

Challenges and Opportunities presented to the Albanian Economy and Labor Market during the Pandemic _____

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Abstract

The Covid-19 pandemic highlighted many problems in the structure of the economy and hence in the employment sector, as a very delicate sector for the Albanian economy. This unpredictable factor that has affected the world economy is giving its blows every quarter to the Albanian economy. The unemployment rate has a downward trend making unemployment a major problem for the economy. The main purpose of this study is to argument and analyse the impact of the pandemic factor on the economy, and specifically the employment and unemployment rate in Albania during the economic year 2020. The period of the past year has shown how government subsidy has affected or not the reduction of unemployment as consequence of business closures. It is worth mentioning that in this paper we will try to create a comparison of two exhaustive analyses of the reports published by INSTAT and interpretations of the data of the financial year 2020. Based on these data we will create an overview of the unemployment situation and employment in general Albania, during the pandemic period. How much impact have the pandemic and the health crisis had on the economy, and what is the consequence of the pandemic in the labour market expected to continue? In conclusion, we will suggest the formulation of a group of political policies by engaging experts of various fields. These policies will not only be crucial to confront the imminent issues caused by Covid-19, but they will also be very important to overcome the general crisis created by it.

Keywords: *Employment, Unemployment Rate, Pandemic, Economy*

Introduction

The word “Economic Tsunami” is being largely used to describe the state of the economy and international financial markets by all analysts and experts of world economy, as a result of the coronavirus spread, also known as COVID-19. COVID-19 initially originates from the city of Wuhan, China, dating back at December 31, 2019, and it rapidly spread in 212 countries and territories all around the globe, meeting also its international transformations (University Johns Hopkins, 2020). With the aforementioned quick spread of coronavirus all over the world, World Health Organization (WHO) declared COVID-19 to be a pandemic (OBSh, 2020a), asking all the countries to take necessary precautions because the next global concerns were those regarding the socio-economic impact of this situation, especially about the low income and vulnerable groups.

Coronavirus further pushed economies toward economic recession in a time when all economic parameters and tendencies were highly promising. Social distancing quickly came to be economic distancing. People faced restrictions from going to shops, theatres, cinema, museums, bars, restaurants and offices. To prevent further spread of the pandemic COVID-19, the world was forced to go into economic recession and very likely toward economic depression, in such a scale never faced before in modern economy.

Kenneth Rogoff, professor of Economy and Public Policies at Harvard University, in a paper published on “Project Syndicate” platform, underlines the fact that insecurity about actions and behavior of people and policy makers in the coming weeks and months, is as big as the scientific insecurity regarding Coronavirus. According to Rogoff, “until we can have a better understanding about the ‘when’, ‘where’ and ‘how’ the COVID-19 related public health situation will be resolved, economists won’t be able to start predicting the end of recession that is now happening. What is certain however, is that this economic recession will be far bigger and longer than the one that happened in 2008”.

According to Ricardo Hausmann, Professor at John F. Kennedy School of Government in Harvard, “Macroeconomists initially thought that the COVID-19 would shake the aggregate demand and that this should be solved by policies aiming to increase consumption. Soon enough they came to understand that, differently from the 2008 global financial crisis that collapsed aggregate demand, COVID-19 pandemic firstly caused a high decrease of the aggregate offer”. Therefore, even if people were eager to consume, go to theatres, go out in restaurants, travel, etc., this would be impossible because everything is either totally closed or under severe limitations which make the normal functioning of many businesses impossible.

According to Hausmann, this current state is unaffordable, especially for developing countries, which economies heavily rely on imports, tourism, remittances.

According to Mike Konczal, researcher at Roosevelt Institute, there are five elements to slowing recession and limitation of possible negative effects:

- a) Direct help to citizens by offering them cash
- b) Assistance to workers making sure there is a sufficient attention for them
- c) Assistance to businesses and communes with fiscal and monetary policies provisions
- d) Prevention of business collapses through offering of liquid assets, including the possibility of the government being their end customer for a part of their product stock, under the condition that companies retain their employee.
- e) For the industries/sectors that risk bankruptcy, some stimulant mechanisms should be created in order to make their recovery possible, through a clear frame of corporate and financial governing, including the restriction of bonuses and dividends.

The early testimonials have shown that the health and economic effects were being proportionally bestowed upon poor people, increasing so the risk of inequality, exclusion, discrimination and global unemployment in long and mid-term (UN DESA, 2000). It is declared that the COVID-19 pandemic is redefining sensitive groups/categories depending on the political actions of each country (The Lancet, 2020a). In a pandemic, necessary medical knowledge and responsible public behaviour are highly important. Last observations during the COVID-19 situation have shown that weak health reading-writing in the middle of a population was being underestimated (Paakkari & Okan, 2020). Results suggest that bettering the knowledge of mass population regarding the COVID-19 has led to more positive and adequate stances to taking precautions regarding the virus. (Zhong, et al., 2020).

World Vision was globally concerned that millions of people living in poor countries were left defenceless and less prepared for the spread of a pandemic (WVI, 2020). These countries can show high levels of food uncertainty, resulting from high misfeeding and high mortality rates. Furthermore, fear and unsafety connected to pandemics, can help develop an environment more likely to be a subject of different forms of violence. Violence against women and children is widespread all around the globe, therefore the possibility of the pandemic increasing the weight and negatively affect the violence against women and children subject to prior violence (Peterman, et al., 2020).

UNESCO has concluded that many areas have put in use the scholar lockdown all around countries as a precaution against COVID-19, thus affecting

1,268,164,088 students globally (UNESCO, 2020). Consequently, the change of learning environment immediately requested time on adapting the new routines by students, teachers and parents. This global change came with new challenges but also new opportunities. In a last report concentrated on education quality during COVID-19 (Petrie, et al., 2020), possibilities were encountered on new built bridges between teachers and parents.

WHO has also expressed its concerns regarding mental health conditions during the pandemic and the psychosocial consequences of the whole population, declaring that quarantine has lead to increased anxiety, loneliness, depression, sleep-deprivation and self-harming or suicidal behaviour (WHO, 2020d). On the other hand, mental health professionals raised concerns that the pandemic would be followed with an increase cases of depression, suicides, additionally to the symptoms reported on a global level. Additional to the psychological reactions from fear, avoidance and fear of meeting other people, fear of death, fear of isolation, stigmatism, fear of failing to acquire fundamental object have dominated (Kumar & Navar, 2020).

What started as a response to COVID-19, showed again the deep crisis on the health system in Albania and turned to be a fatal blow to the economy and employment. The pandemic has shown and further worsen the structural problems of the employment world in Albania. Consequently, a full evaluation of the intensity of the coronavirus related crisis can not be performed independently from these problems. Hence, infections with coronavirus at work spaces, but also multiple accidents at work occurring during the pandemic period are directly related with the weaknesses of the defence system and health at work. The crisis has increased and will keep increasing unemployment, also at the same time increasing the number of workers on the informal economy.

The pandemic in Albania had a negative impact on multiple sectors of the economy which, with the closure of many businesses and industries, lead to the impact on unemployment being even higher. In this prism, unemployment reached its peak with the closure of customs and borders and the suspension of the largest part of producing activity, services and a free fall of the demand for luxury goods and services.

Hence, the main purpose of this study is to analyse the influence of the pandemic factor in economy, and specifically in the rate of employment and unemployment in Albania during the 2020 economic year, therefore creating a better understanding of the situation in Albania during the pandemic, also compared to other countries in Western Balkans.

METHODOLOGY

In adherence of the purpose of this paper, chosen methodology is that of investigation through a descriptive and qualitative analysis of the case. For the conception and development of this qualitative study, after a forehand selection, a limited number of information sources such as papers/surveys of local authors in the field or even from official pages of the relevant institutions, including those national and international.

Primary and secondary sources of information/data have been used, mainly referring to statistics from INSTAT for the 2019-2020 period, Labour Force Survey, and other surveys, summary of opinionists. Another limitation of this paper, beside that of limited sources, it is the time when this research was conduct, which coincides with the time of an economic crisis and pandemic in the country, which had its effect in every field. To reach the purpose defined earlier, this study aims to present an analysis of the influence of the pandemic factor in economy, more concretely in the employment and unemployment levels in Albania during the 2020 economic year.

DESCRIPTIVE ANALYSIS

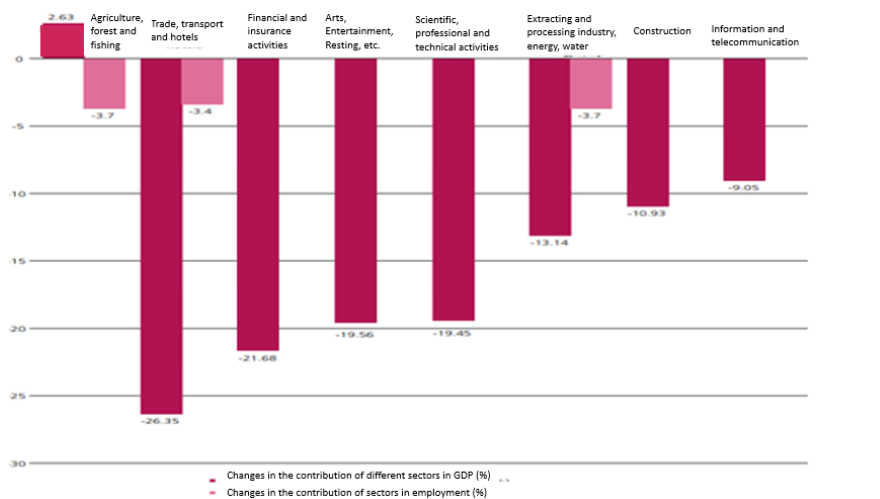
Three are the main indicators that help us better understand that the situation created by the COVID-19 pandemic is much worse than what is being presented to us. *First indicator* is related Historical unemployment rate (graphs) registered in the last 4 years referring to INSTAT, regarding all ages, which has varied between 145.000-165.000 yearly. Starting from this number and the fact that the economy was facing collapse and many of its sectors and companies were either suspended or closed, which automatically resulted in unemployed workers, same in numbers as the variety of sectors and activities closed, making us conclude for a high unemployment.

The second indicator is related to the publication of vacant positions on “National Employment Service”, which in June 2020 there were only 272 vacant positions declared from 35.000-45.000 places declared each year. This figure informs us about the real authenticity of the job offering in the market from the private sector, which is the highest employer in the country, and limited spaces there are for unemployed job seekers in the employment market. This indicator also shows the difficult state of business in the private sector, contraction of which is reflected even in the absence of the necessity and the interest to be employ.

The third indicator is directly connected with the report of the World Bank regarding the economic consequences in our region, where the most affected country would be Albania, in which the unemployment is thought to have risen to 25%. The difficulty of measuring real unemployment is a phenomenon that is very common in Albania for a long time now, and it's mainly due to informality and undeclared self-employment. The report of WB¹ only reinforced the fact that in Albania there are many informal employees and self-employed, for which the quarantine brought total block for every working opportunity and the inability to retrieve “war wage” administered by the government. In this point of view, not only the number of unemployed people declared from official sources is higher but also the effect or support of the government for this “unofficial” category, which is therefore unrecognized.

As it can be seen in the picture below (Fig .1), the most affected sectors from the pandemic were services (commerce, transport, and tourism) with a decrease of 26.35% compared to the same period in last year; financial activities and insurance companies (21.68%); arts and entertainment (19.56%); scientific activities, professional and technical (19.45%); industries of extraction and refinement (13.14%); and building and real estate (10.93%). Meanwhile, total consumption, which also holds the main weight in the economy, was decreased by 7.57% compared with the same period of the previous year. Clearly, contraction of the contribute of different sectors in the economy has a direct effect in employment, although the situation here is more complex.

FIGURE 1: The impact of the pandemic on the economy and employment



Source: World Bank

¹ World Bank. 2020b. *Fighting Covid-19 Europe and Central Asia Economic Update*.

The analysis of the situation of the effect of COVID-19 in Employment and Unemployment has been made using data from Labour Force Survey², which is conducted by INSTAT near the families. The subject of the Labour Force Survey were all individuals above the age of 15 of the family chosen to be interviewed. In this analysis the 2 indicators below have been taken into consideration:

- Level of Employment³
- Level of Unemployment⁴

TABLE 1: Unemployment Rate

Quarter	15-64 years		
	Total	Men	Female
Q.4.2016	14.5	15.0	13.9
Q.1.2017	14.6	16.1	12.5
Q.2.2017	14.3	15.4	12.8
Q.3.2017	14.0	14.8	12.8
Q.4.2017	13.6	14.1	13.0
Q.1.2018	13.0	13.2	12.7
Q.2.2018	12.9	13.5	12.2
Q.3.2018	12.7	13.1	12.1
Q.4.2018	12.7	13.0	12.3
Q.1.2019	12.6	12.8	12.3
Q.2.2019	12.0	12.1	11.8
Q.3.2019	11.8	11.9	11.8
Q.4.2019	11.6	11.8	11.4
Q.1.2020	11.9	11.5	12.4
Q.2.2020	12.5	12.6	12.4
Q.3.2020	12.1	11.9	12.3
Q.4.2020	12.3	12.2	12.5

Source: INSTAT

² <http://www.instat.gov.al/al/temat/tregu-i-pun%C3%ABs-dhe-arsimi/pun%C3%ABsimi-dhe-papun%C3%ABsia/#tab2>

³ Unemployment Rate is the ration of unemployed to labour force.

⁴ Employment Rate is the ration of employed individuals aged 15-64 against the overall population of working age.

As it can be noticed in the Table nr.1 above, in the second quarter of 2020, the official rate of unemployment in Albania for the population of the age 15-64 years was 12,5%, increased by 0,6% compared to the first quarter of 2020. For male individuals, in the second quarter of 2020, the official rate of unemployment in Albania for the population between 15-64 years old was 12,6%, so this means that this rate is increased by 1.1%, while for the women in the second quarter of 2020, population age between 15-64 years old, official unemployment rate was 12.4%. Deriving from these data, compared with the first quarter of 2020, we can see that the official rate of unemployment has been changed due to COVID-19, especially for men, because that was the positions of works that were closed form Covid-19.

TABLE 2: Employment Rate

Quarter	15-64 years		
	Total	Men	Female
Q.4.2016	56.2	62.8	49.6
Q.1.2017	56.3	62.9	49.5
Q.2.2017	57.3	64.1	50.3
Q.3.2017	57.7	64.7	50.5
Q.4.2017	58.2	65.6	50.8
Q.1.2018	59.2	66.5	51.9
Q.2.2018	59.2	66.3	52.2
Q.3.2018	59.7	67.3	52.1
Q.4.2018	60.0	66.9	53.1
Q.1.2019	60.3	67.4	53.3
Q.2.2019	61.4	68.4	54.6
Q.3.2019	61.5	68.5	54.7
Q.4.2019	61.6	68.5	54.8
Q.1.2020	61.4	68.7	54.2
Q.2.2020	59.6	66.2	53.2
Q.3.2020	61.3	68.7	54.2
Q.4.2020	60.2	67.8	52.9

Source: INSTAT

In the second quarter of 2020 (Table no.2), employment rate for the population of age 15-64 years old was 59,6%. For the male individuals during this quarter, employment rate for the population age 15-64 years old was 66,2 % while for the female individual's employment rate for the aged between 15-64 years old was

55,3%. During this quarter, compared to the first quarter of 2020, this indicator decreased by 1,0% for female and 2.5% for men.

Hence, deriving from these data, we can conclude that men were the ones more affected from COVID-19 regarding employment.

This harsh situation of poverty and inequality, which is further worsened by the pandemic, is a direct result of the deep crisis of developmental model of Albania. Clearly, a small economy, oriented toward consumption (78% of overall demand)⁵ which is supported by remittance⁶ dependent of tourism, dominated by the export of increased low value products and with a negative trade balance, is highly exposed and weak against global crisis. Differently from the crisis of Eurozone, the effects of these crisis were really severe, especially due to the strong contraction of the tourism sector and the decline of global demand for goods such as clothes/shoes and minerals (except gold) in global markets.

Not only Albania, but also Western Balkans economies, were sent to recession by COVID-19, causing disruption in decreasing poverty and increasing welfare which these countries were experiencing lately. Before COVID-19 crisis, in the beginning of 2020, much of the countries from the region have made considerable progress toward decreasing poverty and increasing family incomes. Before the COVID-19 crisis began, Western Balkans had high levels of employment⁷. Later, due to COVID-19 crisis, businesses in Western Balkans suffered considerable income losses. Restrictions on movement and social distancing harmed offer and demand of labour force, transportation and traveling in an unprecedented way. Whole sectors of national economies: hotels-restaurants, non-essential retail trade, tourism, transport, and a good amount of production closed. Despite the different aids by the government, businesses of all economies suffered losses, which risked operations and their paying abilities. Most affected were small and medium enterprises, as well as informal businesses. The effects on income-generating activities were especially severe to unprotected workers and the most vulnerable groups in the informal economy.

This crisis managed to erase to the ground some of the achievements created in Western Balkans Labour Market and had a total effect in employment. The employment rate decreased to all time low in Western Balkans. At least 50% of firms in each country of the region were forced to close their activity at least partially, while for those who remained open, business was minimal.

Micro and small firms were hit harder than the medium-large ones. Part of the micro firms in Bosnia-Herzegovina reported a significant decrease in incomes which was more than 12% higher than the average of the firms. 35% of micro firms

⁵ Instat 2020e

⁶ IMF. 2020. IMF Staff Concludes a Remote Staff Visit to Albania. Accessed on October 13, on: <https://www.imf.org/en/News/Articles/2020/07/01/pr20252-albania-imf-staff-concludes-a-remote-staffvisit>.

⁷ World Bank and wiiw (2020): Tendencies of employment markets in Western Balkans

in Serbia saw a decrease in incomes of over 80% compared to the 10% decrease of middle firms with the same expectancy.

Services sector and tourism had the harshest consequences compared to the rest of the economy. In Albania, the firms that reported decline in demand as their main problem were higher in numbers in the tourism sector compared to the other sectors, while in Serbia losses in the tourism sector were higher than in any other sector.

Reduction of market demand was seen as the main challenge in all these countries. The major part of the population in Bosnia-Hercegovina and North Macedonia were significantly affected by the decline of demand, which caused loss of income not only as a result of the decrease in number of new orders, but also due to the cancelling of existing ones. These countries, comparing demand, offer, and among else job restrictions and raw materials, have been relatively smoother but had as well many limitations regarding liquidity.

Business operations in these countries are in critical conditions, but however there have not been a lot of job losses. According to the survey from the Secretariat of Investments Council⁸, COVID-19 related crisis has marked a significant decline of economic activity, where half of the firms included in the questionnaire declared to have completely interrupted activity. Despite this, up until now only a small part of the firms have seen dismissals from work, 28% of them have allowed employee to work from home, while 13% of the firm have used the annual leave.

The situation appears severe for the micro firms in Bosnia-Hercegovina which were the most affected from the pandemic crisis. According to the questionnaire of Foundation 787⁹, up until April 11, 72.7% of the firms' part of the questionnaire, had interrupted their activity, while 16,4% had chosen an alternate way of doing business with the sole purpose of remaining active. The largest part of the firms was forced to unregister employee thus worsening the already high levels of structural unemployment in the country, which, to be able to face the situation, delayed payments to liquidate debt against the government.

Even the state of business in Kosovo does not appear good. According to International Monetary Fund, Kosovo's economy saw a shrinkage of 5%. According to a questionnaire made by several business associations¹⁰, results that 39% of the firms have completely interrupted activity, 31% have worked with lower capacity, while 14% have continued operating with reduced hours. Firms that have totally interrupted activity appear to have been the smaller ones, the ones with less than

⁸ Albanian Investment Council. 2020. Main findings of the "Covid-19 on businesses" Survey

⁹ Foundation in Bosnia-Hercegovina.

¹⁰ This questionnaire was authorised and conducted by "Oda Ekonomike e Kosoves" (Economic Chamber of Kosovo) in collaboration with "Oda Ekonomike Amerikane ne Kosove" (American Economic Chamber in Kosovo), "Oden Ekonomike Gjermano-Kosovare" (Germano-Kosovo Economic Chamber), "Keshillin e Investitoreve Evropianë" (The Counsel of European Investors) and "Klubi I Prodhuesve te Kosoves" (Club of Manufacturers of Kosovo).

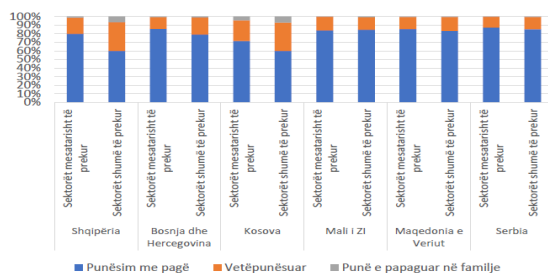
10 employees, as reported by 54.4% of the questioned companies in this category; 29.2% of all questioned companies reported to have reduced labour force, although 0,4% of them declared growth. Two main problems that affected Kosovo firms were financial loss, which affected the better part of firms in Kosovo, as well as the absence of liquidity. Also, pandemic affected in the decrease of 20% in the tourism sector, in Direct Foreign Investments and other financial entries.

Considering the importance of tourism in Montenegro, firms were hit the hardest by the pandemic crisis compared to the other countries of Western Balkans. Income from tourism, which make up around 21% of Montenegro's GDP, compared to the 7,2% of North Macedonia and 6,9% of Serbia were directly affected by the pandemic.

The effect of the crisis of COVID-19 in North Macedonia economy had implications not only in the services sector, but also on the production one, especially that regarding stable goods, clothes and textiles, which had the largest number of employees and the highest annual expenses on salary payments, compared to all other affected sectors. Also, retail trade of non-essential goods, with a high number of employees as to 70% of all employees in the stable goods production sector, faced consequences resulting from activity closure. The biggest part of businesses were forced to close their activity due to restrictions and faced considerable decrease in incomes. Ups and downs regarding demand were much more sensitive while on the offer side, such as job restrictions or lack of raw materials weren't a major setback for businesses.

Covid-19 crisis also affected Serbia's economy mainly on production where exports and stable goods are particularly important. Most of the employees in production for export were affected by the crisis. The decline of demand for export, accompanied with the problems in logistics, i.e. materials export, created a significant negative effect in the economy of this country. The demand for table goods suffered a significant decline during the crisis. Regarding services, the most affected sector where most of the employees' work was retail of non-essential goods. The fall of demand in Serbia was the main problem with which all Serbian companies were faced, but this problem was less disturbing for the industrial production sector. The most problematic period regarding the decline in offerings was mainly during the work-from-home time; while inability to import had moderate effects.

GRAPHIC 1: Distribution of employment according to different sectors, in the sectors highly or medium affected, in percentage



Source: Analysis by AMNJ¹¹ and ABF¹²

Employment reduction in Western Balkans is now obvious as it can be noticed in the graphic above. The data about market employment progress show that the highest annual increase in unemployed numbers up until now was in 2020 in Albania, an increase by 25% and in North Macedonia, with 11%. This partially reflects the inclusion in conformity of informal employees who are registered in order to benefit from health insurance and other social payments. Except Serbia and Kosovo, the administrative data on unemployment have begun to show an annual increase of unemployed people. After January there have been 63,000 people newly registered in the employment offices. Also, in the first quarter of 2020, data on vacant jobs in Montenegro show a decrease by 75% and in Serbia a decrease of 48%, which further shows the worsened situation in the employment market for the upcoming future.

Conclusions and recommendations

Beside losses in life and impact on the health of infected people, Covid-19 now has a large effect on the country's economy, starting from the unemployment numbers, reduction in production and economic sectors the brought a high deficit in the budget and lower incomes in domestic economies. Considering the above results, mainly from INSTAT, we see that the pandemic crisis will keep increasing unemployment and will send more employees on the informal economy. The practice of lowering salaries reported during the pandemic is likely to continue more

¹¹ State Office of Statistics of North Macedonia. Survey Living Standards Measurement: Microdata file. Skopje, North Macedonia.

¹² Statistics Agency of Bosnia-Hercegovina, Institution of Statistics of the Srpska Republic and Institution of Statistics Bosnia and Hercegovina Federacy. Survey of Family Budgets: Microdata File.

massively considering the tension caused from the rising levels of unemployment, but also the fact that most of the employees are not organised in real syndicates which would be able to defend them.

Despite governmental programs that were trying to maintain the economic situation under control, the self-amplifier dynamics of a recession itself, had a versatile effect, therefore it is necessary the realisation of a comprehensive plan for economic recovery since the number of unemployed people can increase even more in the next months. Employment market may not be the same as it was before the pandemic, therefore the post-pandemic period can result to be a new beginning for many public policies, including those of social welfare.

The common threat we are facing should help us all to get together with some of the main powers that humanity possesses solidarity, courage, creativity, and freedom of thinking. Putting these powers in operation will prove to be essential in our way toward recovery and economic transformation. Crises are also good opportunities for change, adaptation, and usage of new energies for a comprehensive transformation.

An economic transformation should be done, which will include all the decision-making bodies in the country, private sector and financial sector. The main goal is defining the long-term, mid-term and short-term priorities for the economic development of the country, through policies, instruments and measures that put the private sector in its deserved place, a generator of economic growth. The essence of economic transformation should be a new developmental model, based in a strategy that enables a gradual distancing from the dependence on nonstable resources of economic growth, including public investments and remittances, the latter of which should be replaced by direct investments coming from diaspora. The new developmental program needs to focus on the sectors that have competitive advantages, with a high potential for export and integration regional and global supply chains.

Limitations of economic activities because of the Covid-19 pandemic, have increased the need of a digital transformation of businesses to new dimension. All industries need to exploit all opportunities offered by digitalisation to increase competitive advantages, also to overcome difficulties such as these encountered after the pandemic. Nevertheless, for a higher success, digitalisation needs to integrate both the government and public services, as well as education and healthcare.

Recovery and economic transformation after the pandemic will depend on a high number of factors, including the possibility of a new spread of the pandemic, pandemic duration and its effects in the confidence of consumers and businesses, but also the ability of businesses to adapt to the “new normal”. The government should be proactive on ensuring adequate support for citizens and businesses, but at the same time needs to be flexible to adapt to any circumstance that can emerge.

Facing this dramatic situation, Albania is in urgent need for effective policies to face the pandemic crisis, and mostly on the emerge from the crisis of the economic model of the last three decades: an economy dominated by consumption, which when in high volume, is afforded by remittances, exports with low added value, low foreign investments, negative market balance, destruction of strategic sectors and degradation of public services, unemployment and mostly informal employment and underemployment, poverty, inequality and corruption.

Beside the intensity of this multi-dimensional crisis, Covid-19 marks an historic opportunity to build a development model, the success of which can be measured by the capability of creating a society that takes care of the weakest, a society where the realization of the individual potential is not conditioned by the economic possibilities and where economic development is in harmony with the nature, not fighting it.

In a summarized way, below I will present some propositions that aim to identify some of the main areas where an essential change from the existing policies in the country should take place.

BUILDING A STRONG HEALTH SYSTEM	<ul style="list-style-type: none"> - The creations of policies that regard employees as the most important link of a strong health system able to afford crisis such as Coovid-19. - Increase in wages and extra payment for high-risk jobs. - Put in their disposal the necessary tools for personal defence.
STRENGTHENING OF THE THE PLAN FOR SOCIAL AND ECONOMIC PROTECTION	<ul style="list-style-type: none"> - Economic support for vulnerable and marginalised groups. - Plans for economic support should strengthen both in the coverage aspect, as well as the increase in the level of wages.
INCREASE THE PROTECTION FOR EMPLOYEE/S AND THEIR RIGHTS	<ul style="list-style-type: none"> - Prohibition by law of wage reduction and reconsideration of minimal wage as soon as possible, for it to play the necessary role for decreasing poverty and inequality. - Strengthening the institution of collective contracting to ensure the positive development of wages.
MEASUREMENT THA TARGET WOMEN IN PARTICULAR	<ul style="list-style-type: none"> - Taking measures in different levels, starting with higher salaries in women dominated sectors, such as education and health. - Application of more flexible work hours for both men and women for them to be able to establish a balance between job and family life. - Strengthening the infrastructure for childcare, elderly care and support for people with different abilities. - The social insurance system should recognise the contribution of women in the unpaid job of taking care of family members not only through financial payments, but also recognition of this job for the purpose of pension contributions. - More qualified measures are needed for violated women and their children, to address the reasons which keep them in gender violent relationships, such as unemployment and poverty.

TRANSFORMATION AND DEMOCRATIZATION OF THE ECONOMY	<ul style="list-style-type: none"> - Orientation of public investments and industrial policies toward sectors which improve life of people, increase dignified employment, enforce the resistance of the country against crisis and assure ecological transformation of the economy. - Orientation of investments toward strengthening public services and social infrastructure, such as schools, kindergartens, nursery, centres for elderly people care, etc.
MOBILIZATION OF FINANCIAL RESOURCES FOR THE ECOLOGICAL TRANSFORMATION OF THE ECONOMY	<p>Creation of financial resources through:</p> <ul style="list-style-type: none"> - Radical changes in tax system - State banks as an important instrument for the ecological transformation of the economy - Developmental banks can emit Letters of Credit with long terms, which would allow these banks to perform long-term financing with low interests. - Application of a solidarity tax to assure that the burden of the crisis can be distributed accordingly to the possibilities of different individuals. - Creation of a progressive tax system which includes the interruption of indirect taxes such as VAT, which has the tendency to affect more the low-income people. - Increase of the level of direct taxation on the people with high income and the most profitable businesses.

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