



**Albanian National Training and Technical
Assistance Resource Center (ANTTARC)**

”Social and economic situation in the District of Korca, 2005-2006”

This assessment study is produced for TABITA-DORCAS Albania

Prepared by Vera XHOKAXHI, PHD & Fioralba CAKU, MBA; ANTTARC

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ANTTARC

September 2008

ACRONYMS

ANTTARC	Albanian National Training and Technical Assistance Resource Center
CAI	Centers of Agricultural Information
CATT	Centers of Agricultural Technology Transfer
INSTAT	Institute of Statistics
MAFPC	Ministry of Agriculture, Food, and Protection of Consumers
RDE	Regional Directorate of Education
RDAFPC	Regional Directorate of Agriculture and Food and Protection of Consumers
RDPPH	Regional Directorate of Primary Public Health
REO	Regional Employment Office

EXECUTIVE SUMMARY

This study aims at assessing the social and economic situation in the District of Korca relating to the 2005-2006 period and to present a material that can be used by partner organizations of Dorcas in Albania to identify their future strategic objectives. Specific objectives of the study include: (a) to analyze the situation in the agriculture, education, health, employment and social assistance sectors in the District of Korca; and (b) to identify achievements, problems, needs, and priority intervention areas in accordance with missions of partner organizations of Dorcas in Korca.

This study includes an analysis of information and statistical data regarding agriculture, education, health, employment and social assistance sectors. Information is collected through primary sources (interviews with representatives of local institutions) and secondary sources (information and data collected from different governmental and non-governmental sources). In this framework, 19 employees of partner organizations of Dorcas in Korca including education, health, agriculture, social assistance and employment workers, etc., at both regional and district level were interviewed. Also, official documents and other statistical data published about the social-economic conditions in the District of Korca during last two years were considered.

During the preparation of this study, consultants faced difficulties relating to collection of data regarding the above-mentioned sectors for a multi-year period. Therefore, the study is mainly based on data for the 2005-6 period (statistical data for 2007 are not available yet in the annual bulletin of the Institute of Statistics).

The agriculture sector is the most important sector of economy in the District of Korca. Korca has a tradition in agriculture and livestock and the highest ratio of use of the agricultural land compared to other districts. Within the agriculture sector, agricultural, livestock, and arboriculture consist respectively of 47.1%, 41.2%, and 11.7% of the overall sector production. There is a tendency of growth. Arboriculture has had the highest growth. During 2003-2006, the growth rate of arboriculture, agriculture, and livestock production was respectively 82.7%, 17.6%, and 15%. However, this sector is facing different problems including: domination of small-size farms; weak system of agricultural and livestock services and weak physical infrastructure; low awareness level of farmers relating to use of pesticides; low standards relating to health and veterinary controls; limited development of the processing industry of agricultural products; weak marketing of agricultural products; lack of synergy between different actors of the sector; etc.

Regarding the education sector, there are significant differences between urban and rural areas. While pre- and 9-year school institutions are present in both urban and rural areas, high school institutions are mainly located in the city. The number of children that are registered in the pre-university institutions has decreased. Thus, in 2006 the number of registrations has decreased by 628 pupils/students compared to 2005. On the other hand, the number of students that are registered in the University of Korca has increased by 41%. The private education is developed only in the city of Korca and focuses on pre-, 9-year, and high school institutions. High school level includes both general and professional schools. The education sector is facing numerous problems including: high schools in the rural areas are limited; school abandonment is

widespread; number of school registrations has dropped because of weak school infrastructure, especially in the communes, difficult social and economic conditions of families, lack of pre-school institutions in communes, etc.; private education is under-developed and in rural areas it is not developed at all; percentage of education in the overall budget is low; etc.

The situation of the health sector in the District of Korca is better than in other districts of the region. The District of Korca has a comprehensive network of health services of 300 health clinics including 30 health centers, 104 woman consulting centers, 110 child consulting centers, 85 poly-ambulances, 1 poly-clinic, and 1 hospital. Pre-birth care and vaccination are provided in both urban and rural areas. The number of medical visits of children in consulting centers has increased. On the other hand, the number of medical visits of women has decreased, especially in rural areas. Health centers also provide information on family planning. However, often abort is the easy way for birth control. Birth rate and child death rate have both decreased. Child death rate in the rural areas is higher than in the city. One reason is that a considerable number of women from the rural/remote areas give birth at home without the assistance of nurses. Most of health services are public. Only dental and pharmaceutical services are mainly private. Some problems of the sector include: primary services are not at the desired level; number of women and children consulting centers has decreased, especially in the rural areas; family planning service has deficiencies relating to its continuity and kind of counseling and information provided; investments in the health sector have decreased; the secondary health service for the whole district is provided by the only hospital located in the city of Korca; etc.

The employment sector is characterized by an increase in the labor force. While the employment in the public sector has decreased (mainly because of institutional reforms) the employment in the private sector has increased (mainly in agriculture and textile/clothing sectors because of the development of these sectors). Centers of employment and vocational education have also contributed to employment. In this context, international organizations have contributed in vocational education and employment through implementation of several projects for training and employment of newly graduates. Problems regarding employment include: there is lack of qualified labor; slow development of business (also because of bureaucracy of public agencies relating to business registration and operation procedures and limited credit for the private sector) has had a negative impact on employment; cooperation between employment offices and business is weak; vocational education is not comprehensive, often not compatible with market needs, and not ready to prepare a work force in accordance with market demand; etc.

The social assistance program provides a monthly payment to families with insufficient income and in need and disabled people. In 2006, 3,453 families have benefited from the social assistance. 51% of these families have received full assistance and 49% of them partial assistance. The average economic assistance is very low (1,750 ALL/month). 51.4% of the economic assistance is distributed in rural areas and 48.6% in the city. In 2006, the economic assistance for disabled people increased by 18%. The social assistance program also faces numerous problems including: there is an equal treatment of families facing different social and economic difficulties; there is limited cooperation between social assistance offices and regional employment office; the amount of social assistance is low; there are no mid- and long-term

strategies and programs to integrate the poor through vocational training and employment; there is not an accurate distribution of social assistance grants for poor areas; etc.

Based on findings of this study, several recommendations were presented. Some of these recommendations are mentioned below:

- Regarding the agriculture sector: identification and use of human and institutional resources for the development of effective strategies for the development of agriculture and marketing of its products should improve; strategies should be developed based on participative approach; there is a need to extend the micro-credit system to farmers in order to establish sizeable farms; actions and projects relating to technical assistance to increase the capacity and quality of agricultural products and introduction of bio-products should be coordinated; health and veterinary controls of livestock products should improve; investments in the processing of agriculture products should increase; etc.
- Regarding the education sector: there is a need to open new high schools (especially professional high schools) in rural areas; investments in the private education sector should be encouraged; participation of the community in the development of education budget should increase and the education budget should be increased; training and employment opportunities for newly graduated students should be created; etc.
- Regarding the health sector: programs and projects of different donors in this sector should be coordinated; cooperation between governmental and non-governmental organizations especially relating to the hygiene and preventive measures should increase; effective methods to motivate the public health personnel should be used; etc.
- Regarding the employment and social assistance sector: cooperation between governmental structures and business relating to employment information and vocational education should increase; employment opportunities would be multiplied by the development of private enterprises that should be facilitated by minimizing bureaucracy relating to business start up and operation, favorable crediting, and subsidies for the agriculture and textile/clothing sectors; governmental control of business relating to black labor and labor rights should improve; vocational education should improve through qualification of trainers and improvement of curricula based on market needs; mid- and long-term strategies to integrate the poor that benefit from the social assistance should be developed; etc.

CHAPTER 1: STUDY OBJECTIVES AND METHODOLOGY

1.1. Objectives

The goal of the study is to assess the social and economic situation in the District of Korca and to produce an informative material that can be used by Dorcas' partners in the framework of programming their future work. This study aims at providing important information and recommendations to Dorcas' partner organizations (foundations Tabita, Emanuel, and Agrinet, etc) that will be used to design specific projects. Specific objectives include: (a) to analyze the situation in the District of Korca relating to education, health, agriculture, and social conditions including both public and private sectors; (b) to identify problems, successes, needs, and priority intervention areas in accordance with missions of Dorcas' partner organizations in the District of Korca.

1.2. Methodology

The study is based on information that is collected from primary and secondary sources. Primary sources include interviews with employees of Dorcas' partner organizations, local administration, education, health, agriculture, social assistance, and employment sectors at municipal and regional level. Secondary sources include review of official documents and other data published on social-economic situation in the District of Korca during last two years.

Primary information: 19 employees who represented the Primary Public Health Service, Regional Directorate of Education, Regional Employment Office, Regional Directorate of Agriculture and Food and Protection of Consumers, Municipality of Korca, Professional Technical School, and Dorcas' partner organizations (See Annex 1 for the list of interviewees) were interviewed. A semi-structured questionnaire including, according to areas of the study, four sections—education, health, agriculture, social assistance—was used to collect the primary information (See Annex 2 for the Questionnaire).

Secondary information: This information was collected from official sources and statistical reports, strategic plans, and other materials developed by Dorcas' partner organizations and international organizations. Statistical data collected from local institutions are presented in tables and graphs.

Data collection includes the following phases:

- *Phase 1:* Review of information provided by Dorcas relating to partner organizations' activity and development of the questionnaire.
- *Phase 2:* Conduct of interviews with employees of local administration and collection of statistical information.
- *Phase 3:* Analyze data and write the draft study.
- *Phase 4:* Finalize the study.

Data collection is conducted by two ANTTARC consultants. Representatives of Dorcas' partner organizations facilitated the process of interviewing, collection of written information, and logistics.

1.3. Problems and limitations

The study will serve as a resource material that can be used by Dorcas' partner organizations to design their interventions and develop and implement specific projects aiming at improving the services in the agriculture, education, health, and social assistance and employment sectors. Problems and limitations relating to the study include:

- It was impossible to collect data for the targeted sectors for the same periods of time in order to compare past and present situations. The analysis is mainly based on data of 2006 Annual Statistics (Institute of Statistics), statistical data from the Regional Directorate of Agriculture and Protection of Consumers Korce, data from the statistics office of the Health Directorate Korce, Regional Directorate of Education Korce, Regional Directorate of Employment Korce, as well as information collected through different interviews and studies.
- Statistical data collected from different sources are not compatible relating to specific indicators. Statistical data from the Institute of Statistics in Tirana have served as the basis of the study.
- The study has focused on four sectors--agriculture, education, health, and employment and social assistance—aiming at providing recommendations for the sustainability of projects of Dorcas' partner organizations in Albania.

CHAPTER 2: STUDY RESULTS

2.1. General information

The Korca region (Prefecture of Korca) includes districts of Korca, Devolli, Kolonja, and Pogradec. The Prefecture of Korca includes four municipalities (Korca, Pogradec, Bilisht, and Erseka) and 33 communes. This region of 3697 km² is located in the Southeastern Albania and borders with Greece and Former Yugoslav Republic of Macedonia. Mountains consists of 58% of the region, hills about 17%, and flat lands about 25%¹. Main agriculture land consists of plains of Korca, Devoll, and Pogradec.

The Korca region has a population of 358,032 inhabitants. Most of population (63%) lives in rural areas. Districts of Pogradec and Devoll have the highest percentage of rural population². During recent years, there is a significant change in the ratio between people living in mountainous and flat land areas. The population of the communes located in the mountainous areas has almost halved compared to 1990. The main reasons include immigration to the cities of Korca, Erseka, and Pogradec or to the central region (Tirana and Durresi) and emigration abroad (including short-term as well as long-term emigrants). By the end of 2006, the District of Korca had 199,323 inhabitants. 106,010 people (or 64% of population) live in the rural areas. Compared to 2005, the population has decreased by 0.4%, births have decreased by 3.2%, and deaths have increased by 3.4%.

The Korca region is part of Mediterranean pre-mountainous zone. Its climate is continental with cold winters and significant high temperatures in summer. There is an average of 700 mm precipitation/year (most of it during October – April). There are about 2,350 hours of sun/year and the average annual temperature is about 10.5 °C.

2.2. Agriculture sector in the District of Korca

2.2.1. Public administration of agriculture

At regional level, public administration of agriculture is realized by the Regional Directorate of Agriculture and Food and Protection of Consumers (RDAFPC). RDAFPC is dependent on Ministry of Agriculture and Food and Protection of Consumers (MAFPC) and is responsible to implement national and regional policies relating to development of agriculture. RDAFPC has been established on 13.12.2003 based on a Decision of Council of Ministers. Its activity is based on legal acts and sub-acts relating to agriculture and regional, national, and international projects and programs. It is composed by several specific sectors and the Center of Agricultural Information (CAI). CAI conducts studies and develops projects and strategies relating to development of agriculture, maintains relationships with research institutions, realizes training,

¹ Opportunities for Korca: An agro-economic study of the potentials for agricultural development and rural innovation in Korca Prefecture, Albania, May 2004

² Opportunities for Korca: An agro-economic study of the potentials for agricultural development and rural innovation in Korca Prefecture, Albania, May 2004

consulting, and exchange of experience, etc. To carry out its duties and responsibilities, RDAFFPC cooperates with local government bodies.

2.2.2. *Agriculture in the District of Korca*

Agriculture is a priority sector in the region of Korca. About 55% of population lives in rural areas. Moreover, the climate and agricultural conditions are optimal for the development of agriculture and Korca has a good tradition and work culture relating to agriculture. Even during the difficult years of transition, Korca farmers not only did not abandon their farms but also made serious investments. In 2006, the agricultural production was about 46,914 tons or 556 tons more than in 2005. Agricultural and livestock products constitute a basis for the development of agribusiness and solution of employment problems. Local quality production contributes for the improvement of economic and financial indicators. In the agricultural sector, there are professional resources as well as support development centers such as the Faculty of Agriculture, Agricultural High School, the Center of Transfer of Technology, etc.

Agricultural land and land reform

Compared to other regions of Albania, the region of Korca is characterized by maximal use of the terrain. According to 2006 statistical data, agriculture land in the region of Korca consists of 26% of total terrain; forests occupy 44%, and pastures around 19%. Only round 10% of terrain is not used. Figure 1 present data about the way land is used in the District of Korca.

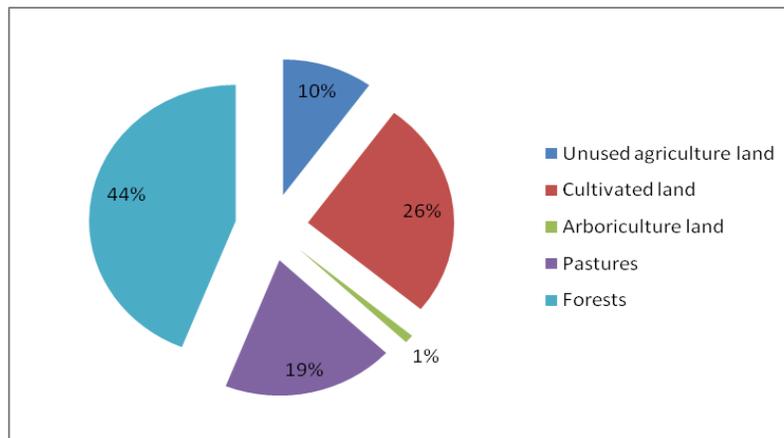


Figure 1: Land according to way it is used--2006

The region of Korca has round 91,531 ha agricultural land. The District of Korca has 46,806 ha of agricultural land including 45,341 ha cultivated land (or 96.8% of the total agricultural land), 971 ha arboriculture land (or 2.1%), and 494 ha viticulture land (or 1.1%).³

Regarding the ownership of agricultural land, 42,802 ha of land has been privatized or distributed/divided. As a result of land reform, at present there are 47,323 farmers in the Korca region including 25,838 farmers in the Korca district. In general, the farms are small—90% of them have less than 2 ha of land. Problems of the land reform relate to conflicts about land property especially because of pre-1990 reforms. These problems have resulted in lack of investment and cooperation to enable such investments. Though at small proportions, there are also cases of unused agriculture land mainly because of migration.

2.2.3. Agricultural production

Most of agricultural production consists of fodders (64%) and cereals (13%). Figura 2 presents the structure of sown crops %. The rest of agricultural production consists of vegetables, white beans, potatoes, tobacco, etc. Cereals mainly include wheat (75%), corn (23%), and rye (2%). Wheat is usually used for bread making. Bread is an important product used for family consumption and sale.

The productivity is low. In 2006, the average productivity was 33.45 kv/ha (even lower than in 2005 when it was 34.1 kv/ha). There was a decrease in the productivity of wheat (34.2 kv/ha versus 37.3 kv/ha in 2005). On the other hand, there was an increase in productivity of corn that was about 4.4 kv/ha higher than in 2005. Figure 3 presents productivity in 2006 compared to 2005.

Compared to other regions of Albania, Korca pays significant attention to production of potatoes and vegetables. Production of white beans, potatoes, and tobacco has increased because of both more sowing and increased productivity. A part of vegetables are exported to Greece. Based on statistical data from RDAFPC, 450 tons of white beans, 200 tons of olives, and 564.8 tons of tobacco has been exported in 2006.

Most of agricultural products are used to meet individual needs of farmers' families. Farmers' activity is diverse and extensive and suffers from an undeveloped system of services and weak physical infrastructure. Farmers' priority is to meet their main needs and, therefore, there are small quantities of agricultural products for the market.

³ Source: Vjetari statistikor, Korce 2006

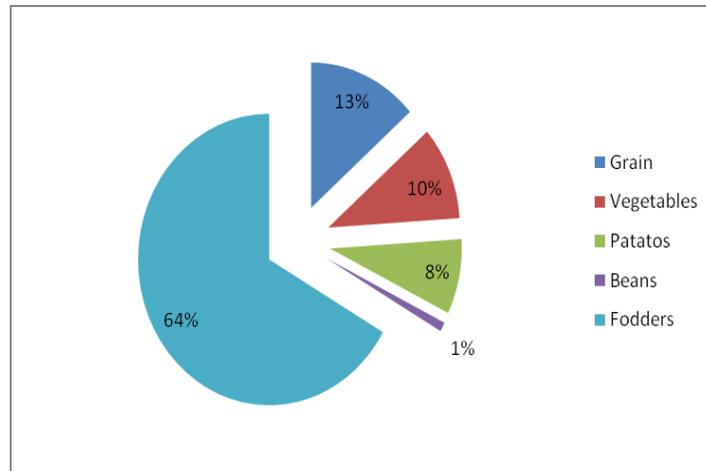


Figure 2: Sown Crops Structure in 2006

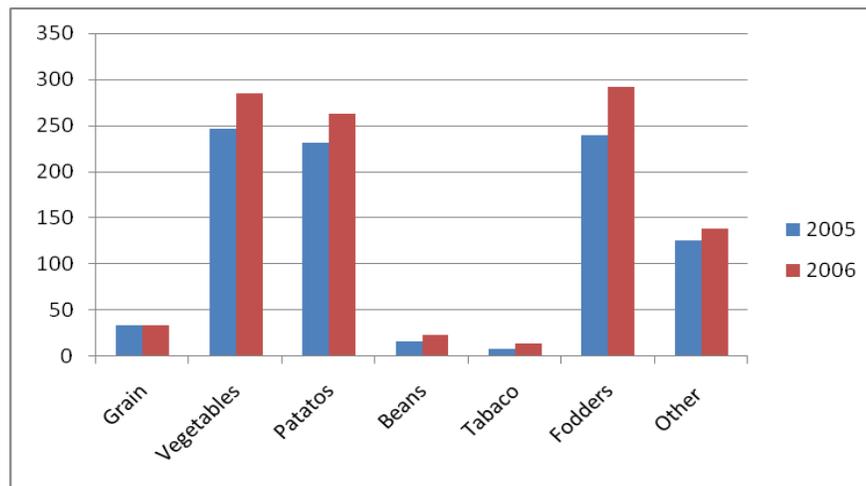


Figure 3: Productivity Structure of Crops 2005-2006

2.2.4. Arboriculture and viticulture

The Korca region has a good tradition relating to arboriculture. There is a significant production of apples. Plums, pears, cherries, and peaches are produced, too. Fruits from Korca are considered to be tastier than fruits from other regions because of low use of pesticides and soil and microclimate conditions.

Based on statistical data, in 2006 the arboriculture production was 16,879 tons (with an average productivity of 25.2 kg/tree). There is a significant increase compared to 2005 when the production was 10,687 tons (with an average productivity of 14.1 kg/tree). In 2006, fruit trees in production have significantly increased by 82%. The main part of production consists of apples.

In 2006, the viticulture production was 1,608 tons of grapes (with an average productivity of 35.9 kv/ha). The production was 207 tons lower than in 2005.

In general, arboriculture and viticulture farms are small. Based on statistics, there are only 49 arboriculture farms and 4 viticulture farms with more than 2 ha of land. Lack of specialized farms in arboriculture and viticulture has been accompanied with inability of individual farmers to produce and market significant volumes. Therefore, production has been limited. Often the stored production could not be sold because of weak marketing and lack of cooperation with other farmers. Exports have been limited, too. Lack of exports and sales relate to:

- Lack of promotional and effective export policies.
- Small number of sizeable farms. Most of farms are small and do not allow for massive production and productivity standardization.
- Lack of market information.
- Low integration of agricultural products in international export structures.

2.2.5. Livestock production

The District of Korca has an important livestock inventory (see Table 1 for information about livestock inventory). In 2006, the livestock production has increased. Regarding the milk production, though number of cattle has decreased by 8%, cattle milk production has slightly increased in 2006 compared to 2005. On the other hand, there is a slight decrease in sheep and goat milk production. The District of Korca produces round 60% of the milk in the Korca region (ETC ecoculture 04). Compared to 2005, in 2006 the production of meat and eggs has increased respectively by 26% and 17%. Livestock production structure is presented in Figure 4.

Code NP	Name	2005	2006	Comparison	
		Nr. of animals	Nr. of animals	2006 /2005	
				+	%
01.21.11	Cattle all	26753	23972	-2781	90
01.21.11	Cows	20098	18528	-1570	92
01.21.11	Oxen	50	510	460	1020
01.22.11	Sheep	115700	122781	7081	106
01.22.11	Sheep impregnated	87500	103696	16196	119
01.22.12	Goats	24434	21272	-3162	87
01.22.12	Goats impregnated	20630	17284	-3346	84
01.23.10	Pigs	5600	1109	-4491	20
01.23.10	Sows	564	589	25	104
01.22.13	Perissodactyl	8747	8549	-198	98
01.22.13	Horses	4347	4828	481	111
01.24.10	Birds all	245000	454845	209845	186
01.24.10	Plain birds	245000	454845	209845	186
01.24.10	Out of them; chicken	174000	198380	24380	114
01.25.10	Bees (hives)	7593	14528	6935	191

Table 1: Livestock in 2005-2006

The livestock production is mainly based on small-size farms. Usually, all families in rural areas have domestic animals. A small number of farms (round 33) have an average of eight cows. There are round 108 specialized farms that have more than 150 sheep and goats. Though artificial insemination is increasing, it is still limited. New animals are imported from European countries.

Livestock production is usually used for family consumption. Farms sell the surplus of their livestock production to urban consumers or small processing plants. Several governmental and non-governmental organizations have implemented different projects in this sector including a three-year project to matriculate and certify livestock that is implemented in the framework CARDS 2003 and several other projects to prevent and fight different diseases such as brucellosis.

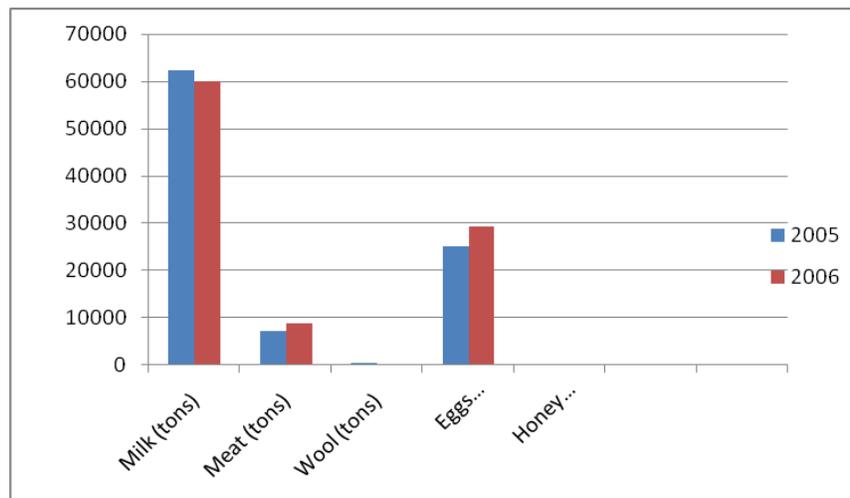


Figure 4: Livestock production in 2005 and 2006

2.2.6. Mechanization and agriculture input

The mechanization of agricultural sector is very low. Owners of agricultural machines ask high prices from farmers to conduct agricultural works (ploughing, sowing, harvesting, transporting, etc.). Therefore, farmers often go back to traditional methods using animals or manual labor that are dominant in most of farms. Use of pesticides is limited. Main reasons include farmers' lack knowledge and financial means and the small scale of production. Different projects funded by Dorcas-Agrinet, World Bank, European Union (in the framework of CARDS, LEA, etc.) as well as governmental organizations such as RDAFPC have contributed to increase farmers' knowledge and skills and support their activity.

Round 50% of farmers feed their livestock with products they buy in the market. This is more emphasized in the mountainous areas where fodder production is lower.

Some problems regarding mechanization and inputs include:

- Farmers' low knowledge level regarding use of pesticides.
- Unknown diseases of seeds and seedlings.
- Insufficient assistance by the extension services.
- Insufficient farmers' care of insects.
- Low quality of pesticides used by farmers.
- Lack of suitable equipments for pesticides.

2.2.7. Agribusiness

Food processing is developed in the District of Korca. Food products include meat, dairy, and fruit and vegetable products, alcoholic and non-alcoholic beverages, etc. Most of food processing businesses are small and medium-size enterprises (SMEs). These businesses consist of 87% of number of businesses in the region. The number of businesses that employ 6-10 people is increasing⁴.

2.2.8. Marketing of agricultural products

Conditioned by the small size of farms, agriculture is mainly oriented towards meeting the farmers' individual needs. Only round 30% of agricultural and livestock products are targeted for the market (ETC Ecoculture 2004). There is no proper marketing of agricultural and livestock products. Meeting the needs of the local market is the priority. Export of these products is limited because of:

- Insufficient and low quality of agricultural and livestock products and low development level of processing industry.
- Lack of selling facilities (relating to storing, processing, packing, etc.)
- Low standards relating to sanitary control including the veterinary controls.
- Low competitiveness of Albanian agricultural and livestock products because of low quality and high production cost.
- Methods that are used by farmers that market agricultural and livestock products (direct sale to consumers, selling to the collection points, self-processing, etc.) limit exports, too. Therefore, a significant part of these products are used for individual consumption.

The agricultural and livestock processing industry absorbs only 5% of the agricultural production. On the other hand, the processing industry is undeveloped because of low level of investments.

⁴ Source: Vjetari statistikor, Korca 2006

2.2.9. Advising, technology transfer, and agricultural information

Advisory services

The system of advisory services consists of a number of providers of public and private services. Public services are present all over the country. They are part of Ministry of Agriculture and Food and Protection of Consumers (MAFPC) structure at central and regional level based on a network of information centers. Public services include technical assistance, knowledge and information to farmers and other interested parties, etc. Advisory areas include technologies relating to crops' cultivation and animals' breeding, farm budgeting and financial management, marketing, farmers' organization, etc. Contacts with farmers are established and maintained through Centers of Agricultural Information (CAI) that are located in most important agricultural areas of the country. There are 120 CAIs in Albania.

Agricultural research and technology transfer

Since July 2006, there are functioning five Centers of Agricultural Technology Transfer (CATTs) that are located in Fushe Kruje, Vlore, Shkoder, Lushnje, and Korce. They are established upon restructuring of existing research institutions and are dependent on MAFPC. The purpose of CATTs is dissemination and/or transfer of technology in the agricultural sector. Centers have two departments: (1) agriculture (including crops and arboriculture) and (2) livestock, race improvement, and production. CATTs assist farmers to improve the technology through farmers' associations. In this context, CATT Korca has had a good cooperation with Agrinet to establish farmers' associations. CATT also organizes training and advising on technology transfer. Agrinet has a good cooperation with CATT relating to training and advisory services especially through ensuring the materials for technology demonstrations (since government does not provide any).

2.2.10. Description of last years' tendencies

Increase in agricultural and livestock production has been an obvious tendency. Regarding the production according to sector, the agricultural, livestock, and arboricultural production consist respectively of 47.1%, 41.2%, and 11.7% of sector's general production. Production structure is presented in Table 2. The highest pace of production growth has been noticed in arboriculture. Such growth also seems to continue in the future. During the three-year period (2003-2006), the pace of growth for agriculture, arboriculture, and livestock sectors have been respectively 17.6%, 82.7%, and 15%. Table 2 presents general agriculture and livestock production.

Sectors	2003		2006		2006/2003
	Tons (million)	% towards total	Tons (million)	% towards total	(%)
Agriculture	7641	48.7	8988	47.1	117.6
Arboriculture	1226	7.8	2241	11.7	182.7
Livestock	6837	43.5	7864	41.2	115.0
TOTAL	15,704		19,093		108.3

Table 2: General agricultural and livestock production⁵.

Sector's main shortcomings relate to low productivity, fragmentarization, and bad infrastructure. Though Korca has optimal agro-ecological conditions for the development of agriculture, the sector productivity is low, agricultural activity is conducted in small and fragmented units, and many rural communities, especially those in the mountainous areas, are isolated because of bad infrastructure. The collapse of pre-1990 economic infrastructure (including tobacco, wheat, barley, sugar-beet processing industry) has had a significant negative impact.

Lack of main production factors and inefficient use of existing production factors have resulted at low agricultural production, productivity, and income compared to EU countries.

During the transition years, the main phenomenons that are noticed in the agricultural sector include:

- There is a continuous and gradual decrease of the agriculture land that is being sown with wheat, corn, and potatoes. The main reason includes low profit from this activity and inability to face the foreign competition.
- There is a continuous increase of the agriculture land that is being sown with vegetables. The main reason is the increased demand for vegetables in the market.
- There is a significant increase in the productivity of fodder, potato, cattle and goat milk, and eggs production. In general, there is a significant increase in arboriculture and viticulture products. The Korca region is already recognized as specialized in arboriculture (together with Berat and Diber).
- There is a fast increase in the number of fruit trees, in the productivity of arboriculture, and the land used for viticulture. The growth in arboriculture and viticulture has been higher.
- There is a slight decrease in the number of cattle and goats and an increase in the number of sheep.
- Incomes from agriculture and livestock have increased. Despite 2004 when incomes were realized 87.3%, in 2005 and 2006 they are realized respectively 117% and 154.4%.

⁵ Based on informacion from the RDAFPC

2.2.11. Financial support for agriculture sector

During 2005-2006, agriculture funds have slightly increased by 3.6%. Large investments have been realized in irrigation and drainage followed by investment in agriculture land and services. Investments almost did not have any growth tendency and the dynamics of foreign investments has been unclear and unsecure. The governmental contribution for the agriculture sector has been limited to 1-1.4% of the total budget. This is even lower in terms of Gross Domestic Product (GDP).

2.2.12. Associations and projects in Korca

Farmers' associations in Korca

There are several farmers' associations in the Korca district. They aim at facilitating members' activity relating to effective management of their farms through exchange of information and knowledge on agricultural production and marketing. However, there are only few active associations. The main reason is that these associations were not initially established by other organizations and not by farmers themselves. Therefore, they were not sustainable and successful. The associations that are established recently are based on farmers' trust and interest. Farmers would like that these associations address their needs relating to weak market position of small farmers and introduction of new technology in production.

Non-governmental developmental organizations

Agrinas and Agrinet are two non-governmental developmental organizations that operate in the region of Korca. They focus on production and provision of seeds, provision of demonstration materials and means, investments in irrigation, arboriculture, and vegetable production, as well as extension of production of vegetables and fruits. Agrinas operates in the districts of Pogradec and Kolonja. Agrinet operates in several communes of the Korca district. At present, Agrinet focuses on fruit production and marketing, improvements in livestock production, and innovation in agriculture.

National governmental developmental programs

There are several important national governmental programs that either are already implemented or are being implemented focusing on the development of agriculture in the Korca region including: rehabilitation of irrigation system; support for agricultural extension; forestry project; agricultural market development; agricultural services project; the Mountainous Areas Development Agency (MADA), etc. These projects and programs are supported by foreign donors and are managed by management units established in Tirana and supervised by line ministries. MADA has also established the local office in Korca.

Being centralized, the priorities relating to projects are not always compatible with priority local needs and local management capacities. Also, decisions on different projects are taken at ministry level and often do not take into consideration local implementation conditions.

Interaction between different actors

According to the 2007-2013 National Strategy for the Agricultural and Food Sector developed by MAFPC, RDAFPC focuses on the development of agriculture by⁶:

- Clearly defining developmental directions in agriculture also including arboriculture and viticulture, livestock, vegetables, agro-tourism, agro-business, etc.
- Supporting the above mentioned developments with concrete steps, programs, and projects.
- Improving food safety parameters.

However, the governmental support for farmers is actually low. On the other hand, the activity of different projects and organizations is well recognized. However, there are problems relating to their role and synergy including lack of coordination between supporting organizations, unsettled channels of communication, lack of exchange of experience, etc.

2.3. Education in Korca

2.3.1. Public administration of education

The education system at local level is administered by RDE and Departments of Education in the municipalities and communes. The Regional Directorate of Education (RDE) is responsible for the organization and functioning of educational institutions and the quality of education in the region. RDE develops the policies for the development of pre-university education, at district and regional level, and implements regional policies in accordance with the National Strategy of Education. RDE develops and implements local and national projects, organizes inspection of educational institutions, public and private, and organizes and implements training and qualification of teachers in cooperation with other specialized institutions. RDE reports to the Ministry of Education. Education Departments in municipalities and communes are local structures that are independent from the Ministry of Education. They are responsible for maintaining and administration of education facilities in municipalities and communes. At school level, education system includes the school directorate, pedagogical staff, parents' councils, and school boards.

The pre-university education includes three levels: (1) pre-school system of kindergarten and daycare; (2) secondary level including elementary school; and (3) high school level including general and professional education. Table 3 shows the number of public schools in 2006.

⁶ Source: Sectorial Strategy of Agriculture and Food (Strategjia Sektoriale e Bujqesise dhe Ushqimit--SSBU)

	Kindergartens		Elementary schools		9-year schools		General high schools		Professional high schools	
	Total	Rural	Total	Rural	Total	Rural	Total	Rural	Total	Rural
Korce	91	79	48	46	58	45	15	11	7	

Table 3: Number of pre-university institutions in the public sector, 2006⁷

Pre-school, elementary, and 9-year institutions/schools are located in urban as well as rural areas. In 2006, 21% of pupils are registered in rural areas and 79% in urban areas. Number of pupils according to gender is almost equal--46% of registered pupils are girls and 56% are boys. There are few general high schools in rural areas. There are no professional high schools in rural areas. Based on data from 2006 Korca Statistical Annual Report, in 2006 there are less pupils registered in the pre-university institutions than in 2005. In 2006, there are registered 15,852 pupils or 628 less than in 2005. Therefore, number of classes and pupils that are graduated is smaller. Table 4 provides information on 8-year education in Korca.

Nr	NAME	YEAR		COMPARISON	
		2005	2006	2006 / 2005	
		TOTAL	TOTAL	+ -	%
1	Registered pupils	16480	15852	-628	96.2
	- females	8020	7694	-326	95.9
2	Newly admitted	1782	1834	52	102.9
	- females	867	891	24	102.8
3	Teachers	1033	1005	-28	97.3
	- females	717	699	-18	97.5
	- university degree	849	843	-6	99.3
4	Registered pupils	16480	15852	-628	96.2
	- Grades 1-4	7992	3882	-4110	48.6
	- Grades 5-8	8488	11970	3482	141.0
5	Number of classes	758	736	-22	97.1
	- Grades 1-4	397	206	-191	51.9
	- Grades 5-8	361	361	0	100.0
6	Pupils receiving certificate of completion	2173	1961	-212	90.2
	- females	1068	965	-103	90.4
7	School drop-outs	38	31	-7	81.6
	- females	18	15	-3	83.3

Table 4: Indicators of 8-year public schools

In 2006, there was an increase by 41% in the number of students who were registered at higher education/University of Korca. The University of Korca has four faculties and 14 branches as presented in the table below. In 2006, there were respectively 1129, 357, 1679, and 521 students enrolled in the Faculty of Economy, Faculty of Agronomy, Faculty of Teaching, and Faculty of Nursing. Most preferable majors are economics, teaching, and nursing.

⁷ Based on information from the RDE Korca.

2.3.2. Financing of the public education

Financing of public education is realized through RDE and Departments of Education in municipalities and communes. In each region, local education institutions prepare the budget prior to their approval. In cooperation with RDE, the municipalities and communes project their annual expenses relating to education. Then the draft project is presented to the Ministry of Education that presents it to the Ministry of Finances. Ministry of Finance does any necessary changes and presents the draft budget to the Council of Ministers and People's Assembly for approval. The approved budget for investments in public education is given in the form of conditioned grant to the municipalities and the Regional Council for communes.

The education budget for the District of Korca consists of 7.5% of the overall budget. In 2006, the education budget was 81,298 million ALL or about 7% less than in 2005 (113,273 million ALL). Lack of proper funding has had a negative impact on school infrastructure and has limited the possibilities to conduct different educational activities.

2.3.3. Private education

Private education in the Korca region is developed during the transition years (after 1991). It includes pre-school education, elementary schools, and general and professional high schools. The pre-university private education in the District of Korca is developed only in the city. There are two kindergartens, two 9-year schools, and two general high schools in the city of Korca (private). There are no private kindergarten, elementary, and high schools in rural areas.

2.3.4. Main problems of the education system

Administration and financing

The dependency of local institutions from central structures makes difficult the regional administration of education, decision-making, and sharing of responsibilities between different actors. Though recently there is an increased participation of local institutions in budget development, the financing system is still centralized and does not meet on time the needs that are identified by local structures. Over-centralization has resulted in slow and fragmented financial procedures and additional new proposals are not usually completed within the year. Interviews with representatives of local structures emphasized the need to speed up institutional reforms and decentralization of local decision-making.

School abandonment is one of main problems that the education in the District of Korca is facing, too. According to experts of RDE, Korca is one of regions with most school drop-outs in Albania. Interviewees emphasized that most of drop-outs are in the Municipality of Korca, especially from the Roma community children. According to interviewees, in 2006 there are 139 pupils that have abandoned school in the District of Korca. Main reasons include difficult economic and social conditions of pupils' families. However, reasons for school abandonment vary in different levels of the education system.

- Regarding the pre-school education, the main reason is closure of many kindergartens and day care centers during the transition years (most of these institutions are transformed into houses).
- Regarding elementary education, the law on compulsory education is not fully implemented. The main reasons for the small number in school registrations are low income of families and their impossibility to afford school expenses. Additional reasons in the rural areas include involvement of children in agricultural work and distance of schools from villages, especially in the mountainous areas.
- Regarding high school education, the number of students in professional schools has decreased because of closure of many centers of vocational education. This phenomenon is more evident in rural areas where agricultural high schools (that have closed down) were established.

Another problem relates to pedagogical staff. Political elections and changes in government are followed by continuous changes in the pedagogical staff that are not based on teaching qualifications thus having a negative impact on teaching effectiveness and quality.

Rehabilitation of educational infrastructure and investments

Rehabilitation of educational infrastructure and investments by the government and international organizations in the education sector are still low and insufficient to meet the actual needs. In 2004, only one elementary school, six 9-year schools, and one high school were constructed and three 9-year schools and two high schools were re-constructed. In 2006, only two high schools are re-constructed. Compared to 2005, in 2006 investments in education at district level were 28.2% lower. To fill this gap, international organizations operating in Korca have made funding of education their priority. Last years, investments have focused on education facilities including construction of new schools and re-construction of existing schools (facades, roofs, surrounding walls, etc.).

Migration from rural areas to the city of Korca has resulted in continuous changes in the number of pupils/students in classes/schools and insufficient facilities. Thus, the number of school registrations has been continuously smaller in communes and higher in the municipality schools. In the city, the size of classes for grades one to five is more than 40 pupils and there are schools that have organized teaching in two shifts. On the other hand, there are schools at rural areas where classes consist of pupils of different grades taught by the same teacher. These problems have had a negative impact on teaching effectiveness.

2.4. Health care in Korca

2.4.1. Administration of health services at local level

At regional level, health services are administered by the Regional Directorate of Public Health (RDPH) that is dependent on the Ministry of Health. RDPH administers the budget allocated by the government and contributions of the Institute of Health Services. The District of Korca has

300 health clinics including 30 health centers, 85 poly-ambulances, 1 poly-clinic, 104 woman consulting centers, 110 child consulting centers, and 1 hospital. The polyclinic and hospital are located in the city of Korca. Health centers are established in the municipality as well as communes. Health centers provide specialized health services. Ambulances provide health services in rural areas.

Primary and prophylaxis care are provided by health centers that constitute the most important public health service. Primary health care service is represented by a network of health service centers and provides immunization, respiratory diagnosis, pre-birth care, family planning, and child monitoring services. In rural areas, primary care is provided by ambulances.

Secondary health care service is provided by the only hospital that is located in the city of Korca. There are specialized medical doctors in the staff of hospital. However, the hospital does not provide all specialized services for women and children.

Primary and secondary health care services are public services. Dental and pharmaceutical services are mostly private.

2.4.2. Health care services

Vaccination

Immunization is the most successful service that is provided almost everywhere in the district. Most of health centers are regularly supplied with necessary vaccines and syringes. Specialized nurses conduct vaccination of children on daily basis. Regarding vaccination, there is no difference between the city and remote areas.

Mother and child care

Data on pre-birth care show that this service is offered to almost all women, no matter where they live. However, the number of medical visits in women consulting centers has decreased, especially in rural areas. One main reason is the decrease in the number of consulting centers (In 2006, this number has decreased by 2% compared to 2005). Most of pregnant women give birth in maternity hospital. There are also 90 maternity centers in rural areas. However, the number of nurses has decreased by 2% in 2006 compared to 2005. In remote rural areas, there are still a considerable number of women who give birth at home. Since the medical assistance to births at home is often limited because of lack of nurses or difficulties in transportation, there are higher risks for the health of mothers and children in remote rural areas. In 2006, number of children visits at consulting centers has been 47,385 or 2,149 more than in 2005.

Birth-rate indicators are decreasing in both urban and rural areas. At district level, birth-rate has decreased to 5.85/1000 inhabitants (in 2006) from 6.48/1000 inhabitants (in 2005). Main reasons

include emigration, family planning, etc. Child death-rate⁸ at district level has also decreased from 13.21/1000 inhabitants (in 2005) to 10.28/1000 inhabitants (in 2006). Death-rate indicators in communes, especially Drenove, Vreshtas, and Vithkuq are higher.

Family planning

Education on family planning is mainly provided by the health centers. However, there are other family planning clinics that operate in the framework of different non-profit organizations. A problem that minimizes the effect of family planning services is the unregulated distribution of contraceptives. At present, most of health centers provide only information and counseling on family planning. Abort is still the easiest way for the birth control.

Management of respiratory and other infections

Respiratory and other infections services are provided by health centers in municipalities and communes. However, not all centers provide these services at 100% level. Reasons relate to lack of necessary equipments and specialized personnel. Also, there is a lack of supply of personnel with protection means from infections (such as gloves, etc.).

Provision of food supplements

A great number of children in the District of Korca, especially in rural areas, are suffering from mis-feeding. Provision of food supplements especially vitamins A and D and jodium is insufficient. Moreover, the prophylactic measures are limited. Therefore, an increased number of children suffer from different diseases such as rachitis, thyroids, etc.

Monitoring of child growth and development

Monitoring of child growth is a service that is provided by child consultation centers. At district level, there are 110 consulting centers including 11 in the municipality and 99 in communes. During 2006, in the district of Korca there are conducted 341,168 or ten times more pediatric visits than in 2005 when there were conducted 35,774 visits. Such increase also relates to different seasonal viruses. These visits have been conducted by the same number of medical doctors.

Dental and pharmaceutical services

Most of dental services are privatized. There are only few public-funded clinics that are located in health centers and schools. There are 24 dental cabinets located within public schools including three in the rural areas of Liqenas, Gore, and Maliq.

⁸ Tabelat: Treguesi i vdekshmerise foshnjore ne rrethin e korces per vitet 2005-2006; Te dhena statistikore per vizitat, injeksionet vdekjet, etj

Health personnel

At local level, there are 116 medical doctors and 5,677 nurses. Compared to 2005, the number of medical doctors has increased. On the other hand, the number of nurses has decreased by 11. According to interviews with experts of the RDPH, the motivation of medical personnel is low mainly because of low salaries and difficult work conditions. There are not sufficient incentives for the medical doctors working in the remote rural areas who work in difficult conditions. The medical personnel in rural areas are overloaded and they are not regularly supplied with medical materials. However, most of medical personnel continue to work in the public sector because of professional reasons or lack of other opportunities. However, problems relating to medical services relate more to difficult conditions and poor management than lack of human resources. Table 5 presents comparative indicators of health services.

Nr	NAME	YEAR		COMPARISON	
		2005	2006	2006 / 2005	
		TOTAL	TOTAL	+ -	%
1	Number of institutions				
	- Health centers	36	30	-6	83
	- Ambulances	79	85	6	108
	- Polyclinics	1	1	0	100
	- Women consulting centers	104	104	0	100
	- Children consulting centers	110	110	0	100
2	Number of visits				
	- Health centers	189632	180430	-9202	95
	- Ambulances	49370	46583	-2787	94
	- Polyclinics	71170	71602	432	101
	- Women consulting centers	12541	12301	-240	98
	- Children consulting centers	45236	47385	2149	105
3	Medical personnel				
	- Medical doctors	115	116	1	101
	- Family doctors				
	- Nurses	578	567	-11	98

Table 5: Comparative indicators of health services

2.4.3. Financing of health investments in the health sector

In general, medical equipments either are old or do not exist at all. Health services are also undermined by power cuts that in 2006 have been frequent. During 2006, there was a significant decrease of public investments in health services. There were investments of 83,579,000 ALL or 27.2% less than in 2005. The state budget covers only operational expenses. According to interviewees, the budget allocated for investments in health services has been either very limited

or non-existent. Low investment level and depreciation of the health infrastructure has resulted in a critical situation of health facilities in the District of Korca. Investments are covered partly by foreign donors such as Ministry of Foreign Affairs of Italy, etc. The coordination of different donors regarding supply of the hospital and polyclinics with medical equipments and implementation of different health programs to improve citizens' health has not been very effective.

2.4.4. Main problems in the health care

The main problems in the health sector can be summarized as follows:

- The primary services that are provided by health centers are not at the desired level. In general, not all necessary services are provided, centers are short of facilities, equipments, and personnel, and the hygiene is a problem.
- The number of mother and child consulting centers has decreased, especially in the rural areas. This has resulted in higher sickness and death rates at children and mothers.
- The family planning service faces problems relating to continuity and kinds of counseling and information it provides. The abortion remains, especially in rural areas, the most used family planning method.
- The secondary health service is provided through the only hospital that is located in the city of Korca. There are difficulties relating to provision of all necessary services as well as their quality.
- Often children, especially in the rural areas, suffer from different diseases. The prophylactic measures for children are insufficient and not at the desired level.
- Expenditure and investments in the health sector are limited and insufficient to meet the health care needs of population.

2.5. Employment and social protection

2.5.1. Employment in the District of Korca

In 2006, the District of Korca had a population of 199,323 inhabitants including a work force of 133,246 people (including all males of 15-59 years old and females of 15-54 years old). Compared to 2005, the work force has increased by 1.7%. The male work force has slightly decreased (from 51,405 in 2005 to 51,260 in 2006, or 0.3%). On the other hand, the female work force has increased by 4.1% (from 44,325 in 2005 to 46,145 in 2006). Table 6 presents comparative data of the work force in the District of Korca.

According to data from INSTAT, in 2006 compared to 2005 employment has increased by 2.7%. Employment of men and women increased respectively 1.5% and 4.3%.

Nr	Name	YEAR		COMPARISONS	
		2005	2006	2006 / 2005	
				+ -	%
I	Population	198600	199323	723	100.4
	- Males	100336	98630	-1706	98.3
	- Females	98264	100693	2429	102.5
II	People at working age	131808	133246	1438	101.1
	- Males	70000	70027	27	100.0
	- Females	61808	63219	1411	102.3
III	Work force	95730	97405	1675	101.7
	- Males	51405	51260	-145	99.7
	- Females	44325	46145	1820	104.1
IV	Activity level	73	73	-8	100.6
	- Males	73	73	-10	99.7
	- Females	72	73	-6	101.8
V	Employed	63780	65516	1736	102.7
	- Males	36360	36907	547	101.5
	- Females	27420	28609	1189	104.3
VI	Employment level	66.6	67.3	-0.3	101.0
	- Males	70.7	72.0	-0.3	101.8
	- Females	61.9	70.0	-0.1	113.2

Table 6: Comparative data of work force

Employment in the public sector

Employment data relating to the Municipality of Korca and communes of the District of Korca show a lower employment level in the municipality compared to communes. The main reason is the establishment of new governmental institutions in communes and employment of people in these structures. In 2006, 50% of public employees worked in communes and 31% of them in the Municipality (Figure 5 presents employment structure of the public sector for 2006).

Compared to 2005, in 2006 the total number of employees in the local public institutions has decreased by 1.4%. The employment in the municipality and commune structures has increased by 3%. Analysis of employment data according to education level shows a decrease by 3.7 % of high and management level employees and an increase by 3.4 % of university-degree experts. The main reason for these changes is the institutional reform of the local and central institutions that has resulted in restructuring and staff cuts. Figure 6 presents comparative data regarding employment in the public sector.

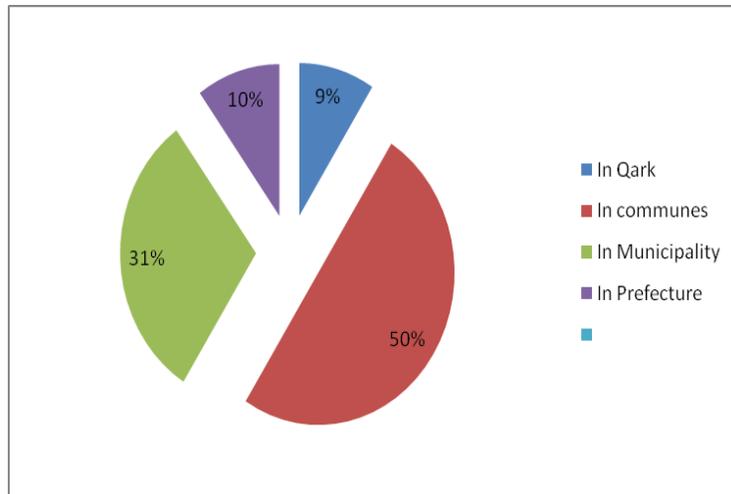


Figure 5: Employment structure in the public sector--2006

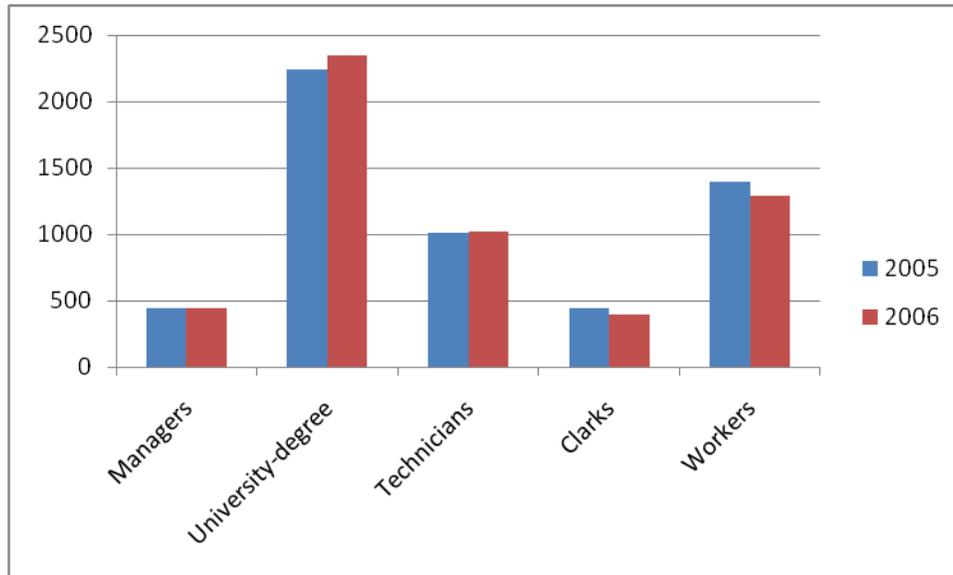


Figure 6: Employment structure according to position

Most public employees belong to health (36.4%) and education (19.4%) sectors. Indicators of employment according to sectors are presented in Table 7 and Figure 7.

Code	Description	2005		2006		COMPARISONS	
		Nr of empl	Nr of empl in 01/05	Nr of empl	Nr of empl in 01/06	TOTAL	
						2005/2006	
						+/-	%
I	Employed	5699	5539	5621	5494	-78	99
1	Agriculture	134	127	130	118	-4	97
2,5	Forestry, fishing	0	0	0	0	0	0
10-14	Extracting industry	14	13	15	15	1	107
15-37	Processing industry	387	286	296	175	-91	76
40,41	Power, water energy	320	312	310	311	-10	97
45	Construction	30	30	32	33	2	3
50-52	Trade	66	58	61	59	31	203
55	Hotel, restaurants	0	0	0	0	-66	0
60-64	Transport, communications	266	264	292	303	26	110
80	Education	2012	2011	2000	1999	-12	99
85	Health	1078	1068	1067	1071	-11	99
	Other (55-67,70-74,75,90-93, 95)	1392	1370	1418	1410	26	102
	Treatment and reward fund	0	0	0	0	0	0

Table 7: Employment according to sectors

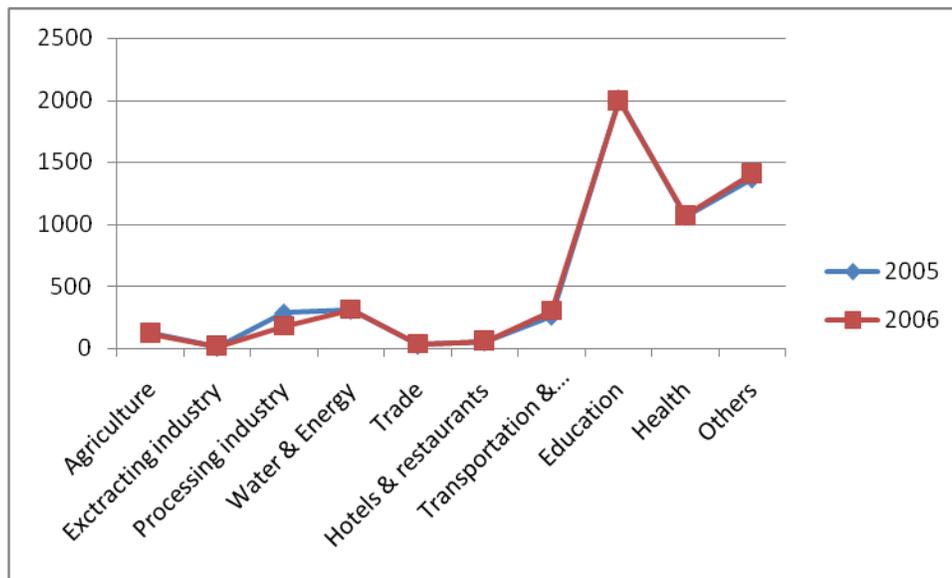


Figure 7: Employment according to sectors

Employment in the private sector

Differently from the public sector, employment in the private sector is continuously increasing. Compared to 2005, the analysis of statistical data shows an increase in 2006 in employment by 22.5% in the non-agricultural sector and by 0.4% in agricultural sector.

Though the employment in the agricultural sector has been insignificant in 2006, agriculture is the main sector regarding employment. The agricultural sector employs about 86% of private sector employees. Most of employees in the private sector are self-employed in their private businesses.

Regarding employment in the non-agricultural private sector, the processing industry has the first place (39.3%) and it is followed by the trade sector (27.87%). Within the processing industry, textile-clothing employs most people (48.1%). Development of textile-clothing industry is based on foreign investments encouraged by the cheap and trained labor force and export-oriented production (especially toward Greece). Most of employees are female, especially in the confection industry. Differently from the past when there is a tendency to employ people who can be trained on the job, the present tendency is to employ qualified people in order to lower the production costs and face the foreign competition (especially of cheap Chinese goods). Though local businesses are active, diverse, and sustainable, employment in this sector is limited and unstable.

The Regional Employment Office (REO) has played an important role to facilitate/mediate employment of people in the private sector. In 2006, it has also conducted an assessment of labor market in the private sector. 28 businesses were selected to be interviewed, including 16 businesses from the confections industry, 10 businesses from the construction industry, and 2 businesses from the food industry. Interviews showed that these businesses were active and employment has increased. Most of employment relate to vacancies created because of labor force circulation and to lesser extent new jobs created by the extension of businesses.⁹

Table 8 presents data about the employment in the private sector.

Nr	NAME	Unit	Situation on January 1st		COMPARISON	
			2005	2006	+ -	%
			ANNUAL	ANNUAL	2006/2005	2006/2005
I.	Labor force -- total	Average number	58241	60022	1781	103.1
	b.Non agricultural private sector	Average number	6893	8445	1552	122.5
	c.Agricultural private sector	Average number	51348	51577	229	100.4

Table 8: Summary of employment indicators-Private sector

⁹ Source: Analysis of the labor market in the region of Korca for the period April 2006 – April 2007, Regional Employment Office Korca

Difficulties that are identified regarding employment in the private sector include:

- There is lack of qualified labor. Qualified labor is in demand because of higher efficiency and quality that is crucial to face the foreign competition;
- There is a strong competition from imports in all sectors including confections, construction, food, etc. that often results in bankruptcy of local businesses and lay offs (for example, in 2006 a confections business closed down because of the competition of low-cost Chinese products and 230 people lost their jobs;¹⁰)
- Power cuts have been frequent and have resulted in higher production costs. Though Korca Albanian Power Company has tried to minimize power cuts for the industrial zone, they were a serious problem for local businesses.
- Bureaucracies in tenders and permits/licenses have had a negative impact on development of business, especially the construction sector. Regarding the construction industry, local elections have resulted in delays relating to proceedings of the Territorial Regulatory Councils and, therefore, in delays relating to the construction activity.
- Monetary policies relating to crediting of business have not encouraged business development. Though some banks credit different business initiatives, interest rates are not favorable to businesses.
- Cooperation between local businesses and employment offices is limited. Often, the business advertises vacancies only in the media and do not cooperate with employment offices because their trust in these offices is limited.

2.5.2. Unemployment in the District of Korca

Unemployment is a sensitive problem in the District of Korca. Moreover, the tendency is toward increase of unemployment. Compared to 2005, in 2006 the number of unemployed people increased by 14% and the total number of unemployed people was 6,187. Most of unemployed people belong to the “without profession” category including people who have finished either high or elementary schools. 51% of them are female. On the other hand, the labor market does not offer many opportunities for this category of people. Therefore, in this category there are many long-term unemployed people. In the “workers” category (including ex-workers of the Mechanical Factory) there is an increase, too, by 22% compared to 2005. Female workers constitute 60% of this category. On the other hand, there is a decrease regarding unemployment in the category “handicraft and merchants” by 68%. People from this category could find jobs in the processing industry, construction, and/or services. In addition to this group, most new jobs relate to textile and clothing industry and tobacco processing industry (that is seasonal). Other sectors especially agriculture and extracting industry offer few opportunities. The tourism sector offers few opportunities to unqualified people (most of needs are for waiters and cooks). Services sector is mostly private and is based on self-employment. It employs only few people.

¹⁰ Source: Statistics from REO Korca

Most of unemployed people belonging to the above mentioned categories are included in the social assistance scheme. They have difficulties to adapt to labor market requirements.

There are also registered 264 unemployed people from the category “high school technical specialists.” Within this category, most people are “high school economists”. 40% of them are female. Unemployment regarding this category has increased 5 times compared to 2005. The market demand is for university-degree economists that have foreign language and computer skills.

According to data, unemployment relating to the “university-degree experts” has tripled. The main reason is the reform of the public institutions where many of these people used to work. The reform has consisted in smaller structures and, therefore, fewer employees. People from this category have difficulties to find jobs. One reason is the tendency of the private businesses to combine different job positions into one and therefore hire less people that might be specialized for different processes. The newly-graduated students that have no work experience belong to this category, too.

Table 9 presents unemployment in 2005-6 according to different categories.

Years	Description	Total	University-degree	High-school technician	Employee	Agricultural worker	Handicraft & merchants	Mechanical factory workers	Simple Labor
2005	Unemployed all	5421	55	55	61	0	854	832	3564
2006	Unemployed all	6187	207	264	55	16	275	1014	4356
comp	+ -	-766	-152	-209	6	-16	579	-182	-792
	%	114	376	480	90	0	32	122	122

Table 9: Unemployment according to categories

In the framework of the INTERRAG 3-A program, ROE Korca has presented a project that would employ at private enterprises 30 people that had graduated from the Economic Faculty of the University of Korca for a nine-month period. They would be paid by the project. In the framework of this project, these people were trained and their employment opportunities had increased based on the experience they had gained. This initiative was welcome by private businesses and their interest was continuous.¹¹

Several international organizations have played an important role in vocational training and related employment. TABITA has implemented several projects relating to training and employment of newly graduated young people.

¹¹ Source: Interview with the Head of Regional Office of Employment Programs and Services Korca.

Problems regarding the impact of vocational training on employment include:

- Vocational training centers are partly independent. They are allowed to apply tariffs for their services and can use their income (90%).
- Qualification of trainers is not at the desired level. Training curricula are developed by the trainers themselves. They often do not fit with the market demand. Therefore, often the certificates they issue have little value.
- Cooperation between the private and public sector is the key because their effective cooperation would result in improvement of services provided by both parties.
- Though the contribution of vocational training is very important, it is not ready yet to develop a labor force that is capable and meets the market demand. Reasons relate to lack of funding and irresponsibility that is present in the labor market. Though there are important donor efforts, much work should be done to achieve required standards.

2.5.3. Salaries

The salary level in the public sector is relatively low. Based on statistical data, the average salary is 22,783 ALL/month including 26,486 ALL/month for the public sector employees and 14,741 ALL/month for the private sector employees. Regarding the public sector, only 9% of public employees are paid from 40,001-60,000 ALL/month, 34% are paid from 30,001-40,000 ALL/month, and 33% are paid less than 30,000 ALL/month. However, the number of employees that receive mid-level and high-level salaries has increased. Compared to 2005, in 2006 there are three times more public employees that are paid 30,001-40,000 ALL/month and round two times more public employees that are paid from 40,001-60,000 ALL/month. Also, the number of public employees that receive higher salaries (60,001-80,000 ALL/month and 80,001-100,000 ALL/month) has increased respectively by 46% and 38%.

These data show a significant increase of the salary level for a large number of public employees, especially those employed in the education and health sectors. However, in total the number of people that receive higher salaries is still low. Salary increase in the public sector is based on periodical decisions of the Council of Ministers. Figure 8 presents the salary level of different categories.

In the private sector, there is a slower increase in salary level. Though the number of employees is increasing, their salaries have almost remained the same. Regarding the private sector, the construction and production sector have the highest salaries.

EMPLOYMENT ACCORDING TO SALARY LEVEL

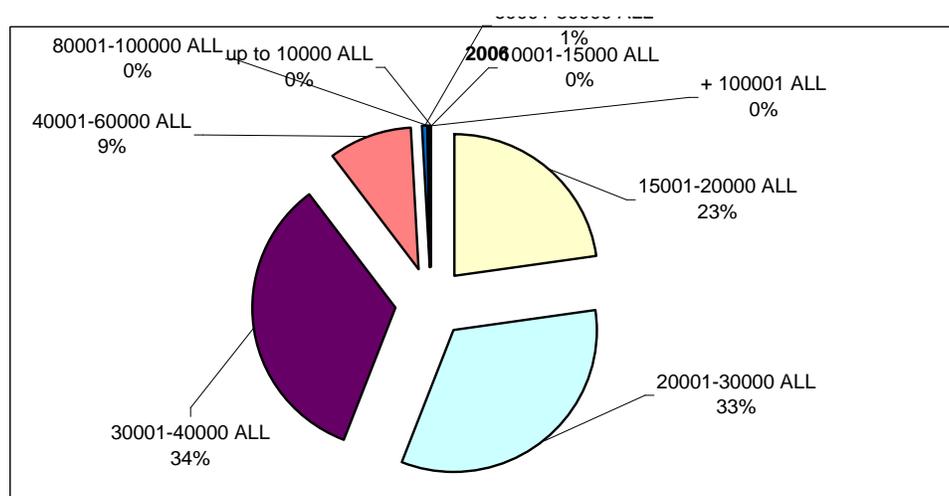


Figure 8: Employment according to salary level

2.5.4. Social assistance

The social assistance program is based on analysis of beneficiaries and provides a monthly payment to families with insufficient income and in need. In the Korca district, this program is administered by the departments of social assistance in the municipality and communes and is financed by the state budget. The social assistance fund is transferred in the form of a grant to the local governments that are responsible to distribute it to families in need in their jurisdiction.

During 2006, social assistance is provided to 3,453 families including:

- Full assistance to 1,762 (or 51%)
- Partial assistance to 1,691 families (or 49%)
- Social assistance to 1,776 city families (or 51.4%) and to 1,677 rural area families (or 48.6%)
- 72.5 million ALL has been distributed or an average of 1,750 ALL/family

Table 10 presents data about social/economic assistance beneficiaries according to different categories.

Four-member families constitute the biggest number of families that receive economic assistance (or 32% of the total number of families receiving economic assistance).

Nr	Description	End of month		Heads of families	Unemployed according to age					Education level			
		total	children		16-19 years	20-24 years	25-34 years	35-45 years	+ 45 years	8-year	high	Professional	University
	Benefiting economic assistance	3091	1833	1519	214	456	971	704	746	2378	644	49	20

Table 10: Social assistance beneficiaries according to categories

In addition to unemployed people, disabled people also benefit from the social assistance fund. In 2006, this group has received 212,109,000 ALL or 18% more than in 2005.

Though social assistance programs are well defined, there are problems relating to:

- There is an equal treatment of families that face different social and economic problems. Though payment of social assistance is based on social and economic conditions of every applicant family, the payment depends on number of family members and not on their needs.
- There is lack of cooperation between social assistance offices and regional employment office.
- There is no long-term solution for the integration of poor families through vocational training and employment programs.
- The social assistance level is low.
- Relationships between central and local government: Distribution of grants from central government to local government is based on a system of indicators that might not be reference point for poor regions.
- Level of professionalism of social workers: often they do not have the required qualification.

CHAPTER 3: CONCLUSIONS AND RECOMMENDATIONS

3.1. Conclusions

Agriculture sector

- The agriculture sector is the main sector in the District of Korca. It is the basis for the social and economic development in the district. It is also instrumental to solve the unemployment problem.
- The percentage of agricultural land that is used for agricultural purposes in the District of Korca is higher than in other districts. However, investments in this sector are still limited mainly because of problems relating to land ownership.
- Dominance of small farms (90% of farms have less than 2 ha of land) has hindered mechanization and use of modern agricultural technology, large-scale production, efficient standardization, and sale of agricultural products in the markets.
- Though there are human resources and governmental support centers to facilitate the development of the agricultural sector, the system of agricultural services and physical infrastructure are weak.
- There is a good tradition relating to arboriculture in the District of Korca. However, there are difficulties relating to sale of arboriculture products mainly because of lack of effective marketing policies and information.
- The livestock sector has grown during 2006. The District of Korca is distinguished for the production of milk. It produces 60% of the milk in the region of Korca.
- There is low awareness relating to use of pesticides by farmers. The main reason is the farmers' limited knowledge of diseases and use of pesticides.
- The standards relating to health and veterinary controls in the livestock sector are low.
- There is low development level of the processing industry of agricultural products mainly because of low investment level in this sector. Therefore, only a small percentage of agricultural production has been processed.
- There are governmental structures that implement different developmental projects and/or programs in the agriculture sector. However, the centralization of these structures often results in incompatibility between developmental priorities in the district and these projects and/or programs.

- There are several non-governmental organizations that operate in the agricultural sector in the District of Korca. However, there is lack of synergy between these organizations as well as between these organizations and other actors in the sector. Often there is communication breakdown and overlapping of similar projects.

Education sector

- There is a significant number of pre-school and elementary school institutions in the city of Korca and the communes of the District of Korca. There are only few high schools and no professional schools at all in the communes.
- The number of school registrations at pre-university educational institutions is decreasing. The main reasons include weak school infrastructure (especially in the communes), difficult economic and social conditions, lack of educational institutions in the communes, etc.
- Registrations at the University of Korca are increasing. Opening of new branches has had a positive impact relating to registrations.
- The private education is developed only in the city of Korca. Investments in private education and the demand relating to private educational institutions are low.
- The budget allocated to the education is small compared to other budget allocations. Therefore, there are few investments in school infrastructure and limited possibilities relating to organization of different educational activities.
- There is low awareness of local educational institutions and other actors in the education sector relating to their participation in the budgeting process. Low awareness as well as the centralized approach have often resulted that financial proceedings and different projects either are not implemented in time or are not fully implemented.
- School abandonment is high in the District of Korca. Reasons include: (regarding pre-school education) high unemployment rate for women who prefer to keep children at home; (in communes) closure of many schools, especially professional schools; (in rural areas) difficult economic and social conditions that force many families to involve children in agricultural work; low awareness level of the importance of education, especially within the Roma community; etc.
- In many schools in the city, the teaching facilities are limited and the number of pupils/students exceeds the accepted criteria and the teaching is organized in shifts. The main reasons are immigration from rural areas to the city and low investments in school infrastructure. Therefore, the quality of teaching has decreased.

- Reforms in the education sector have resulted in significant changes in the pedagogical staff. Often, changes in the pedagogical staff are not based on teaching and professional qualifications but on political affiliation of people.

Health sector

- In the District of Korca, the primary and secondary health care is provided by the public institutions. Compared to other districts, there are better services in Korca.
- The primary services that are provided by health centers are not at the desired level. In general, not all necessary services are provided, centers are short of facilities, equipments, and personnel, and the hygiene is a problem.
- The number of mother and child consulting centers has decreased, especially in the rural areas. This has resulted in higher sickness and death rates at children and mothers.
- The family planning service is provided by health centers. This service faces problems relating to continuity and kinds of counseling and information it is provided. As a result, abort remains, especially in rural areas, the most used family planning method. Contribution of non-profit organizations in family planning has been sporadic and dependent on funding.
- The secondary health service is provided by the only hospital that is located in the city of Korca. There are difficulties relating to provision of all necessary services as well as their quality.
- Though the number of medical visits of children at consulting centers has increased, children are mis-fed. Often children, especially in the rural areas, suffer from different diseases. The prophylactic measures for children are insufficient and not at the desired level.
- The privatization of pharmaceutical services has significantly improved people's supply with medicaments.
- Expenditure and investments in the health sector are carried out by the government and foreign donors. In 2006, the state budget allocated for the health sector as well as foreign funds have decreased. Therefore, technology is old and health service does not meet the standards.

Social assistance and employment sector

- In 2006, labor force has increased compared to 2005, especially relating to women.
- In 2006, employment has generally increased. On one hand, employment in the public sector has decreased because of structural reforms. On the other hand, employment in the private sector has increased.

- Employment has especially increased in the agriculture sector that is the main sector for purposes of private employment in the District of Korca. In this sector, most of people are self-employed in their own businesses.
- Regarding the employment in the industry sector, the first place in the District of Korca belongs to the textile-clothing industry where there were significant investments and is mainly produced for export. Foreign investments are encouraged by the cheap labor.
- There are difficulties regarding employment in the private sector that relate to lack of qualified labor, competition from low price imports (especially Chinese goods), weak infrastructure, bureaucracies in business start up and operation, and low credit line and difficult crediting procedures for the private sector in Korca.
- There is cooperation between governmental employment offices and private businesses relating to both informing people about vacancies and joint training programs.
- Average salary in the District of Korca is still low, especially in the private sector. Though there is an increase relating to employment, salary level is low. On the other hand, informal employment is another problem.
- In 2006, there is an increase regarding unemployment of people belonging to the “no-profession”/high and 8-year school educated group. There is an increasing demand in the labor market for educated and qualified people.
- There are governmental institutions such as employment offices and employment and vocational education centers that help relating to employment. Regarding vocational education, often there are deficiencies relating to trainers’ qualification. Moreover, often training courses are not compatible with the labor market demand. Regarding employment services, often there are deficiencies relating to social workers’ professionalism.
- Several international organizations such as TABITA have played an important role in the areas of vocational education and employment. They have implemented several projects on training and employment of newly graduated young people.
- Vocational education is still incomplete and unprepared to create a work force that meets market needs and requirements.
- Regarding the social assistance, main problems include: equal treatment for families that have different social and economic conditions; lack of cooperation between Social Assistance Office and Regional Employment Offices; low level of social assistance; etc.
- Mid-term programs and strategies regarding reintegration of the poor through vocational training and employment either are absent or are unclear.

- There is no accurate distribution of social assistance grants for poor areas that are not distinguished from other areas.

3.2. Recommendations

Agriculture sector

- Taking into consideration the importance of the agriculture sector—including both agriculture and livestock—in the District of Korca, development of strategies with the participation of all actors including governmental structures, private sector organizations, and local and international non-governmental organizations is indispensable for the development of this sector. In this context, organization of round tables and meetings with farmers in different areas of the District of Korca could be very helpful.
- Extension of the microcredit system with favorable conditions for farmers to organize in small and/or large farms would contribute to the growth of the agricultural and livestock production in the District of Korca. In this context, it might be necessary to first identify the areas where larger farms can be established.
- Coordination of actions and projects in the area of technical assistance should be one of the priorities of RDAFPC. It should aim at increasing the capacities necessary to improve the quality of agricultural and livestock products and introduction of bio-products that are in demand in Albania as well as abroad.
- Identification and use of all human and institutional resources to develop effective strategies not only regarding development of agriculture but also development of marketing of agricultural products in Albania and abroad should be considered an important phase of this process.
- Mechanisms for health and veterinary controls by the responsible structures should be improved in order to ensure the quality of livestock products.
- In addition to increase of agricultural and livestock production, local and foreign investments in the industry of processing of agricultural products should be encouraged.

Education sector

- High school level institutions, especially professional schools, should be opened in the communes in order to decrease number of school abandonments and increase number of school registrations.

- New training and employment opportunities for newly graduated students should be created through coordinated actions of the local governmental educational institutions, non-governmental organizations, and private sector.
- Facilitation of the procedures (for example for the business start up) regarding private investments in the education sector would be an important factor for the improvement of education services.
- Local actors in the education sector should conduct awareness campaigns and sessions relating to increased role of community in the budgeting process in order to identify the priorities of the development of education in the district and increase the budget for education.
- Institutional and decentralization reforms relating to local decision-making should speed up through the coordination of actions of all actors in the education sector and increased role of academic staff and community at every school.
- Actors in the education sector should focus more on awareness of Roma community of importance of education. Methods might include family visits/meetings, economic assistance, awareness activities, etc.
- RDE should revise employment criteria for teachers. Moreover, more qualification courses for teachers should be organized.

Health sector

- Health sector actors in the District of Korca should coordinate human, material, and financial resources within the District of Korca as well as beyond for the effective implementation of sectorial reforms.
- Donor activity, especially regarding equipment of the hospital and polyclinic, and implementation of different health programs should be coordinated in order to increase effectiveness and efficiency of health services.
- Joint activities/projects of non-governmental and governmental organizations relating to awareness of the public of hygiene and preventive measures should be implemented, especially in the rural areas where the situation is more problematic.
- The contribution of non-governmental organizations regarding identification of social cases and mediation to benefit from public and/or private health services should increase.
- In the health sector, effective methods of staff motivation should be identified in order to increase the quality of health services. Some methods might include improvement in

equipment and technology, staff compensation for participation in different projects, training of staff in the country and abroad, etc.

Employment and social assistance sector

- Employment programs, especially for women, should be developed. Supply of low-cost labor in the District of Korca could be an advantage.
- Government should support development of different sectors, especially agriculture and textile-clothing industry that are the most important ones in the District of Korca, through favorable crediting and other subsidies, in order to increase employment.
- Bureaucracy and procedural obstacles for businesses should be minimized through different programs (such as one-stop-shop for the business registration) in order to facilitate business development, and therefore employment.
- Specialized governmental institutions and private organizations should cooperate relating to information on employment. In this context, visits of experts of governmental agencies to private businesses might be instrumental.
- Specialization of governmental institutions, qualification of trainers and social workers, improvement of the training curricula in cooperation with foreign assistance might be very important for the development of employment sector.
- Conduct of training programs for “non-profession” people group and their awareness of the necessity of education would result in increased employment opportunities.
- In cooperation with non-governmental organizations that are active in the area of vocational education, governmental structures should focus on the further development of vocational education as instrumental for the development of labor market.
- Governmental structures should intervene through their controlling mechanisms to ensure that businesses formalize employment and index employees’ salaries according to changes in the standard of living and market prices.
- All local actors should be involved to develop and implement mid-term and long-term strategies for re-integration of the poor that benefit from the social assistance.
- Application of indicators that can be monitored and measured aiming at employment mediation for jobless people belonging to specific groups might help decrease unemployment.

ANNEXES

Anex 1: Interviewees' List

Name& Surname	Organization/Institution	Position
1. Aida Orgocka	Dorcas Albania	
2. Dritan Naumi	Tabita	Project Coordinator
3. Voltisa Furxhi	Tabita	Project Coordinator
4. Ilda Kotelli	Radio Emanuel	Financier
5. Tomi Pikuli	Agrinet	Executive Director
6. Paskal Caci	High Vocational School-Korce	Director
7. Ylli Qirinxhi	Public Health Directory	Doctor-specialist
8. Merita Kroj	Public Health Directory	Deputy-Director
9. Elena Zhapa	Regional Employment Office- Korce	Chief of sector
10. Merita Butka	Regional Employment Office- Korce	Statistician Specialist
11. Kozeta Karaku	Statistics Directory Korce	Economist
12. Sami Mecollari	Statistics Directory Korce	Director
13. Denada Manoku	Trade Office Korce	Coordinator for Korca
14. Pandush Saraci	Education Directory Korce	Specialist
15. Adrian Maho	Directorate of Agriculture and Food and Protection of Consumers-Korce	Director
16. Robert Naci	Center of Agricultural Technology Transfer	Chief of arboriculture
17. Arjan Bejko	Municipality of Korca	Deputy Mayer
18. Nikoleta Capollari	Municipality of Korca	Director of Social Care Directory
19. Aurel Grabocka	Regional Development Agency-Korce	Executive Director

Annex 2: Questionnaire

Identification of main social and economic indicators for the District of Korca

I. Demographic data

1. Number of population, divided in rural and urban areas.
2. Annual growth rate of population (reasons for the increase/decrease, for example birth control measures, marriages at older age, migration, birth/death rates)
3. Average age of population, structure according to age groups and gender.
4. Migration, from rural areas to the city, or to other cities (Tirane, etj.) Indicators of population density in the past and present.

II. Economic data

1. Domestic production and consumption.
2. Industrial and agricultural production.
3. Foreign investments.
4. Number of public and private enterprises.
5. Income.
6. Employment: Overall number of employed people and according to sectors (public sector, agricultural private sector, non-agricultural private sector, etc.). Changes, reasons, etc.
7. Unemployment: Number of unemployed people in rural and urban areas as well as according to gender, age groups, education, etc. Reasons.
8. Salary level according to sectors.

III. Education data

1. General data
 - Pre-school education
 - Primary education
 - Secondary education: general high school (3 years), technical high school (2-5 years)
 - Higher education: university (3-5 years), masters' level (1-3 years), PhD level.

2. School abandonment, reasons.
3. School infrastructure and investments in it.
4. Teachers' qualification.
5. Administration and funding

IV. Health care data

1. Primary health care services: services and their extension, financing, qualifications, problems.
2. Secondary health care services: services and their extension, financing, qualifications, problems.
3. Dental services: services and their extension, problems.

V. Social assistance

1. Number of families included in the social assistance program.
2. Legal basis, problems.
3. Financing of the social assistance, problems.
4. Types of social assistance, administration and funding, problems.
5. Employment services, programs, funding, problems.

V. Other information

1. Local administration, decentralization, problems.
2. Projects in the education, health, and social assistance sectors.
3. Local media, newspapers, TVs and radios.