▶ Policy note

Challenges in long-term care for the elderly in Albania

1. Introduction

With a rapidly ageing population, Albania is facing an imminent challenge to ensure the access to affordable and quality long-term care services for all the elderly in need. Access to adequate long-term care is considered to be one of the basic social security guarantees to be ensured by the national social protection floors.

In this context, the Albanian government adopted in 2019 the National Action Plan on Ageing 2020-2024. It is the first policy document addressing long-term care services for the elderly. The National Plan refers to the need of integrated social and health services, and the need to expand the community services and to increase the capacity of care providers.
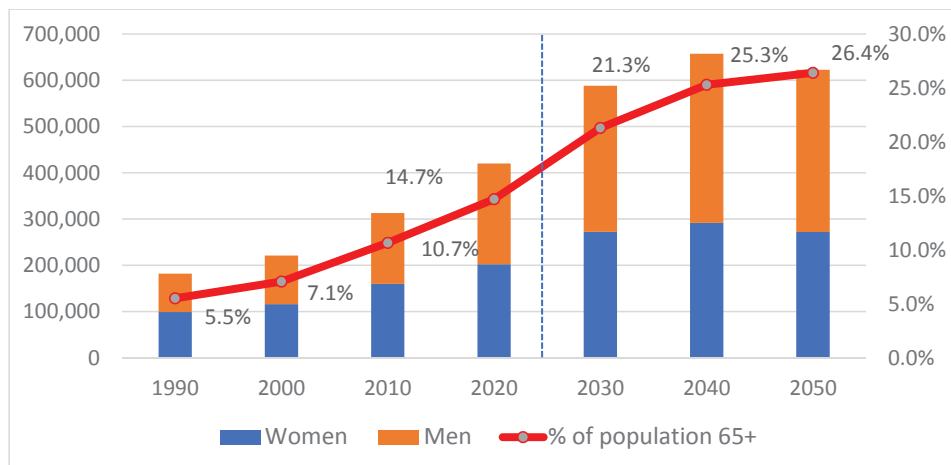
This policy note summarises the challenges facing Albania in long-term care for the elderly and presents the key issues for further discussion. This note is based on the ILO report: *Long-term care for the elderly in Albania: challenges and key policy issues* (ILO 2022), developed within the framework of the Joint UN Programme "Strategic policy options for SDG financing."

2. Growing demand and limited provision of long-term care in Albania

▶ Albania is facing a rapidly ageing population. In 2020, one in 6.8 persons is aged 65 years or above. It is estimated that one in 3.8 persons will be aged 65 years or above by 2050.

As shown in Figure 1, Albanian population is ageing rapidly. Between 1990 and 2020, the population aged 65 or above has increased from 180 thousand to 420 thousand, and its share in the total population has increased from 5.5 percent to 14.7 percent.

In the future, the population projection estimates that the population aged 65 or above will further increase to 623 thousand and its share in the total population will increase to 26.4 percent by 2050.
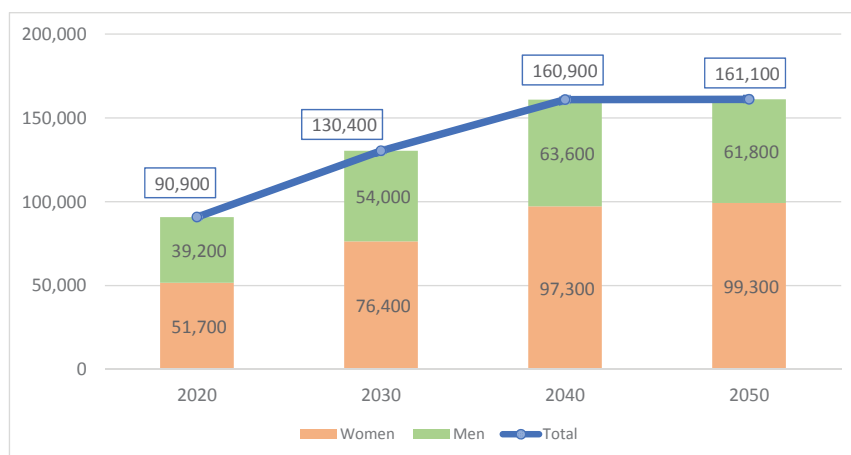
▶ **Figure 1. Population aged 65 years or above by sex, Albania, 1990-2050**

Source: From 1990 to 2010, United Nations, World Population Prospects, the 2019 Revision.
From 2020 to 2050, Institute of Statistics of Albania.

▶ At least 90.9 thousand persons aged 65 or above are estimated to be in need of long-term care in 2020. The number of elderly in need of long-term care will increase rapidly to 161.1 thousand by 2050.

As shown in Figure 2, the ILO estimates that 90.9 thousand persons aged 65 or above, or 21.6 percent of the 420 thousand persons aged 65 or above, are in need of long-term care.[1] An estimated cost of care work is at least 1.08 percent of GDP.

The ageing population is expected to entail a substantial increase in the demand of long-term care in the next 30 years. It is estimated that the number of persons potentially in need of long-term care in Albania will increase from the current estimated number of 90.9 thousand to 130.4 thousand in 2030, 160.9 thousand in 2040, and 161.1 thousand in 2050. The increase is more significant for women. As the share of the population aged 80 or over is projected to increase, the cost of the necessary care will increase even faster than the number of persons in need of care.

▶ **Figure 2. Projected number of the elderly in need of care by sex, Albania, 2020-2050**

Source: ILO own calculations based on data of the Institute of Statistics of Albania.

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[1] Following the methodology adopted by the recent EU report (EU 2021), the ILO estimated the number of elderly in need of long-term care in Albania by applying the sex and age specific rates of self-reported severe limitations in activities of daily living due to health problems (fixed at the 2019 level) to the current and projected population over the next 30 years. To estimate the cost of long-term care, it is assumed that each elderly in need of care requires one-hour care work per day based on the average wage.

▶ **The existing municipal social care provision is insufficient to meet the growing demand for long-term care for the elderly. Currently, only 1.6 percent of the elderly in need of care receive social care services.**

In view of the growing need of long-term care for the elderly, a proactive step should be taken to enhance the access to affordable and quality care services to all elderly in need, and mobilising reliable and sustainable resources to finance adequate long-term care services.

As shown in Table 1, only 1.6 percent of the elderly in need of care receive social care services. There is a huge geographical disparity in the access to social care services between regions in Albania. The residential care institutions can admit only 0.78 percent of the estimated number of the elderly in need of long-term care, and community care can be offered to only 1.8 percent of the estimated number of the elderly in need of long-term care. There is very little support mechanism for home care services. Increased investment in the development of residential, community-based and home-based care services and wider geographical coverage are urgently needed.

The current limited capacity of public long-term care system implies that frail elderly have no alternative but to rely on their families and relatives. Although family support is essential in the care provision and strongly connected to the traditional Albanian culture, relying predominantly on the traditional intra-family provision of long-term care, which heavily depends on unpaid female carers, is no longer considered to be a sustainable solution. Therefore, there is a greater need of formal long-term care provision.

Elderly living alone in rural and remote areas are especially unprotected. It is estimated that 46.0 percent of the population aged 65 or over are living in rural areas. They do not live with family members to take care of them, nor do they have access to formal long-term care services, either residential care, home care or community services. The elderly in rural areas also face disadvantages in pensions, access to health care and other social protection programmes.

▶ **Table 1. Number of the elderly receiving social services by region, Albania, 2021**

Region	Number of the elderly receiving social services	As a percentage of the elderly in need of care
Berat	100	1.8%
Dibër	62	1.2%
Durrës	150	1.5%
Elbasan	140	1.2%
Fier	61	0.5%
Gjirokastër	90	3.0%
Korçë	340	4.2%
Kukës	128	3.9%
Lezhë	100	1.8%
Shkodër	127	1.6%
Tiranë	339	1.2%
Vlorë	45	0.7%
TOTAL	1,682	1.6%

Source: Ymeraj et. al. 2021.
Data source: Administrative data of municipality Social Service Offices, 2021.

3. The National Action Plan on Ageing 2020-2024 of Albania

In December 2019, the Government approved the National Action Plan on Ageing 2020-2024. It is the first policy document addressing long-term care services for the elderly. The plan sets out the actions to achieve: protection and social inclusion, integrated social and health services, and health/welfare promotion and raising the awareness of society.

The plan aims to increase the beneficiaries of community care services by 80 percent and establish one additional residential institution which increases the admittance capacity by 14 percent. In order to establish the home care service for the elderly, the plan foresees an effective enforcement of standards for home care services, the revision of relevant legal framework for the support mechanism of family carers, and a systematic development of home care providers.

The total public expenditure on social care services in Albania was estimated at 0.1 percent of GDP in 2017. A crude estimate of additional expenditure on long-term care based on the action plan is around 0.04 percent of GDP per year.

The National Action Plan on Ageing 2020-2024 of Albania is an important first step to develop national policies for extending the access and raising necessary resources for adequate long-term care services. The plan will certainly reinforce the expenditure on long-term care services, but there remains a definite need for continuous and scaled-up investment in long-term care services.

4. Key issues in the long-term care policy of Albania

(i) Need for a standardised definition of long-term care needs

The lack of a clear definition of long-term care needs constitutes an impediment for effective provision of care services. Although the national regulations define the procedures for the needs assessment and case management,[2] municipalities are facing difficulties in assessing the needs of the elderly in their community and determining the amount of required care services for them. As a result, many municipalities fail to include social care for the elderly in their social care plan. In view of the experiences of the countries at a more advanced stage of aging society, Albania should adopt a practical method of the individual needs assessment and develop a guidance on the detailed procedures.

(ii) Need for focal points for an integrated management of health and long-term care

In view of the foreseeable shift of primary focus on social protection for the elderly from pensions and health care to long-term care, an integrated care management is crucial in efficient provision of care and resource allocation under the tightening budget constraint. To effectively integrate health and social services at the community level, it is crucial to appoint focal points for providing assistance to the elderly and their families and coordinating with service providers and health care providers. It is necessary to clarify the responsibilities and the required competences for those focal points. Fostering the professionals who perform efficient and effective care management will be crucial for achieving integrated health and long-term care in Albania.

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[2] For instance, Council of Ministers Decision No.518, dated 4.9.2018, "On Community and Residential Social Care Services: procedures for their benefit and the measure of personal expenses for beneficiaries of organized service."

(iii) Need for securing the long-term care workforce

The shrinking working age population and the large number of labour migration especially at the prime working age between 25 and 54 years are expected to lead to the shortage of the workforce and skills for care provision in Albania ("care drain"). Increasing trend of women's participation in labour force will also create limitations on the potential supply of caregivers within families. Therefore, ensuring adequate workforce is another urgent task for Albania to cope with an increasing demand of service.

To supplement the limited capacity of the public sector, Albania could make further use of provision of long-term care services for the elderly by NGOs through procurement contracts. Further, Albania could also explore the possibility for developing a market for long-term care services by private providers. For this, efforts should be made to create a conducive environment to enable more business to enter into the long-term care market, while developing the capacity for market regulation and quality assurance with a view to efficient co-operations between public and private sectors. In order to attract and retain the long-term care workforce, there is also a need to improve the wage and working conditions of the care sector.

(iv) Consideration on cash benefits

Cash benefits, such as care allowances or pension increments, are a major form of long-term care support for the elderly and their families. Cash benefits have the advantage of giving beneficiaries the freedom to choose the services according to their priority. Because of this there are limited options for incentivizing the recipients of the cash benefits to spend them on formal care services.

When the supply of formal long-term care services is insufficient, a recipient uses the care allowance to pay an informal personal carer, usually a female family member. This will at least provide partial financial compensation for them though the amount may not fully compensate the lost opportunity costs. This could even lead to a permanent confinement of family members as informal home carers.

(v) Need for creating a sustainable fiscal space for long-term care

The expenditure on long-term care is growing the fastest among all branches of social protection expenditure over the next 30 years. Therefore it is necessary to take a proactive step to explore all possible options to create a fiscal space to finance long-term care. An analysis of fiscal space for financing social protection in Albania could be instrumental for this purpose.

In Albania, based on the evaluation of the implementation of Law on Social Care Services (No.121/2016) over the last five years, the effectiveness of the current financial mechanism should be reviewed. It has been pointed out that although social care services should be delivered at the administrative level closest to the beneficiaries' living environment, the delivery capacity and financial resources of the municipalities vary considerably. In the decentralised setting of social care service provision, the central government should ensure access throughout the country and support the municipalities especially those with weak fiscal capacities.

Further, under the current system, long-term care services for the elderly are a part of the municipal social care plans which encompass other vulnerable groups such as children with disabilities and victims of human trafficking, who require urgent protection. Due to the competing priorities in the social care plan, long-term care services for the elderly often do not receive the deserving priority and hence resources.

Prevention of the frailty in old-age is important in containing the increase in long-term care expenditure. Support should be provided for keeping the elderly active through health promotion and disease prevention programmes.

5. Conclusion

In view of the rapidly rising demand for long-term care and the shortage of the potential supply of carers, Albania is facing an imminent policy challenge in ensuring access to affordable and quality care services to all elderly in need, securing the care workforce, both formal and informal carers, and creating a fiscal space to finance the cost of long-term care services.

As a first systematic policy response, Albania has adopted the National Action Plan on Ageing 2020-2024. The plan sets out policy goals which are in line with the relevant EU policy and the actions to achieve them. The plan will certainly contribute to enhance the existing long-term care system in Albania, but even its full realisation may not completely close the significant gap in access to adequate long-term care services. In particular, there is a strong need to develop the mechanisms to support home-based care. There is a further need to invest in public infrastructures of long-term care services to minimise the shortages and regional disparities. Continuous efforts and strong commitment are required to strengthen the Albanian long-term care system throughout the successful execution of the plan and beyond.

In line with the rights-based approach enshrined in international standards, notably the ILO Social Protection Floors Recommendation No. 202, and in collaboration with other UN organizations, the ILO stands ready to provide further technical assistance in supporting national efforts to establish a comprehensive long-term care systems as a basic pillar of social protection floors.

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