

EMPLOYMENT AND VET POLICY REFORM IN ALBANIA

The Employment Social Fund

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A new reality in the labour market integration of People with Disabilities in Albania

Prepared with the contribution of UNDP experts group and the MFE working group

Introduction

The United Nations Convention of the Rights of Persons with Disabilities (CRPD), adopted in 2006, recognizes People with Disabilities (PwD) not "... as "objects" of charity, medical treatment and social protection; but rather as "subjects" with rights, who are capable of claiming those rights and making decisions for their lives based on their free and informed consent as well as being active members of society". Article 27 requires that "...states parties recognize the right of persons with disabilities to work, on an equal basis of others; this includes the right to the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities". Albania ratified the UN CRPD in 2012 and is a member of the Council of Europe, which promotes cooperation among European countries in the areas of legal standards, human rights, democratic development and the rule of law.

The Albanian National Employment and Skills Strategy (NESS) 2014-2020, has set the stage for comprehensive reforms and shall promote jobs and skill opportunities and set a particular focus to improve labour market inclusiveness for people with disabilities. The legal basis has been set through the Law on inclusion of and accessibility for People with Disabilities, for the access to employment and the newly adopted Law on Employment Promotion nr. 15/2019, which is introducing a quota/levy scheme for public and private employers and establishing an Employment Social Fund to finance programmes which aim at integrating PwD into the labour market.

The state of affairs for PwD with Albania

The present reform undertaken by the Albanian Government also implies a change of the disability assessment from the medical model to the bio-psycho-social model, based on the standards of the World Health Organization. Currently, disability assessments are still based on the "traditional" ICD medical model. The bio-psycho-social model of disability assessment is in the testing phase and shall pave the way for nationwide alignment. The pilot preparation process started in January 2017 in the Municipality of Tirana. The updated assessment is taking already into account the ICF functionality and every day related competences and activities. It makes recommendations for benefit in service, training and medical therapeutical support. In this pilot project the assessment is provided by experts of a social-medical commission and planned as precondition for receiving disability allowance.

The total number of persons with disabilities, benefiting from disability payment schemes, was 141,025 persons at the end of April 2018. 52% of them were beneficiaries of the active scheme of the Social Insurance Institute. 48% were beneficiaries of non-contributory passive schemes administered by the State Social Service. There are a number of beneficiaries who are counted twice because of the fragmented legal framework which is based on the diagnosis.¹

1. Statistics and employment of PwD in Albania, ADRF, 2018

Currently the number of disabled active job seekers is less than 500. It is very low comparing to the number of recipients of passive disability benefits. Persons with disabilities, in most of the cases, are employed in low paid jobs, and very often are the first to lose the jobs. In addition, their living expenses is between 2-3 times higher than average living expenses. There is a perception that Albanians mostly find work by their informal personal and family networks, rather than through an assessment of their competences and mediation by the job service.

According to the statements of Employment Service staff they are not prepared to provide service for this target group. The Employment Services are not equipped with the needed technical capacities to meet the needs of people with disabilities, i.e. understanding the medical diagnosis, providing adequate employment opportunities etc.

A strong need for guidelines was expressed in order to better deal with the specific labour market necessities of disabled persons. In some matters persons with disabilities do often not have an interest and are not registered as jobseekers for several reasons. But the major disincentive is the loss of the disability benefits, if they will be employed. The current service does not yet respond to the needs and is not sufficiently developed to properly serve and accommodate persons with disability in the labour market. The system needs to be improved at different levels and in different aspects.²

The quota levy system in Albania and its possible scenarios

The new Law on Employment Promotion introduces a quota-levy system, which will be utilized as one possible source to finance the Employment Social Fund. This system foresees that each employer with more than 25 employees should employ one person with disabilities, and an additional one for every 50 employees thereafter. If the employer fails to fulfil this obligation, the employer needs to contribute to the Employment Social Fund an amount of 100% of the minimum wage per month for each obligation not fulfilled. With the current stratification of the employers at the Tax Administration office in Albania³, if this provision of the law was to be fully implemented, 8,857 PwD would be employed.

2. Needs assessment analysis for the capacity building of the National Employment Service staff to improve the services provided to persons with disabilities, ADRF, August 2018

3. Data provided by the General Directory of Taxes, in August 2019.

On the other hand, if the employers were to only contribute to the Employment Social Fund, around 23 million euros would be collected each year.

Number of employees	Number of PwD to be employed
25 – 74	1
75 – 124	2
125 – 174	3
175 – 224	4
225 – 274	5
275 – 324	6
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The responsible institutions

According to the existing legal provisions, the following state bodies are or will be in charge of the application of the laws concerning PwD issues:

- Ministry of Finance and Economy (MFE) – in charge of employment issues
- Ministry of Health and Social Affairs – responsible for of disabled inclusion politics
- National Skills and Employment Agency – in charge of administering the newly to be established Social Employment Fund planned to be financed by a quota – levy scheme. The state body will act as executive body in charge of coordination of employment promotion instruments.
- Regional directory of employment offices – in charge of implementation of employment promotion programs
- Vocational Training Centres – provision of short term training programs.
- State Social Service/ regional directories – provision of disability allowance and supporting of assistance in everyday life.
- State Labour Inspectorate – is planned to be responsible for monitoring, inspecting and particularly in applying of penalties

WHAT IS THE POSSIBLE EFFECT TO THE PRIVATE SECTOR?

Scenario 1:

The PwD is employed

Employer can benefit from programmes on reasonable accommodation

Scenario 2:

Employer wants to employ PwD, but does not have the candidate

The employer asks the assistance of NAES structures to identify the candidate matching the requirement of the vacancy

NAES structures offer the employer the list of unemployed jobseekers with disabilities and mediates

Scenario 3:

Employer contributes to the Employment Social Fund

The employer contributes to the Employment Social Fund the amount of the minimum wage, for each PwD which should have been employed, every month.

The Employment Social Fund is used for programmes which aim at:

1. employment, selfemployment, work rehabilitation, skills development, guidance and counselling, support services, and workplace reasonable accommodation for PwD
2. social reintegration programmes, EPPs for the members of the families of PwD

Scenario 4:

The employer does not employ or contribute as per the quota-levy system in place

The National Labour Inspectorate is responsible and tasked to ensure the implementation of the legal provisions, and may impose administrative sanctions.

WHAT IS THE MINISTRY OF FINANCE AND ECONOMY CURRENTLY DOING?

Currently the MFE is preparing the necessary secondary legislation, as per the Law on Employment Promotion, i.e. the composition, criteria and roles of the Board of Employment Social Fund Administrations and the procedures the employer will follow to contribute to the Employment Social Fund.

On the other hand, the National Agency for Employment and Skills (NAES) is starting to consolidate all the expertise that exists in Albania and in its structures on how to provide services to PwD. UNDP is bringing in international expertise and discussing with NAES possible support packages which will ensure smooth integration of PwD in the labour market.

Coming up next on the technical note series:

UNDP will continue to provide updates on the Social Employment Fund. Once finalized we will talk more about the role, the composition and functioning of the Board of Social Employment Fund Administration and additional updates on the support packages being designed together with the organizations of People with Disabilities, which will aim at integrating PwD into the labour market.

On the next technical note, UNDP will focus on the establishment of the National Agency of Employment and Skills, its new role in managing the VET providers, its new functions at the headquarters, such as collaboration with the employers, performance management, change management etc.

Stay tuned!

For more information on the support provided by UNDP to this process, please contact us: eno.ngjela@undp.org

About the UNDP/SD4E technical note series

Financed by the Swiss Government, the Skills Development for Employment Programme (SD4E) is supporting the Government of Albania in the National Vocational Education and Training and Employment Promotion System reform through a comprehensive approach of institutional capacity building on macro/policy level to enable the key actors (MFE, NAES and NAVETQ) to deliver coordinated and demand driven services.

The VET and Employment Promotion System reform is well captured in National Employment and Skills Strategy and it's newly revised Action Plan 209-2022. To communicate how the reform is progressing, the SD4E programme will issue periodically technical notes on particular elements of the reform. This notes will give brief description of a specific development or procedure that are currently discussed, provide details on the newly adopted legal framework, or explain work methodologies introduced in the system.