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COMPARATIVE DEMOGRAPHICS AND STUDIES OF THE LABOR MARKET IN THE RURAL AREA OF THE REGION OF GJIROKASTRA

Albina Sinani

Eqrem Çabej University of Gjirokastra, Albania

ABSTRACT

Limitation of engagements in different jobs of active population in 2001 provoked a high level of unemployment up to 21.0%, 16.4% in rural area and 27.2% in urban ones, higher in number for females in city. Gjirokastra has a high level of hidden agrarian unemployment (20.9%), meanwhile Përmeti has the lowest level in the region (10.7% in villages). Commune of Frashër has the lowest level in whole country (22.7%), and in the region and city level with 0.7%. High level of agrarian unemployment has increased the level of poverty up to 56.3% in villages and 30.3% city, has decreased the trade balance of regional economy, with deformations in socio economic strata of population.

According to the education level, are dominant unemployed people that have fulfilled only 8 year of obligatory education 58.3% and those with high level of education 35.6%, meanwhile those with a university degree consist in 4.3% of the total number. Are dominant the unemployed people of group age 15-29 years old with 54.2% and 30-44 years old with 36.1%. During period of time 1999-2004, registered unemployed people who were looking for a job were decreased up to 54.1%, 37.7% for females, especially in Gjirokastra district with 61.7%.

According to the registration of agricultural economic units, are noticed very big differences. The district of Gjirokastra has the biggest number of hidden agrarian unemployment (63.2%). Among 26 communes of Gjirokastra region the highest level of hidden agrarian unemployment it belong to communes of Pogon (74.6%), Dropull i Poshtëm (70.9%), Dropull i Sipërm (70.8%), Lunxhëri (69.6%), Odrie (66.5%) and Luftinjë (60.7 %).

According to INSTAT, in the rural area during period of time 2001-2004 the index of population able to work is decreased with 6.7%,level of activity is increased with 23.0%, level of employment is increased with 19.9% and the level of unemployment is decreased with 0.8%, where positive figures belong to district of Tepelena. These differences depend on net migration of agrarian population, from the villages of mountainous areas toward the cities of the region

JEL CLASSIFICATION & KEYWORDS

■ J01 ■ J10 ■ J43 ■ Self Employment ■ Private Non Agricultural Sector ■ Labour Power ■ Hidden Agrarian Unemployment ■ Level of Activity.

INTRODUCTION

Since 1990, the economy of Gjirokastra region has changed from a centrally planned economy to a free-market. The labour market was the primary aspect by those changes. This study is mainly based on the outcomes of the 2001 Population and Housing Census. Anyway, this study of the region *labour force, employment and unemployment* relies on the 2001 Census data. The 1989 Census data are also used, that is the last census which was undertaken during the former regime. The 1989 census data is used to make comparisons and draw trends. *The specific objectives of this study are:* to describe the situation of the labour force, employment and unemployment in the districts of region, rural and urban areas; to examine the demographic and socio-economic factors which have affected the participation of the population in the labour force, as well as those factors which have contributed to the high level of unemployment; to draw conclusions and recommendations about the trends of working age population, labour force and employment in Gjirokastra region through the data from 1989 (INSTAT, *Population and Residences Registration 1989*, 30), 2001 and 2004 Censuses.

- General overview of regional differences in Gjirokastra region
  - Working age population and demographic dependency
    - The working age

The working age population has declined. The decline is of –17375, or -6.2 percent. The number of working age women has declined by –4960, or -12.2%, in the definition including 15-60 years (INSTAT, *The Migration in Albania*, 47-61).

Table 1: The number of working age population (1989, 2004)

Labour market	Working Age		Age Group 15-34	
	1989	2004	1989	2004
Gjirokastra district	38677	35255	61,6	45,8
Permeti district	22588	16445	65,1	44
Tepelena district	28282	20472	67,3	48,5
Region	89547	72172	64,7	46,1

Source: Author

The number of working age male population has declined by –12415, or –25.3%, in the definition including 15-64 years. This decline in the male adult working age population can be attributed to the consequences of 12 years of selected emigration. More than half of the population is 32.8 years (the population between 0-14 years old is 26.7% of the total population, while the population between 15-29 years old is 22.9 percent). The population living in the rural areas is older than the population living in the urban areas (35.2 years in the rural areas and 34.1 years in the urban areas).

Main text

The powerful synthetic indicator of the population structure is the *overall demographic dependency ratio*. In the region, there were 0.56 individuals of nonworking age per person of working age.

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Table 2: Economical situation of the working age population (1989, 2004)

Labour market	Active population						Inactive population	
	Labour force		Employment		Unemployment			
	1989	2004	1989	2004	1989	2004	1989	2004
Gjirokastra district	87,2	65,5	80,8	50,4	8,5	23,1	4949	12150
Permeti district	86,6	70,5	83,7	57,8	4,5	18	3023	4852
Tepelena district	83,7	60,1	75,4	48,2	10,5	19,8	4613	8167
Region	85,9	65,1	79,8	51,5	8,1	21	12585	25169

Source: Author

The overall demographic dependency ratio and the elderly dependency ratio

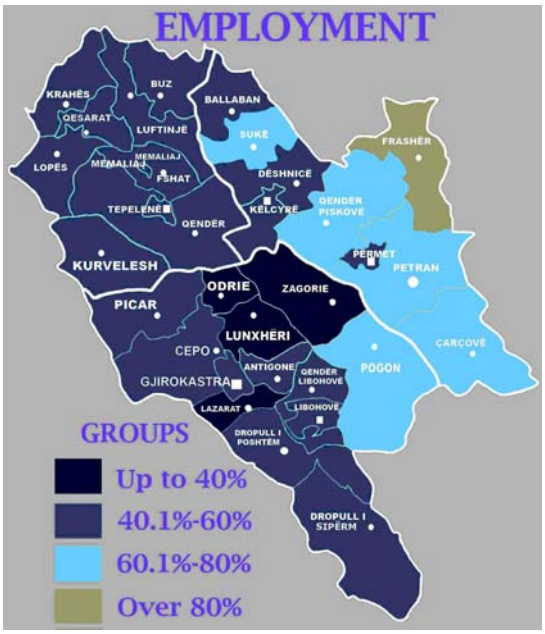
This represents a reduction from the 1989 Census (0.62). Declines have been more significant in rural areas (in 2001 there were 0.6 individuals of nonworking age per person of working age as compared to 0.66 in 1989. The decline of population in rural area can be ascribed to the relative reduction of the population between 0-14 (going from 31.5% in 1989 to 26.7% in 2001 and 2004). The percentage of the population between 0-14 years old in relation to the 15-64 year old one is lower (*young dependency ratio*), going from 0.51 to 0.42.

Table 3: Demographic dependency ratio by residence and component: Region 1989

Age indicators in %	Overall dependency ratio			Young dependency ratio			Elderly dependency ratio		
	Total	Males	Females	Total	Males	Females	Total	Males	Females
Total	61,7	58,4	65,4	50,9	49,8	52,2	10,8	8,6	13,3
Town	54	53,1	55	46,1	46,5	45,7	7,9	6,6	9,3
Village	65,6	60,9	71	53,3	51,3	55,6	12,3	9,6	15,4

Source: Author

Figure 1: Employment in Gjirokastra region, INSTAT 2004



Source: Author

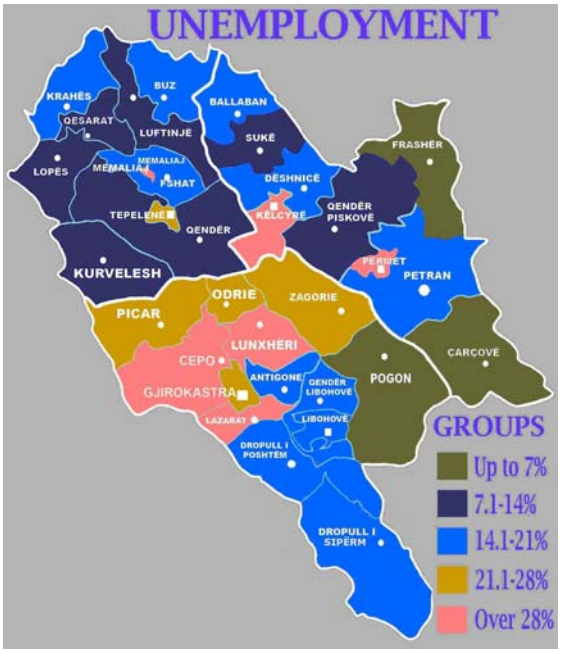
The elderly dependency ratio is higher, going from 0.11 to 0.16, because of the high level of selective international emigration from this region, mainly by young people (States archives of Republic of ALBANIA., and Arqile Bërxholi, 20). This fact shows a fast ageing process affecting the potential labour force, mainly in urban areas and for men.

Table 4: Demographic dependency ratio by residence and component: Region 2004

Age indicators in %	Overall dependency ratio			Young dependency ratio			Elderly dependency ratio		
	Total	Males	Females	Total	Males	Females	Total	Males	Females
Total	56,3	55,5	57,2	41,8	42,3	41,3	14,5	13	15,9
Town	51,3	50,4	52,1	38,2	38,8	37,7	13	12	14,4
Village	59,8	58,8	60,8	44,2	44,6	43,8	15,6	14	17

Source: Author

Figure 2: Unemployment in Gjirokastra region, INSTAT 2004



Source: Author

- Labour force participation

The labour force in Gjirokastra region was calculated to be 72172 in the 2001 Census, 64.0% of the population aged 15 years and over.

- Employment from the 1989, 2001 and 2004 Censuses

The population of region of Gjirokastra has a young age structure; as a result the majority of its people are economically active. It results that in 2001, 64.0% (62.6% in rural area) of the country's population was in the working age (15-64 years old). According to the data taken from the registration of the year 1989 (for women the working age was 15-54 years old and for men 15-59 years old) the situation seems different. It results that in 1989, 57.4% (56.0% in rural area) of the country's population was in the working age. The highest number of people in their working age which emigrated abroad during the last 12 years was substituted with the new entries in the working age. Above mentioned data show the flow in the employment and unemployment between the year 1989 and 2001. The unemployment rate in Gjirokastra region until the end of the '90s has been very high, around 8.1% of the labour force (11.3% in urban area). In 2001, 21.0% of the labour force was unemployed (27.2% in urban area). These data put the region, like all Albania (The Geographic Atlas of the Population of Albania, 111) in the level of the countries with the highest rates of unemployment in Europe. The percentage of the labour force in the total number of the

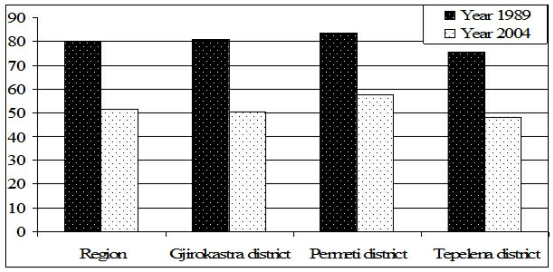
population in the working age has decreased from 85.9% (88.3% in urban area) to 65.1% (69.3% in urban area) in 2001, if we take into consideration that in 1989 men over 60 years old and women with 55 years of age were not allowed to work anymore.

This reduction corresponds to a growing number of the inactive population, which in 2001 reached to 25169 people (16229 people in rural area) against 12585 (9067 in rural area) in 1989. This is a result of the withdrawal of females from the labour market. The number of inactive males decreased in a smaller number, from 7361 in 1989 to 7264 in 2001. The percentage of the employed females was high until the registration of 1989, but it decreased from 78.4% in 1989 to 36.7% of the labour force in 2001.

The labour force consists of people in the young age. Almost half of them (46.1%) are concentrated in the age-group of 15-34 years old (from 64.7% in 1989).

The percentage of the labour force (Dumani, Bukurie., and Areti Stringa, 50) in 30-44 years of age is 39.8%, while in people with 45-59 of age it is 28.5%. Ages over 60 constitute only a small percentage of the labour force, 1.6%.

Figure 3: The employment level in Gjirokastra region



Source: Author

The distribution of the labour force as per age is the same as that of the population.

In 2001, 51.5% of the labour force was employed. This percentage is very low compared to the 79.8% of the year 1989. Men are more involved in work than women.

Female employment decreased mostly in urban areas for casuals like this: the closure of former industrial activities; increased male oriented activities, such as trade and construction; rural-urban movements and the women's impossibility of entrance into the urban labour market (INSTAT, *Population and Residences Registration 2001. People and Work*, 32).

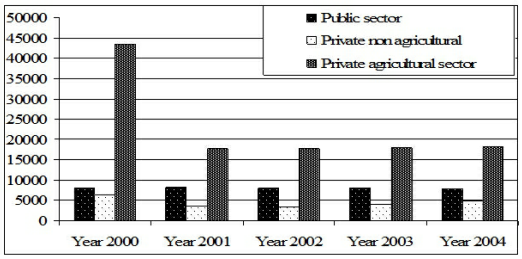
The majority of the employed population is still concentrated in the agriculture: 47.6% of the total number of the employees. In 2001, 11.2% of the employees' total number was concentrated in construction and transport sectors, 16.5% in the trade sector and 6.8% in the industry sector.

The high percentage of employment in the agriculture sector indicates that the region remains mainly a rural region despite strong internal migration towards the urban areas.

The areas with the lowest percentage of population dealing with agriculture chores are urban space (0.6%). The three districts of Gjirokastra, Permet and Tepelena are with a low percentage of people working for the agriculture sector.

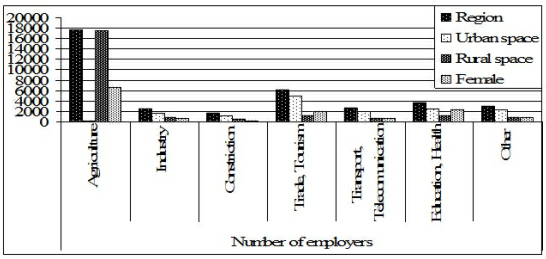
These districts have the highest percentage of emigration. The rural space (47.0%) has remained at the same level as far as the employment in the agriculture sector is concerned. About 73% of workers had a permanent job, 13.6% a casual job, 9.9% a temporary job and 3.7% a seasonal job.

Figure 4: The employers' distribution by economic sector in Gjirokastra region



Source: Author

Figure 5: Employment by economy branches and by type, 2004

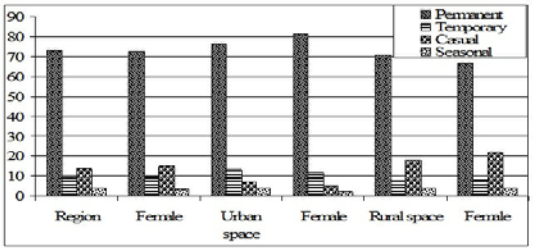


Source: Author

The majority of population engaged in the agricultural sector consists of the self employed (and not employers) almost at 71%.

This situation is a direct result of the agricultural reform which took place in the middle of '90-s and when the land was redistributed to the households living in the rural areas.

Figure 6: Population by type of employment in percentage, 2004



Source: Author

- Unemployment from the 1989, 2001 and 2004 Censuses

Despite the low level of employment at the end of '89-s, there were quite some differences among the districts (The Geographic Atlas of the Population of Albania, 90). The data from the 1989 Census reveal an unemployment rate of 8.1%, with a higher level for women (10.5%) lower level for men (6.1%). As expected, unemployment was higher in urban areas (11.3%) than in rural areas (6.4%). Comparing the 1989 data with that from the 2001 Census, the female unemployment rate reached 26.2% (38.5% in urban areas), because of the difficulties that women had in finding employment. The highest level of unemployment could be noticed in Tepelena with 10.5%, in Gjirokastra (8.5%) and in Permet (4.5%). The economic structure of the country was mainly agricultural (68.1% of the population lived in the villages) and agriculture sector was organised in cooperatives. This system, made it impossible, have

unemployment in the rural areas because there was always high demand for labour force in the agriculture fields. On the other side, the case was not as such in urban areas. In 2001, the unemployment in the region of Gjirokastra changed dramatically from one area to the other. The highest indicators are recorded in urban areas with 27.2% (29.4% in Permet, 28.1% in Tepelena and 25.8% in urban Gjirokastra).

The highest indicators are recorded too, and in communes of Gjirokastra district (Cepo with 30.1%, Lazarat with 29.8%, Lunxheri with 28.2%, Zagorie with 23.8%, Odrie with 22.9% and Picar with 20.6%). It is difficult to find a single explanation for the different norms of unemployment in the whole region.

The reasons of unemployment show variety. Some cases in urban areas can be explained with the closing down of the enterprises of mining and processing the minerals.

- The impact of education in modelling labour force

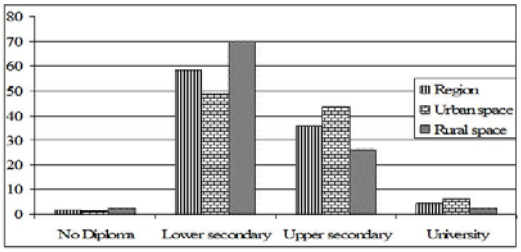
Education is an important indicator in modelling labour force participation and employment. The different difficulties in finding work are confirmed by the unemployment rate by educational level.

Table 5: Unemployment by educational level in percentage

Educational level	No diploma	Lower secondary	Upper secondary	University	Total
Region	1,8	58,3	35,6	4,3	100
Females	1,3	54,1	40,2	4,4	100
Urban area	1,3	49	43,7	6	100
Females	1	48	45,5	5,5	100
Rural area	2,4	69,9	25,5	2,3	100
Females	2,2	69	27,1	1,6	100

Source: Author

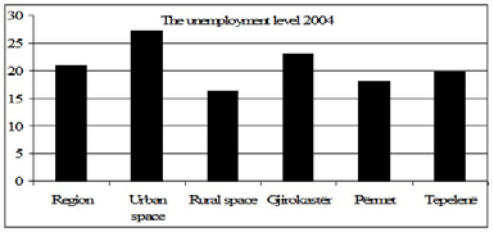
Figure 7: Unemployed people by educational level in percentage: Gjirokastra region, 2004



Source: Author

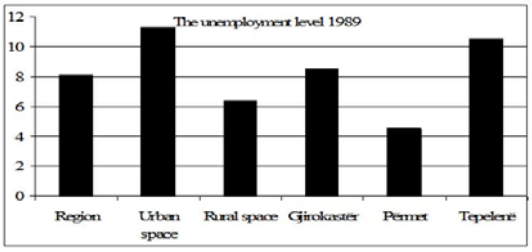
Unemployment is higher in the category of people who have finished the 8-year school (58.3%) as compared to those who have finished the secondary (INSTAT, *Population and Residences Registration 2001. The Population of Albania. Gjirokastër 6, 2001*, 47) school (35.6%).

Figure 8: The number of the recorded unemployed in Gjirokastra



Source: Author

Figure 9: The number of the recorded unemployed in Gjirokastra region, 2004



Source: Author

This can be explained:

Firstly, the unemployment rate is higher among the new generation, which include more people with higher education than with an upper one.

Secondly, in the rural areas, people employed in the agriculture have carried out less school year. Meanwhile, the rate of unemployment is lower among the graduated ones, 4.3% (6.0% in urban areas and 2.3% in rural areas).

The structure of the workforce should analyse both from a demographic and an educational point of view. Are necessary innovations in all sectors of economy, in products and processes by supporting home and foreign new initiative, to face profoundly transformed economic pattern. We must involve the young cohorts and the youngest, which are now appearing in the labour market in Gjirokastra region. It should be appropriate, that policy makers and different organisations present in the region, to invest money in the sectors and jobs needed for economy growth in the region of Gjirokastra and to promote multifaceted initiatives in labour intensive branches of region.

Conclusion

The situation of the labour market in Gjirokastra region described by the 2001 Census data is worrying: out of the 72172 people aged over 15 years only 37135 were employed (51.5%), 9868 people were unemployed (21.0%), while 25169 people were inactive. Between 1989 and 2001, the working age population (between 15-64 years old) declined in absolute number 17375 people. The overall demographic dependency ratio has decreased as compared to the 1989 Census: In 2001, was 56.3%, while in 1989 was 61.7%. The real core of the labour force employed (37135 people) in Gjirokastra region during the 2001 Census (those who worked permanently was 27038 people). The core labour force maked up from 24072 men and 13063 women. Unemployment is higher in the category of people who have finished the 8-year school (58.3%).

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