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UN WOMEN

FOR ALL WOMEN AND GIRLS

INVESTING IN THE CARE ECONOMY IN ALBANIA:

A Strategic Investment for Economic Growth, Employment, and Gender Equality

Care is essential to the functioning of economies and societies, yet it remains undervalued, underinvested, and unevenly distributed. Across Europe and Central Asia, including Albania, growing demographic, social and economic pressures are creating mounting urgency to strengthen care systems. Care work continues to be carried out disproportionately by women; while ageing population, low fertility rates, labour force shortages, and migration are increasing the pressures on families. Improving care services in Albania is not just a cost: it is a smart economic investment. Expanding preschool childcare and care for the elderly would create jobs, increase women's labour force participation, strengthen public finances and support inclusive economic growth and women's economic empowerment. An investment of just 0.56% of GDP can achieve:

NEARLY
45,000
children aged 0–3 covered by childcare services, reaching the EU target.

NEARLY
11,900
new jobs created, ***75 per cent*** of which ***would benefit women***

2.9 BILLION ALL
a year in additional government revenue

This is fully in line with Albania's commitments to the SDGs and EU Accession process as well as the national and international development commitments of the country.

These findings come from a recent UN Women Study in Albania, marking the first application of the UN Women-ILO care policy costing tool in Albania.

WHY THE CARE ECONOMY MATTERS

Albania is facing rising care needs as the population ages, fertility declines and migration continues. Yet, care services remain insufficient, leaving families, especially women, to fill the gap through unpaid care work. Although it is a fundamental pillar of the Albanian economy, the care economy remains largely invisible in official statistics.

Women perform **more than five times** as much unpaid care work as men

Unpaid care work is equivalent to **over 1.1 million full-time jobs,** nearly equal to the total formal employment

Its estimated value reaches **up to 40.7% of GDP,** of which **34.1%** is contributed by women

WHERE ARE THE GAPS?

Albania has significant gaps in both childcare and long-term care services compared with EU target which affects almost 80,000 individuals.

***NEARLY* 39,000**

children 0–6 years old do not have access to early childhood education and care

***NEARLY* 38,000**

older people do not have access to long-term care services

Closing these gaps and achieving EU care coverage targets would cost approximately 0.56% of GDP, or about 13.2 billion ALL per year.

HOW DOES THE INVESTMENT PAY FOR ITSELF

Beyond strengthening social welfare, expanding care services generates its own economic and fiscal returns through new jobs, higher wages, and increased government revenue:

JOB CREATION

~11,900
NEW DIRECT JOBS

75%
IN CHILDCARE

25%
IN LONG-TERM CARE,

i.e. care services for older people with, or at risk of, a significant loss of functional physical and mental ability.

FISCAL RETURNS

~ 2.9 BILLION ALL
a year in additional government revenue from VAT and social security contributions alone, equivalent to 0.12% of GDP.

A BOOST TO WAGES AND LOCAL ECONOMIES

~ 8 BILLION ALL
is the increase in the annual wage bill, the salaries paid to roughly 11,900 new care workers, VAT returns and social security contributions

BROADER ECONOMIC AND SOCIAL BENEFITS

These investments are essential to address labour market constraints and the persisting gender gap in labour force participation. The broader economic and social benefits include:

FREEING UP TIME FOR WOMEN TO PARTICIPATE IN FORMAL EMPLOYMENT

- Reduces the burden of unpaid care work
- Enables women to enter and remain in the labour market
- Improves income security and future pensions

SUPPORTING LONG-TERM GROWTH

- Quality early childhood care supports children's development, education and future productivity, particularly for children from disadvantaged families

GREATER SUPPORT FOR AN AGEING POPULATION

- Expanded long-term care improves support for older people and reduces pressure on families and informal caregivers

PROGRESS IN ACHIEVING NATIONAL AND EU PRIORITIES

Investing in care supports Albania's objectives in respect of gender equality, social protection, human capital and EU integration. Investing in care is aligned with:

- The objectives of the EU Care Strategy
- The EU Gender Equality Strategy and the Gender
- Equality Action Plan (GAP IV), which identifies the care economy as a key priority
- Albania's ongoing social protection reforms
- The ongoing dialogue between the UN and the Government of Albania on accelerating human capital development commitments to gender equality (SDG 5)

ABOUT THIS STUDY

This information sheet draws on the UN Women study, Shifting the Paradigm: Care as Investment in Albania – A cost-benefit analysis of addressing coverage gaps. The study applies the UN Women–ILO care policy costing tool to assess coverage gaps in early childhood care and education, as well as long-term care for older persons in Albania, and estimates the cost of closing these gaps and the value of unpaid care work vis-à-vis the economic returns this investment would generate, including in jobs and fiscal revenues. Figures are based on the 2023 Population and Housing Census, the 2011 Time Use Survey, and the 2022 Labour Cost Survey.