

GENDER INEQUALITIES IN PAY  
**AN ALBANIAN CASE**

This study was carried out by the Gender Alliance Development Centre, as part of the Gender Pay Gap Project, with the support of the Open Society Foundation for Albania.



Gender Alliance for Development Centre



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# LIST OF ACRONYMS

GADC	Gender Alliance Development Centre
SPSS	Statistical Package for the Social Sciences
OECD	Organisation for Economic Cooperation and Development
EUROSTAT	Statistical Office of the European Commission
CEDAW	Convention for the Elimination of Discrimination Against Women
ILO	International Labour Organisation
ECHR	European Council for Human Rights
EU	European Union
ECJ	European Court of Justice
SAA	Stabilisation and Association Agreement
EEC	European Economic Community
SA	Anonymous Society

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# ABSTRACT

The gender pay gap and factors that have an impact on it are among the most researched topics in the field of social studies today. The factors that contribute to the existence of gender-based inequalities in pay are primarily related to gender-based discrimination in the labour market, as well as age, seniority at work, hourly rate of pay, level of education, and remuneration and promotion structures in place, which in some cases contribute to the widening of the gender pay gap.

By conducting on-the-ground investigation and observation, this study seeks to provide a gender-sensitive approach to the determining factors that lead to gender-based inequalities in pay in Albania, thus making a first step in providing a general picture of the situation, which until now had been lacking in the research literature dedicated to this question.

The main research question posed is: Are women paid less than men in Albania?

The present study provides new information and data about the gender pay gaps in Albania. The presentation of data by means of tables and charts helps create a clearer picture of the present situation and informs the conclusions and recommendations for future gender policies that would effectively address the problem and contribute to the closing of the gender pay gap in the country.

# INTRODUCTION

The Gender Alliance Development Centre (GADC) is presenting its study on the gender pay gap in Albania at a time when the country is in the grip of a tough economic climate, and policy-makers and businesses are trying hard to cope with the economic difficulties they are facing by drawing long term plans that can perform better in an environment marked by oscillations and uncertainty.

Since its establishment in 1995, GADC has made a considerable contribution to the defence of the rights of women, as part of the defence of human rights generally, and to the promotion of gender equality in Albania. Throughout its lifetime GADC has led the work for the development and implementation of a number of new gender-related equality measures promoting the empowerment of women and good governance, and has carried out several research studies aiming at the promotion of gender equality.

The present study looks at the realities of the gender pay gap in the Albanian labour environment.

In the past two decades Albania has seen profound economic and social changes, mostly due to the radical change in its political systems. The long and tedious period of transition, characterised by insipid development plans, and low rate of job creation in spite of the huge economic and tourist potential of the country, led to the creation of a labour market which, for a quite some time, functioned outside rules and regulations, thus causing numerous economic and social problems. But in spite of the existence of an unfriendly market environment, a far cry from the quality and standardised market aspired, parents were not discouraged in their efforts to provide their daughters with a good education. Their hopes are that their investment in the education of their children will one day be rewarded through a well-designed job creation system, run according to European standards.

Development necessitates new ideas, the best of which are created in an environment where both genders contribute equally. Now, more than ever, at a time when the economy is in decline, we need to put the best minds at work, have more quality leadership in order to be able to find new creative solutions, revive economic growth and prevent economic crises like the present one. In other words, the talented minds of women and men must be involved in this process on an entirely equal basis, with equal opportunities and remuneration, so that the maximum can be achieved.

Not only do women constitute half of the talent potential, but they also contribute by bringing a different perspective which is very important in the present complex, interrelated world, increasingly dependent on new technologies and innovation.

In the course of our research for *Gender Inequalities in Pay – an Albanian Case*, we were able to calculate an average figure of the gender pay gap in Albania and analysed some of the major causes leading to the existence of the gap and the consequences it produces. In addition, we provided some recommendations for effective measures that can lead to the reduction of this gap and the advantages thereof.

The conclusions and recommendations of the present study are based on the processing of data collected through a questionnaire that was distributed to 1000 individuals of official working age living in urban areas. The study presents the results, explores the causes and recommends opportunities and measures for closing the real gender pay gap in Albania.

The direct hypothesis posed by the study is that there is an unequal ratio between remuneration of men and remuneration of women in Albania.

*What is the gender pay gap in Albania, in numerical terms?*

The study found that Albanian women earn less than men. The average gender pay gap, according to the present study, is 5,725 ALL or 17.4 percent less.

The gender pay gap has been and remains an important area where further research is needed in many countries of the world. It has also given rise to considerable discussion among researchers with regard to finding the best way to measure the gender pay gap, establishing the role of each of the individual or combined variables at play in the gender pay gap, as well as the features of the gender pay gap across various industry branches.

The study consists of two parts: research and observation on the ground. By research is meant a review of literature dealing with gender pay gap issues, and a review of the present legal provisions in force.

Observation on the ground consisted of the process of data gathering by means of a standard questionnaire. The questionnaire was administered to one thousand individuals living and working in urban areas throughout the country. In distributing the questionnaire, care was taken to create a representative sample proportional to the population structure of each region in relation to the total population of the country.

The following is an outline of the chapters and their focus:

One chapter of *Gender Inequality in Pay - An Albanian case* provides an overview of the world and Albanian literature on gender pay gap issues. The chapter also provides definitions of terms, including a definition of 'gender pay gap', a brief description of the factors that impact the gender pay gap, as well as consequences of the gender pay gap. All these are illustrated with examples from some European Union countries and as well as countries from South Eastern Europe.

A second chapter looks at the provisions contained in the Albanian legislation and international laws as they relate to gender equality in pay. The chapter provides an analysis of some of the provisions of the Albanian Constitution and International Conventions on pay and remuneration, as well as of provisions in the domestic legislation that relate to the elimination of differences in that respect.

The key chapter in the study is the one that focuses on the gender pay gap in urban areas in Albania. The most important indicator of a gender pay gap is the hourly wage. However, given that hourly wage is not commonly used in the Albanian labour market, the study reverted to the next best variable, monthly pay, for determining whether there was inequality in pay and by how much.

The findings of the study are based on an in-depth analysis supported by charts and tables. In addition, an analysis of approaches to the main factors impacting pay, including branch of industry, type of job, size of company, pay and remuneration systems, as well as promotion and motivation, helps establish why there are gender differences in pay.

An important part of the questionnaire focused on drawing the opinions of male and female respondents on inequalities in the remuneration systems.

The conclusions and recommendations provided here draw on the data obtained through the questionnaires and their statistical processing. The gender pay gap in Albania is more or less the same as in the other countries of the region and the world; it is caused by the same factors and produces the same consequences in the society. According to the study, the gender pay gap exists because of the combination of an array of cultural, economic, and social factors specific to the Albanian work and social environment.

Closing the gender pay gap is an enormous undertaking and requires the commitment of various players in the field.

Addressing the pay gap between men and women requires the existence and application of the existing legislative and non-legislative instruments, as well as the creation of new ones.

We hope that this study will help raise awareness in our society about the challenges and opportunities that exist in the field of equality of pay, and contribute to the creating a new system where men and women are not treated differently in the distribution of sources of income, regardless of the amount of resources and means the country has at its disposal.

We also hope that the data, information and recommendations provided in this study will help inform policy making by helping set the priorities and fulfil the fundamental principles of gender equality, as stipulated in the Gender Equality Act and the National Strategy on Gender Equality and Measures Against Domestic Violence, the Social Protection Strategy, the Social Inclusion Strategy, and the National Strategy for Development and Integration.

***We wish you a pleasant reading!***

***The Gender Alliance Development Centre***

## CHAPTER 1

# Methodology

The gender pay gap in the labour market has been the focus of a large corpus of gender-related international research. This study seeks to explore the Albanian context of gender-based inequalities in pay, as well as the various factors that contribute to the phenomenon.

The present study was conducted in two phases: on-the-ground investigation and 'office-based' research. The latter focused mainly on a review of the literature on the gender pay gap as well as a review of related body of legislation.

The on-the-ground part of the study consisted of a standard questionnaire used to interview a total of one thousand individuals living and working in urban areas throughout Albania. Given that at present a remuneration system has only been established in the urban areas, the individuals chosen were from such areas. In the rural areas people are mostly engaged in small family farming economies and the number of people who work for an individual wage is insignificant. This type of employment, where the income goes to a common family pot, makes it difficult to measure the indicators of the gender pay gap through the above-mentioned survey. It would only allow us to measure the working hours clocked in by men and women of working age during a working day, rather than the remuneration obtained from such work.

In conducting its analyses the present research study drew from various fundamental documents on gender equality and gender mainstreaming in our country, including the National Strategy on Gender Equality and Measures Against Domestic Violence, the Social Protection Strategy, the Social Inclusion Strategy, and the National Strategy for Development and Integration.

The study employed a combination of qualitative and quantitative methods to explore the multiple facets of gender inequality in pay. In order to be able to conduct an in-depth analysis of the causes that lead to this gender pay gap, we conducted a review of the most advanced world literature on this issue. The most important findings extracted from the literature review determined the details of the guidelines and the research framework used, and helped inform the development of the multi-dimensional questionnaire and the activities of the working groups.

The quantitative method was also used, which consisted of the following instruments:

### 1.1 Developing the questionnaire

The questionnaire was developed by the main team of experts involved in the study, in collaboration with experts from the Ministry of Labour, Social Affairs and Equal Opportunities, and in consultation with the expert from the International Labour Organisation in Geneva.

The questionnaire was designed to include several modules/sections, including:

1. Personal and family details of the respondent;
2. Information on primary employment;
3. Information on the branch of industry where they worked at the moment of the interview, their salary, job satisfaction, and company performance;
4. Questions measuring the level of awareness and understanding of the gender pay gap;
5. Information on secondary employment, if any;
6. General information.

The questionnaire was then discussed with the interview teams and the statisticians of the study. A pilot test of the questionnaire was run with a small sample of respondents. A team made up of interviewers and supervisors who were also involved in the development of the questionnaire, received training on the principles of question development, what effect they might have on the interviewees, etc. In order to maximise the reliability of data collected through the interviewing process, the findings of the pilot test were shared with the team.

## 1.2 Data Collecting Methods

The data were collected through face to face interviews, led by the interviewers in each of the urban areas included in the study. The study was carried out over a period of six months in the prefectures of Berat, Dibër, Durrës, Elbasan, Fier, Gjirokastra, Korça, Kukës, Lezha, Shkodra, Tirana and Vlora.

In choosing a representative sample for our study we first looked at the number of people on electoral rolls in urban areas and their geographical distribution. Based on our calculations, we arrived at the conclusion that interviews with a representative sample of one thousand people would be sufficient to provide an accurate statistical representation.

The participants were randomly selected from the above mentioned urban areas, and had to fulfil two main conditions: they had to be in employment and aged between 18-65 years. In addition, they had to have worked for a minimum of ten hours during the preceding week. From each randomly selected household, only one member was selected to be part of the survey, namely the one whose birthday fell closest to the day of the interview.

**Table 1. Distribution of respondents interviewed by prefecture**

Nr	Prefecture	Number of Interviews
1	Berat	50
2	Dibër	20
3	Durrës	120
4	Elbasan	80
5	Fier	80
6	Gjirokastrë	30
7	Korçë	70
8	Kukës	10
9	Lezhë	50
10	Shkodër	60
11	Tiranë	340
12	Vlorë	90
<b>Total</b>		<b>1000</b>

### 1.3 Field Work

The main expert team recruited and trained the members of the local teams in each region. Each local team was composed of one interviewer and one supervisor. A total of twenty interviewers carried out the work on the ground in the span of about twenty days. Each of the interviewers administered a total of fifty questionnaires, with an average of three to four interviews per day.

### 1.4 Training

The GADC organised training sessions for the interviewers in Tirana, with the aim of familiarising them with the project and its aims, approaches to be used in interviewing and an in-depth familiarisation with the questionnaire.

### 1.5 Management of Interviews

Upon approval of the final version of the questionnaire, copies were made and distributed to the respective destinations. The conduct of interviews on the ground was closely monitored by supervisors, to whom each interviewer had to report at the end of the day. As each interviewer handed the completed questionnaires to their respective supervisor, the latter conducted quality and administrative checks in the presence of the interviewer. Upon completion of the collection and checking process, the supervisor submitted the questionnaires to the GADC, together with a report on the work on the ground. The questionnaires were then checked again by the person responsible for the on-the-ground part of the study at GADC.

### 1.6 Quality control

Each step of the interviewing process went through a detailed checking process, including the cross-checking of the data, scanning checks, verifications, language and linguistic checks. In order to ensure the quality of the entire interviewing process checks were conducted before the interviews took place, which focused on the manner of conducting interviews, format of the questionnaire, the training of interviewers on how to enter data. Post-interview checks consisted in the verification of the data obtained and identifying any missing data which were then discussed with the respective team. Lastly, a final check was administered with the help of a language-editing programme specifically designed to detect possible logical errors. All the answers were treated with the strictest confidentiality and were stored in conformity with the provisions of Law No.9887 of 10.03.2008, *On the Protection of Personal Data*.

### 1.7 Data Entering and Processing

The process of data classification and tabulation was carried out at the GADC offices, with the help of a computer programme designed to address the specific nature of the questionnaire. The entire process was supervised by the coordinator of the study. The data were processed using SPSS and the database created with the data collected through the questionnaire. The special programme that was designed for this study generated various indices and calculations. A number of key components to the analysis of the phenomenon were analyzed and cross-tabulated, thus producing a clear overview of the complex nature of the gender inequalities in pay and their possible causes.

The margin of error has been calculated at +/- 3 percent.

### 1.8 Reporting

The final report, the findings that emerged from it, and the raw data collected are the main products of this study. The entire team of experts worked together to integrate the results of the primary and secondary data, analyse the findings, and draft the respective recommendations given at the end of this research paper.



## CHAPTER 2

# A literature review

The gender pay gap has been the focus of world-wide discussion and research studies for a long time. Various researchers in the fields of economic and social sciences, and human resources, have dealt with gender differences in pay from various perspectives and have analysed and emphasised the complexity of the problem.

There is no doubt that the gender pay gap exists – statistical data collected by various research studies of the labour market and the participation of men and women in it speak clearly. However, given that the gender pay gap is not immediately observable, not everyone manages to understand the problem, or even consider it as one. Recognising the problem is an important step in developing policies for preventing and addressing the said discrimination.

### 2.1 Definition of the Gender Pay Gap

There are a number of definitions of the gender pay gap in the labour market. One of them sees the gender pay gap as the ratio between the wages of men and women in employment (often expressed in percentage form)<sup>1</sup>. According to OECD<sup>2</sup> the gender pay gap is the difference between male and female earnings expressed as a percentage of male earnings. The European Commission defines it as the average difference between men's and women's hourly earnings. The definition provided by EUROSTAT describes the gender pay gap as the “difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.”<sup>3</sup>.

The Declaration of the International Labour Organisation (ILO) on the Fundamental Principles and Rights at Work, states that the “gender wage gap is usually used to measure the disadvantage women face in the labour market.”

All of the above definitions have one common theme: the ratio between men's earnings and women's earnings in the labour market, which are, admittedly, far from being equal. Below we will be analysing factors that contribute to the gender pay gap, and the impact that the said inequalities in pay have on the lives of men and women, their work, and their professional careers.

### 2.2 Factors contributing to the gender pay gap

There is a wide ranging debate whether the gender differences in earnings are a result of the actual differences between the two genders, choices made by men and women in line with their lifestyle, or gender discrimination. Economists and sociologists<sup>4</sup> have analysed the participation of women in the labour force from three different theoretical angles: the gender roles and *socialisation theory*, the *human capital* theory, and socio-structural theories. According to the socialisation theory, males and females generally socialise into different roles, which have different characteristics and require different abilities that pre-determine their future status in the labour market. The human capital theory is based on the neo-classical economic assumption according to which people make rational choices to maximise their

1 Padavic I. and Reskin B., *Women and men at work*, 2<sup>nd</sup> ed (Thousand Oaks, CA: Pine Forge Press, 2002)

2 Organisation for Economic Co-operation and Development, *Employment Outlook report*, 2008.

3 EUROSTAT, *Gender pay gap* Reskin B., *Women and men at work*, 2<sup>nd</sup> ed (Thousand Oaks, CA: Pine Forge Press, 2002). Organisation for Economic Co-operation and Development Statistics, 2001, [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Gender\\_pay\\_gap\\_statistics](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Gender_pay_gap_statistics)

4 Haxhiymeri E. and Gjermeni E., *Rolet dhe stereotipat gjinore trans*, 2003.

benefits. For instance, according to this view, women choose certain types of work that are compatible with their role as mothers. According to theories on *socio-structural models*, women's involvement in occupations traditionally dominated by men is limited. This theory underlines the numerous barriers to employment: the job application process, discrimination, work/family conflict, unsuitable advisers, and so on.

All three theories have something to offer in terms of accounting for the existence of the gender pay gap, although the last one has more explicative value. As Ragins and Sundstrom<sup>5</sup> (1989), point out "because of their gender, the path to power for women resembles an obstacle course, while gender for men is either unimportant, or considered as an asset."

Gender division in the labour market is one of the most important factors which contribute to inequalities for women in the labour market, and is manifested in two ways<sup>6</sup>: "*the horizontal gender segregation*, which is related to the fact that men and women tend to be employed in different occupations (for instance, female teacher versus construction worker); and *the vertical gender segregation*, namely that men and women tend to be employed in different positions within the same profession or group of professions (for instance, the majority the school head teachers may be men, while most of the teaching staff are women.)"<sup>7</sup>

There are varying degrees of gender-based discrimination in the formal labour market in various countries across the world. Gender-based discrimination<sup>8</sup> can be: *direct* – in the form of policies and practices that openly deny an individual opportunities of privileges on grounds of their sex; or *indirect* – practices and policies which appear to be gender neutral but which invariably lead to denial of opportunities or privileges to one gender or the other. Direct discrimination is evident in various areas of the labour market, including hiring practices, advancement in career, salary and benefits, sexual harassment, abuse. Indirect discrimination is often manifested in work settings and practices such as rota systems, patterns of working hours, demands to work full time, etc.

The gender pay gap can also be impacted by a combination of other factors, including differing levels of skills, qualifications, and responsibilities; years of work experience at the job, level of career advancement, number of hours worked, and years of education. But above and beyond all the above mentioned factors, the gender pay gap exists because of the existence of gender discrimination. There are two types of discrimination in remuneration: the first one is when a woman is paid differently from a man even though they both do the same job; the second type is when men and women are paid different wages for work of the same value, depending on the fact whether that type of job is dominated by one gender or the other. Both types of discrimination are in contravention to the principle of Convention 100 of the International Labour Organisation (ILO), pursuant to which people should receive "equal pay for work of the same value".

5 Ragins B. R. and Sundstrom E., *Gender and power in organizations: A longitudinal perspective*, Psychological Bulletin, Vol 105(1), 1989) 51-88.

6 For an excellent discussion of issues related to the measuring of gender segregation at work and on some innovatory means for the measurement of differences and inequality at work, see Melkas H. and Anker R., 1989.

7 UNDP, Gender mainstreaming in practice, a toolkit, 2006.

8 UNDP, Gender mainstreaming in practice, a toolkit, 2006.



*Pay is related to job classification systems. If the types of work are objectively the same, they must attract the same rate of pay.*

*Rule: job classification systems must fulfil the same criteria for men as well as women, thus preventing any gender discrimination.*

*In the case of Rummler<sup>9</sup> the ECJ looked into the conditions of remuneration in the printing industry. It had been agreed that the workers in the printing industry were tiered into seven wage groups, based on the skills and qualifications required to do the job. These tiers took into account factors like level of knowledge, concentration, demand for physical (muscular) effort and degree of responsibility. After examining the case the ECJ expressed its opinion that the use of an objective criterion for quantitative measuring, such as that of physical or muscular effort, was not in contravention of the non-discrimination principle. The fact that the criterion was related to a job performed mainly by men did not make the classification system immediately discriminatory.*

*However, in order for the system not to be discriminatory, it must also include criteria that recognise the skills for which women have a particular aptitude. In addition, in order for the criteria used in determining pay scale classifications not to be discriminatory, they must ensure that work which is objectively the same attracts the same rate of pay, regardless of whether it is performed by a man or a woman. The court underlined that by establishing a progressive pay scale based on the degree of muscle and muscular effort may have the effect of placing women workers, who cannot take jobs which are beyond their physical strength, at a disadvantage. That difference in treatment may, however, be objectively justified by the nature of the skills required to carry out the job, in order to ensure a level of pay appropriate to the effort required by the work and to fulfil the real needs of this undertaking.*

Because of their different ways of socialising, women and men seek to find different types of jobs, but socialisation cannot be the only factor with a direct influence on the occupation chosen. If socialisation were the only factor, then all the occupations would have the same gender distribution. Experience and the reality have shown that in different countries, the same profession can be dominated by different genders. For instance, in the USA, dentistry and orthodontics are dominated by men, whereas in Europe the majority of dentists are women<sup>10</sup>. Also, even within the same profession, such as dentistry, workers are paid differently because of the gender composition within the profession. The salary of dentists in the USA (where most of the dentists are men) is closer to the top of the wages pyramid, while in Europe, where the profession is dominated by women, the wages fall closer to the middle level<sup>11</sup>.

A study carried out by the International Labour Organisation (ILO), found that about half the people in employment in the world labour market work in positions that are marked by sex stereotypes, leading to occupational sex segregation: when one sex predominates to such an extent in a specific job category (representing at least 80 percent) that it can be considered “male” or “female”<sup>12</sup>. A 2008 comparative survey carried out in the United Kingdom, which analysed the way the lives of individuals changed over time, explained the gender pay gap through four main factors. According to this study, 36 percent of the gender pay gap could be explained by gender differences in lifetime working patterns, including the fact that women, on average, spend less of their careers than men in full-time jobs, more in part-time jobs and have more interruptions to their careers for childcare and other family responsibilities; 18 percent is caused

9 ECJ C-237/85 Gisela Rummler v. Dato-Druck GmbH [1986] ECR 2101

10 Kimmel, S. M., *The Gendered Society*, (Oxford University Press, 2004), 188.

11 Kimmel, S. M., *The Gendered Society*, (Oxford University Press, 2004), 188.

12 Wirth, L., *Breaking through the glass ceiling: Women in Management*, (ILO 2004)..

by labour market rigidities, including gender segregation and the fact that women are more likely work for small firms and less likely to work in unionised firms; 38 percent is caused by direct discrimination and women and men's different career preferences and motives (some of which are in turn the result of discrimination); 8 percent is the result of the fact that older women had poorer educational attainment.<sup>13</sup>.

As Kimmel points out, "the gender pay gap stems from the gender of the person who does the work." According to this author, one of the easiest ways to understand how gender affects remuneration is "to see what happens to a certain profession when the gender structure of the people working in it changes."<sup>14</sup> Further, Kimmel gives examples from various professions, such as, veterinary doctors, computer programmers, people employed in the services sector, etc., whose pay structures have changed because of the changes in the gender composition of the workers. According to this view, the gender pay gap is an effect, and not the ca of the gender composition of the labour force.

In 1920, feminist writer Charolotte Perkins Gilman<sup>15</sup> regarded it very strange "how quickly the attitudes towards a certain occupation change, when the said professions changed hands (to men or women)." She illustrated her thesis with two traditional occupations that used to be traditionally female, such as helping bring a child into this world and taking care of the bodies of recently deceased people. "When men found that bringing a child into this world and taking care of the recently deceased was a good source of income, these two professions became dominated by men."<sup>16</sup>."

It has to be emphasised that there is an undeniable link between gender inequality in education (not least in the way the genders are portrayed in textbooks) and gender inequalities in certain sectors of the labour market. Gender inequalities in education have a great effect on issues like employment, gender division at work and gender segregation of occupations, the social stratification of the society, the gender pay gap, gender behaviours and attitudes, participation in politics by gender, and the way of life of men and women. Children learn about the division of work along gender lines at school and this is reflected later in their lives, when they choose their occupation. The connection between the two may be the cause of a higher level of unemployment among women. For instance, girls are often encouraged to pursue their studies in the field of education, health, or social services, which are paid less and enjoy lower status. Because of this, female-headed households are most susceptible to poverty.

In the majority of the countries in the world, the gender pay gap becomes greater with age, namely age is one of the factors affecting the pay ratio between men and women. Contrary to common belief, a higher level of education seems to widen the gender pay gap, This may be due to workplace discrimination, occupational segregation in the labour market, or a higher proportion of women than men being employed in (often lower paid) part-time work or below their education level.<sup>17</sup>.

The barriers to equal opportunities for women in the labour market are numerous and they interact in very complex ways. Not only do girls and boys socialise in such a way that lead to distinct gender roles when they grow up, but societal attitudes and the characteristics assigned to these roles place women and girls at a disadvantage when they enter the labour market. In addition, structural barriers also place women at a disadvantage. Usually it is women who have to make a choice between their career of their families, which often leads them to work in part-time positions and settle for lower wages in order to have some

<sup>12</sup> *Closing the Gender Pay Gap: An Update Report for TUC Women's Conference, 2008.*

<sup>14</sup> Kimmel S. M., *The Gendered Society*, (Oxford University Press,2004).

<sup>15</sup> Gilman P.Ch., *His religion and Hers 91923*, edited with a new introduction by Michael Kimmel, (Walnut Creek: Altamira press, 2003).

<sup>16</sup> Gilman P.Ch., *His religion and Hers 91923*, edited with a new introduction by Michael Kimmel, (Walnut Creek: Altamira press, 2003).

<sup>17</sup> Gender (In) Equality in the Labour Market: an Overview of Global Trends and Developments, ITUC (International Trade Union Confederation), 2009.



more flexibility to cope with their various responsibilities. As already mentioned above, men have traditionally worked in highly-paid and high-status occupations, both in the modern society and in the past. As a rule, the higher the pay and status of an occupation is, the lower the percentage of women and girls in that occupation. In addition, female-dominated occupations are seen as an extension of “a woman’s natural functions”, such as taking care of the education of children, caring for others, doing work around the house, and so on.

Domestic violence is another factor that adversely affects the physical and psychological state of women and girls. This grave violation of human rights directly affects the access of abused women in the labour market and keeping the job. A 2010 Euro barometer survey<sup>18</sup> on gender equality revealed that Europeans consider the reduction of the pay gap as the most important priority to address the inequalities between men and women, in parallel to the fight against violence against women. Eighty two percent of Europeans think that urgent measures are needed to address the gender pay gap; 62 percent of the respondents thought that gender inequality is widely spread in their country; 66 percent thought that things have improved in the past decade compared to the previous one.

Thus, the main factors that directly affect the gender pay gap can be summarised as follows: direct gender discrimination; under-valuation of the work of women do; gender segregation of occupations in the labour market; patriarchal traditions and culture; as well as the lack of balance between private and professional life.

### 2.3 The impact of the gender pay gap

The factors analysed above which have a direct impact on the gender pay gap often are interlinked, thus multiplying their overall effect.

The gender pay gap is the best way to reveal and measure gender inequalities between men and women in the field of employment. It goes without saying that women’s lower wages not only affect the quality of their personal lives, but also the quality of life of their children and families in general. Gender inequalities in pay affect the earnings of women and men during their working life, but also their post-retirement earnings, which are a reflection of their wages and lead to older women to be poorer than older men.

The gender-based occupational segregation has an adverse effect on the labour market in general.<sup>19</sup> This because segregation along gender lines causes lack of flexibility in the labour market and makes employers follow hiring policies that often are based on gender stereotypes and prejudices, rather than the personal qualifications and qualities of the worker. On the individual level, gender segregations of work adversely affects both women’s and men’s opportunities to advance in their career, as their possibilities are reduced due to stereotypes that they themselves have inherited or the prejudices they face as they interact with potential employers.

In addition, the so called “glass ceiling”<sup>20</sup> which many women face because of the vertical gender segregation in the labour market, causes half of the labour force not to utilise their talents and potential contribute to the economy, thus leading to an incomplete, inefficient and unsustainable development. While the occupational gender segregation in the formal economy is widely recognised, the situation is

18 European Commission, *European Commission aims to significantly reduce the gender pay Gap*, 5 March 2010, [http://www.europa-eu-un.org/articles/en/article\\_9549\\_en.htm](http://www.europa-eu-un.org/articles/en/article_9549_en.htm)

19 UNDP *Gender mainstreaming in practice*, 2006, nga Melkas H. dhe Anker R., *Gender-based occupational segregation in the 1990s*, 1998

20 The glass ceiling is a term coined first in 1970 in the USA, to describe the invisible artificial barriers created by prejudiced behaviour on the part of organizations which prevent women from having high executive positions. If this “glass ceiling” occurs in the workplace or in politics, it is in essence a reflection of the social and economic gender inequalities.

less clear in the case of the informal economy. However, recent research into the phenomenon has proven the existence of gender segregation within the informal economy as well. Studies in the field have revealed two global facts with regard to gender division of the informal economy. *The first* is that, throughout the world the men tend to be overrepresented at the higher level of pay hierarchy, while women are overrepresented at the lower levels. Percentages vary in the middle area, depending on the sector of industry and country, but women tend to be overrepresented in unpaid work at home. *The second* is that there are great differences in salaries and earnings within the informal economy itself: on average, employers have the highest earnings, while homeworkers and domestic workers have the lowest; day-rate and waged workers' earnings fall somewhere in the middle, depending on the sector of industry and type of job done. The result is a gender gap within the informal economy, where women invariably earn less than men.<sup>21</sup>

Low employment rates of women in the traditionally male sectors, such as science and technology, have an adverse effect both on women and the society in general. Women lose out because they cannot get into well paid and highly prestigious jobs, but the society also loses out because it wastes an important part of its potential and talent pool.

## 2.4 The gender pay gap in some EU and regional countries

The gender pay gap is considered a problem that needs to be overcome in order to achieve overall gender equality in the labour market and equal opportunities for each and every individual. Differences in pay vary from country to country. Over the years, the gender pay gap has evolved by becoming smaller depending on the economic and social development level of each country.

According to the European Commission<sup>22</sup> women across the EU earn 17.5 percent less on average than men, while in the area of science, the difference reaches up to 25%. According to the same report, the gender pay gap within the countries of the European Union varies from 31 percent in Estonia to 5 percent in Italy. These figures reveal that, as a general rule, countries where the female employment rate is low, as in Malta, Greece or Italy, have a much smaller gender pay gap. While in countries with a higher level of gender segregation in the labour market, such as Cyprus, Finland, Slovakia, or countries where many women work part time, such as Austria, the Netherlands, the United Kingdom, and Germany, the gender pay gap is wider.

In the countries of the region, the gender pay gap stands at various levels. According to statistical data, between 2008 and 2009 men in Macedonia were paid on average 20 percent more than women.<sup>23</sup> In Croatia<sup>24</sup>, the average monthly wage gap between women and men (with the latter having the highest earnings) is 11%. In fact, the gender pay gap in Croatia is among the lowest, not only in the region, but also among the countries of the European Union. The 2009 Serbia Human Development Report states that women's earnings in Serbia stand on average at 59 percent of men's earnings.

21 Chant S. dhe Pedwell C., *Women, gender and the informal economy: An assessment of ILO research and suggested ways forward*, International Labour Office, ILO, Geneva, 2008

22 European Commission, European Commission Staff Working Paper, *Report on the progress on equality between women and men*, 2010: <http://register.consilium.europa.eu/pdf/en/11/st06/st06571.en11.pdf>

23 Statistical book, *Women and Men in the Republic of Macedonia*, 2009, 2010.

24 Central Bureau of Statistics, Republic of Croatia, 2009



## CHAPTER 3

# Gender Equality Principles in the Albanian and International Legislation

### 3.1 Constitutional Provisions

The Constitution of the Republic of Albania does not contain any specific provisions addressing pay and remuneration. However, the correlation between the right to work, as a constitutional right, and the right to be paid and rewarded for the work done, is clear to everyone.

Article 49 of Title Four, Part Two of the Constitution, under the title Economic, Social, and Cultural Rights and Freedoms, provides that:

1. Everyone has the right to earn the means of living by lawful work that he has chosen or accepted himself. He<sup>25</sup> is free to choose his profession, place of work, as well as his own system of professional qualification.
2. Employees have the right to social protection of work.

Article 59.a of the Constitution and guarantees the right to work in decent conditions for all persons able to work, thus addressing the social objectives of the government and their fulfilment through the constitutional powers and instruments at its disposal, in complementarity to private initiatives and responsibilities.

Article 52 of the Constitution indirectly addresses pay issues by stipulating that:

1. Everyone has the right to social security in old age or when he is unable to work, according to a system set by law.
2. Everyone, who remains without work for reasons independent of their volition, and has no other means of support, has the right to assistance under the conditions provided by law”.

By default the Constitution is a highly synthetic legal and political document. It says quite a lot in a few words and tries to leave more room for other normative acts, or laws deal specifically with the regulation of individual areas.

The Constitution has, however, defined the hierarchy of laws and regulations in Article 116. We will observe the hierarchy in our legal analysis of pay and its components. This analysis already started above with the Constitutional provisions. One such provision worthy of mention is the equality, or anti-discrimination provision, contained in Article 18: “All are equal before the law. No one may be unjustly discriminated against for reasons such as gender, race, religion, ethnicity, language, political, religious or philosophical beliefs, economic condition, education, social status, or ancestry.”

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<sup>25</sup> The pronoun ‘he’ here is used in the generic sense and does not indicate gender.

## 3.2 International Conventions addressing pay issues

Ratified international conventions are legally binding and are an integral part of the domestic legislation.

### 3.2.1 UNO Conventions and pay standards from the gender perspective

Today international conventions have already gone beyond the provision of Article 23 of the **Universal Declaration of Human Rights** on “the right to the same pay for the same work.”

**The Convention on the Elimination of All Forms of Discrimination Against Women, CEDAW** focuses on women’s rights with a view to eliminating discrimination against them in all fields. Albania has ratified the Convention.<sup>26</sup> We would like to underline here Article 11 of the Convention, which must be read in its entirety, just like the entire convention should be read and understood in its entirety. This is important, because a reading of articles and paragraphs in isolation, might lead to erroneous understanding and leave room for gender differences in pay. Article 11.1.d stipulates the right to equal remuneration, including benefits, and *to equal treatment in respect of work of equal value*, as well as equality of treatment in the evaluation of the quality of work. This means that if the following are not the same - employment opportunities, employment and promotion criteria, safety at work, other opportunities, benefits and working conditions, professional development and requalification, including work internships, advanced professional development and periodical training, etc. - then the effect on remuneration will be evident.

The convention also deals with health protection and safety in working conditions, which are important in safeguarding women’s reproductive functions, as well as the right to social security benefits, particularly in cases of retirement, unemployment, illness, disability and old age, or any other incapacity to work, as well as the right to paid leave. Paragraph 2 of Article 11 provides the **appropriate measures** that the State Parties must take to prevent the discrimination against women on the grounds of **marriage or maternity**. This is important to eliminate practices and improve legislation, which in some limited cases, indirectly affects the effective right of women to work on grounds of their status as married women or pregnancy.<sup>27</sup>

CEDAW underlines the importance of periodical reviews of the body of legislation protecting the right of women in the areas of work and employment. This review is related to the dynamic developments in the fields of science and technology which would require some measures to be reviewed, abrogated or extended, where necessary. The practice in our country has been to periodically review and amend the legislation, with the aim of harmonising our laws with international standards and new social and economic developments.

**C 100 Equal Remuneration Convention**, [ILO], 1951,<sup>28</sup> and its Recommendation No.90. This Convention applies to all male and female workers across public and private sectors. *The Convention also applies to*

26 Law no. 7767 of 9.11.1993, on the ratification by the Republic of Albania of the Convention on the Elimination of All Forms of Discrimination Against Women, CEDAW.

27 The CEDAW Committee, Concluding Observations of the Committee on the Elimination of Discrimination Against Women –Albania, 2010. Paragraph 12 speaks about the lack of clarity regarding the direct applicability of the Convention in the domestic law of Albania. Another example is the failure to update the list of prohibited jobs to pregnant women, in line with developments in science and technology. Because of this, some of the jobs that have been taken off the list of dangerous or harmful jobs de facto, are still considered as such in the eyes of the law. These jobs can include positions in some industries, such as the construction industry, where technology and mechanisation have eliminated dangerousness, but these types of jobs still remained on the lists of prohibited jobs for pregnant women. For our purposes, the term ‘law’ includes ‘byelaws’ as well.

Such measures include: a) provision of sanctions against the dismissal of women on grounds of pregnancy or maternity leave, and against discrimination in cases of dismissal on grounds of marital status; b) provision of comparable remuneration or social benefits during maternity leave. The maternity leave must not lead to the loss of the previous job, right to qualifying years and social benefits, including the right to qualifying years for retirement purposes; c) encourage a system of supporting social services that allow parents to combine their family responsibilities with duties and work, and to participate in public life, especially by promoting the development of an infrastructural childcare network; d) ensure special protection for pregnant women working in positions that are proven to be dangerous.

28 Ratified by the People’s Assembly of Albania on 03.06.1957.



*all elements of remuneration and includes a comparison between various types of work.* The convention provides an all-round definition of pay and remuneration, which is “the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker’s employment”. Only the recognition and application of equality in all these components of remuneration can guarantee the principle of equal pay. This definition is wide-ranging in order to ensure that equality is not limited to the normal wage or any other restrictive factor. Given that Albania has ratified the convention, it has the obligation to play an active role in the implementation of its standards related to equal pay in all sectors. The convention also lays down obligations for employers and employees employers’ associations vis-à-vis its implementation. This would require the existence of appropriate laws and bye laws; clear criteria in establishing minimum pay; consultations with stakeholders and employers’ organisations; as well as collective agreements in conformity with the convention. The Convention underlines the importance of measures to promote objective appraisal of jobs on the basis of the work to be performed. The objective appraisal of the job enables a systematic classification of jobs in line with its components and the required competencies, regardless of the gender or personal characteristics of the worker.

**What is the definition of remuneration or additional benefits?** *Additional benefit:* The term “additional benefits” or extra payments, includes a wide range of additional payments based on marital status or length of service; or additional advantages such as money for expenses, maternity leave, housing benefits, family leave, or other perks such as provision of working clothes and laundering service by the employer, etc. What are the *indirect components of remuneration?* The term ‘indirect’ includes several indirect elements of compensation which are not directly payable by the employer, but which stem from labour relations. These may include paid leave money that comes from a joint fund, managed by the employer or the workers.

#### *Compensation-related discrimination on grounds of nationality*

*The case of Weller v. Hungary<sup>29</sup> involves a father and his twin sons who were Hungarian nationals living in Budapest. The applicants complained that they were denied maternity benefits, granted at birth, on the ground that the twins’ mother was not entitled to the benefit because she was not a Hungarian national. ECHR ruled unanimously that the decision to refuse to the biological father, a Hungarian national, and the members of his family, maternity benefits which aimed to support the newborn children, was unfounded.*

What does *work of equal value mean*: According to Article 1(b) of the Convention, the phrase refers to rates of remuneration established without discrimination based on sex. By basing the comparison on the level of the “value of work”, Convention no. 100 and Recommendation no. 90 go beyond a reference to ‘same work’ or ‘similar work’, and include various types of work to which the same value can be attributed. ‘Value’ refers to the value of work vis-à-vis equal pay, regardless of the fact that it is not defined in detail by the Convention.

<sup>29</sup> ECJ, C-360/90 (Bötel)

*Equal pay for work of equal value.*

*It is always important in the equal pay cases to establish whether the work performed by a female worker is equal to the work performed by a male worker. This was the thrust of the case of Barber<sup>30</sup>. ECJ ruled that the principle of equal pay must be observed in respect of each of the elements of remuneration granted to men and women. This implies that often the comparison should be made between the work performed and the pay taken by male and female workers.*

*Another important case was that of McCarthy Ltd. v. Smith<sup>31</sup> in 1979 in the UK. McCarthy's had employed Mr McCullough as their stockroom manager. Some time after he left, Mrs Smith was employed in the same position, with similar duties, at lower pay. Mrs Smith successfully claimed that she should be paid at the same rate as her predecessor.*

Permissible differences in compensation must stem from objective differences in the work performed and not gender. Such are: *qualifying years of service; Level of Education; Competencies; Experience; Efficiency*<sup>32</sup>.

### 3.2.2 Instruments of the Council of Europe and the safeguarding of gender equality principles in pay

The principle of gender equality is one of the fundamental principles of the European Convention on Human Rights (ECHR). Article 14 of the ECHR is the key provision against discrimination. It stipulates that “The enjoyment of the rights and freedoms set forth in this Convention shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.”

The prohibition of discrimination contained in Article 14 was complemented by Article 1 of the 12th Protocol of the ECHR. Protocol 12 expands the remit of Article 14 by envisaging *a completely independent application of the principle of non-discrimination for any right provided in the law* “. Article 1 of Protocol No. 12 contains a non-discrimination clause, thus offering a range of protection that goes beyond “the enjoyment of rights and freedoms set forth in the Convention.”

### 3.2.3 Gender and remuneration pursuant to EU standards. Albania's obligations

The Copenhagen Criteria<sup>33</sup> demand from countries aspiring to become EU members to have institutions that, among other things, guarantee democracy, the rule of law, and respect and protection of the right of minorities. As EU law and the case law from the European Court of Justice establish standards and protection in the field of social policies, economic assistance, education and gender, these are consequently important obligations

<sup>30</sup> ECJ C-262/88 (Barber v. Guardian Royal Exchange Assurance)

<sup>31</sup> ECJ C-129/79, (Macarthys Ltd v. Wendy Smith), [1980] ECR 1275

<sup>32</sup> Other important ILO Conventions are: Convention 111, on Discrimination (Employment and Occupation) 1958, ratified by law 8085 of 13.3.1996 and Recommendation no. 111; C 103, Maternity Protection Convention (Revised), 1952 and Recommendation no. 95; C 183, Maternity Protection Convention, 2000 [Law no. 8829 of 5.11.2001] and Recommendation no. 191; C 156 Workers with Family Responsibilities Convention, 1981 [Law no. 9773 of 12.7.2007] and Recommendation no. 165. Given that equality is closely related with the promotion of work and employment, it is important to mention here the conventions ratified recently by the People's Assembly of Albania on employment policies: C 122 The Employment Policy Convention of 1964 and Recommendation nos. 122 and 169; C 168 Employment Promotion and Protection against Unemployment, of 1988, [Law no. 9547 of 1.6.2006]. With regard to working conditions, mention must be made of the following conventions: C 171 The Night Work Convention, 1990 [law no. 9197 of 26.2.2004] and the respective recommendation no. 178; C 177 Home Work Convention, 1996 and Recommendation no. 184; C 175 Part Time Work Convention, 1994 and Recommendation no.182; C 155 Occupational Safety and Health Convention of 1981 and the respective 2002 Protocol and Recommendation 164..

<sup>33</sup> The Copenhagen Criteria are the rules that determine whether a country is eligible to join the European Union. These membership criteria were laid down at the June 1993 European Council in Copenhagen, Denmark, from which they take their name.

to be fulfilled by the countries that are trying to meet the standards for EU membership, Albania included.

***Article 99 of the SAA: Social Cooperation***

The Parties shall cooperate to facilitate the reform of Albanian employment policy, in the context of strengthened economic reform and integration. Cooperation shall also seek to support the adaptation of the Albanian social security system to the new economic and social requirements, and shall *involve the adjustment of the Albanian legislation concerning working conditions and equal opportunities for women, as well as the improvement of the level of protection of the health and safety of workers, taking as a reference the level of protection existing in the Community.*

The cooperation involves the priority areas related to the *Acquis Communautaire*.

***Article 77 of the SAA: Working Conditions and Equal Opportunities***

Albania shall progressively harmonise its legislation to that of the Community in the fields of working conditions, notably on health and safety at work, and equal opportunities.

The Treaty of the European Economic Community (EEC) of 1957, includes a single provision (Article 119 of the EEC Treaty, presently Article 141 of the EC Treaty) as a safeguard against gender discrimination, namely the principle of equal pay for male and female workers for equal work or work of equal value. As regards the hierarchical relation between basic legislation and secondary legislation, the laws of EU member states must not be in contravention of this provision. The European Court of Justice (ECJ), the only body with the authority to interpret EU legislation, has underlined that the purpose of Article 119 of the EEC was social as much as it was economic.<sup>34</sup> Later on, the ECJ decided that its economic purpose was secondary to the social one. It also declared that the principle of equal pay is the expression of a fundamental human right. With the entry into force of the Treaty of Amsterdam<sup>35</sup> in 1999, the promotion of equality between men and women across the European Community has become one of the fundamental duties of the Community (Article 2 of the EC).

In ECJ pay-related case law, remuneration includes not only base pay, but also things like, extra payment for out-of-hours work, special rewards paid by the employer<sup>36</sup>, facilitation of travel, compensation for participation in training courses and facilitating training opportunities, redundancy payment and occupational pensions.

*By the term ‘pay’ we mean all types of remuneration.*

*In the case of Bötél<sup>37</sup>, the ECJ ruled that the compensation the German workers received for lost income while attending training courses was “pay”.*

<sup>34</sup> ECJ Case-43/75 (Defrenne II); ECJ, Case-450/96 (Schröder).

<sup>35</sup> In Amsterdam, on 16-17 June 1997, the heads of states and governments of the fifteen member states of the European Union reached a political agreement on a new Treaty for Europe, the Amsterdam Treaty.

<sup>36</sup> ECJ, C-300/06 (Voß); ECJ, C-333/97 (Lewen); ECJ, C-12/81(Garland); ECJ, C-12/81(Garland). ECJ, C-360/90 (Bötél); ECJ, C-33/89 (Koëalska); ECJ, 170/84 (Bilka) and ECJ, C-262/88 (Barber).

<sup>37</sup> GJED, 4 June 1992, Case C-360/90 (Bötél).

Among the EU directives relevant to this topic are: Directive 75/117/EC on equal pay for male and female workers, as one of the fundamental directives<sup>38</sup> which was later replaced by the Amended Directive or Recast Directive 2006/54/EC.

The aim of the Recast Directive was to clarify and bring all employment provisions together in the same text, including areas like promotion, professional training, and working conditions, as well as remuneration and occupational social security schemes. It abrogates Directives 75/117/EC, 76/207/EC, 86/378/EC and 97/80/EC. Nearly all the Articles of the Reworded Directive correspond to the articles in one or more of the above directives.

The Recast Directive 2006/54/EC of 5 July 2006, on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast), is composed of four Titles.

- *Chapter I* consists of general provisions and provides a description of the goals of the Directive as well as definitions of a number of definitions that apply, including definitions of the direct and indirect discrimination, harassment, and sexual harassment.<sup>39</sup>
- *Chapter II* consists of provisions addressing equal pay and equal treatment in relation to access to employment, professional training and promotion, and working conditions.
- *Chapter III* brings together provisions on sanctions, burden of proof, victimisation, promotion of equal treatment through equality bodies, social dialogue and dialogue with NGOs. In addition, this title contains general horizontal provisions on the prevention of discrimination, gender mainstreaming, and dissemination of information.
- *Chapter IV* consists of the final provisions (the repeal of the other Directives and the entry to power of the present one) and defines reporting obligations as well as deadlines for implementation by the Member States.
- Other relevant Directives are: the Pregnant Workers Directive 92/85/EEC; Parental Leave Directive 96/34/EC; Directive 97/80/EC on the Burden of Proof in Cases of discrimination based on sex, which stipulates that it is the defendant who has to prove that there has not been a violation of the equality principle.

### 3.3 Domestic legislation provisions addressing the elimination of the gap in pay and benefits

**Labour Code Provisions** [Law no.7961 of 12.7.1996, as amended].

Pursuant to Article 115 of the Labour Code of the Republic of Albania, the employer shall pay the same wages to women and men who do work of equal value. The legislator stipulates that differences in pay shall not be considered discriminatory if they are based on objective criteria regardless of sex. These are the quality and quantity of work, professional qualifications and length of service. If the employee presents serious claims that indicate the presence of discrimination, the burden to prove the contrary lies with the

<sup>38</sup> Directive 76/207 of EEC on equal treatment of men and women in employment; Directive 86/378/EEC on the equal treatment of men and women in occupational social security schemes; Directive 79/7/EEC on the principle of equal treatment of men and women in statutory security schemes. They were all repealed by Directive 2006/54/EC (recast).

<sup>39</sup> The Law on Gender Equality in Society (LGE) uses the same terminology to describe harassment and sexual harassment as the abovementioned Recast Directive. Pursuant to Article 4, para 9: "Gender-based harassment is any form of unwelcome behaviour 'Gender-based discrimination' is any form of unwelcome conduct related to the person's gender aiming and/or resulting in the violation of personal dignity or the creation of a threatening, humiliating, disparaging or offensive environment. Pursuant to Article 4, para 10, 'sexual harassment' is any form of unwelcome behaviour, by means of words and actions, physical or symbolic, of sexual nature, aiming and of or resulting in the violation of personal dignity or the creation of a threatening, humiliating, disparaging or offensive environment.

employer. The provision is worded as a prohibition, mandatory clause, which guarantees equality in remuneration, i.e. non-discrimination in pay.

In practice, this kind of discrimination often manifests itself in its indirect form, namely when the employer seeks to justify the wage differential by citing the ability of either sex to do a certain job. Interpretations of this law in court cases involving the application of this provision have emphasised the fact that it is not important for the work to be exactly the same, but that it must have indicators that make it the same work. The term “work of equal value” cannot be construed to mean only the same work, or equal work, but also work in the same conditions. The aim is for jobs to be appraised under the same criteria, in order to avoid that women are paid less only due to the fact that the said job is done by women. This means that it is possible for two different types of jobs to be appraised on the basis of objective criteria such as skills, effort, responsibility, and working conditions. The notion of equal value includes the comparison of jobs that could be the same or different, but which have equal value. The focus of the comparison is on the value of work (and not of the person who does the work). Equal value means comparison of different types of work that may have the same value: homemaker (female, low pay) and gardener (male, high pay); library worker (female) and mechanic (male). The classification of salaries on the basis of the content of the job done requires the conduct of analysis, description and categorisation. Job categorisation must be based on criteria that are related to the responsibility, skills, effort, and working conditions. Given that men and women tend to do different jobs, it is important to establish appropriate techniques and procedures to appraise the relative value of a given type of work. In the appraisal of work there are invisible elements that might pass unnoticed, thus creating a favourable or unfavourable gap – mainly unfavourable to women.

Pursuant to Article 115 of the Labour Code, discrimination shall become null and void when the employer accords the employee discriminated against a reward consisting of all the advantages enjoyed by the employer of the opposite sex<sup>40</sup>.

*Another important case was that of McCarthy Ltd. v. Smith in 1979 in the UK.*

*McCarthy's had employed Mr McCullough as their stockroom manager. Some time after he left, Mrs Smith was employed in the same position, with similar duties, at lower pay. Mrs Smith<sup>41</sup> successfully claimed that she should be paid at the same rate as her predecessor.*

<sup>40</sup> The Code provides important definitions in its Article 132, in relation to employees who care for children, regardless of their gender. Thus, in case of necessary care for children, the employee is entitled to no more than 12 days leave of absence a year. Employees with children under three years of age are entitled to paid leave of absence for up to 15 days when the child is sick, as certified by a doctor's report. In the above cases the employee is entitled to unpaid leave of absence of no more than 30 days a year. The provision also envisages the person receiving the leave of absence in those cases, emphasising that the leave is accorded to the spouse who effectively takes care of the child; otherwise, it is accorded to the mother and the father alternately. In the above cases, the employer is entitled to check the childcare report by assigning another doctor.

<sup>41</sup> ECJ C-129/79, (Macarthy's Ltd v. Wendy Smith), [1980] ECR 1275

### *Work of equal value and the importance of objective comparisons*

*In 1999, ECJ had to rule in relation to the work of psychiatric doctors and psychotherapeutical psychologists<sup>42</sup>: Austrian psychology graduates employed as counsellors claimed that the collective agreements establishing the minimum wage for them and doctors engaging in psychotherapy were indirectly discriminatory, because they allowed doctors, most of whom were men, to receive higher pay for comparable work. ECJ ruled that in order to determine that the work performed by different people is “the same work”, it is necessary to determine whether these people are in comparable situations. Factors like the nature of the work and training are important in this respect. The tasks might seem identical, but if they are performed by different groups of persons who do not have the same training or professional qualifications for discharging their duties, then other factors must be taken into account, such as the nature of the tasks assigned to each group respectively, the training requirements for the performance of those tasks, and the working conditions under which they are performed. In this case the psychologists and the doctors rely on different knowledge and skills acquired under different circumstances. In addition, the doctors are also qualified to perform other tasks which are not open to the psychologists. As a result, in this case, the two groups of people could not be regarded as being in a comparable situation.*

**The Law on Gender Equality in Society** [No.9970 of 28.7.2008], also contains provisions related to pay and its components, aiming at gender equality in this field. Article 4.8 of the Law provides a very important definition, which stands at the core of understanding the value of a job, of whatever type, and which establishes the necessary link between it and remuneration for it. If we are able to measure the value of every type of job on the basis of certain indicators, it would be possible to get closer to the principles of equal pay. Today the difficulty is not equal pay for the same job, known also as ‘same work’. The risk of discrimination and inequality lies elsewhere. Article 4.8 provides the meaning of “Work of equal value” which is paid activity which, when compared with the same indicators or units of measure of another activity, manifests the existence of similar or equal knowledge and professional skills in carrying out equal or similar amount of physical and intellectual activity.

Pursuant to Article 16.7, one of the obligations of the employer in labour relations is “to provide equal pay for work of equal value”. Article 21.ç underlines the right of the employee to an observation of gender equality principles, and states that: “employees shall receive equal pay for work of equal value, including rewards; equal treatment for work of equal value, and equal treatment in the appraisal of the quality of their work.”

But there is a risk that the gender pay gap will be disguised under other actions of the employers, including:

- a.** Application of different gender-based standards and/or procedures in relation to the employees’ recruitment, training, retraining, promotion, professional development, management and distribution of work, length and terms of the probation period, social security and benefits in retirement, unemployment, sickness, disability, entitlement to leave and paid leave, health protection and safety at work, participation in trade unions<sup>43</sup>;
- b.** Creating different working conditions for employers of the same level;
- c.** Undertaking

<sup>42</sup> ECJ, C-309/97 (Wiener Gebietskrankenkasse);

<sup>43</sup> In addition to the instances envisaged in Article 9 of the Law on Gender Equality in Society, which under the title “Special Measures” provides: “Special measures taken by the state, including legal provisions, shall not be regarded as discrimination on grounds of gender when they aim to: a) afford special protection to women during pregnancy and birth, young mothers and young parents after the birth of their child or adoption, creating conditions for their protection and support at work; social security and social assistance; ensure the necessary health care protection for mother and child; ensure and promote a social services system, by supporting the development of a network of nurseries and kindergartens; b) facilitate assistance for people who have special responsibilities at home, because of daily care they provide to members

disciplinary sanctions against the employee, changing the working conditions, transferring them to a different job, making positions redundant, dismissing them or terminating the work contract; **ç**. Placing the employee in an unfavourable position because of a complaint against the above mentioned actions of the employer.

In addition, the gender pay gap may be a result of the employers' policies in hiring and firing workers: for instance, discriminating against the workers on grounds of maternity, potential future pregnancy, parental responsibility, marital status, or family responsibilities. Of course, this does not include those types of jobs classified as strenuous or dangerous to nursing mothers or pregnant women. Discrimination may also occur when companies reorganise, refocus, or downsize, when the employer fails to observe rules of equal gender representation in the termination of labour relations<sup>44</sup>.

Another very important and useful article in this law is Article 23 which addresses the meaning and valuation of unpaid work. According to this article "1. Unpaid work by women and men shall be considered as a contribution made to the family and the society in the cases when they: a. Take care of the wellbeing of the family; b. Take care of the children; c. Take care of other members of the family; ç. Work in agriculture or in the household economy." In these cases these individuals benefit from services in the community, labour and employment policies, as well as professional development pursuant to the legislation in power. At the same time it has to be recognised that there is a gap between what the law says and its practical implementation.

**The Law on Protection from Discrimination** [No.10 221 of 4.2.2010] is a piece of legislation that has been fully harmonised with Directive 2000/78/EC of 27 November 2000 "Establishing a general framework for equal treatment in employment and occupation" and the EP and Council Directive 2006/54/EC of 5 July 2006 "On the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation."

Chapter II of this law [Articles 12 to 16] contains provisions which address protection from discrimination (including gender discrimination) in employment. These include processes that have a direct or indirect bearing on the gender pay gap, including: announcement of new vacancies; recruitment and selection of employees; treatment of employees at the workplace, including their treatment in the assignment or change of working conditions, *remuneration*, *benefits* and the work environment; treatment related to professional training, or dismissal, or termination of work contract, etc. Article 13 envisages the obligations of the employer, which range from declarative and awareness-raising obligations, to more concrete ones, such as the duty to respond within a month (maximum) to protect the employers from discrimination. Pursuant to Article 15.4, if the employer does not take measures to investigate and resolve a discrimination-related complaint, the employee making the complaint is entitled to interrupt work without losing the entitlement to pay, for as long as necessary to protect themselves from discrimination. The employee must return any money received pursuant to this article if the court's final judgement finds the discrimination claim was unsubstantiated.

### 3.4 Byelaws

Here we will focus only on one of them, which has seen several changes over the years. The Decisions of the Council of Ministers on National Minimum Wage [the latest is Decision No. 566 of 01.7.2011] are issued pursuant to and for the implementation of **article 111 of "The Labour Code of the Republic of Albania."**

of their family who are disabled because of age, mental or physical disability, or other causes of disability. c) preventing pregnant or nursing women from doing hard or dangerous jobs. These restrictions will be revised periodically, in line with updated scientific and technical knowledge and need.

44 See Article 17 of the Law on Gender Equality in Society [2008]

### 3.4.1 Albanian Courts

The court remains a very important institution for the protection of rights in labour relations. A part of the cases that end up in court are related to pay and remuneration. The justice system is composed of three tiers: the district courts, i.e. first instance courts, the Appeals Courts and the High.

A review of a limited number of judgments pronounced in the Tirana District Court from 2002-2011, shows that claims related to labour relations are all entered in bloc under the heading 'labour relations' and it is difficult to understand, without reading the text of the judgment, whether the case specifically concerns pay and remuneration. Another thing that is noticed is the lack of direct reference to laws and provisions related to gender equality and discrimination.

The following table and chart seek to present a picture of the number of labour relations cases tried at the Tirana District Court. The number of claims has increased from year to year. This means that the number of violations of rights in this field has increased but also that there is more awareness of these issued on the part of employers and employees.

**Table 2. Number of labour relations cases tried at the Tirana District Court**

Year	Total claims	Claims suspended	Claims dismissed	Claims allowed
2002	100	17	7	55
2003	196	25	36	104
2004	194	32	23	95
2005	219	50	35	77
2006	450	71	77	150
2007	433	56	46	173
2008	372	92	34	144
2009	408	80	44	102
2010	485	75	39	178
2011*	483	60	40	166

\* The data for 2011 reflect the number of cases between 01.01.2011 and 15.11.2011.

## CHAPTER 4

# The gender pay gap in Albanian Urban Areas – A Case Study

Information on the gender pay gap is important because it directly reveals what impact gender has on income from employment. This section describing the gender pay gap in Albania is based on an analysis of one thousand questionnaires administered to people in employment between September and October 2011 in the entire urban area of the country.

### 4.1 Main Findings

1. Women earn less from employment than men. The earnings differential for 2011 was 5,725 Albanian Leks (ALL), i.e. women earned 17.4 percent less. The gender pay gap in our country is mainly related to the level of participation in the labour force and the level of education.
2. The gender pay gap widens with age. In the age groups closer to the legal retirement age, men earn up to 40 percent more than women.
3. The higher the level of education, the lower the gender pay gap; men with primary and secondary education are much better paid than women with the same level of education as them, while the gender pay gap among men and women with university or post-graduate education closes dramatically (26 percent in the first group; 7 percent in the latter).
4. 14.6 percent of women and men employed in urban areas are paid less than the official minimum wage. Only 15 percent of women and 11 percent of men earn the national minimum wage in Albania, which stands at 20,000 ALL.
5. A high percentage of people do not have a work contract (46%), but the number of employees that work under a contract is noticeably higher among women than among men. This leads to the conclusion that the number of women who pay their social security contributions is 7 percent higher than the number of men.
6. The smallest gender pay gap is found among the highly qualified professions. This because education enables women to earn salaries comparable to those of men, although there still is a gender gap of about 4%.
7. Nearly 73 percent of men and women say that their earnings are not sufficient to meet the daily expenses and basic needs for food, clothing, and housing.
8. Sixty three percent of the men and women think that the present pay system is not sufficiently motivating.
9. In Albania, trade unions do not have any powers with regard to reducing the gender pay gap.
10. In spite of the fact that the improvements in the living conditions of families has allowed women to participate in the labour market in greater numbers, and even though they are excluded from hard, physically demanding occupations, women still have greater responsibilities in the family and put in an average of 1.7 hours more than men daily.

### 4.2 Hourly earnings and the gender pay gap

The most common way to establish the gender pay gap is by calculating the differences in gross hourly earnings by gender. A calculation of the hourly rate of pay in this survey revealed that the average hourly rates are 210 ALL per hour for men, and 176 ALL per hour for women. If we look at the distribution of figures across various towns, grouped in three categories, it becomes clear that the gender pay gap is in direct proportion with the size of towns, i.e. the smaller the town, the smaller the gap. Thus, in Tirana the gap is about 9 percent higher than in the smaller towns.

It has to be noted that for the purposes of our study we calculated the hourly rate of pay in Albania based on the definition used by other countries. The hourly rate is not used much in the labour market and pay systems in Albania. In these circumstances, a better way to establish a more accurate value of the gender pay gap in Albania is the monthly salary. For this reason, when we speak of the gender pay gap, we generally mean the differences in the monthly rates of pay.

**Table 3. Hourly rate of wage in ALL by region**

	TOTAL	Male	Female	Gap
Tirana urban area	208.92	237.06	183.11	22.8%
Other main towns	186.07	200.54	170.60	14.9%
Other towns	194.10	202.74	177.40	12.5%

### 4.3 The gender pay gap in Albania: An overview

According to the Constitution of the Republic of Albania, women and men enjoy equal rights in the political, social, economic and cultural areas. But in many respects, there are often discrepancies between the legal rights guaranteed in the constitution and their implementation in practice on the ground. During the twenty years of transition, the status of women in Albania has been affected by the level of the economic and social development of the Albanian society. All the social problems faced by the Albanian society during this transition have had a profound on women and girls. What we commonly see is that women and girls have experienced and continue to experience poverty, unemployment, gender and age discrimination, low representation at all levels of decision-making, lower access to health and social services, domestic violence etc., which show that we are still far from being a society where the rights of women are implemented and respected as part of human rights.

The historical, cultural and political context in Albania has also had a role to play and must be taken into account in the analysis of the topic under examination here. As Donert (1999) underlines “the organisation of gender roles in Albania must be not be seen as a barometer of its backwardness, but as a way to understand how notions such as the nation, history, and tradition were build and became part of the Albanian culture”.<sup>45</sup>

In the previous centralised economic system, almost all women worked and this helped reduce the social conflict and stress associated with lack of employment. This, however, led to a high level of indifference towards labour- and employment-related legal rights and obligations. As a consequence, the Albanian society was grossly unprepared for the reforms of the early stages of transition, such as the mass closing down of the state-owned companies operating at a loss, the effects of which are felt to this day. During the 1990s the number of unemployed people increased dramatically. Although things started to improve later, poverty and unemployment still continue to be a threat to many families and have a negative effect on the social status of women in Albania.

The gender pay gap in the labour market in Albania is evident both on the horizontal and vertical levels. **On the horizontal level**, the gap is seen in the fact that women in Albania are mainly employed in such areas of the economy as education, health, social services, which, although very important, are less paid. **On the vertical level**, the gender pay is expressed in the fact that, even in the public sector, women make up the largest number of experts and office employees, while men occupy the largest number of leading posts, thus ensuring higher level of earnings, but also more power, more benefits and a higher status. In a poor country with a fledgling democracy like Albania, the culture of gender discrimination is not

<sup>45</sup> Donert C. *Trees of Blood and Trees of Milk: Customary Law, 1999* dhe *The Construction of Gender in Albania*, MA thesis, Albanian Studies, School for Slavonic and East European Studies, London University.



simply a matter of violating the rights of women. The gender pay gap is a serious obstacle to the efforts for reducing poverty, improving the country's economy and its further democratisation.

#### 4.4 Participation in the labour market

For a country with Albania's level of development, it is not always easy to say that women's participation in the labour market has increased. While world-wide we see a tendency of increased participation of women, the Albanian labour market does not fully reflect the world trends. Official statistics show that in 2010 women's participation in the labour force was 41.1 percent

**Table 4. Work force by gender (in thousands, by year)**

	2005	2006	2007	2008	2009	2010
<b>Work force</b>	1.085	1.084	1.082	1.114	1.041	1.059
- Male	655	655	653	680	619	623
- Female	430	429	429	434	422	436

Source: INSTAT, Work Indicator Tables

During the past five years, participation of women in the labour force in Albania shows considerable variation (see table 1). A comparison with statistics from the year 2000, when the labour force was 1,283 thousand strong, the decrease is by about 19 percent.

Claudia Goldin, professor of Economics at Harvard described the participation of women in the labour market as "the silent revolution."<sup>46</sup> In Albania this revolution dates back to the early 1950s, although there were, of course, still some women who preferred to stay at home. Over the years, the number of these women decreased considerably. Women pursued their education so that they would be more prepared for the labour market. With the increase in the number of women attending school, a continuing trend was established that young girls saw education as the best way to affirm themselves in the labour market.

Official statistics offer the following information with regard to enrolment of students by year:

**Table 5. Enrolled by year**

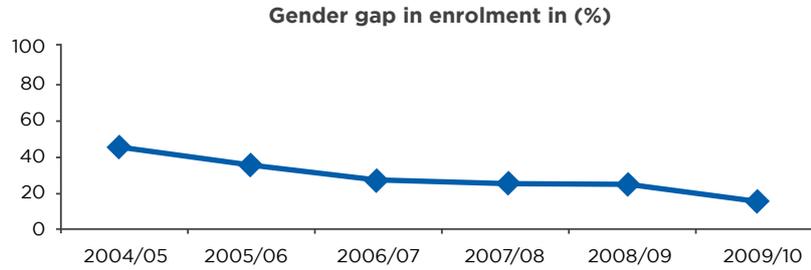
(Academic Year)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
<b>Total students</b>	<b>63257</b>	74157	86178	90202	93206	116292
- Male	<b>25129</b>	30832	37312	39283	40596	52162
- Female	<b>38128</b>	43325	48866	50919	52610	64130

Source: INSTAT, Tables on education indicators

In the period 2005-2010, the number of young women attending higher education was higher than the number of men. During the same period, a decrease in the gender gap in enrolment was identified - an indication that there was more demand for highly qualified people in the market - which served as a motivating factor for the male population as well. The field of education seems to be the 'battleground' where women can clearly outperform men.

<sup>46</sup> The economist, *Closing the gap*, 26 Nentor 2011

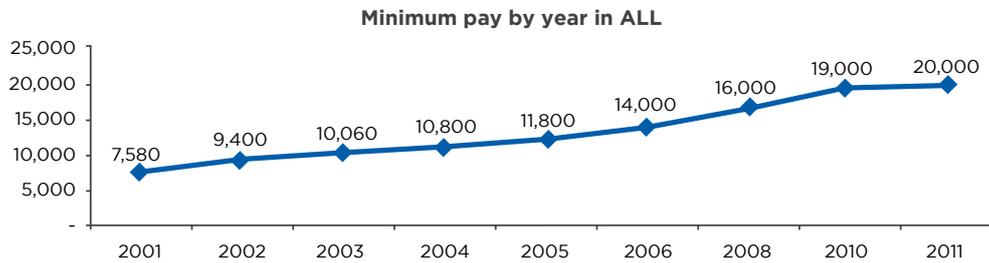
### Chart 1. Gender gap in education



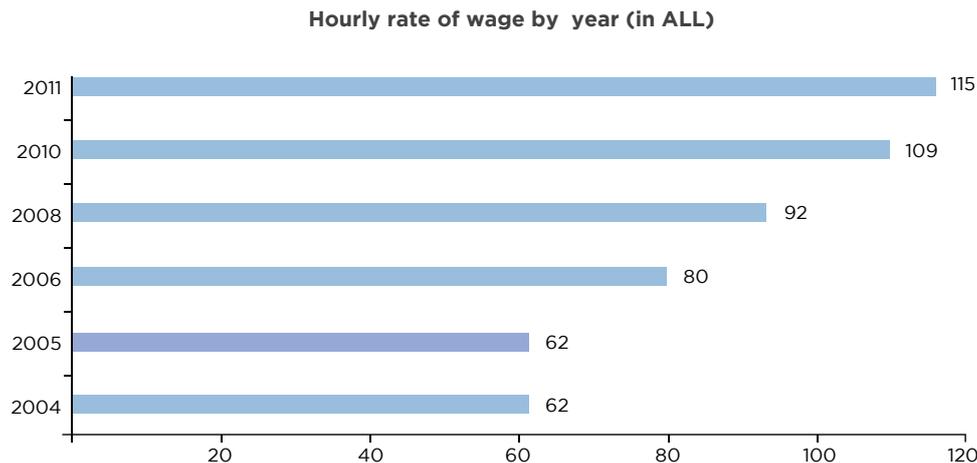
Source: calculations by the authors of the study

In Albania, the minimum wage is regulated by annual decisions of the Council of Ministers, and from 2004 the decisions also establish the minimum hourly pay.

### Chart 2. Changes to the minimum monthly wages by year



### Chart 3. Hourly rate of wage by year



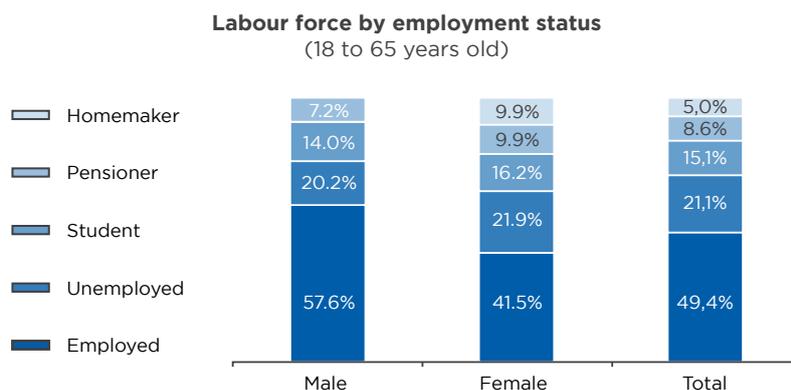
The hourly rate of pay is calculated as the ratio between the minimum monthly wage to the number of hours worked during 21 working days of the month, at eight hours per day. (Hourly Wage = Monthly Wage divided by 168 hours). In 2011 the hourly pay was an average of 115 ALL per hour.

#### 4.5 What does the analysis of the survey data reveal?

In our study, the population of working age makes up 84.5 percent of the population aged 15 years or over. The average number of people per family is 3.75. The average number of people in employment per family is 1.49, in other words, in a family of five members, of them are in employment.

Over half of the economically active population reported to be employed or self-employed. The percentage of males in employment was higher than that of women (57.6% and 41.5% respectively).

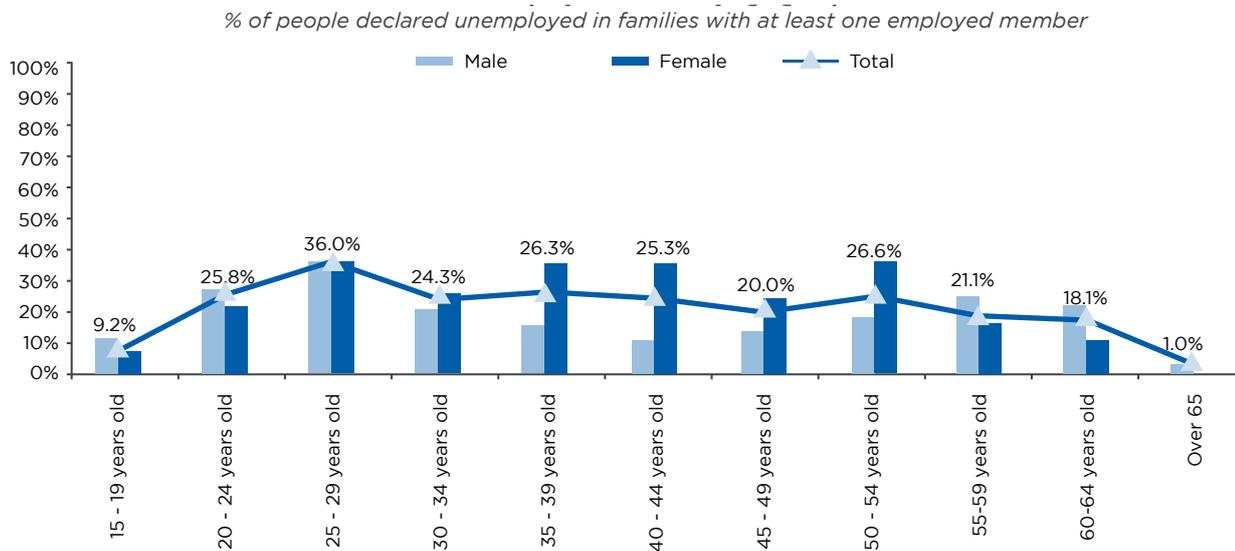
#### Chart 4. Labour force by employment status



So far, the statistics produced by this study have been very similar to the official statistics on the population of working age, the percentage of total number of people in employment, as well as percentages by age group. One area where there are discrepancies between our data and the official statistics about the labour market in urban areas is that of unemployment. In our questionnaire, we adopted the definition of the International Labour Organisation, according to which, *the “unemployed” comprise all persons above a specified age who during the reference period (previous week) were “without work”, i.e. were not in paid employment or self-employment and were “currently available for work “and actively seeking work.*

According to the questionnaire the unemployment rate in the country stands at 21.1 percent; among women the figure is higher.

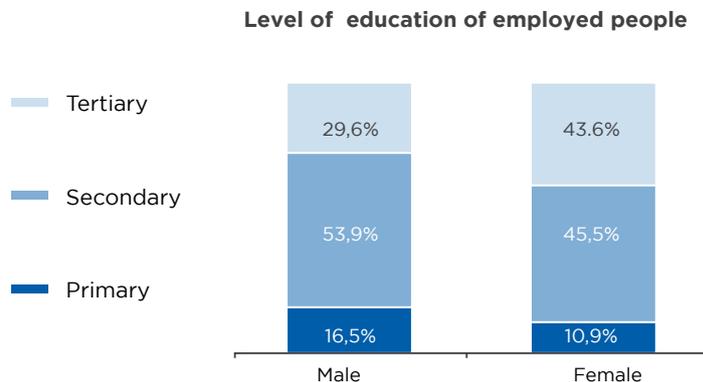
### Chart 5: Unemployment rates by age group



The unemployment rate was very high in the 25-29 years-old age group - 36% - (not disaggregated by gender), while unemployment among women was at its highest among women 40-44 years of age (38.7%). In the Albanian labour market, unemployment among women at both ends of the working age spectrum was lower than among women in the middle area. Unemployment among 15-24 year old women stood at 22.8 percent, compared to 28.6 percent for men of the same age. While in the 55-64 age group, the unemployment rate stood at 16.7 percent for women and 24.1 percent for men.

The following chart presents the distribution of employed people in the urban labour market, by education, which reveals that the level of education among women is higher than among men. The number of the female research participants who had completed higher education was 14 percent higher than the number of men with the same level of education.

### Chart 6: Education by gender



## 4.6 Why is there a gender pay gap - The discriminatory approach

Many researchers<sup>47</sup> of the gender pay gap focus on the explanation that the gender pay gap is the gender difference in the development of the human capital, such as education, skills and experience that men and women bring to their workplace. Gender differences in human capital are often presented as the reasons behind the gender pay gap, which makes it a discriminatory approach.

Although this hypothesis may be 'reasonable' and examples of it are seen in everyday practice (for instance, women leave the labour market earlier than men, more women work part time, etc.) the question arises: why should these factors lower pay for work requiring and using the same level of skills?

Generally, in these kinds of analyses, there is a global understanding or agreement that an analysis of the gender pay gap shall focus on workers with the same productivity paid at different rates of payment.

Looking at the data collected through our questionnaire, we notice that the gender gap for hourly rate of wage is lower among women who are professionals or scientists; they receive an hourly rate of wage that is on average 2.4 percent lower than men's. Among the female professionals working in this category of jobs (with a small gender pay gap) are women engineers, mathematicians, financial experts, medical doctors, journalists, etc. The basic occupations include street vendors, construction workers, fast food workers, etc. The gender pay gap among the latter is quite significant and women receive wages that are on average 21 percent lower than men's.

**Table 6. Hourly rate of wage in ALL by occupation**

Profession	TOTAL	Men	Women	Gap
Manager /senior official	298.47	308.65	276.50	10.4%
Professional / scientist	259.22	262.65	256.46	2.4%
Technician	232.70	243.89	204.37	16.2%
Office worker	196.36	218.45	183.85	15.8%
Skilled workers	190.73	215.61	166.42	22.8%
Semi-skilled workers	175.99	191.93	137.80	28.2%
Basic occupations	152.02	168.16	132.39	21.3%

Today there is a lack of talent in the world labour market. Women make up half of the talent pool from which talented labour force can be generated. The more women are considered as talented labour force, the sooner the crises will abate. Women have demonstrated their talent with their increased presence in university and post-university levels of education, which are actually higher than men's.

Many studies speak of an increased presence of women in senior managerial posts. High performance indicators or high profits in work organisations are directly linked with the presence of women in managerial positions. This is explained by the fact that companies now seek to have a varied leadership base, which can be a source of winning ideas, where talented women undoubtedly play a considerable role.

Even in Albania women seem to have benefitted from these new global tendencies in managerial approaches. In highly technical occupations which require specific qualifications, the gender pay gap stands at 23 percent. This may be due to the fact that at present vocational secondary education in Albania is still male dominated.

<sup>47</sup> Anderson T. et al, *The gender pay gap*, 2001

As far as monthly rate of wage is concerned, the study revealed a negative gender gap at all levels, with a smaller gender pay gap at managerial levels, with about 8.3%. In order to better understand the causes of this phenomenon, we looked at the number of men and women board members and how many of them received a direct bonus in relation to that work.

A very small number of men and women in our sample were actually members of any managerial boards. A comparison of both genders shows that the number of men 2 percent higher than the number of women. Eighteen percent of both men and women received financial bonuses, which were higher among men than women.

**Table 7 Monthly rate of wage in ALL by occupation**

Profession	TOTAL	Men	Women	Gap
Manager / or senior official	49,310	50,634	46,453	8.3%
Professional / scientist	39,049	41,251	37,277	9.6%
Technician	37,170	39,263	31,867	18.8%
Office worker	32,602	36,700	30,283	17.5%
Skilled workers	29,536	33,244	25,913	22.1%
Semi-skilled workers	27,844	30,378	21,774	28.3%
Basic occupations	22,600	24,876	19,831	20.3%

### The importance of work experience and type of contract

Gender pay gap researchers look at work experience and type of contract in order to explain where discrimination occurs.

Generally men appear to accumulate more years of experience, with the exception of professions like teaching and health care. This is a plus for men when they are hired to do a certain job with an employer. Only in public administration there is not much difference between the years of experience clocked in by men and women, which also explains the smaller gender pay gap in this sector. In the basic occupations, women, even in cases when they have more years of work experience than men, are still paid much less than them. We think that this situation is a result of the wages paid in branches of industry like construction or the extracting industry, where the number of men doing base grade jobs is much higher.

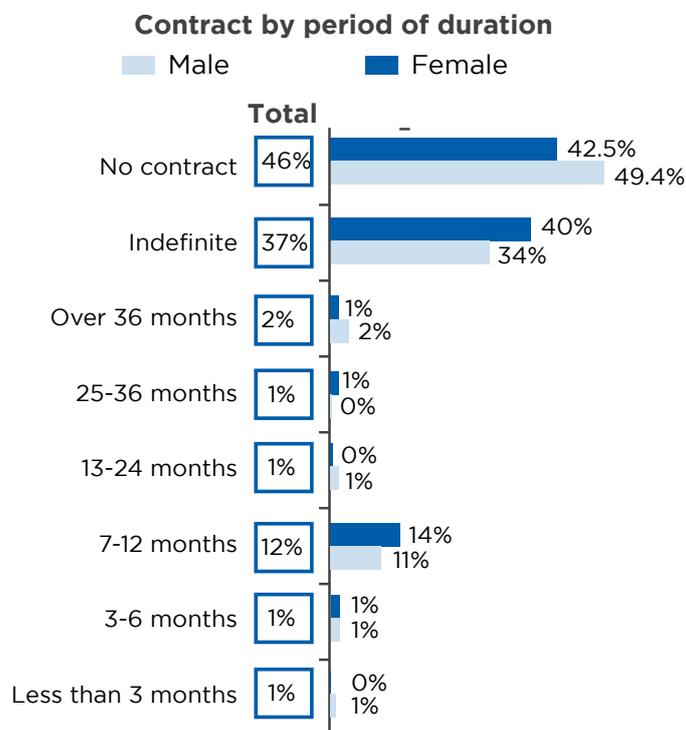
**Table 8 Experience in years by occupation and sector**

Years worked	Men	Women
<b>Type of occupation</b>		
Manager / or senior official	6.8	7.1
Professional / scientist	10.9	9.9
Technician	11.5	13.1
Office worker	8.9	6.2
Skilled workers	9.7	8.2
Semi-skilled workers	6.5	5.1
Basic occupations	5.8	6.4
<b>Sector</b>		
Government/public sector /army	11.3	11.6
State-owned enterprise	14.5	12.6
Private enterprise/individual	5.2	4.3

In the urban areas, an overwhelming majority of the workers, 90.3 percent, worked full time, and the rest, 9.7 percent worked part time. The ratio was very similar for both genders. In contrast with the tendencies seen elsewhere in the world, women in Albania are less involved in part-time work than men. The women in our study who worked part time gave three main reasons: inability to find a full-time job; they do not want to work full time; and the necessity to work part time because of studies. The primary reason provided by men was their inability to find a full time job.

46.3 percent of the workers did not work under a work contract. Disaggregated by gender, this figure was much lower among women – the number of women working without a contract was 42.5 percent, compared to 49.4 percent among men. The most typical contract was a fixed 1 year contract, with 13 percent of women in employment working under such a contract, compared to 11 percent of men. In addition, the data collected in the survey revealed that nearly 40 percent of women had a permanent contract, compared to 34 percent of the men. This means that women are better covered in terms of social security than men. From these figures, a general conclusion can be drawn that the number of women in informal employment in urban areas is lower than that of men.

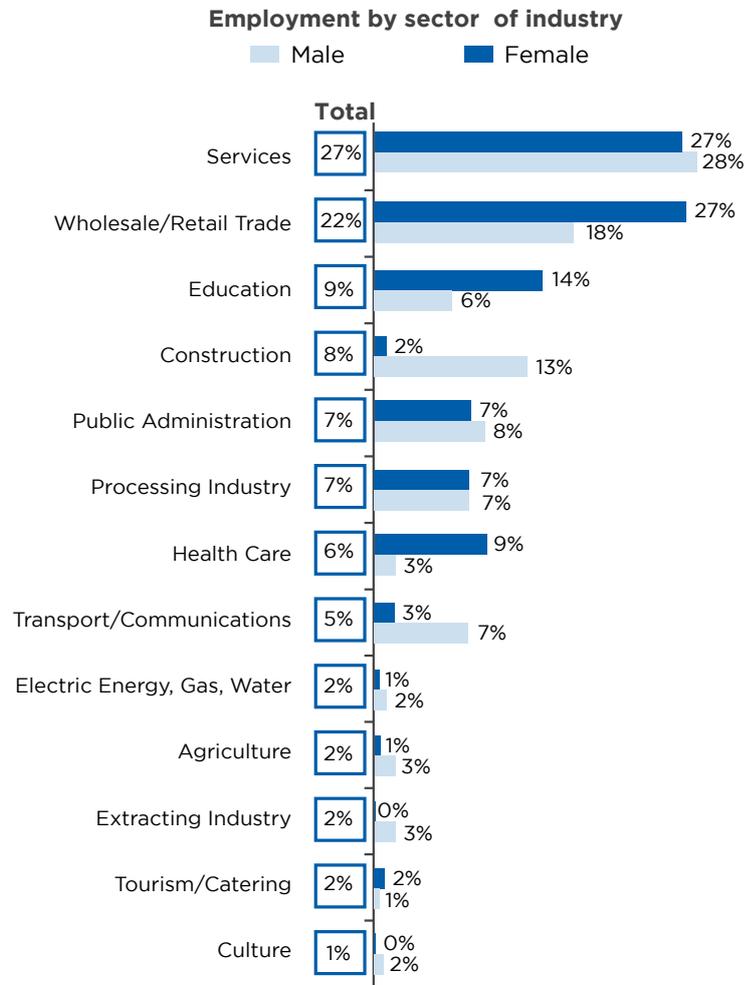
**Chart 7. Contract by period of duration**



#### 4.7 Occupational Segregation by Branch of Industry

Analyses of the gender pay gap show that the industry sectors where men and women are employed can also be a source of inequality. Occupational segregation is often considered as the origin of the problems related to the gender pay gap. Our questionnaire shows that women dominate such industry sectors as trade, services, education, and health care.

Chart 8. Employment by branch of industry



Our study revealed quite a wide variation in the monthly wage of the two genders by industry sector. An important finding was that none of the men were receiving pay that was lower than the official minimum wage. Women working in agriculture and the hotel industry were invariably paid less than the minimum wage set by Decision of Council of Ministers of 1 July 2011. The gender pay gap was positive for women in the construction industry. This can be explained by the fact that women in the construction industry are usually employed in highly qualified positions such as civil engineers or site managers, and are not represented in jobs requiring medium or basic level skills.

The largest negative gender pay gap between men and women appears to be in the extracting industry and the hotel industry. Both these economic sectors are such that they generate a gender pay gap. Women do not work in physically demanding jobs such as mining and extraction, and they also are not significantly represented in highly qualified positions in the hotel industry.

**Table 9. Monthly wage in ALL by economic activity**

Economic Activity	TOTAL	Men	Women	Gap
Agriculture	24,092	25,073	13,300	47.0%
Extracting Industry	47,563	51,429	20,500	60.1%
Processing Industry	28,140	33,038	21,552	34.8%
Electric Energy, Gas, Water	27,472	29,292	23,833	18.6%
Construction	32,190	30,875	38,500	-24.7%
Retail/wholesale Trade	28,747	34,344	23,904	30.4%
Tourism/catering	27,292	36,750	17,833	51.5%
Transport/Communications	31,133	32,235	27,727	14.0%
Services	30,326	33,294	26,368	20.8%
Education	35,739	35,733	35,742	0.0%
Health Care	31,706	34,667	30,304	12.6%

Note: The data by branch of industry and occupation are indicative (the sample is such that only allows generalisations to be made on the national level).

The analysis of the branches of industry where women and men are employed revealed that the gender pay gap was smaller in the public sector than in the private sector.

But, the data collected by the questionnaire also showed that there are inequalities in the earnings of the two genders when public and private companies are compared. The gender pay gap in the private sector stood 13.7 percent, compared to the 15.7 percent it is in the public sector.

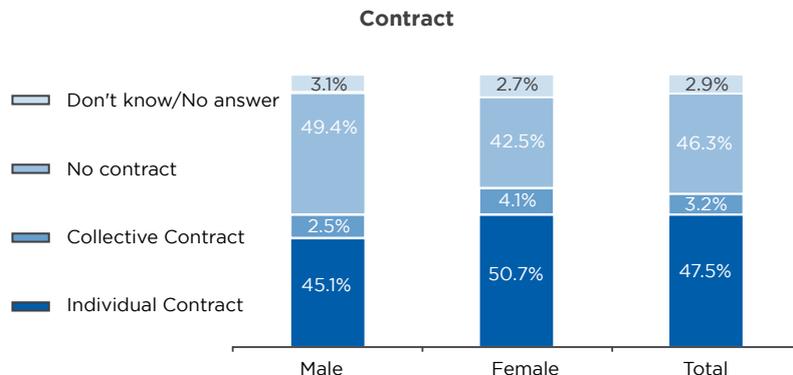
**Tabela 10. Monthly wage in ALL by economic sector**

Employer	TOTAL	Men	Women	Gap
Government/public sector /army	36,043	37,357	34,866	6.7%
State-owned enterprise	34,297	37,090	31,284	15.7%
Private enterprise/individual	26,723	28,939	23,989	17.1%

Let us see what the distribution of the employment status looks like for the primary jobs of the respondents in our sample, where 73 percent of the women were employed and the rest ran a private activity, of which 6.4 percent were self-employed and employers of other people, while about 21 percent were self-employed with no dependent workers. The employment structure has a different distribution for men, where 65.5 percent of them are employed, 23 percent are self employed, and 11.7 percent self-employed employing other people.

Trade Unions and collective bargaining also affect the gender pay gap. Usually trade unions fight to improve the position of their membership. In our case, the role of trade unions would have been easier to assess had we had access to the types of contracts under which the workers work. According to the data of the questionnaire, workers' collective contracts only covered 2.5 percent of the number of employed people. Disaggregated by gender, the figures uncovered that a greater number of female workers than male workers were members of trade unions in their work organisations.

## Chart 9. Existence of work



However, it has to be admitted that trade unions and collective bargaining do not solve the problems of the gender pay gap. Usually the trade unions fight to ensure pay rises for workers concentrated round the median pay in a given industry or work organisation. Given that women's earnings were generally found at the lower end of pay, this may lead to the conclusion that their interests were less represented in tripartite negotiations.

In addition, it must be emphasised that in interpreting the gender pay gap data by industry, it is often difficult to tell whether the public sector really aims to reduce the gender pay gap, or whether is it trying to focus on areas that have a direct bearing on the gender pay gap. That is why, in analysing the government's approach to the development of the public sector, this gender pay gap must be closely monitored, especially in sectors such as education and health care.

## Marital status and qualifying years

Research has shown that it is important to view the gender pay gap in relation to the time that individuals, regardless of their gender, participate in the economically active labour force, how often they interrupted work, number of hours worked during the day, although these would widen the gender pay gap. In addition, research<sup>48</sup> has shed light on the fact that young, recently married mothers with young children are more affected by the gender pay gap, but this is often attributed to other factors, such as keeping the same job, or part-time contracts.

Some studies have suggested that there are further subdivisions between mothers who work full time and part time.<sup>49</sup> Women with lower earnings tend to work part time, have fewer qualifications, and work in a limited range of occupations. By contrast, women with higher earnings tend to be more qualified, work full time, and work for the government.

48 Olsen W. (University of Manchester) dhe Walby S. (University of Leeds), *Modelling gender pay gap*, Equal Opportunities Commission, 2004

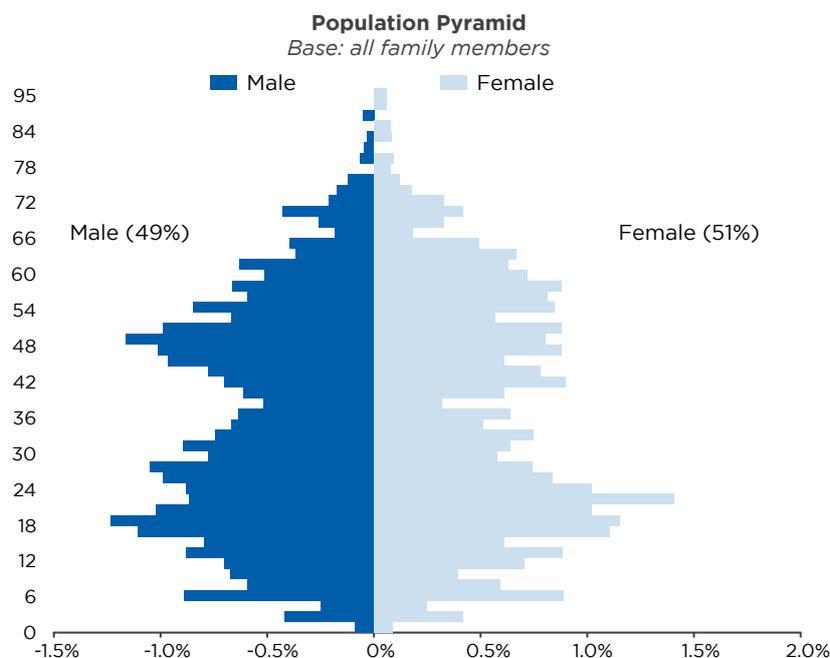
49 Eurostat web page, Main statistical findings.



The data collected for this study reveal that the Albanian population pyramid has a male-female ratio of 1:1.02. In the 36-48 cohort group, the male part of the pyramid becomes narrower, which reflects the mass migration of man of that age group 15 to 18 years ago. This is not the case with the female cohort group. The population pyramid built on the basis of the data collected by the questionnaire, reflects a higher life expectancy among women than men.

In the cohort groups of official working age (15 to 65 years), that there is one category - homemakers - which is made up only of women. In the working age population structure, women make up 11 percent of the total number, while for males the figure is 0 percent.

**Chart 10. The population pyramid**



When we probed further into the category of 'homemakers', we noticed that they had on average 4.13 children each, a slightly higher figure than that of the entire sample (3.75). Almost all of them were married (90.4%) and over half of the homemakers were between 40 and 54 years old. In addition to being an indicator closely linked to unemployment and participation in the labour market, this also accounts for the pay gap between men and women for this age group. In addition, the distribution of homemakers by monthly household income was the same with that of our sample.

**Table 11. Profile of domestic task workers (N=135)**

		%
<b>Marital Status</b>	Single	4.4%
	Married	90.4%
	Widowed	5.2%
<b>Age group</b>	20 - 24 vjeç	5.2%
	25 - 29 vjeç	6.7%
	30 - 34 vjeç	3.7%
	35 - 39 vjeç	8.9%
	40 - 44 vjeç	10.4%
	45 - 49 vjeç	21.5%
	50 - 54 vjeç	21.5%
	55 - 59 vjeç	15.6%
	60 - 64 vjeç	4.4%
	65+	2.2%

If we look at the employment situation and the family income situation, the data show that employment has a direct impact on the economic situation of the family. One in five unemployed people is a member of a family with an income of up to 20,000 ALL per month, and an even higher portion (40%) come from families with monthly income between 20.001 and 40.000 ALL.

**Table 12. Employment status by family income (Base: all family members)**

	Monthly household income					Total
	Less than 20,000 ALL	20,001- 40,000 ALL	40,001-60,000 ALL	60,001-80,000 ALL	Over 80,000 ALL	
<b>Employed</b>	8.9%	26.5%	28.3%	<b>22.0%*</b>	<b>14.3%*</b>	<b>100.0%</b>
<b>Self-employed</b>	12.7%	29.9%	28.1%	<b>14.0%*</b>	<b>15.3%*</b>	<b>100.0%</b>
<b>Help in the family</b>	4.2%	41.7%	37.5%	8.3%	8.3%	<b>100.0%</b>
<b>Unemployed</b>	<b>19.3%*</b>	<b>39.1%*</b>	27.9%	9.4%	4.3%	<b>100.0%</b>
<b>Homeworker</b>	12.4%	34.1%	28.7%	17.1%	7.8%	<b>100.0%</b>
<b>Pensioner</b>	11.8%	33.6%	28.0%	21.0%	5.5%	<b>100.0%</b>
<b>Student</b>	16.7%	33.3%	29.3%	12.8%	7.9%	<b>100.0%</b>

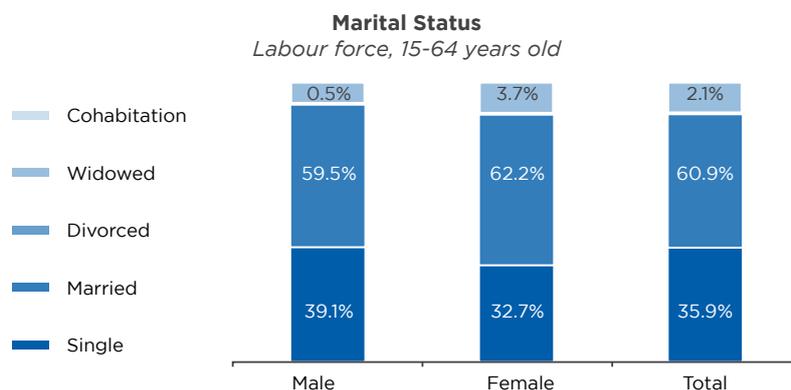
\* Statistically significant categories are highlighted in grey

In addition, the survey also reveals that the average monthly wage by gender and full-time status produces an inequality gap of 18.6%. Among part-time workers ((11 percent of the sample) the gap is statistically insignificant.

**Table 13 Monthly wage in ALL by the type of work**

	Total	Male	Female	Gap
<b>Full time</b>	31,326	34,143	27,793	18.6%
<b>Part time</b>	22,441	22,599	22,251	1.5%

Nearly 30 percent of the men and women think that their earnings have declined. When asked their opinion about the economic situation and their earnings from their work, they expressed varying doses of optimism. While 33.5 percent of the men thought that their situation had improved, only 30 percent of the women think the same.

**Chart 11. Marital Status**

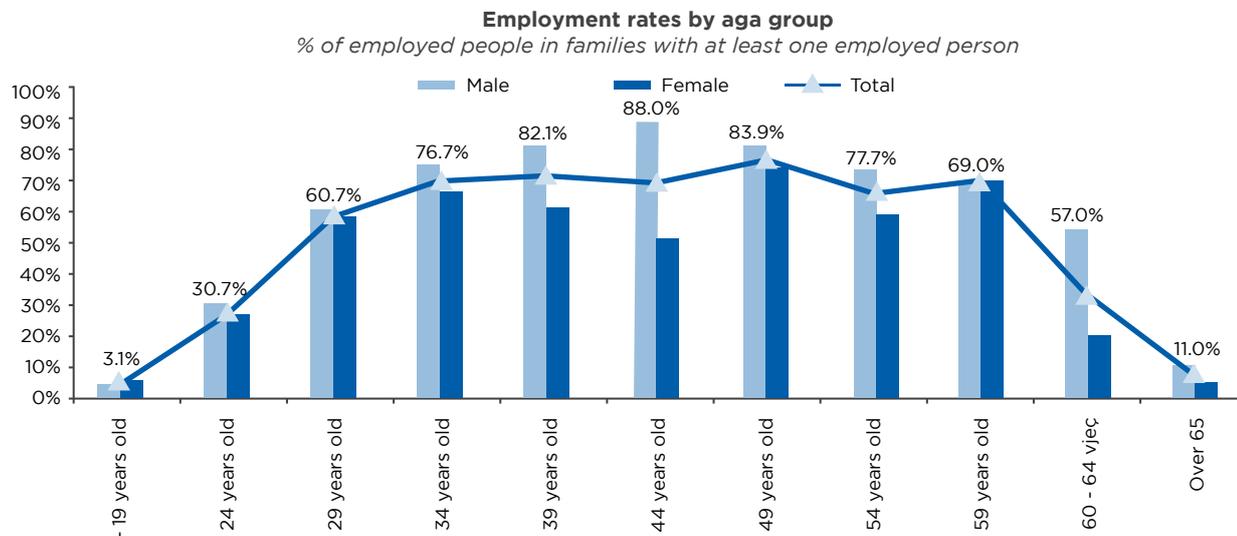
Data from the questionnaire reveal that 61 percent of the labour force is married. Disaggregated by gender, the figures are 62.2 percent for women and 59.5 percent for men. Married women receive lower average monthly remuneration than single women, while the opposite is true for men: earnings are higher among married men than among single ones. This causes the gender pay gap to widen with the change of status from single to married. The difference is 10 percent.

**Table 14. Gender wage gap by marital status**

	Total	Men	Women	Gap
<b>Single</b>	30,140	31,343	28,516	9%
<b>Married</b>	30,737	33,403	27,166	19%

A closer look at working age reveals that, in addition to different rates of participation in the labour force, women and men also have varying pay differentials.

Chart 12. Rate of employment by age group



Thus, while employment rate is higher in men aged 50 to 54, the gender pay gap in monthly wages becomes smaller, reaching as low as 5.4 percent, compared to the 22 percent difference in the 45-49 age group, and a 13 percent difference in the 55-59 age group.

#### 4.8 Place of work and size of work organisation

The analysis of the questionnaire data revealed that men and women in Albania are mostly employed in the small companies sector. According to our data, in the larger organisations, with fifty or more workers, the number of women was higher than the number of men: larger companies employed 16.4 percent women compared to 13.1 percent of men. This leads to the conclusion that companies with the greatest number of workers are generally concentrated in the textile and leather processing industry, where a large number of women are employed. The gender pay gap could be the precise reason why a great number of women are employed in the larger plants. Men's pay was generally above the official minimum wage – 71.8 percent of men compared to 58.4 percent of women received wages at or above the minimum wage rate. Among women, 26.8 percent were paid less than the minimum wage rate, compared to 15.6 percent of men.

Table 15. Monthly wage in ALL by gender

Distribution of monthly earnings by size of salary	Total	Male	Female
Deri në 15.000 Lekë	14,6%	11,1%	19,1%
15.001 - 20.000 Lekë	5,9%	4,5%	7,7%
Tamam 20.000 Lekë	12,6%	11,0%	14,8%
20.001 - 35.000 Lekë	38,3%	39,3%	37,0%
35.001 - 45.000 Lekë	16,8%	19,0%	13,9%
45.001 - 65.000 Lekë	7,5%	8,8%	5,9%
65.001 - 80.000 Lekë	2,0%	2,9%	0,9%
Over 80.000 ALL	1,1%	1,8%	0,2%
I don't know/No answer	1,1%	1,6%	0,5%

Analysts are convinced that the gender pay gap is also related to the segregation by type of occupation and industry. We underlined above that the gender pay gap is smaller among men and women who work in positions in the public administration that require university education.

If choice of occupation is a product of gender stereotypes, then it cannot be considered 'free choice' and can even be a detrimental factor that contributes to the widening of the gender pay gap. In addition, gender stereotypes may also have an impact on the gap, not only because of the individual choices people make, but also because employers may be induced to distribute work and pay unequally. The data collected through the questionnaire revealed that men and women had the same fears about job insecurity (41.7 percent of men, compared to 40.1 percent of women), while women appeared more satisfied with their present employment (70.5%) than men (66.7%). These data show that, although they received lower pay, a more secure contract and social security contributions were two determining factors contributing to job satisfaction among women.

#### 4.9 The pay and promotion systems approach

Another manifestation of the gender pay gap is the one that stems from the different situation of men and women in relation to bonus payments. In fact, women tend to receive less in extra pay for overtime, or in the form of bonuses for good performance, which leads to a further increase in the gender pay gap.

In our sample, men received 3 percent more cash and non-cash bonuses than women (15 percent of men and 12 percent of women respectively). Men were paid twice as much as women in profit-related bonus payments.

**Table 16. Cash and non-cash bonuses by gender**

	Male		Female		Total		
	N	%	N	%	N	%	
<b>Cash Bonuses</b>	Performance related bonus	25	4.5	21	4.8	46	4.6
	Long service related bonus	22	3.9	18	4.1	40	4.0
	Attendance related bonus	12	2.2	9	2.0	21	2.1
	Profit share	27	4.8	14	3.2	41	4.1
<b>Non-cash bonuses</b>	Free housing	4	0.7	3	0.7	7	0.7
	Health care	24	4.3	22	5.0	46	4.6
	Paid holidays	31	5.6	24	5.5	55	5.5
	Free food	13	2.3	2	0.5	15	1.5
	Free transport	10	1.8	4	0.9	14	1.4

Formal systems for the evaluation of performance are generally expected to decrease the gender pay gaps. The present case study has found that the gender pay gap between men and women is not more than 15 percent for cash and non cash bonuses.

#### 4.10 Implementation of pay systems

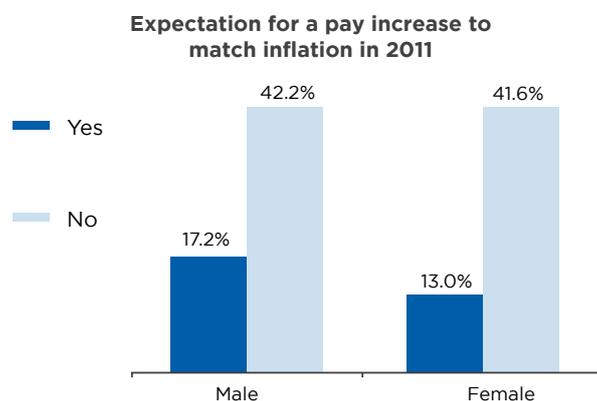
Our study focused on the functioning of the present system of payment. For a considerable number of urban workers, their salary was insufficient to meet the daily expenses for food and other basic daily needs (this was the opinion of 71.6 percent of the men and 73.9 of the women).

The majority of the responders (64%) had not encountered any difficulties in receiving their monthly wage in the previous year. Twenty-one percent of women and 19 percent of men had had some difficulty in receiving their pay. This is another indicator that may account for gender pay gap.

Similarly, the majority of the workers (69%) had not had any increase in their monthly wage over the previous year. Given that the annual increase in consumer goods index prices is calculated at 3 percent, it can be said that 13 percent of the men and only 11 percent of the women received a pay rise of over 3 percent.

When asked whether they believed that their pay would reflect the rise of inflation in 2011, the respondents were generally sceptical, with women being less optimistic than men in their answers.

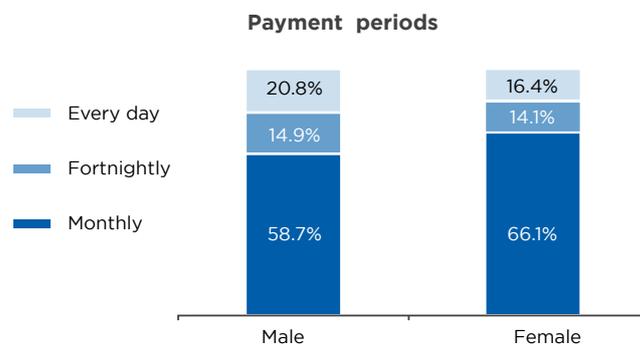
### Chart 13. Inflation and pay rises



The majority of the men and women in employment did not believe their pay had increased to reflect the profit made by the company. This was the opinion of 59 percent of the men and 64 percent of the women.

The majority of the employees had not encountered any problems in getting paid in the past two years. Women appeared to be more satisfied in that respect than men, which can be explained by the fact that a great number of them were covered by contracts. The most common form of payment was monthly wages, followed by payments per day.

Chart 14. Form of payment



Asked whether they had had problems with non-payment of remuneration during the previous two years, very few of them, 4.5 percent of the men and 5.1 percent of the women reported having been through the experience. Non-payment applied to various components of the pay (where the majority of the cases involved payment of the base pay, up to 21 percent). This occurred more frequently to employees who were university graduates, nearly 25 percent of them and was more common among the 40-44 age group in large cities.

In the greatest number of Albanian companies, the majority of the workers (65 percent of them) thought that the pay system in place was not based on a classification that takes into account their education and skills. 54 percent of them thought that the existing pay system also failed to take into account their previous experience. That is why 63 percent of them reported that the existing pay system was not motivational.

#### 4.11 Characteristics of the gender pay gap for second jobs

Second jobs did not produce any significant data which made it difficult to make an in-depth analysis of this feature. However, in this chapter we will attempt to give a quick overview of the gender pay gap.

Only 3.2 percent of the respondents who worked in urban areas had a second job. Men with second jobs made up 3.9 percent of the total number of men, while the number of women with a second job was 2.3 percent. However if we look at the number of hours women put in their main job, they generally work longer than men, by nearly two hours. In our view, this phenomenon in Albania is related to the causes of the gender pay gap.

Men and women with a second job usually did that in the private sector (89%). For over half of them (62.3%), the second job was generally a seasonal or occasional job, and these people were mostly self-employed (59%).

Only 12.5 percent of them had a contract for their second job.

**Table 17. Monthly wage in ALL for second job by gender**

	Male		Female		Total	
	N	%	N	%	N	%
Up to 5.000	2	9.1	1	10	3	9.4
5.001 - 15.000	7	31.8	2	20	9	28.1
15.001 - 20.000	4	18.2	1	10	5	15.6
Exactly 20.000	2	9.1	1	10	3	9.4
20.001 - 30.000	3	13.6	3	30	6	18.8
30.001 - 50.000	0	0.0	1	10	1	3.1
Over 50.001	0	0.0	0	0	0	0.0
I don't know/No answer	4	18.2	1	10	5	15.6

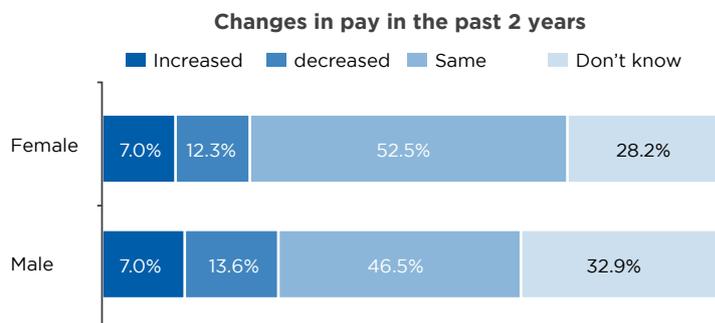
#### 4.12 What men and women think about factors that impact the gender pay gap

The aim of this chapter is to provide an insight into the opinions of men and women about what improvements they thought were needed to reduce the gender pay gap. The analysis carried out in this chapter aims first to provide the employees' opinions on the gender pay gap in the organisation they work for. What attracts the attention is that nearly 28 percent of the workers (men and women) were not able to say whether such a gap existed in their organization. In addition to lack of interest, this could also be attributed to the fact over half of the workers (52 percent) work in small companies with one to five employees, where self-management and pay categorisation seems to be something that exists more on paper than applied in practice.

The employees' opinions on widening of the pay gap between the managers and the employees over the past two years revealed that 50 percent of them did not think the gap had changed. Thirty percent of the workers did not have that information. Seven percent of the men and women thought that the gap had widened, while 13 percent thought it had become smaller.

When the analysis of the gender pay gap focused on the variable 'pay by gender', the study produced the following data on the opinions of men and women (see chart).

**Chart 15. Changes in remuneration during the past two years**

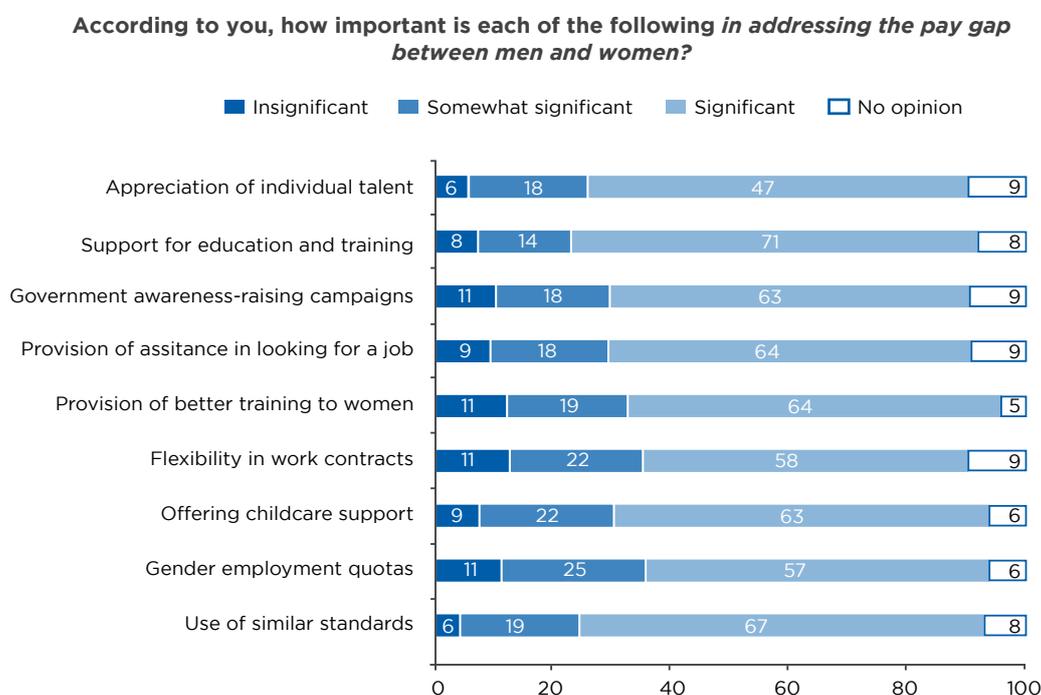


When the respondents were asked to provide their opinions on the differences in pay between local employees and newly arrived ones, 52 percent of the workers did not have an opinion, while 12 percent thought that there were no differences. 12 percent of men and 10 percent of women thought that the difference in pay had become smaller.

As regards factors thought to have an impact on gender pay gap, we also asked the respondents about the number of women who applied for management positions. Over 45 percent of the men and women thought that this was an important factor that had an impact on improving the pay differential. In addition, when asked whether recruitment policies had an important role to play in closing this gap, 49 percent of the men and 46 percent of women thought these policies play a significant role.

In the course of the study we showed our male and female respondents a number of measures which we thought could have an impact on making the gender pay gap smaller. The respondents provided the following responses:

### Chart 16. Opinions



*Note: the empty space at the end of each bar in the chart represents the percentage of people who did not have any opinion on that particular measure*

Thus, the respondents generally considered these factors important, but the most important to them were support with training and education, the use of the same standards in recruitment, and appreciation of individual talent. The way these measures were ordered shows that the respondents would appreciate it if the labour market were more competitive and less clientelist.

Sixty six percent of the men and 68 percent of the women thought that the use of unified recruitment standards for men and women would reduce the gap. Even when they spoke about employment quotas, their opinions were similar: nearly a fourth of them believed that these are factors that would have a positive impact on the reduction of the gender pay gap.

When responding to questions about the existence of facilities, such as child care facilities during the workday, 62 percent of men and 65 percent of women thought that they were very important. The majority of them were respondents with higher education; but these measures were generally important to all age groups.

The respondents also thought that the type of contract had an impact in reducing gender pay gaps. Especially women, 61 percent of whom, compared to 55 percent of men, thought that the existence of a flexible contract would further reduce the gap. Generally, people who believed this more had a higher level of education and belonged to the 25-35 age group.

Women believed that training and retraining to re-enter the labour market had a positive effect on reducing the gender pay gap. Seven percent more women than men were of that opinion. In spite of the level of education of the respondents, they all thought that re-training was an important factor. In addition, all age groups were of the same opinion, especially the new entrants in the labour market, young people between 18 and 19 years old. This was probably linked with the fact that our secondary schools do not prepare young people for the labour market, and they feel the need to gain skills and qualifications. The data showed that the need is more acute in larger towns than in smaller ones. This high percentage of need in the larger towns is related to the greater number of economic activities and typologies of services in those areas.

All the respondents thought that the existence of government-funded programmes for awareness-raising and counselling, and the effectiveness of work done by the Employment Offices in preparing work references, would be very important measures not only to improve the existing instruments of the labour market, but also to reduce the gender pay gap.

Sixty eight percent of the women and 65 percent of the men believed that acknowledgement and appreciation of talent is a factor that would have an impact on reducing the gap. Sixty seven percent of the respondents 18 to 19 years old believed that talent is very important in reducing the gap. This is the age group which rated this factor the highest. This is undoubtedly related to the difficulties they have to cope with when trying to enter the labour market, although they consider themselves able to do the job they are applying for. Talent was considered an important factor across all the towns.

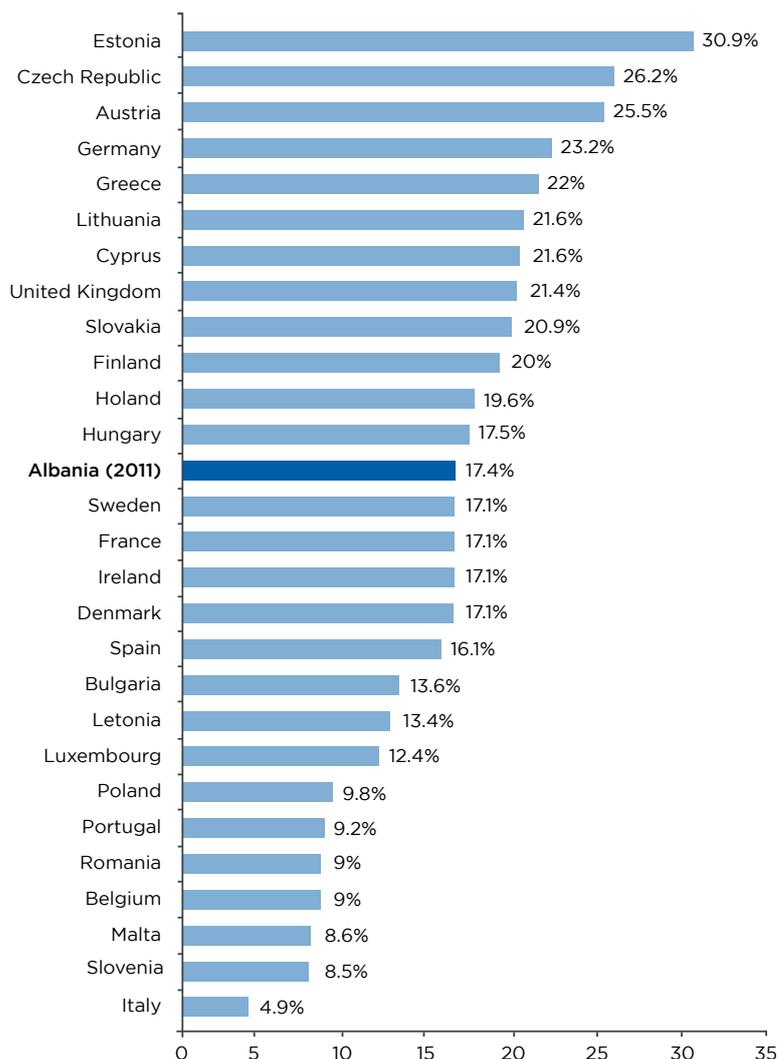
**Table 18. Monthly wages in ALL by gender and education, region, sector, profession, age group and economic activity**

Variables affecting monthly wages (in ALL)		Gender		
		Total	Male	Female
Education	Primary	23.354	25.577	19.192
	Secondary	27.899	31.633	22.326
	Tertiary	36.458	39.193	34.150
Urban areas	Tirana urban area	32.918	37.352	28.852
	Main towns	29.171	32.122	26.019
	Other towns	29.525	30.922	26.827
Type of employment	Manager / or senior official	49.310	50.634	46.453
	Professional / scientist	39.049	41.251	37.277
	Technician	37.170	39.263	31.867
	Office worker	32.602	36.700	30.283
	Skilled worker	29.536	33.244	25.913
	Semi skilled worker	27.844	30.378	21.774
	Basic occupations	22.600	24.876	19.831
Employer	Government/public sector/army	36.043	37.357	34.866
	State-owned company	34.297	37.090	31.284
	Private company/Individual	26.723	28.939	23.989
Age group	18 - 19 years old	19.500	23.500	17.500
	20 - 24 years old	26.168	29.178	22.921
	25 - 29 years old	34.186	35.348	33.084
	30 - 34 years old	31.862	35.293	27.966
	35 - 39 years old	30.333	32.143	28.339
	40 - 44 years old	30.083	34.314	23.347
	45 - 49 years old	29.760	33.107	25.744
	50 - 54 years old	29.467	30.187	28.570
	55-59 years old	30.545	32.205	28.013
	60-64 years old	29.712	33.277	20.500
65+	34.667	37.500	29.000	
Branch of industry	Agriculture	24.092	25.073	13.300
	Extracting Industry	47.563	51.429	20.500
	Processing Industry	28.140	33.038	21.552
	Electric Energy, Gas, Water	27.472	29.292	23.833
	Construction	32.190	30.875	38.500
	Retail/wholesale trade	28.747	34.344	23.904
	Tourism/Catering	27.292	36.750	17.833
	Transport/Communications	31.133	32.235	27.727
	Services	30.326	33.294	26.368
	Education	35.739	35.733	35.742
	Health Care	31.706	34.667	30.304

### Chart 17. The gender pay gap in the 27 countries of the European Union, according to EUROSTAT

The following chart presents the gender pay gap in the 27 countries of the European Union, based on the latest data collected in 2008. The added value of this chart is the inclusion of gender pay gap data obtained by the GADC study.

**Gender Pay Gap in the 27 European Union states and Albania (Eurostat 2008)**



Our case study requires an important follow-up step related to the understanding and analysis of the gender pay gap in the rural areas. Of course, this would be a very complex study and would require the utilisation of models used in countries of the region and elsewhere in the context of the ILO/FAO. But we are of the opinion that this is an analysis of special significance in the case of Albania.



## CHAPTER 5

# Conclusions and policy recommendations

### 5.1 CONCLUSIONS

These conclusions are based entirely on the findings of the present research study and all the references made relate to the selected sample.

Our study revealed that the situation of the gender pay gap in Albania is similar to that of other countries in the region and beyond and that it is caused by the same factors and produces the same effects on the life of the entire society. However, the gender pay gap in Albania also reflects the specific cultural, economic and social factors that are characteristic of the Albanian environment.

- The gender pay gap is primarily a result of gender discrimination. The gap in pay between women and men in 2011 was 5,725 ALL, i.e. women earned 17.4 percent less.
- The gender pay gap has a direct correlation with the rate of participation of the labour force in the labour market. The study revealed that the number of women who worked without a contract was high; however, where women worked under regular work contracts, the number of women paying social insurance contributions was higher than the men working in the same conditions. 46 percent of the total number of workers did not have a regular contract; however, the number of women with contract-regulated labour relations is 7 percent higher than that of men.
- The gender pay gap is also related to level of education. The gap becomes smaller with the increase of education level. Men who have completed primary and secondary education are much better paid than women with the same education level. The pay gap for women and men with university education or is significantly reduced (26 percent and 7 percent respectively).
- In highly skilled occupations the gender pay gap in the hourly rate of wage is smaller. In these occupations, women's higher level of education allows them to receive remuneration comparable to men's, although they still earn 4 percent less on average.
- The gender pay gap widens significantly with age. For age groups that are near the end of the official working age, the gender pay gap is 40 percent in favour of men.
- The sample clearly reveals that the gender pay gap is also influenced by the different approach women have towards (premium) bonuses or extra pay. Women tend to receive less in extra pay for overtime, or in bonuses for good performance, which leads to a further increase in the gender pay gap. Men were paid twice as much as women in profit-related bonus payments.
- Based on the answers of the respondents, the pay system currently applied does not take into account the workers' education, skills and experience. The overwhelming opinion is that the existing pay system is not sufficiently motivating.
- In spite of the scepticism expressed about the role of skills assessment in determining people's place in the pay scale system, everybody believed that education and retraining are important. This was a belief held across all age groups, but was more pronounced among the new entrants in the labour market, young people between 18 and 19 years old.
- Most of the male and female respondents thought that there was no equality in the hiring/recruitment standards. They thought that the use of the same hiring/recruitment standards for men as well as women would reduce the pay gap between them. The same should also apply to recruitment for managerial positions, in order to help increase the number of women applying for those jobs. 66 percent of men and 68 percent of women thought that the use of unified recruitment standards for

men as well as women would reduce the gap. As far as the employment quotas are concerned, men and women also had similar opinions, nearly one fourth of them were confident that these factors would have a positive impact on the reduction of the gender pay gap.

- All the respondents mentioned that a major factor that contributed to the existence of the pay gap between women and men were the insufficient or lack of childcare facilities in the work place; this was especially important to young mothers.
- The analysis of the sample shed some more light on the category of 'homeworkers'. It revealed that more than half of them belong to the 40-54 age group; 90.4 percent of them are married and have families with several children. This category is related to unemployment figures. It also is a contributing factor to the gap between men and women of this age group in workplace participation. Women of this category are further impoverished with age, thus significantly widening the gender pay gap between men and women of retirement age.
- The sample revealed an important fact specific to the Albanian context. Even in cases where women were actively engaged in the labour market, they bore the brunt of family responsibilities. During a day's work, women work an average of 1.7 hours more than men.
- The respondents overwhelmingly thought that workers' unions in Albania did not have any powers and did not do anything to help reduce the gender pay gap. The unions were thought to lack gender awareness and were inexperienced in dealing with pay gap issues from the gender perspective.
- The respondents thought that a lot needs to be done by employment offices to increase their awareness of gender issues.

## 5.2 POLICY RECOMENDATIONS

Closing the gender pay gap is an enormous undertaking and requires the commitment of various players in the field.

Addressing the pay gap between men and women requires the existence and application of the existing legislative and non-legislative instruments, as well as the creation of new ones.

Given that the gender pay gap is closely related to the labour market, and the factors that cause and influence it are multiple, there is an urgent need for all stakeholders involved to work in close partnership.

The following recommendations are based on the findings of this study:

- The Albanian government, in consultation and collaboration with social partners and civil society organisations directly involved in gender equality issues, should develop an action-plan with the aim of reducing the effect of factors that are proven to be main causes of the gender pay gap. Addressing the gender pay gap should be part of the schedule of activities of the central and local government and of the social partners.
- Not only should the gender pay gap receive attention in all organised activities in the fight against discrimination against women (where it has been generally ignored until now), but it should also be addressed with priority. Until now the social partners and the civil society organisations have failed to dedicate it the attention it deserves.
- The Ministry of Labour, Social Affairs and Equal Opportunities (MLSAEO) and/or the Labour Inspectorate should prepare guidelines for public or private employers on the meaning of equal pay, including examples of cases of the violation of the principle of *equal pay for equal value work*. These guidelines should define the instruments that help employers analyse unjustified gender pay gaps in their companies/businesses.
- The relevant institutions (MLSAEO, labour inspectorates and tax offices) should launch an information campaign aiming to ensure employers' awareness of their obligations to information, transparency of

remuneration and gender neutrality in pay classification systems. Transparency of remuneration should first start in companies with over 20 workers which are able to realise the information process.

- Institutions responsible for remuneration policies and their implementation should set up a pay monitoring system as an important instrument to ensuring equality at work and of working conditions.
- Officials at the State Labour Inspectorate should receive training in order to better understand the relevant national and international standards and inspect the implementation of legal principles governing remuneration and non-discrimination of workers by gender. These courses should be part of their professional development plans.
- Provide better definitions of the obligations of inspection bodies, in order to help them determine cases of violations of pay-related legal standards pursuant to the principles of gender equality and neutrality, and to carry out their duties in a more effective way.
- It is necessary to conduct a review of the legal sanctions related to the principle of non-discrimination in pay and ensure their strict implementation against anyone who violates them. In addition, the civil society should have in place a system for the periodical monitoring of the bodies responsible for the implementation of the law. In this respect, it is important to have coordination and collaboration with civil society organisations that have the necessary commitment and expertise.
- The government should launch awareness initiatives and information campaigns in order to make employers and their respective organisations aware of their legal obligations and responsibilities in the implementation of the principle of equal pay for equal work, and for the promotion of gender equality in the work place. Workers' unions should also be involved in these initiatives.
- The Ministry of Education should review findings from studies and monitoring activities conducted by the civil society on the textbooks currently used in schools, and their respective recommendations. These recommendations should be kept in mind in the development textbooks and curricula in order to avoid perpetrating gender stereotypes in the labour market in education.
- The government should set up and put in operation mechanisms that promote the creation of social facilities in the work place (in the public institutions, but especially in the private labour market). This will help men and women, and families in general, to maximise their contribution to work, their benefits from work and their career advancement opportunities. In order for these mechanisms to be effective and not to remain just on paper, they should also include stimuli for the private companies that created social and childcare facilities for their employees.
- The time has come to guarantee part-time workers the same status as full time workers. They should also benefit from and be offered opportunities to train at work, which would help promote their career and ensure equal opportunities to secure full-time status, which would in turn help reduce the gender pay gap.
- The relevant bodies of the government should have a system of monitoring companies' profit records and the way their profit is reflected in the remuneration of the employees, taking care that men and women are treated the same in this respect.
- Because the phenomenon of gender segregation is very much present in the labour market and has a tangible effect on the gender pay gap, the MLSAEO should finalise the job valuation/classification scheme: "equal jobs"; "work of equal value"; and "works of equivalent value" with the aim of reducing the gender pay gap.
- Given the finding of this study that discrimination in the labour market is greater among workers with lower level of education, it is important to develop policies for the prevention of the gender division of labour. These policies, however, should apply both to the labour market and the education system.
- The Ministry of Finance should plan and find the financial means to develop an insurance scheme for male or female homemakers. These workers make major unpaid contributions to the society, but still remain the poorest and most discriminated. Another important step would be to set up a home-workers union which would increase their action power to push their case forward.



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# APPENDIX 1: THE QUESTIONNAIRE

Region	Town	Questionnaires	Region	Town	Questionnaires
Tirana urban area	Tiranë	279	Other towns	Laç	20
Main towns	Berat	30		Lezhë	20
	Durrës	90		Librazhd	10
	Elbasan	59		Lushnjë	20
	Fier	40		Maliq	10
	Korçë	40		Maminas	10
	Shkodër	50		Mamuras	10
	Vlorë	61		Paskuqan	10
Other towns	Bilisht	10		Patos	10
	Burrel	10		Përmet	10
	Farkë	10		Peshkopi	10
	Fushë-Krujë	10		Pogradec	10
	Gjirokastër	20		Prrenjas	10
	Himarë	8		Roskovec	10
	Kamëz	20		Sarandë	10
	Kavajë	20		Selenicë	10
	Koplik	10		Sukth	10
	Kuçovë	10		Ura Vajgurore	10
	Kukës	10			
	<b>Total questionnaires</b>				

## Questionnaire

Inequality of Wages / Albania Presentation

Presentation

My name is..... and I come on behalf of GAFDC. We are conducting a study, supported by international organizations, which solicits Your opinion on work pay differences due to gender. There are about 30 questions on the survey. The confidentiality of survey responses is of highest importance.

## HOUSEHOLD INFORMATION

1. Number of questionnaire : \_\_\_\_\_

Region ID \_\_\_\_\_

City \_\_\_\_\_

Address according to the file \_\_\_\_\_

Interviewer \_\_\_\_\_

Date of the interview (dd/mm/yy)      Ora e fillimit të intervistës

Name of the head of the household: \_\_\_\_\_

Total number of the family  
 members \_\_\_\_\_

Interviewer's remarks:

\_\_\_\_\_

## FAMILY/HOUSEHOLD COMPOSITION

INTERVIEWER: *record names of all persons living in the household, starting with the head of the family. List first the adults and then continue with children.*

Name/ surname	Sex	Relation with the head of the family	Date of birth	Age	Marital status	Employment	Hours of work		
<i>Write names of all members of the family</i>	1.Male	1.Head of the family	[INT. Write 99/99/9999 if the respondent refuses to answer or does not remember it]	Years	1.Single	1.Employed	Record each person between age 18-65; how many PAID HOURS have each of them worked during previous week.		
	2.Female	2.Spouse			2.Married	2.Self-employed			
		3.Son/daughter			3.Divorced	3.Unpaid in the family worker			
		4. Grandson/ granddaughter			4.Widower/ widow	4.Unemployed			
		5. Daughter-in-law/ Son-in-law			5.Living together	5.Housekeeper			
		6.Mother/father			6.Separated	6.Retired			
		7.Brother-in-law/ Sister-in-law			7.Refuses	7.Student			
		8.Father-in-law/ mother-in-law				8.Military Service			
		9. Other				9.Other			
R0 R1	R2	R3	dd	mm	yy	R5	R6	R7	R8
1									_ _ _ _



2	_____
3	_____
4	_____
5	_____
6	_____
7	_____
8	_____
9	_____
10	_____

**Definition:** Every employed person, who **has worked at least 10 paid hours** during previous week, will be a subject of our survey. He/she will be selected through the “most recent birthday” method.

Nevertheless, the following should be considered:

1. If the household has more than one person employed, the person who qualifies as the respondent to the survey shall be the person having a birthday closest to the interview date.
2. If the household has only 1 employed person, this will be the person selected as the respondent to the survey.

**NOTE:** All employed individuals of age 18-65 that have worked 10 hours during previous week are subject of the survey. In each household shall be surveyed only 1 (ONE) individual, an individual that meets the required age indicated in the survey and, it must be the individual who has a birthday closest to the interview date.

**R9: Write the code of the household member (from R0) selected for the interview**

[\_\_\_\_\_]

## WORK SECTION

<b>1</b>	<b>Please tell me how many hours, on average, have you worked during last week?</b>	_____ Hours	
<b>2</b>	<b>Please tell me how many jobs do you work in a week?</b>	<ol style="list-style-type: none"> <li>1. Only one primary job</li> <li>2. Two primary jobs</li> <li>3. One primary, a second on occasion</li> <li>4. One primary, a second during the entire year</li> <li>9. I do not know</li> </ol>	
<b>3</b>	<b>At your primary job, you're saying You are</b> [INT. Primary job is selected by the respondent]	<ol style="list-style-type: none"> <li>1. Employed</li> <li>2. Self-employed with others employed <b>[go to P5]</b></li> <li>3. Self-employed with no others employed <b>[go to P5]</b></li> <li>9. I do not know</li> </ol>	
<b>4</b>	<b>Who is your employer?</b> [INT. Ask only when the answer to question 3, is 1]	<ol style="list-style-type: none"> <li>1. Government, public sector or military</li> <li>2. Government enterprise</li> <li>3. Private enterprise/individual</li> <li>4. Public works Programmes</li> <li>5. NGO</li> <li>6. International Organizations</li> <li>7. Other _____</li> <li>9. I do not know</li> </ol>	
<b>5</b>	<b>How long have you been working in this job?</b> [ INT. Convert in months if it is longer than a year]	_____ Years _____ Months	5a.Total Month _____

6	<b>Your primary job is?</b>	1. Full-time 2. Part-time <span style="float: right;">[go to P8]</span>
7	<b>Why do you work part-time?</b>	1. Take care of my children 2. Take care of the disabled in my household 3. Personal disability 4. Attend school 5. Attend vocational training course 6. Do not desire full-time employment 7. Cannot secure/find full-time employment 8. Other _____ 9. I do not know/Without answer
8	<b>Do you have a work contract for your primary job?</b>	1. Shorter than 3 months 2. 3-6 months 3. 7-12 months 4. 13-24 months 5. 25-36 months 6. Longer than 36 months 7. Without duration 8. Do not have 9. I do not know/Without answer
9	<b>Do you receive social insurance in your job?</b>	1. Yes 2. No
10	<b>What is the main activity of the institution, company/enterprise, organization, programme you work for?</b>	1. Agriculture, Fishing, Forestry 2. Extractive Industry 3. Processing Industry 4. Electrical energy, gas, water 5. Construction 6. Whole and retail sales 7. Hotel 8. Transport and Communication 9. Services 10. Education 11. Health 12. Culture 13. Public Administration 14. Community Sector 15. Other _____ 99. I do not know/Without answer
11	<b>What is the number of persons working in your enterprise/ or in your local unit/department?</b>	1. From 1-5 persons 2. From 6-20 persons 3. From 21-50 persons 4. From 51-80 persons 5. More than 81 persons 6. I do not know/Without answer



<p>12 <b>What kind of job do you perform during the day?</b></p>	<p><b>1. Manager / or high level official</b> [INT. Chef Executive, chef of administration, finance, marketing, human resource, or head of department, planer, head of sales department, production manager, hospital manager, hotel &amp; restaurant manager, etc]</p> <p><b>2. Professional / scientist</b> [INT. Engineer, mathematician, medical doctor, architect, teacher, financial professionals, jurist/legal expert, journalist, librarian, sociologist, artist, etc]</p> <p><b>3. Technician</b> [INT. Technician of controlling processes, paramedical, business, telecommunication and information agent, various construction technician, etc]</p> <p><b>4. Clerk</b> [INT. Secretary, operator, persons who record materials, services, financial transactions, bank tellers, etc]</p> <p><b>5. Qualified Workers</b> [INT. Persons who tend children, nurses, persons who install electrical and electronic appliances, persons who make electric and electronic mending, persons who operate mine, textile, metallurgic, leather, wood, and food processing machinery and equipment, persons who finish construction work, etc]</p> <p><b>6. Semi-qualified workers</b> [INT. Workers who work with metals, rubber, fabric, wood, taxi drivers, truck drivers, bus drivers, etc, fast food, restaurant, coffee shop workers]</p> <p><b>7. Basic occupations</b> [INT. Janitors, agriculture workers, construction workers, food preparation assistant ,vendors , persons tending elderly people, etc]</p> <p><b>8. Other (specify )</b> _____</p>
<p>13 <b>What is your monthly wage for this job?</b> [INT. Convert in new LEKE]</p>	<p>1. Up to 15000 leke 2. 15501-20000 leke 3. Exactly 20000 leke 4. 25001-35000 leke 5. 35001-45000 leke 6. 45001-60000 leke 7. 65001-80000 leke 8. More 80001 leke 9. I do not know/Without answer</p>
<p>14 <b>What is the starting wage in your company?</b></p>	<p>_____ Leke</p>
<p>15 <b>How is the starting wage in your company compared to the statutory minimum wage [INT. Minimum wage 20000 lek]</b></p>	<p>1. Higher 2. Lower 3. The same 9. I don't know</p>
<p>16 <b>Did you company last year have difficulty in respecting the minimum wage level</b></p>	<p>1. Yes 2. No 9. I don't know</p>
<p>17 <b>Is the wage you get sufficient to live decently (basic food needs and other basic living standards)</b></p>	<p>1. Yes 2. No 9. I don't know</p>

18	<b>Do you receive other benefits in addition to your wage?</b>	1. Financial Bonus 2. Non-financial Bonus [go to question 21] 3. No [go to question 22] 4. I do not know [go to question 22]	
19	<b>How much MONEY did you earn from your last bonus?</b>	_____ Leke	<b>[INT.</b> Convert in leke if the amount is given in foreign currency, using the exchange rate of 1 Euro= 135 lek, 1USD= 100 lek]
20	<b>Is your financial bonus linked with</b>	Performancen Experience Attendance Profi, sales, team results Other	Yes      No
21	<b>Do you benefit from any of those nonmonetary benefits</b>	Free/Subsided accomodation Free/Subsided medical care Paid holidays Free/Subsided meals Free/Subsided Transport other	Yes      No
22	<b>Has your payment increased during the recent year?</b>	1. Not increased 2. Increased up to 2,5% 3. Increased up to 3,5% 4. Increased from 3,5-5% 5. Increased from 5-7% 6. Increased from 7-10% 7. More than 10% 8. Other _____ 9. I do not know	
23	<b>Do you expect wages will catch up with price increase during 2011</b> [INT. Inform about 4% of CPI rate]	1. Yes 2. No 9. I don't know	
24	<b>Would you say that your wage has been following your company profit and sales growth last year?</b>	1. Ys fully 2. Yes to great extent 3. Yes but to a little extent 4. No 5. I don't know	
25	<b>How often are you paid?</b>	1. Every month 2. Every 15 days 3. Every week 4. Every day 5. Other _____ 6. I do not know/Without answer	



26	Did you experience any problem of wage payment over the last two years	<ol style="list-style-type: none"> <li>1. Yes, how long was the payment delayed _____weeks</li> <li>2. Yes, I have not been paid at all _____ months</li> <li>3. No</li> <li>4. I do not remember</li> </ol>
27	Did you experience any underpayment of workers last year	<ol style="list-style-type: none"> <li>1. Yes I have been underpaid</li> <li>2. No I did not experience any underpayment ( go to Q29)</li> <li>3. I do not know</li> </ol>
28	If you have been underpaid it concerned mainly the payment of	<ol style="list-style-type: none"> <li>1. Basic wage</li> <li>2. Overtime hours</li> <li>3. Bonuses (_____)</li> <li>4. Other</li> <li>9. I do not remember</li> </ol>
29	How do You assess your current employment/ job?	<ol style="list-style-type: none"> <li>1. Very satisfactory</li> <li>2. Satisfactory</li> <li>3. Rather satisfactory</li> <li>4. Not satisfactory</li> <li>5. Not at all satisfactory</li> <li>9. I do not know/Without answer</li> </ol>
30	How secure do you feel about your work post in this employment?	<ol style="list-style-type: none"> <li>1. Very secure</li> <li>2. Secure</li> <li>3. Rather secure</li> <li>4. Not very secure</li> <li>5. Not at all secure</li> <li>9. I do not know/Without answer</li> </ol>
31	Do you find the current payment system sufficiently motivating	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>9. I don't know</li> </ol>
32	Do you consider that the current pay system in the establishment is rewarding sufficiently your skills and experience?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>9. I don't know</li> </ol>
33	Do you benefit from a basic wage which is calculated according to a salary grid that takes into account your individual qualifications/ education/experience?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>9. I do not know</li> </ol>
34	Are you member of any supervising/managerial board?	<ol style="list-style-type: none"> <li>1. Yes, where I work</li> <li>2. Yes, in another place</li> <li>3. No (go to question 23)</li> <li>9. I do not know (go to question 23)</li> </ol>
35	Do you receive any bonus for being member of such a board?	<ol style="list-style-type: none"> <li>1. Financial bonus</li> <li>2. Non-financial bonus (go to question 23)</li> <li>3. No (go to question 23)</li> </ol>

36	If yes, how much is the financial bonus?	1. Up to 5000 new leke
		2. 5001-10000 new leke
		3. 10001-20000 new leke
		4. 4.20001-30000 new leke
		5. Over 30000 new leke

### SECOND JOB, NOT PRIMARY

(INT. This section will be answered only by persons that have indicated they have more than one job (see question P2, for answers 2,3,4)

37	Your second job is	1. Seasonal
		2. Odd (Occasional)
		3. Temporary
		4. Permanent
38	In your second job, you're saying YOU are	1. Employed
		2. Self-employed with others employed
		3. Self-employed with no others employed
		9. I do not know
39	Do you benefit from a work contract for this second job	1. Yes2. No
40	Who is your employer?	1. Government, public sector or military
		2. Government enterprise
		3. Private enterprise/individual
		4. Public works Programmes
		5. NGO
		6. International Organizations
		7. Other _____
		8. I do not know
41	What is your wage for this job? [INT. Convert in new leke]	1. Up to 5000 leke
		2. 5001-15000 leke
		3. 15001-25000 leke
		4. 25001-30000 leke
		5. 30001-50000 leke
		6. Over 50001 leke
		7. I do not know/Without answer
42	How often are you paid?	1. Every month
		2. Every 15 days
		3. Every week
		4. Every day
		5. Other
43	Have you ever paid social insurance contributions for your second job?	1. Yes
		2. No
44	Did you experience any problem of wage payment over the last two years	1. Yes, how long was the payment delayed _____ weeks
		2. Yes, I have not been paid at all _____ months
		3. No
		4. I do not remember
45	During last 12 months have you received bonuses, of any kind, from this job?	1. Yes
		2. No ( go to 47)
46	What is the approximate amount of that bonus? _____ new Leke	



## OPINIONS

47	In general, how do you assess the situation of current earnings of your household?	<ol style="list-style-type: none"> <li>1. Very good</li> <li>2. Good</li> <li>3. So-so</li> <li>4. Bad</li> <li>5. Very bad</li> <li>6. I do not know/Without answer</li> </ol>
48	Would you say that in general wage disparity in your enterprise (between the top and the bottom; or between categories of workers) in the last 2 years would have increased?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>3. I don't know</li> </ol>
49	In particular would you say that wage disparity in your enterprise in the last 2 years would have increased, decreased, or remained unchanged between:	<p style="text-align: center;">Increase    Decrease    Same    Dont know</p> <p>Top and lowest level workers            Men and women            Permanent and temporary workers            Migrants and others            Different ethnic groups            Between other groups of workers (please specify: _____)</p>

50. At the scale 1 - 5, where 5 is very important and 1 is very unimportant, how important or unimportant do you assess the *following factors* on influencing different levels of wages between men and women?

Factors that influence different levels of wages between men and women?	Very important	Important	Neither important or unimportant	Unimportant	Very unimportant	I do not know
1. The nature/type of the job	5	4	3	2	1	9
2. Necessary skills for specific jobs	5	4	3	2	1	9
3. Years of experience in the job	5	4	3	2	1	9
4. Education level	5	4	3	2	1	9
5. Number of women available for work	5	4	3	2	1	9
6. Average age of female workforce	5	4	3	2	1	9
7. % of high positions held by women	5	4	3	2	1	9
8. % of women that apply for high leading positions	5	4	3	2	1	9
9. Recruitment policies	5	4	3	2	1	9
10. Other (specify) _____	5	4	3	2	1	9

33. Using the same scale 1-5, where 5 is very important and 1 is very unimportant, how important do you assess each of the following methods **to approach the wage gap between men and women?**

Methods for approaching the wage gap between men and women	Very important	Important	Neutral	Unimportant	Very unimportant	I do not know
1. Using the same standards for recruitment and promotion procedures	5	4	3	2	1	9
2. Gender driven recruitment quotas within companies/institutions	5	4	3	2	1	9
3. Providing an enhanced network for children care	5	4	3	2	1	9
4. More flexibility in work contracts (flexible working hours, working at home, part-time work)	5	4	3	2	1	9
5. Delivery of improved trainings for women who aim at re-entering the labour market	5	4	3	2	1	9
6. Assistance to women job-seekers aiming at re-entering the labour market	5	4	3	2	1	9
7. Awareness campaigns initiated by the government, targeting employers and the vast public.	5	4	3	2	1	9
8. More support for women's education and training	5	4	3	2	1	9
9. Recognition of personal talents	5	4	3	2	1	9
10. Other (specify)_____	5	4	3	2	1	9



## General Information

### 1. Gender

- 1. Male
- 2. Female

### 2. How many years of education |\_\_\_|\_\_\_| years of education

### 3. What is your highest level of education

- 1. Elementary
- 2. Compulsory (8-years)
- 3. Secondary
- 4 University
- 5. Master /PHD
- 9. I do not know/Without answer

### 4. Sa janë të adhurat mujore të familjes tuaj në lekë të reja?

- 1. Up to 10,000
- 2. From 10,001- 30,000
- 3. From 30,001 -50,000
- 4. From 50,001- 70,000
- 5. From 70,001-90,000
- 6. from 900,001-1,100,00
- 7. Over 1, 100,001
- 9. I do not know/Without answer

## APPENDIX 2: DEFINITIONS

For the purpose of this study the following definitions were used:

**‘Working age population’** comprises the population between 15 and 65 years of age.

**Employed** The ‘Employed’ comprise all persons who did at least one hour of work in the previous week and they are subdivided into the following categories:

- A) Employed with pay; are all those individuals who worked for a sum of money or a reward in kind, even if in the past week they were not present at work but continued to have links with it.
- B) Self-employed; are all those individuals who during the previous week worked for themselves or their family, receiving money or goods in kind; and all those individuals who had an company/business/firm, even if, for whatever reason, it did not operate, but continued to be an company/business/firm, in the previous week

**Unemployed** The “unemployed” comprise all persons above a specified age who during the reference period were:

- a) “without work” during the reference week, i.e. did not have a job and did not do any work (for one hour or more) for payment or reward.
- b) “currently available for work” (within two weeks following the reference week).
- c) “actively seeking work” (during the four week period when they last had taken specific steps to find paid employment or set up their own business) or who had found a job that they were due to start soon (within a maximum three month period).