GENDER INDICATORS WITHIN LABOR MARKET
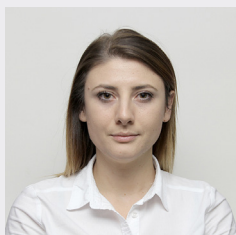
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Abstract: This research paper aimed to review the main social indicator, which is used to assess poverty and quality of life, as well as to calculate minimum wages, minimum pensions and basic social payments. The traditional way of measuring poverty is based on income. A family is considered poor when its income falls below the minimum level needed to meet the basic needs of its members. In the written and electronic literature this level is usually called the subsistence level or the poverty line. Currently in our country, there is a lack of official data regarding the vital minimum indicator. In this way, Albania is the only one among the former socialist countries of Eastern Europe, without an official indicator of the defined subsistence minimum, which means that our country currently lacks the basic level of poverty measurement. The International Labor Organization (ILO), the World Bank, the IMF, the Trade Unions, the People's Advocate, and the Albanian Parliament have from time to time addressed suggestions to the government for setting the official minimum wage indicator. We believe that from this point of view, this study can also serve to revise economic growth strategies and reduce poverty. The living wage indicator is also used in other studies, to be compared with salaries, pensions, etc., but also with the total income of employees on the basis of family budgets. The study will serve to compare the official minimum living wage for an employee with the minimum wage and the size of pensions, social assistance, unemployment benefits, etc. As it is known, in Albania, the level of pensions is determined by law, while the level of the minimum wage, the amount in value of economic assistance, payment of unemployment and disability payment are determined by a Decision of the Council of Ministers. None of these poverty indicators is directly based on the vital minimum indicator.

Key words: Women, labor market, employment, unemployment, gender, economy, inequality, Poverty, wage, pension.

1. Main Text

1.1 Introduction

Labor market issues, employment, unemployment, inactivity, wages are very important for every country since they are linked to some of the main indicators of economic wellbeing or lack thereof. Gender indicators within these labor market indicators are of special interest not only due to a long history of gender discrimination against women in the labor market, but also because women comprise half of the population and thus half of the labor force. Exclusion of women from the labor force, or discrimination of women in the labor force is associated with lost productivity and thus impedes growth and ultimately development. One of the issues that have continued to gain ground and attention is that of gender wage gap between men and women in the labor market. In the context of Albania, as a developing

country, understanding wage differences or discrimination in the labour market is especially important due to the influences that it may have on education of future, income inequality, women's position and opportunities, pensions in the old age, intergenerational inequality, and ultimately poverty.

Albania has undergone major transformations in the labor market, but not much is known regarding the gender wage gap and its determinants. Studies regarding issues of labor market in general and wage discrimination in particular have been lacking in Albania. In the past two decades, the Albanian economy has been transformed from centralized planning to an open market economy associated with major transformations in the labor market. In the midst of these transformations, women found themselves in a particularly challenging position due to their dual burden inside and outside the household. During the labor market liberalization in the 1990s with the shutting down of major industries, overcrowding in administrative protection, women suffered the highest unemployment rates in the economy.

Although the Albanian economy overall has shown high growth rates and has achieved poverty reduction, women do not appear to have fully recovered their position in the labor market.

2. Women participation in the public and private sector

Review analyzes on the features, the problems and dynamics of labor market indicators are important not only to understand the current trends of this market, but also to understand the differences between different groups of employees and the unemployed.

Referred to INSTAT (Albanian Institute of Statistics), the workforce includes all individuals active in the labor market, aged 15-64, and its only components are employment and unemployment. Regarding the population of age group 15-64, for men the indicator has remained relatively unchanged, whereas progress has been noted in women's participation in the labor market. Considering

the inactivity reasons, generally speaking women remain outside of the labor force due to retirement and early retirement (40 %), and the engagement in domestic chores (21.5%). On the other hand, men's engagement in domestic chores is only 1 %. Referring to the age group 15-64, 42 % of women are outside the labor force, compared to 26 % of men. If such data are compared to those of 2016, progress can be noticed both for men and women. Employment rate for the population of age group 15-64 is 62 % for men and 50 % for women. According to the employment structure, 43 % of women are employees, whereas 31.2 % are contributing family workers compared to 18,2 % of the same category for men. A considerable number of employed men (38.3 %) are own account workers, as compared to 24.4 % for women.

The non-market services sector – where activities such as public administration, social services, and other activities and services are included – plays the second most important role in women employment (20 %) following agriculture. Also, Non-profit organizations (NPO's), known as the most active part of civil society, have played an important role in democratic developments even though they have had to function frequently in as a result of their limited opportunity to participate in decision-making bodies, women have through other alternatives, succeeded in climbing to leadership positions particularly in the nongovernmental sector.

We will show below the data regarding the important role of women in the Albanian Parliament.

Albanian Parliament consists of 140 members elected once every four years with a proportional system.

Pursuant to law no. 10.019, dated 29.12.2008 "Electoral Code of the Republic of Albania" the zones comply with the administrative division according to the levels of administrative-territorial organization, district,

The constituency serves as an electoral unit for the election of a certain number of mandates, according to the rules set out in the above law. The administrative borders of the regions are
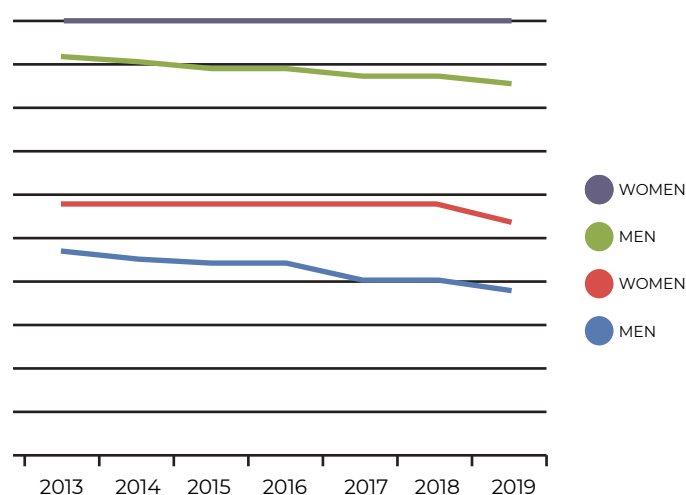
established by the law on the administrative and territorial division of the Republic of Albania. Deputies represent the electorate: "deputy" means "representative" and each deputy, although elected in a particular constituency and by a particular political party, represents the entire people .

Table 1: Composition of parliament by gender

Year	Number		%	
	Men	Women	Men	Women
2013	115	25	82.1	17.9
2014	111	29	79.3	20.7
2015	108	32	77.1	22.9
2016	107	33	76.4	23.6
2017	99	41	70.7	29.3
2018	99	41	70.7	29.3
2019	86	36	70.5	29.5

Source: Parliament of Albania

Graphic1. Composition of parliament by gender

As can be seen from the graphic presentation, the number of women in the Albanian parliament has increased. It currently occupies 30 percent compared to 2013, where the representation of women in parliament occupies 17.9 percent; this means that the role of women has been valued for years in the electoral lists.

Gender equality in political life is a key role in the role of women throughout Albanian society. It is worth noting that active participation and its involvement in decision-making levels, affects development, peace and overall social harmony. Currently today, the Albanian Parliament has 36 women deputies.

2. 1 *Aging problem of the population*

y, The gender pay gap shows the difference in income between men and women. These differences are a result of many factors, from different choices in the labor market to gender based discrimination. This indicator is calculated as the difference between the mean wage of men and women and usually is shown as a percentage of the mean wage of men.

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

The structure of the population can change considerably over time as a result of the interaction of demographic processes – such as fertility, mortality or migration – and other indirect factors, such as lifestyle choices or the provision and efficiency of healthcare services. This research paper provides an overview of population ageing in Albania and gives an overview of the size of the elderly population aged 65 and over, by focusing on the magnitude and speed of population ageing, as well as on the demographic determinants of ageing.
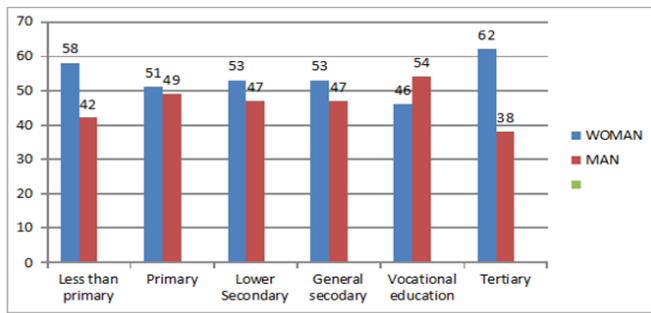
Table 1. Labour force balance, 2015-2019 (in thousands)

	2015	2016	2017	2018	2019
Labour force	1,122	1,163	1,185	1,213	1,218
Male	598	608	621	638	635
Female	523	555	564	575	583
Employed	973	1,043	1,096	1,138	1,147
Male	525	548	579	602	601
Female	447	495	517	536	546
Registered jobseekers	149	120	89	75	71
Male	73	60	42	36	34
Female	76	60	47	39	37

Source of information: Annual average administrative data (INSTAT)

Graphic1. Job-seekers unemployed by level of education and gender in % 2015-2019
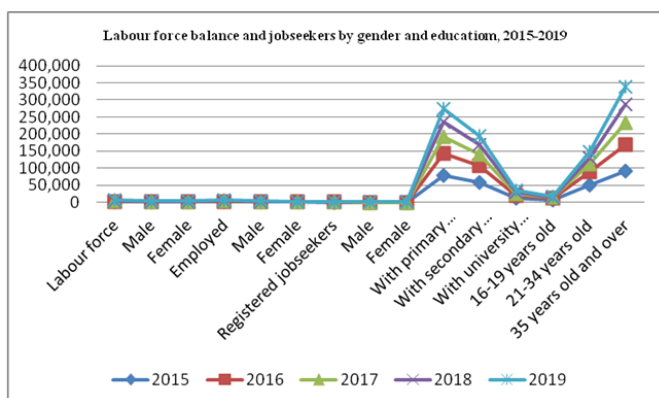

Source: National Employment Service and INSTAT

Table 2. Labour force balance and jobseekers by gender and educatiom, 2015-2019 (INSTAT)

	2015	2016	2017	2018	2019
Labour force	**1,122**	**1,163**	**1,185**	**1,213**	**1,218**
Male	598	608	621	638	635
Female	523	555	564	575	583
Employed	**973**	**1,043**	**1,096**	**1,138**	**1,147**
Male	525	548	579	602	601
Female	447	495	517	536	546
Registered jobseekers	149	120	89	75	71
Male	73	60	42	36	34
Female	76	60	47	39	37
With primary education	78,400	63,900	50,250	42,676	39,582
With secondary education	59,001	47,187	34,260	27,102	26,062
With university education	11,747	8,623	5,270	4,908	5,286
16-19 years old	6,707	4,686	2,096	1,575	2,279
21-34 years old	51,258	37,125	23,148	18,650	18,594
35 years old and over	91,183	77,899	64,536	54,459	50,057

Note: Annual average Source of information: Administrative data

Graphic2. Labour force balance and jobseekers by gender and educatiom, 2015-2019

Source of information: Annual average administrative data (INSTAT)

Labor force participation is different for the activities. The activities of construction and of trade, transportation, accommodation and business services show a negative gender pay gap.

This means that women in these economic activities have a higher mean wage than men.

On the other hand the participation of women in these activities is very low.

The gender pay gap for the economic activity of agriculture and of mining and quarrying, electricity and gas and water supply is positive, which means that the mean wage.

Table 3. Participation in labour force and gender pay gap by group-profession

Professional group	Men	Woman	GPG
Total	56%	44%	6.3%
Managers, professionals	49%	51%	12.7%
Clerks, service and sales workers	60%	40%	10.5%
Skilled agriculture and trades workers	67%	43%	3.6%
Plants and machine operators and assemblers	62%	38%	24.9%
Armed force	88%	12%	-0.6%
Elementary occupations	49%	51%	7.2%

Source: ISSH-Statistic 2018

The table above shows the gender pay gap by main economic activities and the gender composition of the labor force of each economic activity.

The gender pay gap for the full time workers is 6.3 %.

Meanwhile 56 % of these labor forces are men and 44 % are women.

Anyhow for both these activities, the value of the GPG is much lower than the 6.3 % of the entire workforce.

In agriculture there is an almost equal share between men and women, while in the other economic activity we have a dominance of men. In public administration social and other services the gender pay gap is equal in value with the national average.

On the other hand in this economic activity the number of women workers is higher than that of men.

The economic activity of production shows the gender pay gap with the highest value, with 23.3 % and we can observe that in this sector there is a dominance why women are underrepresented in the Parliament and in local government leadership.

2.2 Demographic indicators in Albania

The demographic determinants are the key factors underlying population change, such as declines in fertility and mortality, and large-scale emigration. Particularly at the earlier stages of the demographic transition, reductions in fertility are the primary determinants of the timing and extent of population ageing. However, at later stages of the transition, reduction in mortality, particularly at older ages, contribute more to increasing the number of older persons, thus accelerating population ageing.

An important consequence of the decrease of fertility is a progressive reduction in the availability of kin on whom future generations of older persons can rely upon for support. At the same time, improved chances of surviving to the older ages are likely to spur efforts to improve the health status.

Another important object for accelerating the aging of the population has been immigration. In Albania, the Immigration began after the 1990s as a phenomenon and according the International Organization for Migration (IOM) Albania had a migratory population rate for the last two decades by the highest number of people in the world. This analysis that almost 25% of the population migrate and most of them were young men (IOM - Migration in Albania country profile 2016). The Albanian transition from a centralized economy to a free market led to the creation of private enterprises, which at the beginning were more focused on services and were small enterprises. The process of creating new jobs was at very low rates.

According to the Labour Force Survey organized by INSTAT in 2017, the unemployment rate was 11 %. According to the same survey, the participation rate in the labour force for the population of 30-64 years old is 77 %, while the employment rate is 68.7 %. The labour market in Albania was also associated with a high degree of informality. Most of the working people do not declare themselves employed, thus avoiding social security payments. (INSTAT, 2018).

Should take into consideration that pension reforms are needed in order to reduce the risks, which is affected by demographic, economic and politics factors. In Albania, the demographic factors are extremely important. Not only the ratio between birth rate and death rate is negative but also the so called "envelope salaries", unemployment and migration to other countries influences pension system.

Table 2: Demographic and financial indicators of the pension system

	Urban	Rural	Total
Nr. of contributors	483,100	168,513	651,613
Nr of beneficiaries	399,959	154,143	554,102
Nr of pensioners	296,076	137,771	433,847
Age to retire			60 years old for women 65 years old for men 35 years of contributions
Benefit rate			Basic pension + 1% for each year contributor to the average salary of estimated in the last 10 years
Indexation			Legally Indicated by Inflation, but in reality it is done by the decision of KM
Expenditures			75,545
Income			56,518
Pension Covers (Pensioners / Total of retirement age +)2018	171.7%	93.7%	135.8%

Source: ISSH

Conclusion

The majority of the 17.63% of the gender wage gap is accounted for by the different rewards provided by the labour market. The different rewards provided by the labour market, the pure rent of being male, experience loss, occupational segregation, child care, and part-time work, all reduce women's wages and put them at a disadvantageous position.

The main implication is that education although key, it is not enough. Women currently in the labour market maintain an advantage in education since on average they have more education than men. However, education is not enough to make up for the labour market discrimination in terms of wages. If women kept their current endowments, where education is the main factor, and were paid according to the wage structure of men, their average wages would score higher than those of males. Instead, if their education levels decreased and were the same as those of males, they would earn even less than they do now. Nonetheless, it is other factors such as occupational segregation, lower work experience— as a result of discontinued experiences in the labour market—, child care, and par time work that account for the majority of the gender wage gap.

In Albania gender pay gap depends on the type of enterprise ownership. The gross average monthly wage per employee in foreigner enterprises is more than two times higher for men compared to women. This gap is much smaller in the Albanian private enterprises, while almost nonexistent in the public sector. Achieving gender equality in the labor market it is a challenge of now days and needs that, the two objectives of equal pay and equal participation in the labor market to be pursued simultaneously. Elimination of pay inequalities requires the adoption of a set of new measures, as well as the strengthening of existing ones, procedures and programmers and in the same time increasing the commitment by all the society actors

Globally, the gender pay gap is 40 per cent. In other words, a woman earns 60 cents for every dollar earned by a man. This has many societal implications, of course, but what is often overlooked is the impact that this pay gap has on pensions and pension benefits after retirement.

Pensions are about enabling the elderly to meet their day-to-day survival needs, not about how much they receive in total.

Women will receive average monthly payments lower than those of men. Not only that, but because they live longer than men, they are significantly more likely to be living alone. It has been shown that the loss of a partner reduces the economic standard of living for the spouse, in part due to economies of scale. Two people living together have an economic standard of living higher than one person living on half the income of the couple.

With lower monthly income and higher monthly expenses, the gender gap means that women face a far more difficult financial situation upon retirement.

There are a number of ways this problem can be addressed, such as:

• Introducing gender-gap equalizing measures within those pension plans that are based on earning

• Providing survivor benefits that compensate the surviving spouse for the loss of economic standard of living upon the death of their partner

• Indexing pension benefits to growth in average wages

The primary reason for the gender gap in pension benefits is that women have lower lifetime earnings. Women, on the whole, receive lower wages. This can be partially attributed to the fact that women dominate in low-skilled, low-paying jobs and industries. Women have lower labour force participation rates – in part because of time taken out of the workforce to care for family members.

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