European Journal of Sustainable Development (2015), **4**, 2, 379-392 ISSN: 2239-5938
Doi: 10.14207/ejsd.2015.v4n2p379

Labour market in Albania. Identifing the shortages of skills in the labor market.

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ABSTRACT:
The labor market is a relationship between the demand (persons who seek work) and supply (job vacancies). The labor market is very complex, to study it we have to know better the characteristics of its variables, ie demand and supply. The Good compatibility between demand and supply is the golden key to well-functioning of labor market. Using the data obtained from questionnaires issued to study the labor market, many shortages are revealed in some sectors, especially in some professions, in terms of labor power, Identification of the skills and training needs of companies is the essence of consultation, orientation to career and training services. The survey through questionnaires is used as a means of research. The Information obtained from the research on needed skills ought to become an integral part of the Information System on Labor Market (ISLM). The Information on Labor Market that was usually collected through employment services, education and vocational training departments and national training agencies, facilitates the analysis on the efficiency and effectiveness of the training system and estimation of training demand, and enables the employment services and training providers to make possible the adjustment of both, demand and supply. as well.
Concerning Albania, it is important to develop effective institutions and policies on labor market in order to reduce the inefficiencies and to create more job vacancies. In this aspect, we need to understand better what is happening with the economy. The results of the study suggest the existence of strong national divisions and regional labor market in terms of age and gender, which are so strong that even if you have in mind the caution that is dictated by the given samlpe it is felt that further investigation will be justified.

Key Words: labor market, population, skills, vacancies, gender

1. Introduction

It is said that with a population of 3.2 million, Albania will be less affected than other countries from the global economic crisis. However, the country is one of the poorest in Europe, with a GDP of only $ 6,000 per capita/year, and a very high official level of unemployment rated at 12.68%. In addition, it is thought that the real level could be much more higher if we consider the under-employment in agriculture.

Despite of high unemployment, this study reveals significant shortages of labor power in some sectors, and especially in certain professions. It means that the country has not only problems of inadequate demand, in general - there are not enough job vacancies - but there is also a structural mismatch between job requirements and skills of persons. In fact, there are strong indications of inadequate training and under-use of persons' skills, with clear implications on productivity and the ability of companies to meet the challenges of a global economy that is rapidly changing. A data that speaks by itself and obtained from this study is that 62% of employers believe that their employees, non-managerial staff, are not fully skilled in their job vacancies.

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Regarding Albania, it is important to develop effective institutions and policies on labor market in order to reduce inefficiencies and open more job vacancies. On this purpose we must understand better what is happening to the economy.

2. The aim and scope of Study

By analyzing the parameters of both labor market variables (supply and demand) in the selected sample, we ought to identify the skills needed to unemployed labor power in relation to declared job vacancies. The aim is that this study could highlight some of the findings, could make some initial analysis, and to attract the attention on certain areas where further research is worth and conclude in some implications to policies.

3. Research questionnaires , hypotheses and methodology of the paper

What is noticed by the questionnaires study about the shortages of skills in the labor market?
Why are part of job vacancies difficult to meet ?
How will be adjusted the evident deficiencies and the expected increasing needs of skills?
The hypothesis of the paper, Orientation and consultation of labor power may establish an efficient labor market.
Performing a labor market analysis, we will point out the features of its variables that are request and offer. By using the questionnaires done in the 964 companies that are distributed in all sectors of economy allover the country we have to analyz the job vacancies and which are the difficulty of labor power to meet these job vacancies. Through a statistical and econometric analysis of the data we have to come to conclusions and to certify the arising hypothesis..

4. Analysis, Interpretation of data

The study sample was taken from the Business Registers held by employment offices. On Table 1 it can be seen that the sample in some areas is over-reflected and in others is under-reflected. For example, on the Business Registers only 13.4% of companies pertain to *"Manufacturing Industry"* and *"Construction"*, whereas according to the sample they occupy a common position of 39.6%. On the contrary, on the Business Registers both service sectors *"Housing, Food and Other services"* and *"Wholesale and Retail Trade"* go to 70.4% of all companies, whereas in the sample they occupy 46.4%

The study covered 964 companies that employ 19.173 employees, spread across the economic sectors. Table 2 provides the distribution of employed workers compared to the distribution of companies by economic sectors. It can be seen that most of the companies under interview belong to *"Wholesale and Retail Trade"* (31.7%), followed by "*Manufacturing Industry*" (21.3%) and "*Construction*" (18.3%).

However, most of the employees were in "*Manufacturing Industry*" (45.3%), followed by "*Construction*" (19.6%) and "*Wholesale and Retail Trade*" (15.2%). The differences between the proportions of companies and the proportion of the employees reflect the variations in the size of businesses in different sectors. For example, companies in "*Manufacturing Industry*" had the tendency to be much greater and the "*Wholesale and Retail Trade*" smaller.

Table 1 Interviewed Companies by Economic Sector

Sector	SAMPLES %	BUSINESS REGISTER %
Agriculture, Forestry, Fishery	1.1	0.6
Mining and quarrying	1.0	0.2
Processing industry	21.3	7.6
Energy , Gas, Water Supply	1.9	0.2
Construction	18.3	5.8
Wholesale and retail	31.7	46.5
Transport, Communications	3.5	10.9
Housing, Food, computers and other services	14.7	23.9
Education	1.3	0.5
Health	1.9	2.7
Others	3.1	1.0
Total	(964) 100.0	(61294) 100.0

Table 2 Interviewed Companies by Economic Sector

Sector	SAMPLES		BUSINESS REGISTER	
	N	%	N	%
Agriculture, Forestry, Fishery	11	1.1	210	1.1
Mining and quarrying	10	1.0	230	1.2
Processing industry	205	21.3	8690	45.3
Energy , Gas, Water Supply	18	1.9	479	2.5
Construction	176	18.3	3760	19.6
Wholesale and retail	306	31.7	2911	15.2
Transport, Storage , Communications	34	3.5	541	2.8
Housing, Food, computers and other services	142	14.7	1497	7.8
Education	13	1.3	198	1.0
Health	18	1.9	177	0.9
Others	31	3.1	480	2.5
Total	964	100.0	19173	100.0

In general, most of the companies in the sample were small, with 92% employ 50 persons or less, and 78% employ 20 people or less.

The 12 regions of the country covered by the study are: BERAT, DIBER, DURRES, ELBASAN, FIER, GJIROKASTRA, KORCA, KUKES, LEZHA, SHKODRA, TIRANA, and VLORA.

4.1 Age, Gender And Job Quality

Results of the study suggest the existence of strong national divisions and regional labor market in terms of age and gender, which are so strong that even if you have in mind the caution that is dictated by the given samlpe it is felt that further investigation will be justified.

4.1.1 Divisions by age

The study found that especially two regions have high percentages of young people (15 to 24 years of age) among their employed labor power. These were **Lezha** and **Shkodra** - where approximaltly 1 in 4 to 1 in 5 of the employees are young. In contrary, it was found that in two other regions only 1 in 30 to 1 in 50 employed workers were young; these were **Elbasan** and **Dibra**.

Concerning the employees over 40 years of age, in cases of **Elbasan** and **Dibra** 58% to 68% of employees were elderly, In contrast to the percentage 32% to 36% of 3 regions: **Lezha** and **Shkodra** and **Durres**. **Elbasan** has also the aged population that works over 55 years of age, at the ratio 1 in 8 of employed labor power.

Strong differences are highly evident and raise a number of issues for further analysis and research. For example, to what extent age differences follow the reflection of some sectors in the sample, taking in regard each district? Do the age differences follow the selection procedures of employers - who perhaps prefer certain age, skills or levels of education? or, Is it possible that young people in some regions are facing new limited employment opportunities and are drawn to other sectors and regions that represent a faster growth employment? Are coupled age regional differences of employed population with higher unemployment rates for some age groups, and was there a significant migration among regions?

Some of these issues and others can be find an answer on further analysis of the data of the survey and/or other research material[1]. Perhaps, a more comprehensive response can be achieved with new researchs focused specifically on age issues.

4.1.2. A Clear-Cut Division of Labour on Gender basis

The study found, also a strong tendency of a differential distribution of men and women in industries and professions. Women were present in *Machinery* and *Operational Processes* and *Elementary Work*, which together were accounted for 61% of all women's jobs compared with only 42% of those for men. In fact, the 3317 women were accounted for 72% of jobs in *Machinery* and *Operational Processes*, a professional category that is criticized for lack of full skillfulness (see below).

Men were more present in jobs like; *Professional* and *Management* that together were accounted for 23% of the men's jobs compared with only 10% of women's. There were significant differences in the proportional representation in different *Craftsman Staff*, *Sales and Clients Staff* and *Administrative Affairs Office*, too.

The study has revealed not only a powerful professional division, but also a segmentation by sectors, by sub-sector industries, and by regions. For example, the study found that 80% of employees in the *Manufacturing Sector* were women.

Previous studies have shown significant gender variations in unemployment experiences by regions. According to the Labour Power Survey 2007, in 2007 in Vlora, the unemployment rate among men was 10.66% while that among women was 23.67%, and in Kukes, while the unemployment rate among women was 4,02% among men it was 15.87% . Unemployment rates among women ranged from just 2.81% in Dibër to 23.67% in Vlora.The percentages for men ranged from 7.68% in Fier to 9.25% Gjirokastër. Concerning our sample, in some areas women constituted a significant majority of the employed labor power. For example, in regions like **Gjirokastra, Shkodra**, and **Lezha** women consisted at between 66% and 73% of the employed labor power. On the contrary, in regions of **Fier, Berat, Elbasan, Kukes** and **Dibra** men consisted at between 68% and 79% of the employed labor power. It is difficult to say that at what extent the huge gender differences by regions are exaggerated in the sampling procedure, but

[1] For example, where information exists, it can be used, preferably information on aspects such as; employees' levels of age by sector, preferences of companies for employment, unemployment rates by region and migration patterns.

nevertheless, regarding the acute differences in terms of age, the changes are so strong that a further research can be justified.

4.1.3. Quality of Job

In terms of quality of job, measured by the provision of a range of non-financial benefits and conditions, the percentage of companies that offer "*retirement benefits*", "*paid leave for illness*", "*paid annual leave*", " *paid maternity leave*" and "*social security*" were relatively high, from 73% to 100% of the companies. However, in other areas, the coverage was less potent. As for "*payments for departure from service*" and "*additional payments*", only 24% to 39% of companies respectively provide such benefits.

We must notice that the study does not cover the sector that is considered as informal where the terms may probably vary as compared with the formal registered sector. More generally, research in other countries have found a tendency of income and working conditions that are moderately improve as kompared with the size of company . If such an analysis would be conducted for this study then it may result that many differences are related to the size of company and therefore it may be worthwhile to carry out further analysis on this direction. It is also, pertinent to note that the indicators of quality of job used at the "*Quality of Job* " section of study may not be exhaustive to possible measures, companies seem to suggest that various aspects related to job conditions play an important role in the failure to meet certain job vacancies. Working conditions in question appear to be different from those mendtioned in the section "*Quality of Job*". If possible, further research may enter useful measurement that are not used in the section "*Quality of Job*", for example, rates of accidents, management modes, levels of wages, career prospects and perceptions of non-safety.

4.2 Job Vacancies And Manpower Absency

Despite high levels of unemployment, companies have reported job vacancies, and even more, a lack of manpower in some sectors and occupations. Table 3 shows the sectors that have more vacancies. By measuring the vacant positions as a percentage of all positions, two sectors emerge: for both sectors, *Health* and that of *Manufacturing Industry* about 1 in 16 of all positions are unoccupeid (vacant) (respectively at the levels of 6.2% and 6.3%). This i s in contrasts to the *Education Sector* where each position is occupied, the *Mining and Quarrying Sector* where only 1 in 77 positions (1.3%) are unoccupeid, and the *Sector of Wholesale and Retail Trade* where only 1 in 53 positions (1.9%) are vacant.

Table 3 **Levels of Vacancies by Sector**

Sector	**Employed manpower**	**Vacancies**	**Percentage of vancancies ***
	N	**N**	**%**
Health	177	12	6.3
Processing industry	8690	576	6.2
Agriculture, Forestry, Fishery	210	9	4.1
Energy , Gas, Water Supply	479	18	3.6
Construction	3760	135	3.5
Housing, Food, computers and other services	1497	52	3.3
Transport, Storage , Communications	541	12	2.2
Wholesale and retail	2911	56	1.9
Mining and quarrying	230	3	1.3
Education	198	0	0
Others	480	14	2.8
All Compamies	**19173**	**887**	**4.4**

** Level of vacant positions = unoccupied positions as a percentage of all positions (occupied positions plus unoccupied ones).*

4.2.1 "Hard to be Occupied" Vacancies

More than half (55%) of all reported vacant positions were called "hard to be occupied". These 494 "hard to be occupied" positions were among 65 occupations, but they incline more to the jobs related to textiles and garments. 55% of "hard to be occupied" positions were under professions like: tailors (26%), tailors on sewing machine (13%), sewing/textile (14%), and sewing/embroidery (2%). A second important cluster were "fish processors" that constituted 13% of "hard to be occupied" vacancies. The remain part of "hard to be occupied" positions were classified as; plasterer (2%), construction workers (3%), and other (27%).

It is difficult to say that what extent this great concentration of "hard to be occupied" vacancies in the textile and Garments trades is attributed to the sampling inclination, nevertheless the range of the figure is however very suggestive. One way to check if really the textile and garments sub-sector are faced with difficulties in occupying vacancies would have been by calculating the "hard to be occupied" levels of vacancies in this particular sub-sector. However, it is not clearly revealed that to what extent we can go to the original baseline data and use these data at the sub-sector level.

Table 4 shows that "*Health*", "*Manufacturing*" and "*Energy, Water and Gas Supply*" (respectively at 5.3%, 4.3%, and 4.0%) were the sectors with the highest "hard to be occupied" levels. The real number of "hard to be occupied" vacancies in Albania, in national and regional level will depend on the relative size of different sectors in the economy. Thus, although "*Health*" sector has the highest percentage of "hard to be occupied", other sectors, such as "*Processing Industry*"[2] are the largest employer and so in general the "hard to be occupied" vacancies are in other sectors rather than Health Sector. Regions with a high presence of sectors with "hard to be occupied" vacancies will experience greater discrepancies between labor supply and demand.

Table 4 Levels of Vacancies by Sector

Sector	**All the positions ***	**Hard to be occupied Vacancies**	**Level of Hard to be occupied Vacancies ****
	N	**N**	**%**
Health	189	10	5.3
Processing industry	9266	395	4.3
Energy , Gas, Water Supply	497	20	4.0
Construction	3895	39	1.0
Housing, Food, computers and other services	1549	10	0.6
Education	198	0	0
Others	4465	20	0.4
All Companies	20060	494	2.5

** All the positions = all occupied positions plus unoccupied positions (vacancies).*

*** Percentage of hard to be occupied vacancies = hard to be occupied vacancies as a percentage of all positions.*

4.2.2 Why it is Difficult to be occupied

Companies have suggested a variety of reasons why some positions are difficult to be occupied. 60% of the explanations relate to skills of employee and their employability. Lack of work

[2] In the study, 80% of "hard to be occupied" vacancies were found in *Manufacturing Industry*. This high percentage is result of huge representation of the processing industry companies and their generally greater size and because this sector had a higher level than the average of "hard to be occupied"vacancies, as well (See Table 4).

experience, low skills, low levels of education and inappropriate attitudes to work are seen as the main defects from the perspective of employability. Herein, the implication is the necessity for education and training in order to increase the level of employability. Taking under consideration the fact that many difficult positions to be occupied are concentrated under certain occupations and industries, and also in some certain areas, it appears that an approach with asectoral and regional focus would be rather pertinent.

At the same time, it is accepted by employers that another set of reasons relate to lack of attractive ability of several jobs. 38% of the explanations belong to aspects like ; unattractive working conditions, low salary offers, lack of career prospects, lack of people with interest at work and the small number of jobseekers. Under such circumstances, if we intend to attract new employees or reduce the existing departures , we need to improve workplace conditions and working environment.

Also, it must be recognized that part of the problem of inconsistency may arise from the inadequate distribution of information and improper link between job vacancies qualified interested employees. The study revealed a substantial use of the recruitment method, through relatives and friends - who runs approximately to 52% of all methods used and reach to over 60% in some sectors – that have probably limited the notification in a wider extent.Perhaps, recognizing the limitations of existing practices of information, more than 1 in 4 (26%) solution claimed to be used by the companies to solve the difficulties of "hard to be "occupied" vacancies in fact relate to the expansion of their recruitment ways (conducts). Also , it should be mentioned that there were other obstacles to bond workers with jobs, such as physical barriers caused by lack of transportation; or social barriers caused by lack of child-care institutions, although these issues are not revealed in the study.

4.3 Employment Growth

The study provides valuable data on those sectors that have a growing tendency in terms of employment, measured both as the past performance and future expectations.

30% of all companies have reported that they had increased their labor power in the previous 12 months. This average hides large sectoral variations. Considering sectors of "high growth", where the percentage of companies that were increased more than the average of 30%, the sectors with the highest percentages of companies that recruited extra employees in the previous 12 months were "*Energy, Water, Gas Supply* "," *Health* "," *Manufacturing* " and " *Construction* ", where the percentage of companies that had recruited extra workers were from 35% to 39% (see the Annex Table d).

As for the future, Table 5 shows additional expected job vacancies in the next 12 months, that will go to an increase of 8.6% over the levels of the employed labor power and that is covered by the study. The expected increases vary greatly by sector. In fact, in Table 5 can be seen that there are three sectors with high growth, defined with a level of expected labor growth over the average of 8,6%. They are: "*Construction*" (by 10.7%), "*Health*" (10.2%) and "*Manufacturing Industry*" (9.6%)[3]

Table 5 Expected growth rates of job positions by sector

Sector	Number of job positions at the companies under study	Additional Jobs Expected in the next 12 months	The growth rate of job positions*

[3] Note; the measures used for employment growth are based on the employment due to expansion of existing companies. Here are not included jobs created by newly created companies, created either by local entrepreneurs or foreign investors.

	N	N	%
Construction	3760	402	10.7
Health	177	18	10.2
Processing industry	8690	834	9.6
Housing, Food, computers and other services	1497	102	6.8
Education	198	13	6.6
Wholesale and retail	2911	184	6.3
Agriculture, Forestry, Fishery	210	13	6.2
Mining and quarrying	230	12	5.2
Energy , Gas, Water Supply	479	18	3.8
Transport	541	13	2.4
Others	480	41	8.5
The Total	19173	1650	8.6

** = additional expected jobs as percentage of employed manpower*

The figures in Table 5 show the expectations for a strong growth of the level of average employment, but especially "*Construction, Health* and *Production*. These three sectors were shown to present a "high growth" in the previous 12 months and also in the next 12 months - showing an ongoing trend of expansion.[4]

Sectors can consist on broad categories. In general, it would be useful to mention, if it is technically possible that which are the specific sub-sectors under growth. For example, the sector "*Food, Housing and Services*" is too broad. Could it be that the growth in this sector is caused by the increase in the sub-sector "*Hotels and Restaurants*" who is serving to an tourism industry under expand. The same for *Production*, the figure of 9.6% is an average for a sector that includes many sub-sectors. Some sub-sectors will actually reduce the average down, while others are pushing it up. Based on the strong evidence of this report, it is found that the sub-sector of "*Textile and Garments*" can be especially important for the Albanian economy, it would be appropriate – if it was possible - to calculate the expected level of growth, especially for this Industry. A figure of "*Textiles and Garment*" that is much over the sector average of 9.6% would be a significant finding, especially when it is combined with data on job vacancies and "hard to be occupied" vacancies.[5]

In fact, 30% of all new free vacancies in the sample were expected to be for "Textiles and Garments professions, such as tailors on sewing machine and tailors. Construction and related professions such as masons were also expected to show a strong growth, up to 11% of all new expected demands. Waiters, retailers and fish processors are also expected to be required by the interviewed companies.

4.3.1. Coping With Change

The "consequences" are the need for skill and expertise. This means that, the required skills will vary because certain sectors will be expanded; and/or because companies will experience under-change environmental impact. Figure 1 illustrates the relationship between environmental impact

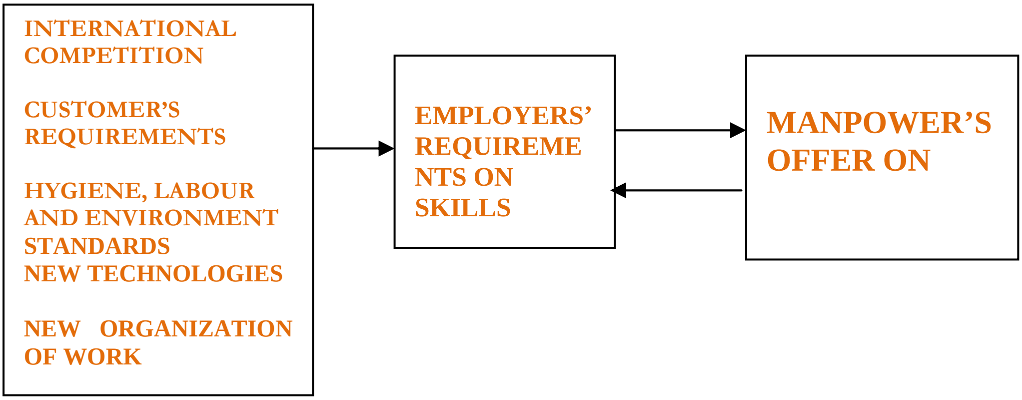
[4] Note that according to information provided by the Preliminary Report it is possible to account the "percentage of enterprises' that increased job positions in the previous 12 months, for every sector but not " the increasing levels of jobs "as reflected in Table 5 in regard of future expectations. However, it may be possible to have the past levels of employment growth, if original data-base are used.

[5] Also, it may be possible to provide additional data on growth of the sub-sector *'Textiles and Garments'* by using other data sources, such as, for example, the newly established businesses, investment trends, and import export figures.

(in Box 1) and employers' requirements on skills (Box 2). Box 2 and 3 reflects the terrain of the labor market.

Figure 1 **A consequently demand on skills**

Box 1 Box 2 Box 3



As it can be seen in Figure 1, Box 1, environmental impacts may include, for example, the pressures of international competition; growing demand from customers for example, for more flexibility, quality and quick response; growing pressure to respond to international standards in terms of safety and food, labor and environment hygiene; effects of technologies under change; and decisions to introduce new models of work organization aiming at growth of productivity, or to develop new products and services, or to raise the standards.

The data makes it comprehended that Albania is going through a process of significant changes that are having an impact on skills, a process that may quite well be continuous and that the strategy of labor market and skills should fit well with. An indication of the pressure on the speed of change was noted in the reasons given by employers concerning the reason why their employees were not completely skillful at their job positions. The perception that employees "were not capable to handle the change" was one of the reasons that was often given for the lack of skills of the manpower, especially for the professional categories like "*elementary employees*", "*operators of machines and processes*", "*craftsmen*" and "*retailers*" (see Table 6).

Table 6 Reasons of lack of skills: "The incapability to cope with change " according to Professional Groups
reflection of this reason according to professional groups in %

		%
Elementary workers:		27
Operators of machines and processes:		23
Craftsmen:		19
Sales / customer's staff:		15
Official / Administrative staff:		4
Professionals:		7
managers		4
Mentioned in Total	(181)	99

The effect of the rate of change is also reflected in the study by the fact that 40% of companies (386) said that their skill needs have changed in the last 12 to 24 months. The need to deal with new technology and to deal with new practices were presented in the majority as a reason, but even the need for new skills and to develop new products takes quite a good place.

The larger percentages of companies experiencing changes of skills are found in: *Health* (61% of employers), *Agriculture, Forestry* and *Fisheries* (55%), *Transport, Storage* and *Communications* (54%), and *Education* (50%).

Awareness of employers on the effects of the tempo of change of their needs for skills is also reflected on their expectations for the future. Among the companies that were waiting a rise in employment, 51% of them anticipate that their needs for skills will change as it is required that their employees ought to be adapt to new technologies and practices, and to develop new products and services, and 65% of these companies said that they suffer lack in skill. While concerning those with a little expectation of employment growth, almost one third (32%), they expect that their needs on skills will vary.

4.3.3. A growing demand for generic skills

Under the acceleration of the tempo of change, some generic skills are expected to become important in the next five years. Referring to the "*Managers, Professionals* and *Administrative Staff*" under a rating from 1 (not important) to 5 (extremely important), the skills that were rated between 4 or 5 by more than 69% of the interviewees, included: "s*kills on reading, writing and doing basic calculations*", "*skills on using information and communication technology*","*skills on organisation and planning*", "*Skills on solving problems*", and" *communication and teamwork skills* ".

Such generic skills are mainly regarded as far as they are likely to become more important for *Non – productive and elementary employees*. But even for *employees in production* and *the elementary* ones it is predicted a huge increasing demand on generic skills. Concerning *employees in production* and *the elementary* ones, their capacity on "*communication and teamwork skills* " is particularly prominent as more and more important – it is assessed from 4 to 5 by 68% of the interviewees. While the other categories assessed from 4 to 5 in percentage are ranged as follows; 51% for "*skills on reading, writing and doing basic calculations*", 37% for "*skills on using information and communication technology*", 35% for "*skills on solving problems*" and 20% for " *skills on organisation and planning* ".

4.4. Training And Higher Levels Of Proficiency

4.4.1 Inadequate Levels of Proficiency

The study has revealed great dissatisfaction among employers as the ability of their employees is regarded. For all professional categories, except *Managers*, at least 62% of the companies under survey said that their staff was not completely master of the jobs. According to employers, the *Operators of Machinery and Processes* were the category that appeared to be worse. Only 17% of companies considered their *Operators of Machinery and Processes* to be skillful in their job. *Craftsmen* were the second category that appeared to be bad. Only 28% of companies shared the opinion that their *Craftsmen* employees were skillful.

The analysis by sectors reveals even more depressing figures:

In "*the Transport, Communications and Storage Sector* ", only 3% of employers considered their "*Operators of machinery and processes"* capable enough, and only 12% considered *Craftsmen* sufficiently skilled. At the "*Wholesale and retail trade and repairs*", less than 1 in 12 (8%) of the 306 surveyed employers considered "*Sales and Customers' Service Staff*" skillful in their work.

4.4.2. **Addressing shortages**

How to fix the evident lack of capacity and expected growing needs for skills? The study shows that existing training practices are inadequate. Just 1 in 5 (22%) of companies said that their employees had attended a training in the previous year and less than 1 in 5 (17%) in *Wholesale and Retail Trade* sector. Some sectors, like: *Energy, Gas and Water* (56%) and *Processing Industry* (32%) had attended more than one. On the other hand, "*Health*" one of the sectors with the highest level of

vacancies and also the "hard to be occupied"vacancies, had also the lowest levels of training attendance, at 17%.
Huge size of the deficit in training were reflected among the reasons that were given on why the employees were perceived as less than fully capable in their job position. While analysing the reasons that why the employees were not fully capable, the explanation **"Lack of staff training and promotion"** was the second most evident and is considered mainly in relation to "*Sales and Customers' Service Staff*", "*Craftsmen*", "*Professional and Managerial Staff*". 48% of employers shared the opinion that there would be future barriers to increase the training and proficiency levels, at least for some employees. **"Lack of Training Funds", "Lack of Training Time", "Lack of Appropriate Course", "Unwillingness of Staff to Join in Training",** and **"Great Shift of Labour Power "** were considered as significant barriers (See Table 7).

Table 6 Reasons of lack of skills: "The incapability to cope with change " according to Professional Groups reflection of this reason according to professional groups in %

	Managers %	pofesionals %	Official & Administrative staff %	Craftsmen %	Sales staff %	Operators of machinery and processes %	Elementary workers %	Total %
Lack of Training Funds	15	14	12	19	16	11	12	99
Lack of suitable courses:	10	20	8	21	21	13	8	101
Training staff reluctance:	1	12	10	13	18	22	23	99
Great shift of manpower:	2	5	5	15	16	22	35	100
Lack of training time :	13	11	11	14	21	14	15	99

In Table 7, it can be seen that the barriers vary according to professional groups. For example, **"Lack of appropriate courses"** is often revealed in "*Sales Staff* ", "*Craftsmen*" and "*Professionals*". **"Great Shift of Labour Power"** is mainly revealed as a problem of "*Elementary Workers*" rather than problem of "*Operators of machinery and processes*". **"Lack of training time"** is revealed more at "*Sales Staff* ".

The Studies in other countries have revealed that the larger the company is, more likely is to perform formal training. In other words, there are differences related to the specific size when it comes to training needs and participation in training. As it is mentioned above, up to now, in this study no tabeling is done in order to make the comparisons of company by size. I could have been very useful to have such comparisons on training issues. For example, it might have been useful to see if certain barriers presented in Table 7 were higher for some size-classes, or even some specific sectors or sub-sectors within the same size-class. For example, do small to micro retail companies have troubles in finding the appropriate courses for their sales staff, or, for the same employees, whether they have difficulties related to time, or not?

4.4.3. Training Providers

Concerning employers who had reported engagement in training during the 12-24 previous months, 10% of the training was provided by institutions of private sector, 9% by state agencies, 6% by other agencies and the bulk of 75%, by the companies, themselves. The reasons why such a high percentage is carried out by the companies is not evident in the study. It happens because the alternatives are inadequate or because companies prefer to conduct training by themselves? The quality of training under offer is not covered by the study, although some companies perceive a lack of suitable courses. At the extent that the quality of training will be addressed in future studies and in future policy considerations, then any review should clearly extend not only to the capacities of external training institutions, but even to those companies, themselves.

5. Conclusions And Recommendations

In terms employment growth levels, the study shows huge differences by sectors, where the *Manufacturing Industry, Building* and *Health* show the greatest performances. It was observed that it could have been very useful if the analysis were already divided into sub-sectors levels and in specific occupations. Strong indicators of the importance of *Textiles and Garments* support the apply for the examination of this specific sub-sector in particular, to observe if it presents a tremendous growth. similar sub-sectorial analysis can be performed for other promising areas, like "*Hotels and Restaurants*".

Despite high unemployment in Albania, the study revealed the existence of great shortages of labor power. About 1 in 25 of all job positions were vacant at the time of study, going to 1 in 17 for *Health* and *Manufacturing Industry*. Most significantly, over half (55%) of all vacant positions were considered "hard to be occupied ", reaching at 69% for the "*Proccesing Industry* " and at 83% for *Health*.

Also, it would be very useful - if it was technically possible - to make a division and see if specific sub-sectors are facing greater difficulties, and to find out which of the professions in particular - for example in *Health* sector – have lack of offer concerning manpower. Also, there is significant indication that the sub-sector of *Textile and Garments* deserve a special analytical attention. 55% of all "hard to be occupied" positions were in occupations *Textiles and Garments*, which significantly shows that this subsector is likely to have a high level of "hard to be occupied" vacancies.

Regions with high account on sectors with increasing employment, like *Construction*, and probably of subsectors of *Manufacturing* or certain services such as *Textile and Garments* and *Hotels and Restaurants* are likely to face increasing demands for labor power and in some cases, there may be a lack of manpower. The study shows that which are the regions that reflects more significant growth tendency and also the regions where can be focused the demand for certain professions in *Textiles and Garments*, *Construction*, *Fish Proccesing* and others. However, the tendency towards general and specific regional over-account of some sectors shows that such figures should be attentively treated.

The study has also revealed a separation on labor market and significant regional differences by age and gender, that appeals for more research and analysis. It is also revealed that an other important dimension can be the size of the company and performance of comparisons on some issues based on the size of the company is recommended. One of the issues could be the quality of employment.

A particular concern should be broad perceptions related to inadequate capacity, particularly in some occupations like: *Operators of Machines and Processes*. The study revealed that the disadvantages can be in correlation with the speed of change that is creating such a demand and therefore some employees may find it difficult to adapt. This means that we should not only expect to see enhanced requirements for existing occupations, such as those in *Textiles and Garments* and *Construction*, but we have to change the content of professions and the way how they are committed. The need to be adapt to new technology was an influence that was mentioned. Also it is known that companies expect a substantial increase in the need for generic skills in the future.

The need to increase the levels of proficiency and training is clearly a priority. However, it was revealed that companies were facing a number of difficulties. Further tests that compare companies of different sizes can help to identify in particular the companies that are facing more difficulties and thus can help to find solutions.

The need for targeted policy

It is clear that the Albanian economy is characterized by many different job situations that require special actions. The sectors are growing at different rates and have different needs, and they are experiencing variations in the problems they are facing with and in their ability to occupy vacancies. Also, as it is mentioned above, there are huge differences in age and gender and if possible the influence related to the size.

Concerning the above, it is revealed a need to develop active policies of the labor market adjusted to the needs of sectors, regions, age, gender, and preferably the size of the company . Such policies are likely to include targeted training, but it can include even actions to help, let us say, youth to enter the professional practice or apprenticeship, or better say, to encourage women to establishe new enterpreinurships, or actions to improve the ways in which certain social groups and companies are served - such as insurance - or that the courses ought to be offered at the time, place and manner that suits to the targeted groups. Further on, certain actions might be needed to remove the barriers to participation in the labor market, such as those related to lack of information, transportation difficulties, or inadequate institutions of children-care.

The Need for Coordination and Cohesion between Different Policies Trends

The consequent nature of the demand on skills means that the labor market policies need to be coordinated with broader development strategies that aim at promoting some Industries - such as : *Textiles and Garments*, or perhaps *Tourism* - or that merely aim to push Albania towards a broader productivity, allowances of higher values, the way of development.The study shows that in some sectors, and therefore regions where different sectors are concentrated, the expected increase of jobs is weak, and a key issue may be the lack of employment opportunities in general, which would imply the need to develop new companies or expand the existing ones. It is needed to have a coordination and coherence of the plans, where strategic plans that aim to promote specific sector, chains of values or economic groups,existe. A strategy on skills must be integrated with such efforts.

Coordination may be required in a variety of regional and national institutions interested on promoting development, including training agencies, but also, probably, development agencies, centers of technology, universities, and a number of government departments.

Further on, achievment of coordination and cohesion implies a partnership approach, according to which policymakers, employment officials and training providers work together with representatives of employers and employees to monitor the changing needs and implement appropriate training and other strategies on labor market. Based on large sectoral variations, the partnerships in sector basis, on chain of values or on groups may be appropriate. Establishment of decentralized regional or local partnerships could be another option.

The necessity to treat both external training and internal development of manpower

The existence of great dissatisfaction concerning the manpower's skills at the job position and out of it, at the labor market, plus the acceptance of a dynamic situation "derived" skills, show the need to deal with formal external training opportunities and conditions for a continuous learning at the workplace. This means that attention should be paid to how appropriate are the existing learning practices and to the efficiency of organization of workplace, working conditions and incentives to learn. A remark of the study is that some employees, particularly employees in elementary works, are not motivated to increase their skills. This finding should be further explored. Is this happening, for example, that such workers have the impression that an improvement of skills would not bring to them the satisfaction of a better job or of a better level of income?

The necessity to constantly monitor the changing needs on skills

The study has been a useful beginning to explore the needs on skills and employment trends in Albania. Now, attention should be paid to the way how to better comprehend the operation of the labor market in the future. Further tests may be done on the results of this study, and on such issues as; gender and age may be subject to new specified researchs. More generally, attention can be paid to establishment of labor market observatories, probably at national and regional levels, accompanied by a tripartite advisory committees and sectoral, chain, group, and / or regional monitoring that are established to report on labor issues.

Incerease of Institutional Capacity

Finally it must be pointed out that actions should be taken to identify the weaknesses of institutions on labor market and programs should be established to avoid the difficulties and strengthen the capacities .

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