INSTAT
Republika e Shqipërisë
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Quarterly Labour Force Survey

Second Quarter 2016

Tirana, September 09, 2016: During the second quarter of 2016, according to Labour Force Survey, the working age population (aged 15-64) accounts for 69.5 % of the total population. Among the working age population, individuals who are economically active in the labour market (working or looking actively for a job) account for 65.8 % of it. The economically inactive population accounts for 34.2 % of the population aged 15-64.

Over the second quarter 2016, the unemployment rate (according to the ILO definition) is 15.5 % marking a decline of 1.1 percentage points compared to the first quarter of this year.

Employment shows an increasing trend in both annual and quarterly terms. In annual terms (comparison between second quarter 2016 and the same quarter of 2015) employment increased by 6.8 %. Compared to the previous quarter employment has increased by 1.8 %.

Fig. 1 Population by economic activity status

Employed

Economically inactive population aged 15 years and above

Population under 15 years old

Unemployed aged 15-74 years old

For release 09/09/2016

Continues

Employment

Over the second quarter of 2016, the labour force participation rate for the population aged 15-64 is 65.8 %. Female labour force participation rate is 58.1 % while male labour force participation rate is 73.5 %. Compared to the same quarter of the previous year, female labour force participation rate has increased with 3.5 percentage points. This indicator for males is in the same level.

Over the second quarter of 2016, youth (aged 15-29) labour force participation rate is 45.0 %. Youth employment rate is 31.6 %.
Adult labour force participation rate (population aged 30-64) is 75.8 %. Employment rate for this age group is 66.8 %.

Fig. 2 Labour Force Participation Rate for the population aged 15-64, Q.2/14 - Q.2/16
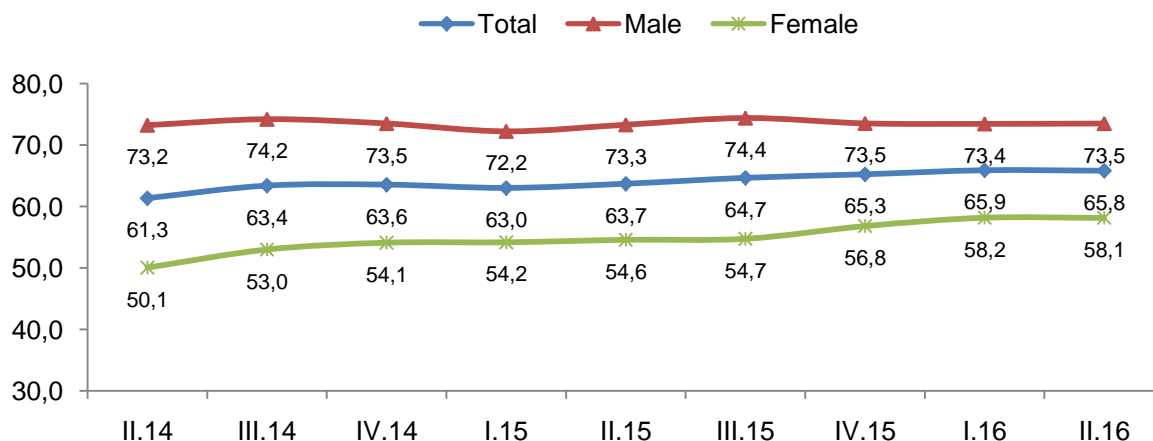
Over the second quarter of 2016, 38.9 % of the employed aged 15-64 are engaged in the agricultural sector and 24.9 % of employed work in the market services sector (wholesale and retail trades, repair of automobile, hotels and restaurants, transport, storage and communication, monetary and financial intermediation, real estate).

Employment share in the non market services sector (public administration and defence, compulsory social security, education, health and other social activities, other services of collective activities, social and individual, services at home, activities of international organisms) is 16.5 % of the total employed aged 15-64 years. Employment in manufacturing constitutes 9.9 % of the employed aged 15-64.

Fig. 3 Employment structure by economic activity, population 15-64 years old; Q.2/16 and Q.2/15
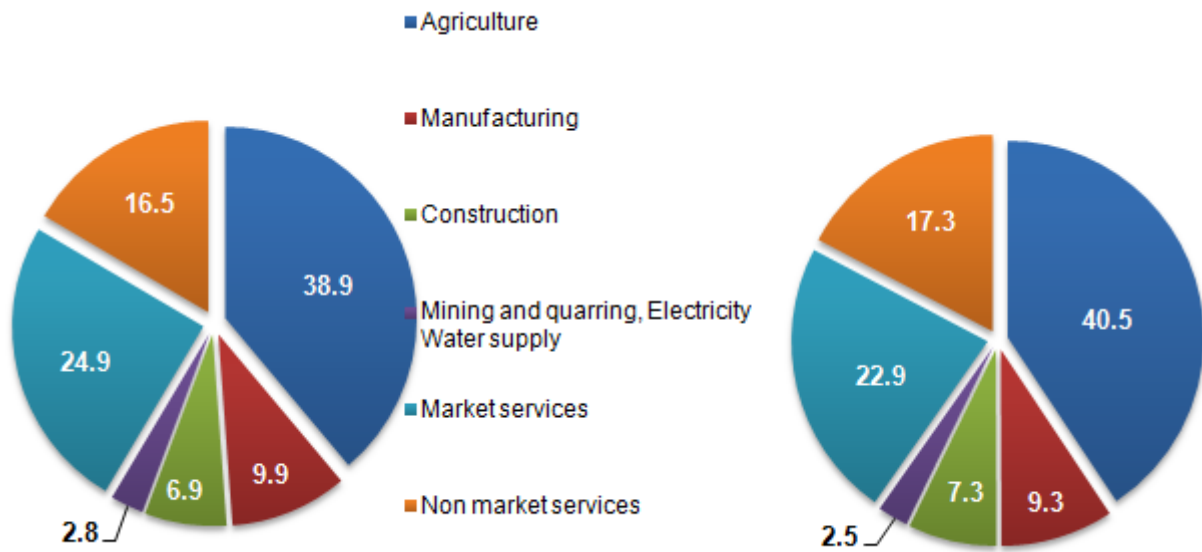
Compared to the previous quarter, employment increased with 1.8 %. Employment growth rate by sectors from the first quarter to the second quarter of 2016 is: 2.9 % in services sector; 2 % in industry, and 0.9 % in agriculture.

In yearly terms (for population 15 years old and over) employment has increased by 6.8%. In the industrial sector (mining and quarrying, manufacturing, construction and other industries) employment has increased by 9.9 % and in the service sector, it has increased by 9.6%. Employment has increased in the agricultural activities by 3.4 %.

Fig.4 Employment growth rate in yearly and quarterly basis, population 15 years old and over

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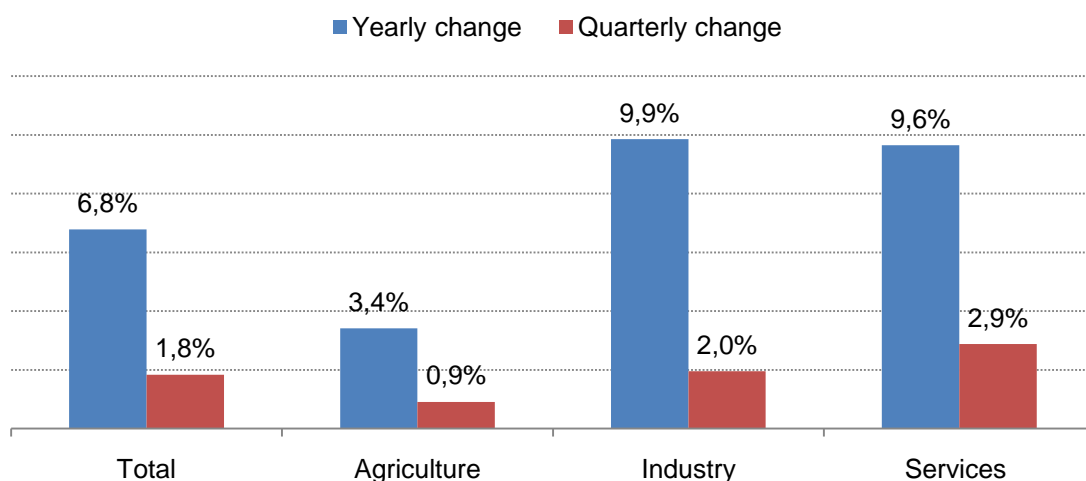
During the second quarter of 2016, in population aged 15-64 years, the share of employees in total employment is 41.5 %. The self employed (employers or self employed without employees) account for 34.5 % of the total employment, while unpaid family workers represent 24 % of the total employment

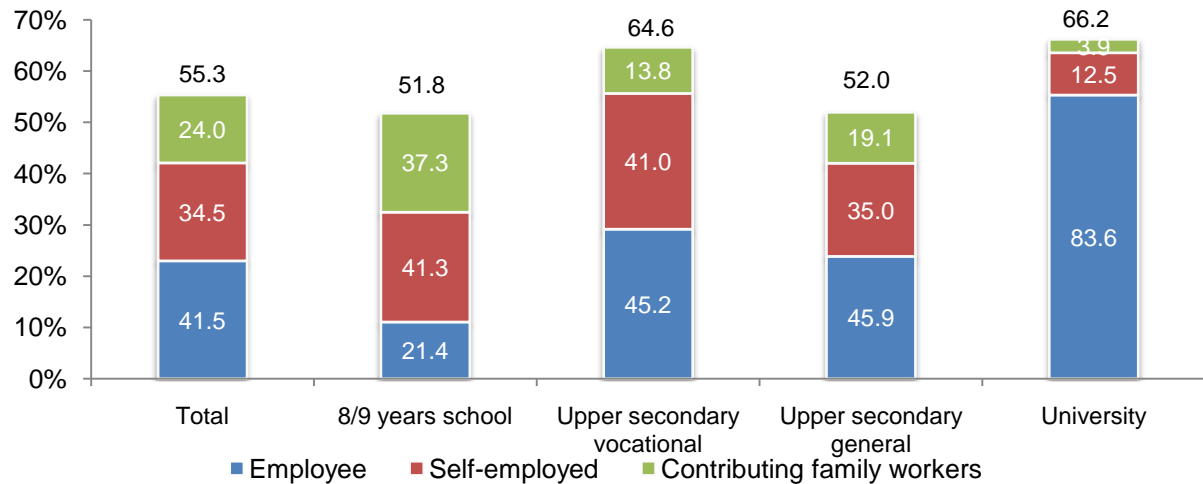**Fig.5 Employment Rate for the population aged 15-64, Q.2/14 - Q.2/16**
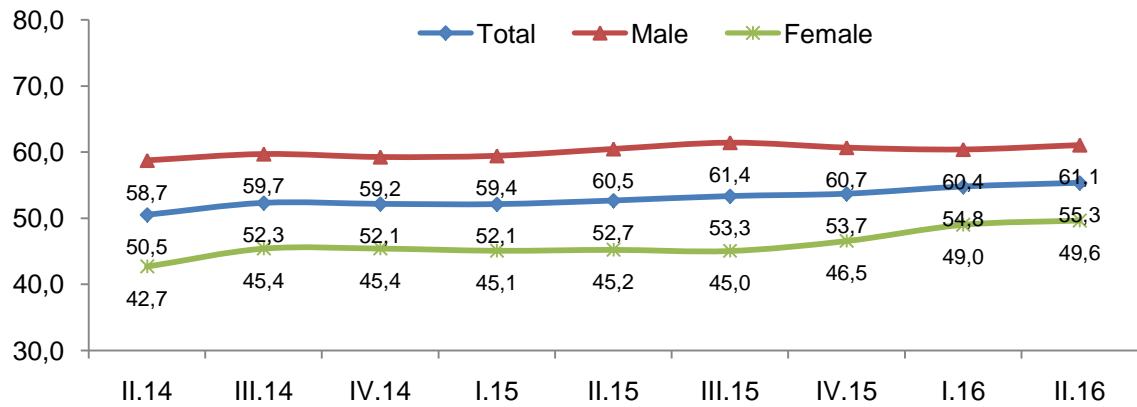
Employment rate (population aged 15-64) is higher for employed persons who hold a university degree (66.2 %) and for employed with vocational upper secondary education (64.6 %).

Analysis of the group of employed with upper secondary education shows that employment rate is higher for persons with vocational upper secondary education (64.6 %) compared to persons with general upper secondary education (52 %).

The share of employees increases with the increase of the education level. Among employed with high education 83.6 % are employees and only 3.9 % are employed as unpaid family workers. The share of employees among employed with vocational upper secondary education is 45.2 % while for those with general upper secondary education is 45.9 %.

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Fig.6 Employment rate by status in employment and level of education for population, Q.2/16

Unemployment

Over the second quarter of 2016, according to the ILO definition, the unemployment rate of the population aged 15-74 is 15.5 %. Compared to the previous quarter, there is a decrease of the unemployment rate of 1.1 percentage point. Compared to the second quarter of 2015, in the second quarter 2016 unemployment rate decreased by 1.5 percentage points.

For the population of age 15-64 years old, unemployment rate over the second quarter of 2016 is 15.9 %. In this age group, male unemployment rate is 17.0 % and female unemployment rate is 14.5 %. Compared to the previous quarter, during the second quarter 2016, there is a decline of the female (aged 15-64) unemployment rate by 1.3 percentage point. For males, there is a decrease of unemployment rate by 0.8 percentage points.

Fig.7 Unemployment Rate for the population aged 15-64, Q.2/14 - Q.2/16

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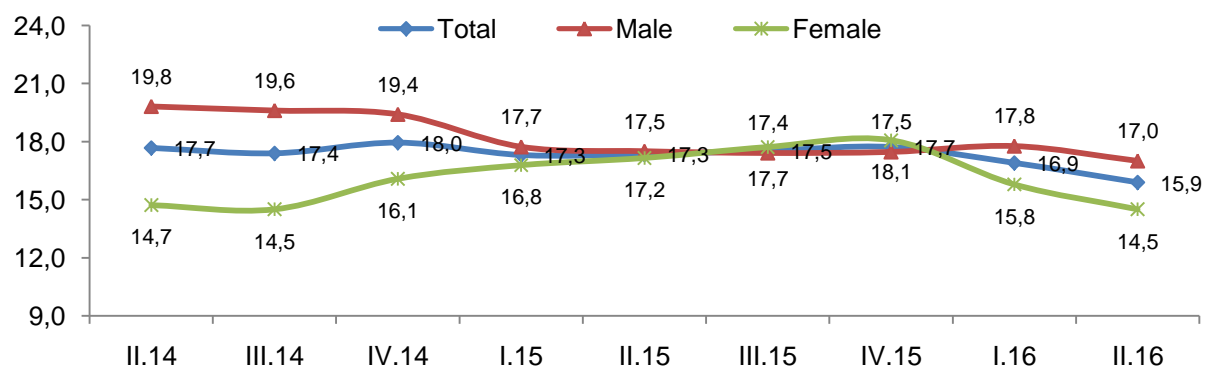
During the second quarter of 2016, youth (aged 15-29 years old) unemployment rate is 29.9 %. Compared to the previous quarter, youth unemployment rate decreased with 0.5 percentage points. Even in annual terms, unemployment rate shows a declining trend. Thus, compared to the second quarter of 2015 in the second quarter of 2016 youth unemployment rate is 4.3 percentage points lower.

For the population aged 30-64 unemployment rate is 11.9 %. Compared to the previous quarter there is a decline with 1 percentage point, while in yearly basis there is slight decrease with 0.2 percentage points.

Non-economically active population

Over the second quarter of 2016, the economically inactive population aged 15-64, accounts for 34.2 % of the working age population.

According to the survey data, 19 % of the economically inactive population aged 15-64 is fulfilling household duties, 11.7 % is in retirement or early retirement, while 9.9 % are permanently disabled.

Fig.8 Structure of the economically inactive population aged 15-64 by sex and inactivity status
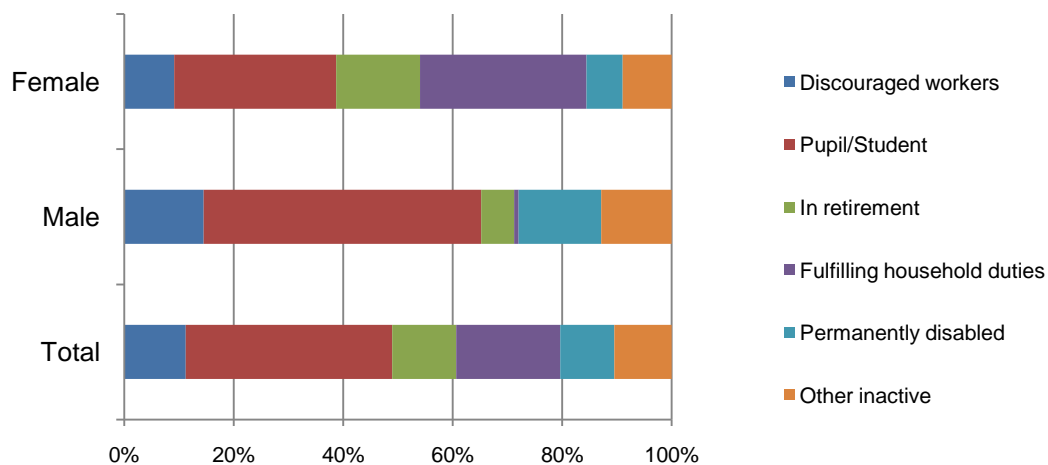
In the second quarter of 2016, 11.2 % of the working age population (aged 15-64) declared as the main reason for not looking for work is because of believe that no work is available.

Within the non-economically active youth population aged 15-29 years, 72 % are pupils/students or pursuing a training. Among the economically inactive youth population (aged 15-29), 8 % are classified as discouraged workers. In the adult economically inactive population (aged 30-64), discouraged workers account for 14.7 %.

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Tab. 1 Unemployment Rate, Q.1/13-Q.2/16

Age	Sex	Q.1.2013	Q.2.2013	Q.3.2013	Q.4.2013	Q.1.2014	Q.2.2014	Q.3.2014	Q.4.2014	Q.1.2015	Q.2.2015	Q.3.2015	Q.4.2015	Q.1.2016	Q.2.2016
15 years and over	Total	14.3	16.0	16.8	16.8	18.2	17.2	17.0	17.6	16.9	17.0	17.2	17.3	16.6	15.5
	Male	15.4	18.0	19.3	18.6	19.4	19.3	19.1	18.9	17.2	17.1	17.0	17.0	17.4	16.4
	Female	13.1	13.3	13.5	14.3	16.4	14.4	14.2	15.8	16.5	16.9	17.5	17.8	15.5	14.2
15-64 years	Total	14.8	16.4	17.2	17.1	18.6	17.7	17.4	18.0	17.3	17.3	17.5	17.7	16.9	15.9
	Male	16.0	18.6	19.8	18.9	19.9	19.8	19.6	19.4	17.7	17.5	17.4	17.5	17.8	17.0
	Female	13.4	13.6	13.8	14.6	16.8	14.7	14.5	16.1	16.8	17.2	17.7	18.1	15.8	14.5
15-29 years	Total	25.4	27.9	27.3	28.3	30.2	33.5	32.4	33.9	34.1	34.2	32.3	32.2	30.4	29.9
	Male	26.4	32.1	31.4	28.9	33.0	37.1	35.7	36.5	33.5	33.3	31.0	31.6	30.7	31.2
	Female	24.0	21.6	21.2	27.4	25.4	27.1	26.9	29.7	35.1	35.9	34.8	33.1	30.1	28.0
30-64 years	Total	11.7	13.0	14.2	13.5	15.1	12.8	12.4	12.8	12.0	12.1	12.9	13.1	12.9	11.9
	Male	12.7	14.2	16.1	15.5	15.5	13.8	13.6	13.3	12.3	11.9	12.4	12.4	13.5	12.6
	Female	10.6	11.5	11.8	11.0	14.6	11.5	11.0	12.3	11.6	12.5	13.4	13.9	12.2	11.0

Tab. 2 Employment Rate. Q.1/13 - Q.2/16

Age	Sex	Q.1.2013	Q.2.2013	Q.3.2013	Q.4.2013	Q.1.2014	Q.2.2014	Q.3.2014	Q.4.2014	Q.1.2015	Q.2.2015	Q.3.2015	Q.4.2015	Q.1.2016	Q.2.2016
15 years and over	Total	47.0	44.1	42.9	42.4	41.5	44.4	45.8	45.6	45.6	45.8	46.3	46.7	47.5	48.4
	Male	53.0	50.7	49.2	49.8	48.3	52.2	52.7	52.3	52.5	53.0	54.1	53.4	53.1	54.0
	Female	41.5	38.1	37.1	35.5	34.9	37.1	39.2	39.3	39.0	38.9	38.5	39.9	41.9	42.8
15-64 years	Total	52.8	49.9	48.6	48.2	47.1	50.5	52.3	52.1	52.1	52.7	53.3	53.7	54.8	55.3
	Male	59.5	57.2	55.8	56.7	54.4	58.7	59.7	59.2	59.4	60.5	61.4	60.7	60.4	61.1
	Female	46.7	43.3	42.1	40.5	39.9	42.7	45.4	45.4	45.1	45.2	45.0	46.5	49.0	49.6
15-29 years	Total	30.1	27.6	27.3	27.8	25.8	27.5	30.5	29.2	28.9	28.6	30.4	31.1	32.1	31.6
	Male	35.6	32.3	32.0	34.8	30.2	32.8	35.4	33.7	33.6	35.1	38.0	36.3	36.5	34.8
	Female	24.8	23.1	22.8	21.3	21.1	22.1	25.5	24.5	23.9	21.6	21.9	25.2	27.0	28.0
30-64 years	Total	65.1	62.4	60.2	59.6	59.4	62.9	64.1	64.5	64.4	65.4	65.4	65.6	65.7	66.8
	Male	73.0	71.7	69.1	69.3	69.4	73.5	73.7	74.0	74.4	75.3	74.9	74.6	73.0	74.8
	Female	58.2	54.2	52.3	50.9	50.0	53.2	55.3	55.9	55.4	56.6	56.3	56.9	58.6	59.2

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Tab. 3 Labour Force Participation Rate, Q.1/13 - Q.2/16

Age	Sex	Q.1.2013	Q.2.2013	Q.3.2013	Q.4.2013	Q.1.2014	Q.2.2014	Q.3.2014	Q.4.2014	Q.1.2015	Q.2.2015	Q.3.2015	Q.4.2015	Q.1.2016	Q.2.2016
15 years and over	Total	54.9	52.5	51.5	50.9	50.8	53.6	55.2	55.3	54.8	55.2	55.9	56.8	56.9	57.2
	Male	62.6	61.9	60.9	61.2	59.9	64.7	65.1	64.5	63.4	63.9	65.1	64.7	64.3	64.7
	Female	47.7	43.9	42.9	41.4	41.8	43.3	45.8	46.7	46.7	46.8	46.6	48.9	49.5	49.9
15-64 years	Total	62.0	59.7	58.6	58.1	57.9	61.3	63.4	63.6	63.0	63.7	64.7	65.3	65.9	65.8
	Male	70.9	70.3	69.6	70.0	68.0	73.2	74.2	73.5	72.2	73.3	74.4	73.5	73.4	73.5
	Female	53.9	50.2	48.8	47.4	47.9	50.1	53.0	54.1	54.2	54.6	54.7	56.8	58.2	58.1
15-29 years	Total	40.3	38.3	37.5	38.8	36.9	41.4	45.1	44.2	43.9	43.4	45.0	45.9	46.2	45.0
	Male	48.5	47.6	46.6	49.0	45.1	52.2	55.0	53.0	50.5	52.5	55.1	53.1	52.7	50.6
	Female	32.6	29.5	29.0	29.3	28.2	30.3	34.9	34.9	36.7	33.6	33.5	37.7	38.6	38.9
30-64 years	Total	73.8	71.7	70.2	68.9	69.9	72.1	73.2	74.0	73.2	74.4	75.1	75.5	75.4	75.8
	Male	83.6	83.5	82.4	82.0	82.1	85.3	85.3	85.3	84.8	85.4	85.5	85.2	84.4	85.6
	Female	65.1	61.3	59.3	57.2	58.6	60.1	62.2	63.7	62.6	64.7	65.1	66.1	66.7	66.5

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Labour market indicators by prefectures

Tab. 4 Main labour market indicators, population aged 15 years and above

Prefectures	Labour force participation rate		Employment rate		Unemployment rate	
	Q.1.2016	Q.2.2016	Q.1.2016	Q.2.2016	Q.1.2016	Q.2.2016
Albania	56.9	57.3	47.5	48.4	16.6	15.5
Berat	58.5	58.8	53.3	53.6	9.0	8.9
Dibër	56.9	54.7	52.4	50.3	8.0	8.1
Durrës	55.5	53.6	46.5	45.7	16.1	14.7
Elbasan	63.8	66.8	55.4	57.2	13.1	14.4
Fier	61.6	62.8	53.4	54.9	13.3	11.9
Gjirokastër	63.1	62.0	52.4	53.4	17.1	13.8
Korçë	55.0	54.1	50.0	48.7	8.9	9.9
Kukës	45.9	48.3	37.1	39.3	19.0	18.7
Lezhë	54.3	56.1	45.4	48.1	16.4	14.3
Shkodër	58.5	59.5	50.7	51.3	13.4	13.9
Tirana	53.5	53.0	41.2	42.6	23.0	19.5
Vlorë	59.3	62.1	43.7	45.7	26.3	26.4

Tab. 5 Main labour market indicators, population aged 15-64

Prefectures	Labour force participation rate		Employment rate		Unemployment rate	
	Q.1.2016	Q.2.2016	Q.1.2016	Q.2.2016	Q.1.2016	Q.2.2016
Albania	65.9	65.8	54.8	55.3	16.9	15.9
Berat	67.9	67.6	61.7	61.3	9.1	9.2
Dibër	66.5	62.2	61.0	56.9	8.2	8.5
Durrës	64.9	62.7	54.4	53.5	16.2	14.8
Elbasan	72.2	75.1	62.3	63.6	13.8	15.2
Fier	70.3	71.2	60.6	61.8	13.9	12.4
Gjirokastër	74.6	72.5	61.9	62.3	17.1	14.0
Korçë	62.8	60.8	57.0	54.5	9.2	10.5
Kukës	54.5	57.2	44.1	46.5	19.1	18.8
Lezhë	62.3	64.6	51.8	55.1	16.8	14.7
Shkodër	67.4	68.1	58.0	58.3	13.9	14.4
Tirana	62.7	61.8	48.2	49.7	23.1	19.6
Vlorë	68.8	71.4	50.5	52.0	26.7	27.1

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Tab. 6 Employment structure by main economic sectors, population aged 15 years and above

(%)

Prefectures	Agriculture		Industry		Services		Total
	Q.1.2016	Q.2.2016	Q.1.2016	Q.2.2016	Q.1.2016	Q.2.2016	
Albania	40.7	40.4	19.1	19.1	40.1	40.5	100.0
Berat	65.8	62.8	14.8	17.7	19.4	19.5	100.0
Dibër	70.9	73.3	7.5	7.0	21.6	19.7	100.0
Durrës	25.0	20.6	34.7	35.5	40.4	43.9	100.0
Elbasan	63.2	65.4	12.5	10.3	24.3	24.4	100.0
Fier	65.1	60.6	9.8	11.8	25.1	27.7	100.0
Gjirokastër	40.3	44.0	20.9	27.2	38.9	28.8	100.0
Korçë	58.5	58.6	14.0	10.1	27.6	31.4	100.0
Kukës	68.4	72.0	5.1	6.3	26.5	21.7	100.0
Lezhë	35.7	36.7	18.3	17.8	46.0	45.5	100.0
Shkodër	48.4	50.6	17.8	16.5	33.8	32.9	100.0
Tirana	4.7	6.5	25.7	26.6	69.4	66.9	100.0
Vlorë	27.3	22.4	28.5	25.7	44.2	51.9	100.0

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Methodology

The Quarterly Labour Force Survey is a household based survey. Its main objective is to provide information on the labour market situation in Albania, which serves policymakers to design labour market policies and to assess their effectiveness, and to meet user needs for updated information on the labour market dynamics.

The sample frame used for the QLFS is based on data of Enumeration Areas according to the Housing and Population Census of 2011. The sample size for the second quarter of 2016 is 7,933 households. The sample is based in a two-stage sampling procedure. In the first stage are selected the geographical areas with a proportional probability to the size of the enumeration area. In the second stage within each of the geographical areas (once selected in the first stage) are selected a fix number of households by equal probability systematic sampling method.

The QLFS uses a rotational sampling design, whereby a household once initially selected for interview, is retained in the sample for five consecutive quarters. The same household is scheduled to be interviewed exactly after 13 weeks apart, so that the fifth interview takes place one year after the first. In the second quarter of 2016, the household response rate is 86.6 %.

Data collection in the fieldwork is spread during all months of the year. In the selected households, were surveyed by face-to-face interview, all household members aged 15 years and above. The QLFS questionnaire was drafted with the technical assistance from EUROSTAT and in complete compliance with its recommendations and regulations. The methodological part fulfils all EUROSTAT standards linked with the representation of the sample, coefficient of the variation of the main indicators, the questionnaire design, and data weighting procedures.

As for the weighting procedure of LFS data, it is used the estimated annual population, based on last census data and vital statistics provided from the General Directory of Civil Status.

Employed are considered all the persons who have worked even for one hour with a respective salary or profit during the reference week. The **reference week** is the calendar week from Monday to Sunday before the date of the interview.

As employed are considered also all persons who were receiving a salary or wage while they were in training during their work. Employed are also considered persons temporarily absent at work during the reference week for some reasons: (1) maternity leave, illness, injury or temporary disability and expect to return to work, education / training directly related to the actual work; (2) salaried employees absent

from work for some reasons other than the above that (a) lack of the duration is three months or less, and the person is not a seasonal worker or (b) the person takes 50% or more salary; (3) the self-employed who intend to return to the business / farm / or professional practice; (4) workers not being paid who expect to return to work in three months or less.

People who work on their small farm, who do not sell their products, but produce only for self-consumption, are considered as employed.

Unemployed comprise persons who during the reference week were:

    a)   Without work, i.e. neither had a job nor were at work (for one hour or more) in paid employment or self-employment;

    b)   Currently available for work, (were available before the end of the two weeks following the reference week);

    c)   Actively seeking work, (had taken specific steps in the four week period ending with the reference week to seek paid employment or self-employment) or who found a job to start later, (within a period of at most three months).

The following are considered as specific steps:

- Having been in contact with a public employment office to find work;
- Having been in contact with a private employment agency to find work;
- Applying to employers directly;
- Asking friends, relatives, unions, etc., to find work;
- Placing or answering job advertisements;
- Studying job advertisements;
- Taking a recruitment test or examination or being interviewed;
- Looking for land, premises or equipment;
- Applying for permits, licences or financial resources.

Working age population is the population between 15-64 years old.

Labour Force includes employed and unemployed persons.

Non-economically active population comprises all persons who are not classified as employed or unemployed (pupils/students, housekeepers, in a compulsory military service, retired, disabled, discouraged unemployed).

The employment rate is the proportion of employed 15-64 years compared to the working age population.

The unemployment rate is the ratio of the unemployed to the labour force.

Labour force participation rate is the proportion of the labour force compared to the working age population.

For more information, visit INSTAT webpage: *http://www.instat.gov.al/*

The quality of labour market statistics

The main labour market indicators are estimates based on the quarterly labour force survey. The survey is based on a probability sample of 7,933 households. The selection of households is made such as to insure as much as possible the accuracy of estimates for the main labour market indicators. Thus, from a survey are obtained estimates and not precise figures for the number of employed and unemployed. For each estimate obtained by a survey is calculated the generalised sampling variability in order to explore how the estimate would change if we were drawing different random samples with the same size and for the same period, instead of just one sample. This allows defining the range within which should lie the estimate (which in the statistical terminology is known as confidence interval).

In general, the lower the relative standard deviation of an estimate, the higher the accuracy level of that estimate. Table 7 below shows the relative standard deviation and the confidence interval for the three main labour market indicators for the population aged 15-64.

Tab. 7 Generalised sampling standard deviations for the main labour market indicators

Indicators	Estimate (for population aged 15-64)	Standard deviation	Relative standard deviation	95 % confidence interval	
				Lower limit	Upper limit
Labour force participation rate	65.8%	0.1%	0.1%	65.6%	65.9%
Employment rate	55.3%	0.1%	0.2%	55.1%	55.6%
Unemployment rate	15.9%	0.1%	0.6%	15.7%	16.1%

The unemployment rate, for a 95 % confidence level, lies within the range 15.7 % to 16.1 %, with a relative standard deviation of 0.6 %. The relative standard error for the proportion of population aged 15-64 in employment is 0.1 % and for a 95 % confidence level, the sample estimate of employment rate is between the values 55.1 % to 55.6 %.