ratio of the population aged 65 and over to the population aged 15-64, expressed as a percentage.

reported not to work because of retirement and pension (95 percent). The census data also allow to assess that this applies about as much to women as to men (94 and 96 percent, respectively).

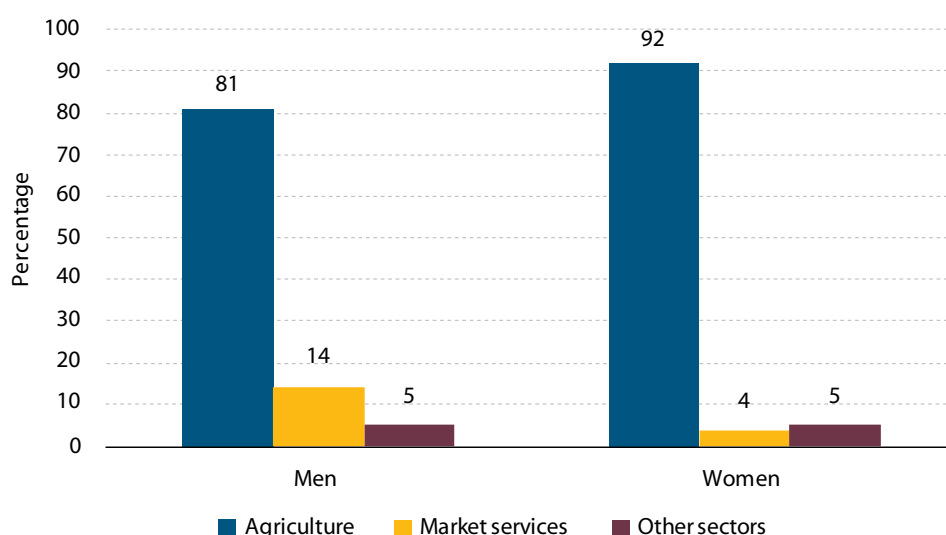
5.4 CHARACTERISTICS OF WORKING ELDERLY

The classification of employed persons by status in employment gives an indication of the types of economic risk that the employed face in their work, the strength of institutional attachment between the person and the job, and the type of authority over establishments and other workers. Advanced economies tend to have large proportions of workers in waged or salaried employment, whereas underdeveloped and informal economies tend to have large proportions of own-account workers. Importance of contributing family workers usually also indicates poor development, little job growth, widespread poverty and often a large rural economy. The MDG indicator 1.7 to measure progress towards full and productive employment and decent work for all (Target 1.B) groups these two latter categories for the estimation of the proportion in 'vulnerable employment'. Own-account workers and contributing family workers share the lower likelihood of having formal work arrangements, and are therefore more likely to lack elements associated with decent employment, such as adequate social security and a voice at work.

Given the fact that elderly passed retirement age, it is to be expected that most of those who had formal employment in the past are now no longer working and remaining elderly workers are to be found among own-account workers and contributing family workers. This is indeed what is reported in the Labour Force Survey. The overwhelming majority of 93 percent of working elderly were in one of these two types of vulnerable employment: 43 percent as own-account workers and 51 percent as contributing family workers. The distribution is different for men and women. Around three quarters of women are contributing family workers – often supporting farming land of their husbands or sons – while men are more often classified as own-account workers, often working their own land with or without support of family members.

The economic sector in which most of the elderly are active is agriculture. Some 84 percent of them do work in this sector, which is double the proportion of the regular working age population aged 15 to 64 years (42 percent). Elderly working women are even more concentrated in agriculture (92 percent; *Figure 5.1*), while elderly men also have an identifiable share (14 percent) working in market services. The occupations that elderly hold mirror the sector of industry, in the sense that similar proportions are working as farmers.

Figure 5.1: Working population aged 65 and older, by sex, and by sector of work (in percentages)



Source: Labour Force Survey, 2011

Compared to the regular working age population, elderly persons work less hours when working. Less than half (47 percent) of the working elderly work less than 30 hours per week, compared to 21 percent of the 15-64 years old. Nevertheless, more than one third (percent) of elderly work 40 hours or more, which is a heavy burden at older age. Elderly men tend to work more hours than women. Some 42 percent of them worked 40 hours or more per week, against 25 percent of women. On the other hand, only 40 percent worked less than 30 hours, compared to 61 percent of women.

6

ACTIVE AGEING AND VULNERABILITY

6.1 INTRODUCTION

The aim of this chapter is to provide some overall assessments of the situation of elderly in Albania. One is from the perspective of the potential of older persons to actively participate in society (section 6.2). This is in line with the Plan of Action of the Second World Assembly on Ageing, which aimed at achieving secure and poverty-free ageing, taking part in economic, political and social life, and having opportunities to develop in later life. The second (section 6.3) is an indicator of vulnerability of elderly in Albania. Both measures combine information presented in the previous thematic chapters and information from additional sources.

6.2 BUILDING LIFE SKILLS: EDUCATIONAL ATTENDANCE AND SCHOOL EXPECTANCY

Active ageing is the process of optimising opportunities for health, participation and security, in order to enhance quality of life as people age. It allows people to realise their potential for physical, social, and mental well-being throughout the life course and to participate in society, while providing them with adequate protection, security and care when they need. The word 'active' refers to continuing participation in social, economic, cultural, spiritual and civic affairs, not just the ability to be physically active or to participate in the labour force. Older people who retire from work and those who are ill or live with disabilities can remain active contributors to their families, peers, communities and nations. Active ageing aims to extend healthy life expectancy and quality of life for all people as they age, including those who are frail, disabled and in need of care.

In the framework of the 2012 European Year for Active Ageing and Solidarity between Generations, an Active Ageing Index (AAI) has been developed as a tool for national and European policy makers to measure and promote the potential of the older population.⁶ The index is constructed from 22 individual indicators that are grouped into four distinct domains:

1. Employment of older workers;
2. Social activity and participation of older people;
3. Independent and autonomous living of older persons; and
4. Capacity and enabling environment for active ageing.

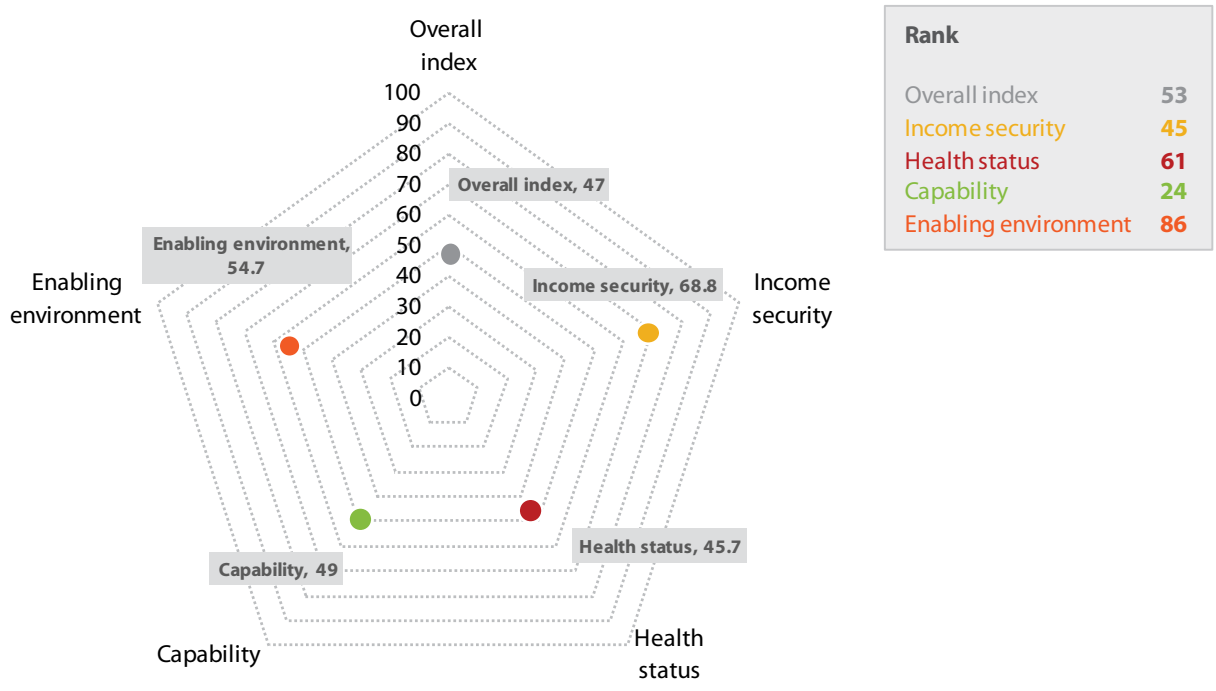
The results of the AAI can be used to compare the situation across European countries by the overall AAI and by the domain-specific indices. Unfortunately, the AAI is not yet developed for Albania. As an alternative, for Albania the Global AgeWatch Index⁷ has been constructed to quality of life in older age and wellbeing of older people. The index brings together a set of 13 internationally comparable indicators, based on older people's income status, health status, capability (education and employment), and enabling environment. The index based on these four domains (see Annex II) is supposed to give a fair indication of how well older populations in different countries are faring. This index has presently been calculated for 96 countries, covering 91 percent of the world population aged 60 and over. Albania is one of the 96 countries for which this indicator was calculated.

The Global AgeWatch Index has placed Albania at a 53th position in the world. It ranks highest in the capability domain (24) with one of the highest employment rates in the region (58 percent) (*Figure 6.1*). It performs moderately in the income security domain (45) with a below average poverty rate in old age (5.3 percent), the second lowest in the region, and pension income coverage above the global average (77 percent), despite below average GNI per

⁶ <http://www1.unec.org/stat/platform/display/AAI/Active+Ageing+Index+Home>
⁷ Compiled by compiled by HelpAge International (<http://www.helpage.org/global-agewatch/>)

capita. It ranks low in the health domain (61), with below average values on life expectancy, but above average for the psychological wellbeing indicator regionally. It ranks lowest in the enabling environment domain (86), as in 2014 with below regional average values for the four indicators in this domain (social connections, physical safety, civic freedom and access to public transport).

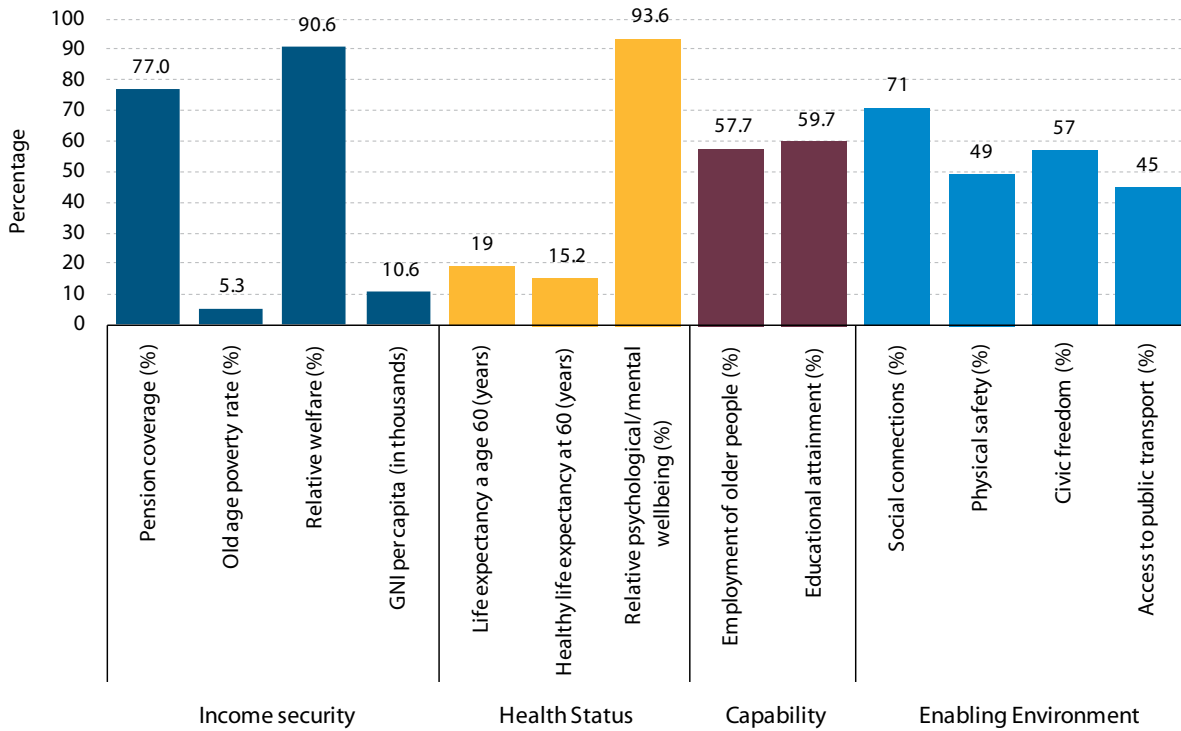
Figure 6.1: Global AgeWatch Index, Albania 2014 (rankings)



Source: AgeWatch report card

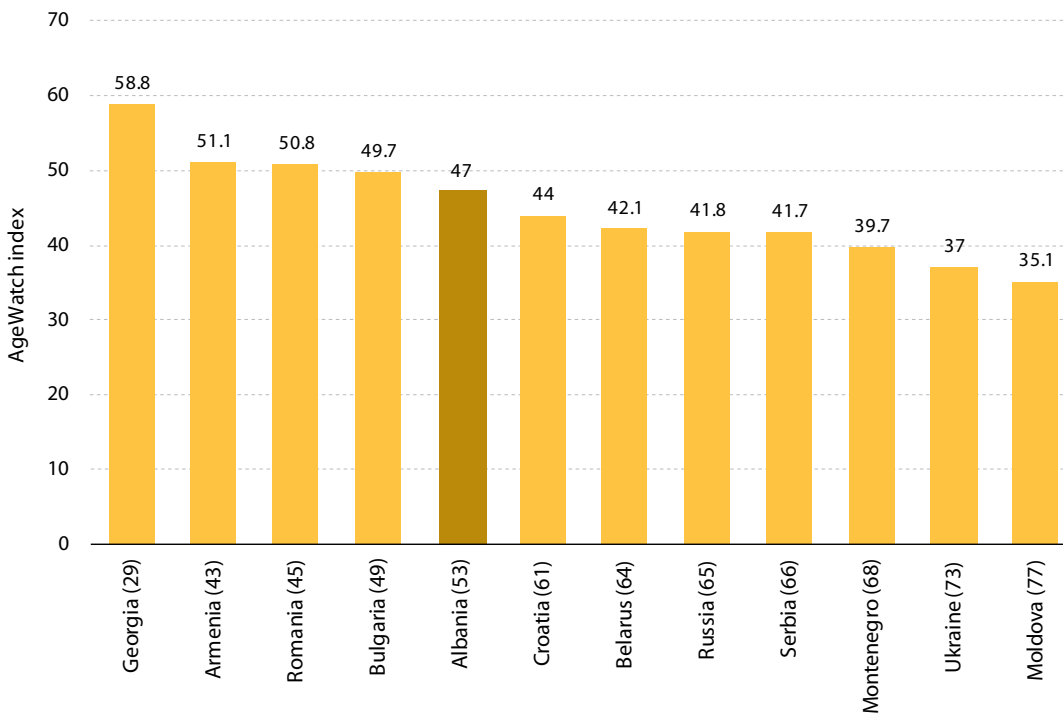
The composite indicators underlying the four domains mentioned in *Figure 6.1* are presented in *Figure 6.2*. The definitions of these indicators are given in Annex I. The overall index of 53 ranks Albania ahead of neighbouring countries like Croatia, Serbia and Montenegro (*Figure 6.3*). The four domains for the Global AgeWatch Index are differentiated per country in *Figure 6.4*.

Figure 6.2: Global AgeWatch indicators, Albania 2014



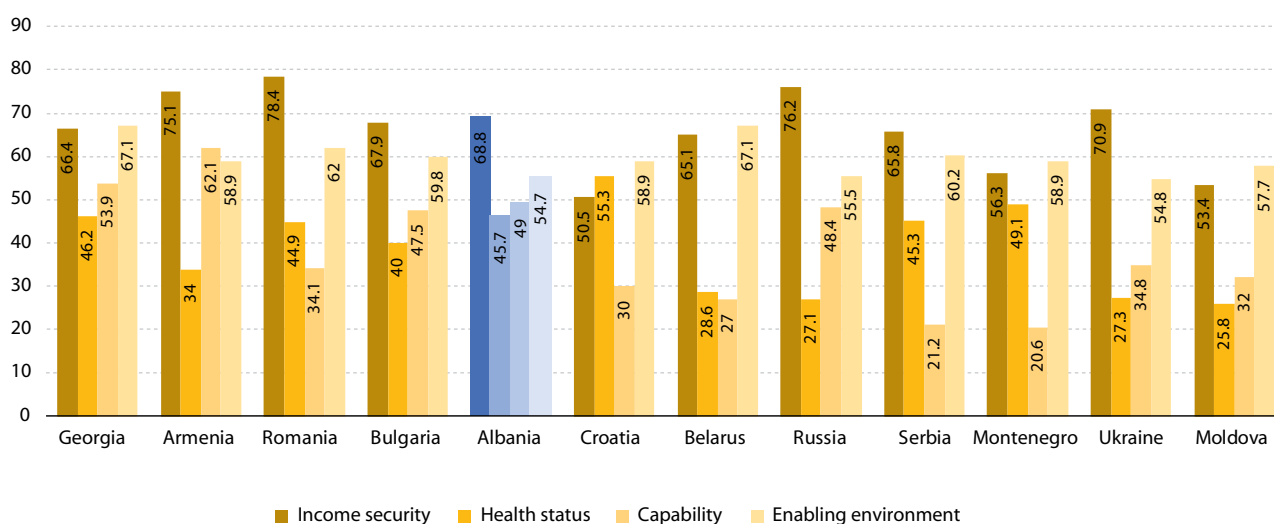
Source: AgeWatch report card

Figure 6.3: Overall Global AgeWatch index, by selected country (2014)



Source: AgeWatch report card

Figure 6.4: Global AgeWatch indicators, by selected country, and by domain (2014)



Source: AgeWatch report card

6.3 ELDERLY VULNERABILITY INDEX

By combining several questions of the 2011 Census questionnaire, both individual and household characteristics questions, it was possible to calculate an indicator that measures the vulnerability level of people aged 65 years and over. The aim of this indicator is to ensure information on level of vulnerability of elderly across 61 municipalities, according to the new administrative division. It will help policy makers to better identify the respective policies and programmes for helping vulnerable old people. Actually, it is imperative to provide an evidence base that can show how vulnerable old people can be supported by public policies and programmes.

This approach defines vulnerability as a dynamic concept referring to the risk that an old person will experience an episode of:

1. Living alone, or
2. Living in an elderly home, or
3. Has at least one disability (ear, sight or mobility) or
4. Having as sources of income social assistance, remittances or another person's income.

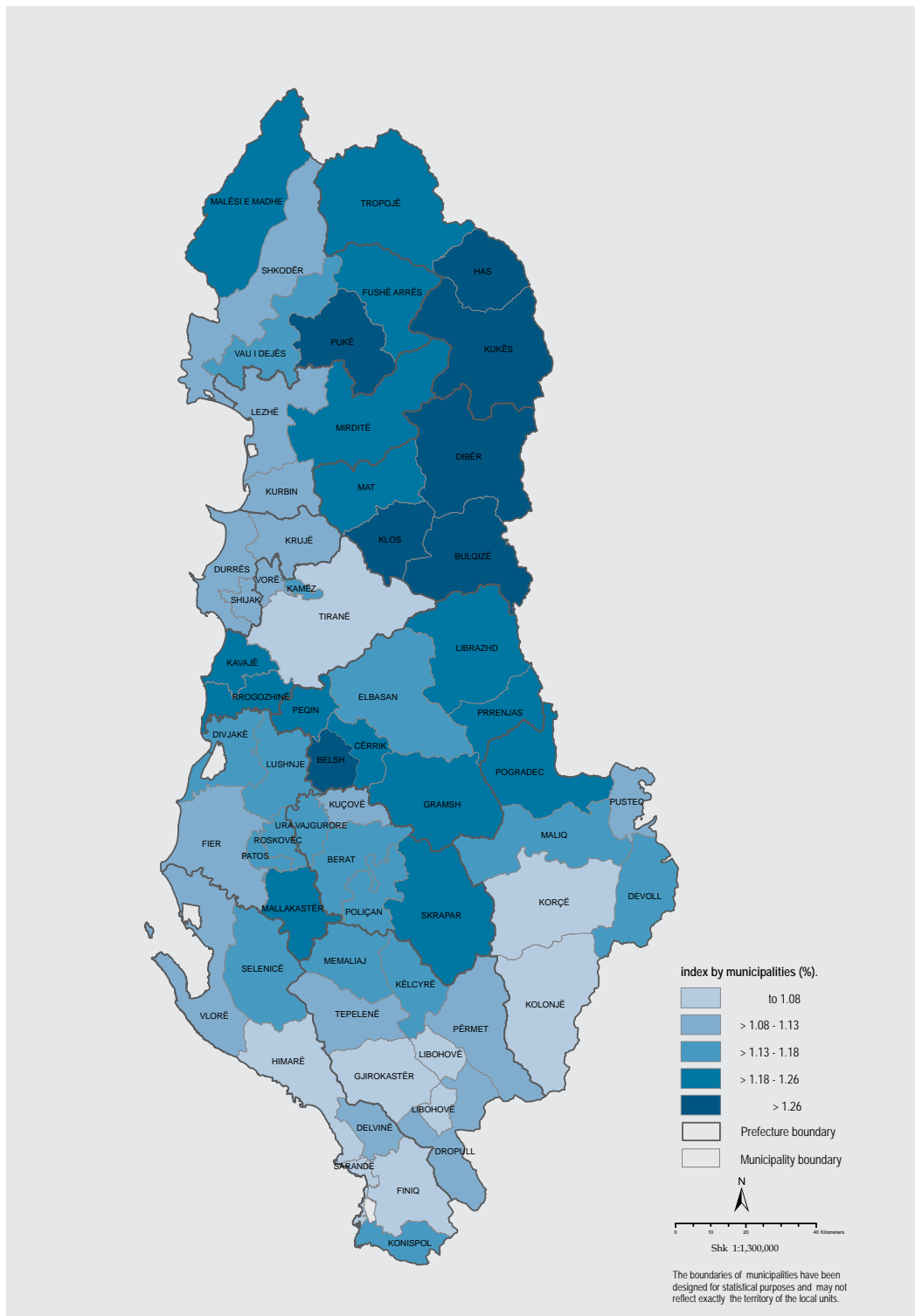
Even though there may be different measures of vulnerability, in this specific case, the elderly vulnerability measure (age 65 and over) takes into account fourth components. The first component captures elderly who live alone and thus deemed to be vulnerable. The second component captures elderly living in elderly homes. The third component captures elderly with disability, where each type of disability, ear, sight and mobility take a weight of one third. The fourth component measures sources of income, or lack therefore including income from social assistance, remittances and other persons.

Theoretically the index values vary from 0.33 (if each person fulfills one of the above conditions) to 4. In Albania the average index of vulnerability of persons aged 65 and over is 1.14. Its maximum value is noted in municipality of Kukës (1.34), whereas the minimum value is noted in municipality of Finiq (0.99). From 61 municipalities, 35 of them have the vulnerability index more than country average (1.14).

In order to give a more complete view where the vulnerable old people are located, this index has been plotted in *Figure 6.5*. The map is constructed at the 61 municipalities' level in order to provide a visualisation of elderly vulnerability across country. This map may help social planners in delivering social services based on needs and location of elderly vulnerable groups.

The elderly vulnerability index shows that the highest vulnerability levels are concentrated in the north-east of Albania, although there is a wider spread of vulnerability across the country. However, Has, Kukës, Dibër, Bulqizë, Klos, Mat and Pukë in the norther-eastern part of the country remain the municipalities with the highest vulnerability levels. This may be related to the high rates of young population having moved out of these areas into urban areas therefore leaving the elderly behind. The mountainous areas have been known for a concentration of older vulnerable population who could not leave and is trapped into a poverty trap.

Figure 6.5: Vulnerability index for elderly aged 65 and over, by municipality



Source: Population and Housing Census, 2011



7

SUMMARY

7.1 INTRODUCTION

Albania has started to experience the effects of the process of population ageing that is already underway for several decades in most other European countries. This effect is not only measured in increasing numbers of elderly – defined as persons aged 65 and older – but importantly also in terms of new opportunities and challenges for the elderly themselves and for society at large.

Developments toward a more affluent society, longer life and extended education have significantly changed – and will change – the roles and living conditions of elderly. The general picture that emerges from the present analysis is that within an overall process of population decline, the elderly are the one segment that is strongly increasing, and are likely to represent one third of the total population in 2031. It is likely that in the coming decades the elderly population will not only denote a significant demographic presence, but it will also become an important political and economic force. Although generally the living conditions of Albanian elderly lag behind most of their European peers, considerable improvements are observed in comparison with the situation observed even in the recent past.

At the same time, the ageing process will put a heavy burden on existing pension and health care systems. As people live longer, benefits such as pensions, health care or old-age support, need to be paid over longer periods. When the population beyond retirement age is doubling and at the same time the working-age population who provides the funds for social security systems is declining, the system becomes unsustainable and needs structural transformations. Increasing longevity also results in rising medical costs and increasing demands for health services, since older people are typically more vulnerable to chronic diseases. Similarly, the shift towards an older population brings about a wide range of changes in society, such as lower tax revenues, different consumption patterns and housing demands, and other political demands and morbidity patterns.

The demographic process of population ageing poses a formidable task to policy makers and civil society organisations to address such issues and to create opportunities for the increasing shares of elderly to participate in today's and tomorrow's society in an active and productive way. In addition, policies and programmes need to target specific vulnerable groups among the elderly, as defined for instance in terms of widowhood, disability, poor housing conditions and lack of family support and stable financial means.

The present report is based on different information sources. The 2011 Population and Housing Census provided the backbone of the analysis. Administrative data and different surveys supplemented and gave more depth to the census information. For various topics, however, accurate and up-to-date information is scarce. This is especially felt in the area of health and participation in society.

7.2 ELDERLY, THE GENERATION OF THE FUTURE

Albania has completed the first demographic transition and has entered into the stage with below-replacement fertility and a life expectancy that approaches the level of many other European countries. The replacement of small cohorts of elderly by larger ones that were born more recently is one factor of the observed increase in the number of persons in the age range 65 and over. Another factor is the increase of the life expectancy. As a result, the 2011 census showed that the number of elderly has almost doubled since 1989 from 169 to 318 thousand, whereas the total population decreased with 12 percent in the same period, particularly because of large decreases in the number of children and young adults (with 45 and 24 percent, respectively).

The observed changes denote a complete transformation of Albanian society in just 22 years time. Whereas the

elderly made up 5 percent of the population in 1989, in 2011 they represented 11 percent, while the share of children under 15 declined from 33 to 21 percent. This transformation has important implications for the sustainability of the pension system and for old-age care and health facilities, which are significantly utilised by the elderly. A measure of the societal burden of the increase of elderly compared to the working-age population is presented by the old-age dependency ratio, which developed from 9 percent in 1989 to 17 percent in 2011. Due to differentials in fertility and out-migration, this indicator shows large differences across the country, from 12 percent in Kukës to 24 percent in Gjirokastër.

The ageing process will continue for several more decades. The number of elderly is expected to reach 591 thousand in 2031, then representing 33 percent of the total population. Within the elderly population, the oldest old – persons aged 80 and over – is again the fastest growing segment. Their share in the total population increased from 0.9 percent in 1989 to 2.1 percent in 2011 (58 thousand persons) and is expected to be even 4.6 percent in 2031. The corresponding future increase in the old-age dependency ratio shows a doubling from 17 percent in 2011 to 34 percent in 2031.

Demographic analysis shows that in the past decade the life expectancy at birth of the population of Albania is fairly rapidly increasing, from 74.4 in 2004 to 78.4 in 2014. Women live on average 3.9 years longer than men (80.3 against 76.4). At the start of the old-age period at age 65, women can expect to live another 17.2 years and men another 15.9 years. At age 80, these remaining life expectancies are 7.0 and 6.5 years. Higher male mortality over the life course means that women outnumber men at older ages, and the difference is quite large among the oldest old. Among all elderly 65 and over, there were about 91 men for every 100 women in 2011 and for the oldest old aged 80 and over, there were only 66 men for every 100 women.

7.3 AGE AND GOOD HEALTH: UNEASY COMPANIONS

Albanian people live longer than in the past, the extension of life in good health is increasing less rapidly. Chronic diseases disproportionately affect older adults and are associated with disability, diminished quality of life, and increased costs for health care and long-term care. Consequently, health will become an increasingly important policy issue.

In a survey conducted in 2007-08, 32 percent of the elderly rated themselves unhealthy and 10 percent even in bad health. The percentage of all respondents that reported to suffer from a chronic disease was 77 percent. For around half the elderly cardiovascular disease was reported and for 19 percent diabetes. More than one in four persons reported that they did not receive medical care when they needed it, often because of financial reasons.

According to the 2011 census data, close to 73 thousand persons of 65 years and older could be classified as disabled. This is more than half of all disabled persons aged 15 and over in the country. The proportion being disabled among elderly men was 20 percent and among women 25 percent. The effect of ageing is clearly seen in the much higher disability prevalence among the oldest old, where even 42 percent is disabled: 38 percent of men and 44 percent of women. The most common type of disability among elderly is mobility. For 17 percent of elderly, the census recorded that they had serious difficulty walking or climbing stairs. Half of the disabled elderly population – 37 thousand people – suffered from two or more disability types.

About the same number of disabled elderly lived in urban and rural areas, but the disability rate differed by residence. Close to 21 percent of urban elderly reported to have one or more severe functional problems, compared to 26 percent of rural elderly. Census data cannot determine whether the cause of this difference is a higher level of impairments and poorer health in rural areas or a larger impact of disability on performing specific activities in daily rural life. However, the difference by residence seems to warrant attention from the perspective of disability programmes and policies. Another disability target group is elderly without a spouse: less than one-fifth (19 percent) of married elderly were mentioned to be disabled, compared to close to one-third (31 percent) of not-married contemporaries. The latter group is in an especially vulnerable position, as their functional impairment is aggravated by the lack of support of a partner.

7.4 LIVING ALONE OR TOGETHER?

Virtually all elderly have ever been married, the exception often being persons with severe disabilities. The marital status at old age differs very much between men and women. The gender difference in mortality, combined with an age difference between men and women at the time of marriage, implies that the large majority (87 percent) of elderly men are still married, while roughly only half of women are still in marriage and the other half (48 percent) already widowed. Consequently, it is especially elderly women in Albania who are bereft of the practical and emotional support that the marriage bond usually provides.

Older persons living alone or even as a couple together are at greater risk of experiencing social isolation and economic deprivation, and may therefore require special support. The combination of fewer children, a larger housing stock and in increasing prevalence for independence has as a consequence that on average elderly today live in smaller households than in previous decades. The share of elderly living in multi-family households has decreased from 30 percent in 2001 to 19 percent in 2011 and the share that lives as a couple without children has increased from 24 to 32 percent in the same inter-census decade. The implication of these trends is that relatively fewer elderly have direct access to support from household members. Some 30 percent is living in a two-person household, usually together with the – elderly – spouse and 8 percent is even living alone, which makes these people potentially vulnerable persons. The large majority of 77 percent of elderly living alone are women.

7.5 AND IN WHAT HOUSING CONDITIONS?

For European standards, the housing conditions of elderly in Albania are poor and from a public health perspective, improvements are required in several respects. However, the results of the last two censuses showed quite rapid improvements. In 2001, 17 percent of old people lived in an overcrowded dwelling, which dropped to 5 percent in 2011. Around two-thirds (65 percent) had access to piped water in the dwelling in 2011, compared to 47 percent ten years before. The respective figures for access to a flush toilet in the dwelling were 76 and 55 percent. Some 7 percent did not have access to flush toilets, down from 31 percent in 2001. The large majority of elderly – at least 72 percent – rely on types of heating of the dwelling that are likely to contribute to health problems and global climate change.

7.6 MATERIAL WELLBEING

Most of the working people who reach retirement age withdraw from the labour market. However, 10 percent of the persons aged 65 and are still engaged in work. Although some of these may do so because of a desire to remain active, for many the insufficiency or lack of pension forces them to do so. The large majority of working elderly (93 percent) were in types of vulnerable employment, often working their own land with or without support of family members. A similar 10 percent of population aged 65 and over have a consumption level that is below the poverty line. These figures confirm the picture that a persistent proportion of the elderly population is in a vulnerable position and cannot meet the basic standards of living.

To the extent that household assets give a reliable picture of material wellbeing, 2011 census data show that except for basic amenities like washing machines, refrigerators and TVs, few elderly households can be considered anywhere near to affluent. However, compared to 2001 the proportions that own luxury amenities like cars, microwave ovens and air conditioners – although still very low – have significantly increased. With respect to access to modern communication means, only 15 percent of elderly have a computer and only 9 percent have internet connection at their home. Possession of mobile phones, on the other hand, is available to 83 percent.



ANNEX I

Concepts and definitions

Access to public transport. The percentage of people over 50 who are satisfied with the local public transportation systems.

Ageing. Population ageing is the process whereby older individuals account for a proportionally larger share of the total population.

Civic freedom. The percentage of people over 50 who are satisfied with the freedom of choice in their life.

Contributing family workers. Those workers who hold a 'self-employment' job in a market-oriented establishment operated by a related person living in the same household, who cannot be regarded as partners, because their degree of commitment to the operation of the establishment, in terms of working time or other factors to be determined by national circumstances, is not at a level comparable to that of the head of the establishment.

Educational attainment. The percentage of population aged 60 and over with secondary or higher education. Education is a proxy of lifetime accumulation of skills and competencies that shows social and human capital potential inherent among older people.

Elderly. The population aged 65 and over.

Employed. All persons age 14 and over who, during the reference period of one week, were in paid employment or self-employed and who worked at least eight hours. The employed include military and apprentices, as well as persons who were temporarily absent from work because of holidays or leave, temporary lay-off, or who had a job attachment defined by having access to irrigated farm land.

Employment of older people. The percentage of the population aged 55-64 that are employed. The indicator measures older people's access to the labour market and their ability to supplement pension income with wages, and their access to work related networks. The employment rate is a proxy for the economic empowerment of older people.

Headcount index. The percentage of the population whose monthly per capita consumption expenditure is below the poverty line.

Healthy life expectancy at 60. The average number of years a person aged 60 can expect to live in good health.

Household. A group of people, either related or unrelated, who live together as a single unit in the sense that they have common housekeeping arrangements, that is, they share or are supported by a common budget. They live together, pool their money, and eat at least one meal together each day.

Inactive population or persons not in the labour force. All persons age 14 and over who were not employed or unemployed during reference period of one week because of (a) attendance at educational institutions, (b) engagement in household duties, (c) retirement or old age, (d) infirmity or disablement or (e) other reasons, which may be specified.

Life expectancy. Life expectancy at a specific age is the average number of additional years a person of that age could expect to live if current mortality levels observed for ages above that age were to continue for the rest of that person's life. In particular, life expectancy at birth is the average number of years a newborn would live if current age-specific mortality rates were to continue.

Median age. The age that divides a population into two groups of the same size, such that half the total population is younger than this age, and the other half older.

Old-age dependency ratio. The ratio of the number of elderly aged 65 and over to the number of persons in the most productive ages of 15-64, expressed as a percentage.

Old age poverty rate. The percentage of people aged 60 and over with an income of less than half the country's median income.

Oldest old. The population aged 80 and over.

Own-account workers. Those workers who, working on their own account or with one or more partners, hold the type of job defined as a self-employed job, and have not engaged on a continuous basis any employees to work for them during the reference period.

Pension coverage. The percentage of people over 65 receiving a pension.

Physical safety. The percentage of people over 50 who feel safe walking alone at night in the city or area where they live.

Poverty gap. The average distance between the consumption levels of the poor and the poverty line.

Relative psychological/mental wellbeing. The percentage of people over 50 who feel their life has meaning compared with people aged 35-49 who feel the same.

Relative welfare. Average income/consumption of people aged 60 and over as a percentage of average income/consumption of the rest of the population.

Sex ratio. The number of males per one hundred females in a population.

Social connections. The percentage of people over 50 who have relatives or friends they can count on when in trouble.

Total Fertility Rate (TFR). The average number of children a woman would bear over the course of her lifetime if current age-specific fertility rates remained constant throughout her childbearing years (normally between the ages of 15 and 49). The current total fertility rate is an indicator of the level of fertility at a given time.

ANNEX II

Composition of the Global AgeWatch Index

Global AgeWatch Index

Domains	Income Security	Health Status	Capability	Enabling environment
Indicators	Pension income coverage	Life expectancy at age 60	Employment of older people	Social connections
	Poverty rate in old age	Healthy life expectancy at age 60	Educational status of older people	Physical safety
	Relative welfare of older population	Psychological wellbeing		Civic freedom
	GNP per capita			Access to public transport

Domain 1: Income security

The income security domain assesses people's access to a sufficient amount of income, and the capacity to use it independently, in order to meet basic needs in older age.

Domain 2: Health status

The three indicators used for the health domain provide information about physical and psychological wellbeing.

Domain 3: Capability

The employment and education indicators in this domain look at different aspects of the empowerment of older people.

Domain 4: Enabling environment

This domain uses data from Gallup World View to assess older people's perception of social connectedness, safety, civic freedom and access to public transport - issues older people have singled out as particularly important.

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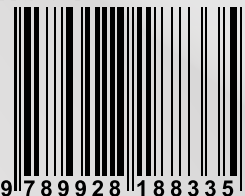
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