



► Towards more and better jobs in Albania

March 2023

► Findings of a Job Quality Diagnostic

Context and approach

Albania's economy is growing, but this growth is not translating into enough high-quality jobs. This is especially true for young and lower-educated people. Their skills do not match those demanded by employers. They lack the business acumen necessary in a competitive work environment. They are more likely to remain unemployed long-term, which leads to skills degradation.

Against this backdrop, RisiAlbania aims to increase employment opportunities for young Albanian women and men, aged 15 to 29, through private sector growth, demand-oriented training, and job intermediation in three sectors: agriculture, tourism and information and communication technology (ICT)¹.

In agriculture, RisiAlbania's main priority is developing growth-oriented business models in rural areas that have the potential for youth employment through value addition, such as fruits and vegetables and medical aromatic plants (MAPs). In tourism, the project is targeted at supporting public and private actors and the promotion of destinations focusing on southern inland areas. In the ICT sector, RisiAlbania focuses on promoting the Albanian comparative advantages in Business Process Outsourcing (BPO) and IT software development.

Executive Summary

- Traditionally, market systems development (MSD) projects have focused on job creation outcomes. Yet there is growing recognition that not just the number but also the nature of these jobs matters for socially inclusive and sustainable growth. However, measuring a topic as multi-dimensional as 'job quality' can cause both conceptual and practical challenges for MSD programmes.
- This paper unpacks how the MSD project RisiAlbania has contributed to employment outcomes for young women and men in the agri-business, tourism, and information & communications technology (ICT) sectors. RisiAlbania adapted an ILO approach to develop a job quality scorecard and compare aspects of job quality within and between their target sectors.
- The RisiAlbania experience shows that MSD programmes can and should seek to understand employment outcomes in terms of a broad array of working conditions. This can help identify what a 'good' job might look like for a given country, sector context and target group (e.g., youth or women), and help to shape appropriate programme responses.
- This paper shows how a) a pragmatic Job Quality Diagnostic is feasible to integrate into the market systems analysis or results measurement phases of the MSD project cycle; and b) how such a diagnostic can help MSD projects to both understand and identify opportunities to improve job quality outcomes.

¹ The RisiAlbania project is supported by the Swiss Agency for Development and Cooperation (SDC), in partnership with the Albanian Ministry of Finance and Economy and implemented by a consortium consisting of HELVETAS Swiss Intercooperation and Partners Albania

As RisiAlbania reaches the culmination of its third phase, it wanted to further explore job quality, such that it could:

- Identify relevant dimensions of job quality for youth either currently employed, or with the potential to be employed, in occupations within the agribusiness, tourism, and ICT sectors;
- Provide a gap analysis of job quality deficits and opportunities, and the aims and aspirations of Albania's youth, as well as identify possible measures to address any shortfalls.

A Job Quality Diagnostic was therefore conducted in close cooperation and consultation with national partners. Ultimately, the purpose of the study was to gain insights on the pathway toward supporting – and measuring – decent jobs in Albania, and provide practical guidance on areas for future intervention areas. The diagnostic was designed to drive learning externally, for other projects and partners with a youth employment mandate, as well as internally to inform RisiAlbania's internal monitoring.

This briefing note provides a high-level summary of the diagnostic process and selected findings.

To learn more about the detailed results and methodology, please contact RisiAlbania at info@risialbania.al

Methodology

The diagnostic was conducted by a team of external consultants from May through October 2022². It was inspired by both HELVETAS and SDC's track record in focusing on job quality considerations, and carried out in line with ILO guidance material on how to map and measure job quality in value chain and market systems development projects³.

The diagnostic adapted the ILO's approach to value chain job quality measurement into a five-step methodological approach, as shown in Figure 1.

Key findings were validated by the report's intended audience during a workshop in Tirana, Albania, held in October 2022. This involved the RisiAlbania team, programme partners, private sector actors, youth representatives and wider development partners.

Box 1: The Data collection process

RisiAlbania identified a range of indicators that sit under five meaningful job quality aspects: earnings, equality, employability, work environment and job expectations (see page 3).

Data was then collected on these indicators between July to August 2022 through three primary methods: enterprise survey, key informant interviews and focus group discussions.

An enterprise survey took place in July 2022. 102 businesses responded which together employ almost 3,000 workers. Face-to-face interviews were carried out with businesses active in the three sectors. A snowball sampling approach was used, initially drawing on RisiAlbania partners and the survey company's database of contacts.

Over 50 key informant interviews with market players and focus group discussions with almost 90 youths took place between August to September 2022.



² Matt Ripley and Eralda Cani

³ See "How to Measure Job Quality in value chain development projects" and "Value Chain Development for Decent Work A systems approach to creating more and better jobs"

► **Figure 1: Job Quality Diagnostic Process**



Defining and measuring job quality

Job quality is a multi-dimensional concept, which nowadays is understood not only through the classical lens of wages but also as covering a broad set of working conditions.

While the ILO’s decent work statistical indicators outline a comprehensive set of indicators to measure job quality at the macro level of the wider economy and labour market system, MSD projects usually measure job quality at the level of an individual ‘job’ or firm. This can be complex as there are multiple aspects of jobs that should be taken into account.

Based on an initial literature review, the diagnostic considered five core aspects of job quality, shown in the box below⁴.

‘Earnings’ - the quality and stability of extrinsic financial rewards for work, and the extent to which earnings contribute to the well-being of workers and their families.

‘Equality’ - Equity of opportunities and outcomes for groups considered disadvantaged or vulnerable in the labour market, including women, young people, Roma and Egyptians, and people with disabilities.

‘Employability’ - the opportunity for work progression within the sector, enabling and empowering people to change jobs as well as finding progression pathways within specific employers.

Working **‘Environment’** - non-economic aspects of jobs including the nature and content of the work performed (accidents, work intensity, long working hours, health, working-time arrangements and workplace relationships, etc.).

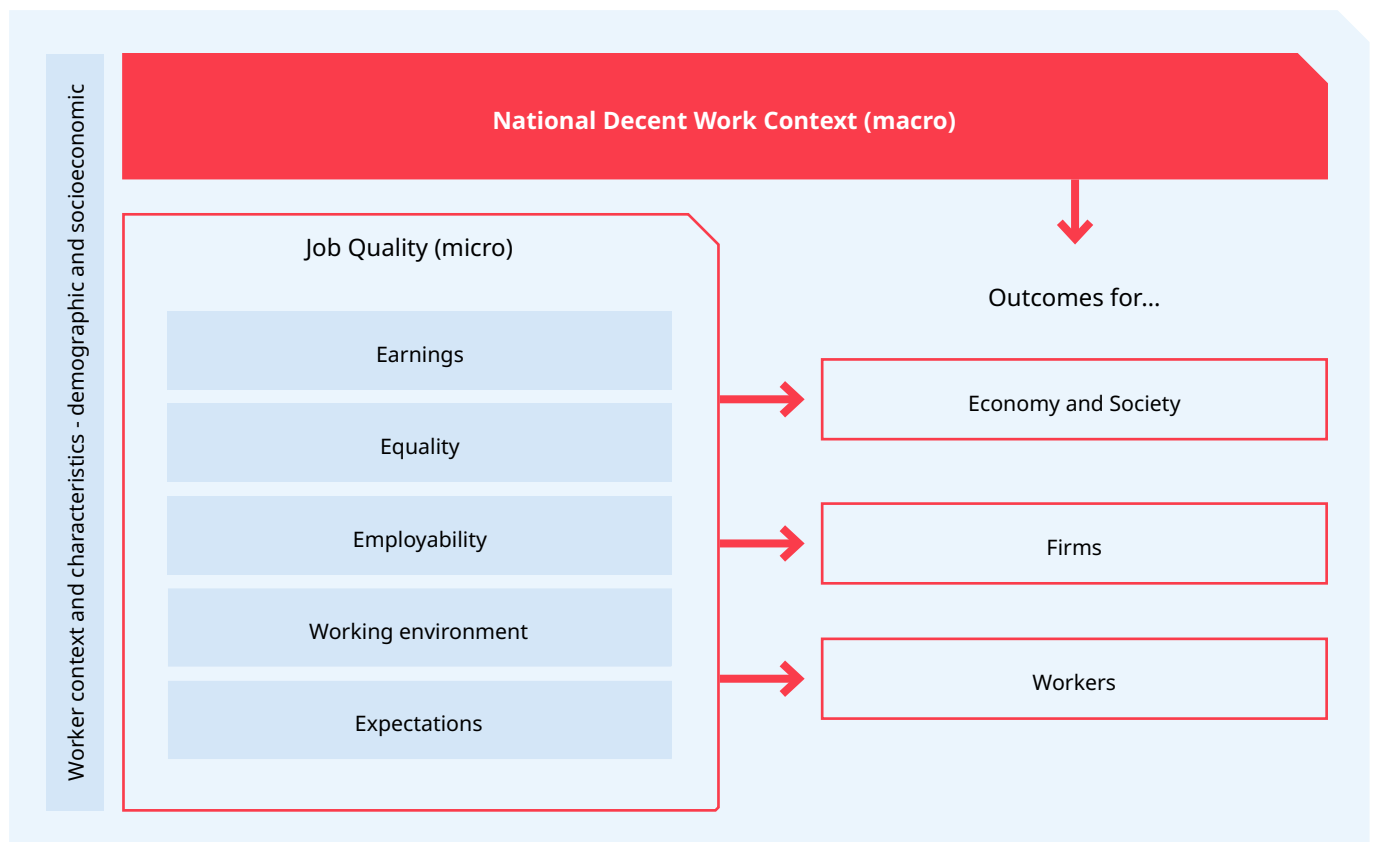
Job **‘Expectations’** - what workers value and want to see as part of their role, organisation, and career - as well as the psychological rewards that employees get from doing meaningful work and performing it well.

⁴ Both positive and negative features of the jobs are included. However, given measurement challenges and complexities, a detailed assessment on compliance with Albania labour law, or the ILO’s Fundamental Principles and Rights at Work has not been carried out. Instead, there was a high-level mapping of Albania’s alignment with core ILO labour standards.

For each dimension, data sources and indicators were selected in order to assess and analyse job quality in a consistent way across sectors and occupational profiles⁵. A set of quantitative indicators – included in Figure 4 – was used to drive a Job Quality Scorecard to numerically compare and contrast job quality within and between sectors⁶. These quantitative indicators focused on ‘what’ the current job quality issues were within and between sectors⁷. These quantitative indicators focus on ‘what’ the current job quality issues are within sectors. A series of qualitative indicators were also formulated to help answer the question of ‘why’ job quality for youth is higher or lower in certain sectors or dimensions.

Objectively verifiable indicators were used as far as possible to support consistency and cross-sector comparability. These draw on a mix of statistical indicators and primary data from surveys. An emphasis was placed on the feasibility and practicality of measurement when selecting indicators. A limited number of subjective indicators (reflecting the preferences of the worker) are included; recognising that assessments of job quality vary based on workers’ demographics, life stage and personal circumstances. This is particularly important as the labour market situation of youth may differ when compared to other workers.

► **Figure 2: Conceptual model for the Job Quality Diagnostic (source: adapted from Eurofound and CIPD)**



5 The classification of employment by occupation was undertaken against the International Standard Classification of Occupation (ISCO), covering a range of skills levels from low to high. All indicators and domains were weighted equally.

6 The diagnostic sought to build on existing studies, data sets and survey instruments, particularly those carried out under the auspices of Albania's status as an EU accession country. This includes the European Working Conditions Survey (2015 last published year for Albania) as one of the most complete and exhaustive surveys on working conditions in European countries; the European Company Survey (2019 – Albania not in scope); as well as studies by the World Bank and ILO and drawing on data from Albania's Institute of Statistics.

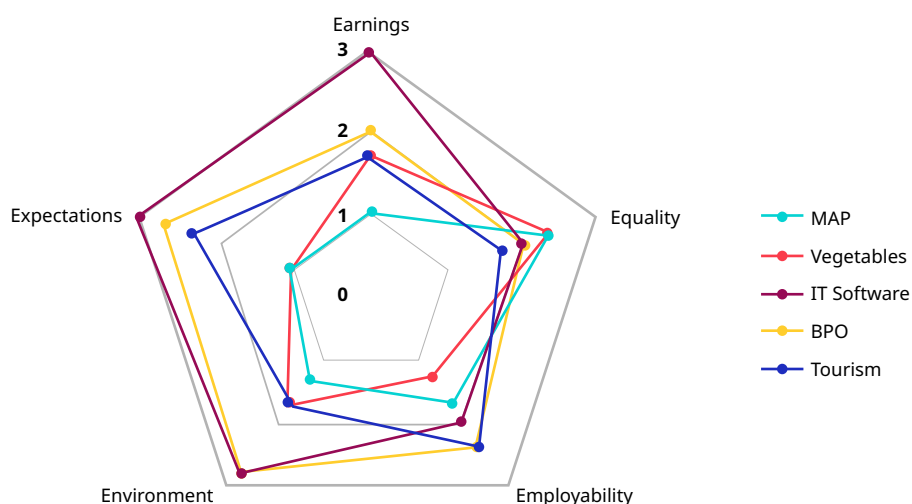
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Key findings

Results of the Job Quality Diagnostic were presented visually to aid easy analysis and the comparison between different dimensions of job quality, within and between sectors. This included a Job Quality Radar displaying the

score for each dimension (Figure 3), as well as a more detailed Job Quality 'Heatmap' showing performance against each scored indicator (Figure 4).

► **Figure 3: Job Quality Radar**



Key:

3 is High, implying the sector performs well in this dimension in terms of generating positive outcomes for workers;
2 is Medium, implying the sector has an average performance;
1 is Low, implying the sector performs poorly in this dimension

► **Figure 4: Job Quality 'Heatmap'. Red is Low, Yellow is Medium, Green is High**

		MAP	VEG	IT	BPO	TOURISM
Earnings	Entry level wages	Red	Yellow	Green	Red	Red
	Average gross wage	Red	Red	Green	Green	Yellow
	Precarious employment	Red	Yellow	Green	Yellow	Yellow
Equality	Gender pay gap	Red	Green	Red	Red	Green
	Female employment	Green	Green	Green	Green	Red
	Disadvantaged groups	Red	Red	Yellow	Yellow	Red
Employability	Skills mismatch	Green	Red	Red	Red	Yellow
	Career progression	Red	Yellow	Yellow	Green	Green
	Training	Yellow	Red	Green	Green	Yellow
Environment	Retention	Red	Yellow	Yellow	Yellow	Yellow
	Participation in decision-making	Red	Yellow	Green	Green	Red
	Temporary labour	Yellow	Red	Green	Green	Yellow
Expectations	Employee motivation	Red	Red	Green	Yellow	Yellow
	Worker satisfaction	Red	Red	Green	Green	Green
	Career aspirations	Red	Red	Green	Green	Yellow

Key:

Green is High
Yellow is Medium
Red is Low

Agri-business

Within the agri-business sector, medicinal and aromatic plants (MAPs) scores relatively well on equality indicators, but worse on earnings and working environment. The vegetable sub-sector also scores relatively well on equality indicators, but worse on prospects for learning and career advancement.

► Table 1. Key insights from agri-business enterprise survey, interviews and focus groups

<p>Earnings</p>	<ul style="list-style-type: none"> ► As a result of demand-side insecurity, businesses seek to maintain flexibility and be risk-averse in making hiring decisions, e.g., first offering short term (renewable 3- and 6-month contracts). Seasonal demand for labour exacerbates job insecurity. ► When market conditions become more favourable, businesses reported raising salaries, indicating a positive link between productivity and the labour share of these gains (e.g., in some medicinal and herb businesses). ► However, better salaries alone have not been enough to mitigate high levels of turnover and unfilled vacancies – especially as salaries remain low compared to options abroad.
<p>Equality</p>	<ul style="list-style-type: none"> ► Perception of inequities in value capture – that “women do most of the jobs but get smaller salaries”. ► Perception of geographic-based inequality: Some cultural barriers to women in employment in Northern but not Southern Albania. ► Employers widely ignore the legal obligation to hire persons with disabilities (all public and private employers with 25 employees have to hire one person with disabilities).
<p>Employability</p>	<ul style="list-style-type: none"> ► Agriculture is not seen by youth as a viable sector to build a career. ► Mechanisation is important to both MAPs and fruit & vegetables, and this creates opportunities to acquire new skills, which are somewhat transferable. ► New technologies and production methods are always emerging, which creates a strong imperative for companies to provide continuous learning – even if this does not always happen in practice. ► Some good employer practices were uncovered, for example, where a senior staff member mentors a junior employee.
<p>Working Environment</p>	<ul style="list-style-type: none"> ► Work in agricultural production can be physically demanding with long hours. ► Turnover rates can be very high – one fruit and vegetables producer said they lost 50% of their workforce on a yearly basis. ► Workers are generally not involved in decision-making, and at most consulted on decisions already taken – but some businesses are more proactive, especially after gaining certain standards like Global GAP/ GRASP and Fair Wild as these place requirements on collecting and representing employees’ concerns and complaints.
<p>Job Expectations</p>	<ul style="list-style-type: none"> ► For young people, agriculture is often the “sector of last resort”. ► Of those respondents who did want to make a career in the sector, a number had the ambition to “open a farm of their own”. However, all were of the opinion that this would be very difficult due to a lack of support. ► The challenge is not so much one of capacities but of incentives. In other words, businesses see youth as capable but not always motivated. ► Some innovative practices were mentioned, such as awarding ‘Employee of the Month’ to recognise and reward workers. ► Other notes that sub-sectors like fruit and vegetables could be inherently attractive for youth and drew a link between the level of mechanisation/automation potential and the sector’s growing attractiveness to youth – especially if ICT could be better integrated into ‘e-agriculture’.



Tourism

The **tourism sector** scores highest on employability and expectations, but relatively low in terms of equality of opportunity and outcomes.

► **Table 2. Key insights from tourism enterprise survey, interviews and focus groups**

Earnings	<ul style="list-style-type: none"> ► Employers see workers as motivated by more than money, such as the sociable and human (client and peer) interactions involved in tourism as a service industry. ► This was echoed by workers themselves: 3 out of 5 focus groups agreed that “Cooperation with colleagues” is the most important aspect of job quality (and another as the second most important) ► Workers are split as to whether they are happy or not with their wages. Some were satisfied it was a fair remuneration for the effort they put in, while others felt employers “do not appreciate quality and experience”. ► The high degree of informality in the sector is seen as prohibiting “honest and fair competition”. ► Tourism is seasonal, with resulting fluctuations in labour supply and demand (and resulting wages).
Equality	<ul style="list-style-type: none"> ► Very little information is known about the employment of persons with disabilities or from vulnerable groups. ► Both workers and businesses reported low barriers to entry to vulnerable groups in the sector. ► There is some gender stratification in the sector, with guides mostly men, and staff in tour agencies mostly women. ► Barriers to more women becoming tour guides were seen as less related to employer-controlled factors, and more to do with wider support services. For example, the availability of transport and childcare options since guides are often required to stay overnight.
Employability	<ul style="list-style-type: none"> ► As a service sector where many roles are client-facing, on-the-job training is routinely provided including on soft skills topics such as communication. ► Examples of areas of new, transferable skills gained by workers include interaction with other cultures (cultural awareness) and knowledge of specific IT systems. ► Learning mostly comes on the job or is provided by NGOs and associations of businesses themselves. Some workers reported having to upskill themselves in their own time or on their own initiative. ► Some businesses reported employing well-qualified (on paper) young people who lacked theoretical and practical knowledge.
Working Environment	<ul style="list-style-type: none"> ► In general, hours can be long and especially busy during peak seasons. Informality is prevalent; and a number of workers said they do not have adequate days off during these peak seasons and feel overworked. ► Most workers reported feeling safe and adequately protected at work. A small number of guides, however, due to the outside nature of their job felt unsafe due to factors such as no first aid stations, poor quality of safety training, and bad local infrastructure (e.g., roads). ► Many guides are freelancers and no social or health security is paid for them ► Client interactions can be rewarding but sometimes challenging.
Job Expectations	<ul style="list-style-type: none"> ► Businesses see youth as playing a key role in the sector but, similar to agriculture, with low levels of motivation and only using tourism as a ‘stop gap’ before emigrating. ► Among workers, motivations and expectations were mixed: With some seeing tourism as offering a potential career path, and others troubled by systemic issues in the sector (e.g., lack of licencing of guides) as limiting career pathways and prospects. ► Workers were unanimous that they saw a higher social utility and purpose of the sector – if not always their role – in that tourism can play a positive role in promoting Albania’s image abroad.

ICT

Within the ICT sector, **IT software** scores highest on earnings, expectations and working environment, with an average performance on equality and employability. **Business process outsourcing (BPO)** scores well on the working environment, but average on equality.

► **Table 3. Key insights from ICT sector enterprise survey, interviews and focus groups⁸**

<p>Earnings</p>	<ul style="list-style-type: none"> ► Especially for technical roles, there is a competitive market for labour which drives up wages, benefits and bonuses. ► Some employers felt obligated to offer higher salaries to attract and retain workers, but this has led to wages not being commensurate with skill levels. ► Workers are aware that salaries in the sector are higher than average in Albania, but do not always feel what is offered is adequate for their (perceived) level of skills and qualification and think businesses could offer more. ► However, staff turnover is also high – in part due to high levels of migration. This creates challenges for businesses that often need to expend considerable resources in hiring and inducting new employers.
<p>Equality</p>	<ul style="list-style-type: none"> ► Interviewees noted there are no barriers per se to hiring more women, but it is more that fewer women apply for IT-related jobs. ► Call centres offer the opportunity of distance working (from home) or shift work, which are often conducive to balancing work and family obligations. ► There were no barriers and prejudices noted by employers in terms of hiring disadvantaged groups or those with disabilities – again apart from the low numbers of people applying for IT roles. However, some companies were not aware of the legislation on persons with disabilities. ► Workers noted that workplace infrastructure is not adapted for persons with disabilities, with no ramps, or lifts.
<p>Employability</p>	<ul style="list-style-type: none"> ► In IT software, a wide range of occupations are suitable for youth as entry-level roles on graduation, including programmers, mobile developers, network engineers, and data analysts. ► Several workers in the sector have opened their start-ups, even getting the support of the company to do so. ► BPOs and call centre workers offer extensive training and the potential to gain new skills but have more limited opportunities for upwards progression. ► Some employees said the learning curve for IT roles is steep but plateaus quickly: with little level of autonomy, and repeat work, with little room for innovation due to the nature of the ‘boilerplate’ products and services being sold. ► Employers were unanimous that even graduates have a level of education that is too basic or too theoretical and youth have very little practical experience when they enter the sector.
<p>Working Environment</p>	<ul style="list-style-type: none"> ► Workers were overwhelmingly concerned about workplace safety and health. 32 out of 34 workers in the focus groups said their health is at risk from sitting down for long hours, leading to real health issues including hernias and eye problems. ► Employer practices such as flexible hours and the ability to work remotely were appreciated by employees. ► Work involves completing tasks to tight deadlines and can be closely controlled or monitored by management. The sector is generally very hierarchical in nature. Some smaller start-ups had a ‘flat’ structure’ that empowered employees to be involved in decision-making, but in general workers in the sector are ‘decision takers’ (especially those where core decisions are made aboard in a parent company). ► This hierarchical structure has led to some accusations of ‘bad bosses’ who excerpt excessive power over workers. Especially in a pressured environment, this increases the risk of discrimination or harassment.
<p>Job Expectations</p>	<ul style="list-style-type: none"> ► Employers believe the quality of the new workforce is increasing. This is because of better training, but also because workers see the benefits associated with the sector in terms of salary, flexible hours, and remote work. ► Some managers believe that youth are motivated in this sector, but not patient - they are restless and eager to maximise their salaries at almost any cost. ► Many in the focus groups agree that the BPO sector is perceived negatively in general, especially when seen through the lens of call centres. Society considers these jobs as non-prestigious. Some in IT saw the sector as contributing positively to the society by offering better, simpler, and quicker services.

⁸ Due to the nature of the sample and difficulty in attracting some businesses to participate, this mainly reflects the perspective of those working in call centers

Conclusion and next steps

For RisiAlbania, the job quality diagnostic both reinforced existing knowledge, as well as uncovered new insights. Some findings were expected from low-wage practices to migration trends and skills mismatches. Others were more surprising – such as the safety and health of ICT sector workers, and the way in which workers in the tourism sector prioritised social relationships and the societal value of their occupations.

Beyond sector-specific results, the diagnostic had practical implications for how RisiAlbania and its partners design future interventions to incentivise job quality improvements:

► Make a differentiated ‘business case’ for job quality

- Where sectors have low job quality but find it difficult to keep employees with the right skills (e.g., MAPs), a ‘win-win’ argument can be made to improve job quality in a way that will also drive better employee acquisition and retention. **Future interventions could focus on demonstrating that improved job quality can be a driver of business performance.**

- In sectors with relatively higher job quality and relatively fewer issues retaining staff (e.g., IT software), there may be less of a ‘win-win’ argument to be made at the present time concerning job quality. **Future interventions could focus on maintaining or improving core firm competitiveness as a driver of job quality – given** firm expansion is associated with more people obtaining relatively higher-quality jobs.

► Encourage in-work progression for youth to enter management

- In sectors where youth participation is high but under-represented in management (e.g., ICT), interventions can focus on helping youth not just to gain and retain employment, but to enter into management and leadership positions. **This implies interventions should support youth to develop people management and soft skills such as communication.**
- In sectors where youth representation at the management level (e.g., fruit and vegetables) is already relatively high, **the focus of interventions could be on encouraging new sector entrants.**





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