

State Administration and Managing the Effects of the Pandemic on the Labour Market in Kosovo

*Ylber Aliu**

UDK 331.47:616.921.5(497.115)
351.777.8:616.921.5(497.115)
349.235:616.921.5(497.115)

<https://doi.org/10.31297/hkju.22.3.5>

Original paper / izvorni znanstveni rad

Received / primljeno: 8.10. 2021.

Accepted / prihvaćeno: 2. 5. 2022.

The purpose of this paper is to understand the impact of the pandemic on the labour market in Kosovo, as well as the response of institutions to address the challenges produced by the pandemic. The research model was based on the quantitative approach and comparative study. Furthermore, this study focuses on the official data about the impact of COVID-19 on the labour market in Kosovo and the Government's reactions, as well as comparing it with the best practices of European countries. The pandemic has had a significant impact on the labour market in Kosovo; Kosovo institutions have adopted an emergency package as well as an economic recovery package in response to the challenges produced by the pandemic. The Government of

* Ylber Aliu, Assistant Professor; AAB College, Faculty of Public Administration, AAB College, Republic of Kosovo (docent na Fakultetu za javnu upravu, AAB College, Republika Kosovo, email: ylber.aliu@universitetiaab.com).

ORCID: <https://orcid.org/0000-0002-9049-1856>

Kosovo has drafted and approved two packages in order to support employment. However, the number of people who have benefited from these measures is small compared to the needs.

Keywords: Kosovo, COVID-19, labour market, measures, institutions

1. Introduction

The measures taken by Kosovo institutions have only partially addressed the challenges of the pandemic in the labour market. The main importance of studying this topic lies in the fact that the pandemic has had a significant impact on the labour market in Kosovo. Kosovo institutions have adopted an emergency package, as well as an economic recovery package in response to the challenges posed by the pandemic; as shown by the results of empirical research, we also observe that employers, workers and the unemployed consider that institutions have not done enough to support them in the times of the pandemic.

The number of jobseekers registered at the Employment Offices has doubled as a result of job losses. Thus, the number of jobseekers registered at the Employment Offices in the period January – December 2020 was 168,980 (in 2019 this number was 70,790, so in 2020 we have an increase of 98,190 jobseekers registered at the Employment Offices). In addition to the number of registered jobseekers, the impact of the pandemic is also pronounced in terms of mediation in obtaining regular employment through the Employment Offices. In the period of January – December 2020, there were 6,961 persons whose regular employment was mediated through the Employment Offices (in 2019 this number was 8,711, so in 2020 we have a reduction in mediations for employment by 1,750) (Ibid). The sector most affected by the pandemic in terms of employment is the wholesale and retail trade sector, with the number of employees in this sector dropping from 80 thousand at the beginning of the pandemic to 43 thousand.

According to the estimates of the Kosovo Agency of Statistics, real GDP increased by 12.1% by September 2021, while in Q3 2021 alone it increased by 14.5%. The growth of economic activity is estimated to have continued in Q4 2021, relying on the growth of exports of goods and

services, increase in remittances, etc. However, according to the quarterly assessment (2021) of the Central Bank of Kosovo, continuous disruptions in supply and the new wave of infections affected the economic activity in the Eurozone to record a slower growth of 3.7% in Q3 2021 (p. 1). However, in September 2021, the ECB revised its growth forecast to 5.0% for 2021, from 4.6% in June 2021. The Central Bank of Kosovo estimates that as a result of easing restrictive measures to protect public health, economic activity was characterised by a recovery of economic activity in 2021. Net exports contributed positively by 12.8 percentage points, while consumption and investment contributed positively by 1.7 and 0.1 percentage points, respectively, to the real GDP growth in Q3 2021. The CBK estimates suggest that the growth trend of economic activity continued in Q4 2021. These estimates are based on direct or indirect indicators that show an increase in exports of goods and services in the reporting period, an increase in remittances, etc.

2. Literature Review

One of the main measures taken by almost all the world's governments to avoid spreading the virus and protect workers is to promote work from home. The Organisation for Economic Co-operation and Development (OECD) and International Labour Organization (ILO) find that "in order to promote a rapid shift towards work from home, governments took many measures to simplify its use, including financial and non-financial support for companies" (ILO & OECD, 2020, p. 21). Another measure taken by governments was to allow work within companies by restricting business activities to essential services by enforcing anti-virus standards (p. 22). Also, "providing sickness benefits and paid leave for all workers is another measure taken by governments" (p. 23). However, paid leave is an effective tool only in limited periods. Due to the increasing demand of many workers to provide family care, measures included extending the duration of paid leave (parental leave) or providing financial means to pay for care services, (p. 24). Other measures taken by governments were a combination of different measures, including: job support subsidies (p. 25), liquidity support for businesses (p. 27), income support for workers who have lost their jobs through the self-employment scheme (p. 29), employment services and training for jobseekers and workers (p. 32), promoting social dialogue (p. 33).

The OECD has found that the pandemic has affected almost all countries of the world and more than 50 million people worldwide. According to the OECD (2020), “In socio-economic terms governments are providing massive fiscal support to protect businesses, families and the population in need. Governments have spent more than \$ 12 trillion globally since March 2020” (p. 2). According to this study, “Many countries, including European Union countries, have reallocated public funds to crisis priorities by supporting health care, small and medium-sized enterprises, the population in need and crisis-stricken regions” (p. 2).

The institutions with the greatest responsibility for managing the consequences of the pandemic in the labour market are public employment services. The ILO (2020) listed the main points of the response of public employment services to the pandemic, namely: “Active labor market policies and programs have been very important in helping workers and employers during the pandemic; use of technology to adapt and facilitate the capacity of Public Services in providing employment services even during a pandemic; active labor market support is much more important when offered as an integrated package with other economic measures in business support, especially in countries with a high degree of informality in the labor market” (pp. 1-2).

Kniffin and colleagues (2020) note that “the impacts of COVID-19 on workers and jobs across the globe have been dramatic” (p. 1). Blocking businesses and industries in order to stop the spread of the virus has produced unique and fundamental challenges for employers and workers. Thus, “At the level of individual workers affected by the closure overnight turned into: (a) workers from home; (b) essential workers as: medical staff and shop workers; (c) unemployed who are looking for ‘equivalent’ work or seeking unemployment benefit” (p. 4). Also Kaushik and Guleria (2020) say that closure during the pandemic “has affected different sectors to varying degrees” (p. 1). That is, “airlines, hotels, manufacturing industry are completely banned and it will take a long time to get out of this situation, if it can ever come out” (p. 1). Consequently, millions of people in such sectors are likely to lose their jobs forever.

Seen as a whole, the pandemic has caused a massive rise in unemployment in western countries. According to Eichhrost, Marx and Rinne (2020), “Looking at the growth of unemployment during 2020, there has been a massive increase in countries like Spain and Sweden. This increase has been even greater in the US, while other countries saw a fairly moderate reaction to unemployment, e.g. France, Great Britain or Italy” (p.

2). Also, “Some countries have seen a massive decline in working hours in general, and in particular a massive increase in announcements for and short-term employment (although there is a lack of accurate data)” (p. 3). The United States are the most prominent case of a large increase in unemployment.

The UK has faced major difficulties in the labour market due to the pandemic. Costa Diaz and his colleagues (2020) have found that “the public health response to COVID-19 has led to a significant decline in job demand in many sectors of economic activity in the UK” (p. 32). Immediate policy response to the pandemic imposed the closure of entire sectors of the economy, including non-core retail businesses, hospitality and leisure, while air travel was halted mainly due to travel restrictions. “The initial policy response has focused on softening the blow to the finances of families and allowing the majority of workers and firms to resume their original activities once the crisis is mitigated” (p. 32).

France has mobilised various measures to address the challenges posed by the pandemic in the labour market. The French government has approved measures for active workers, the unemployed, and those suffering from the pandemic. Wage subsidy is one of the main measures. Sachs (2020) finds that under this type of scheme, the suspension of employment contracts is combined with the maintenance of a part of the remuneration (70% of the gross remuneration, 84% of the net remuneration) paid by the state. Employers must advance the payment of wages, with the state paying its assistance later” (p. 28). The next measure is unemployment support. The government has adopted new rules on unemployment benefits. The purpose of these new rules is to enable those who were in the scheme before the start of the pandemic to continue to benefit, and to strengthen the rules for new beneficiaries. Another measure is payment for persons affected by the pandemic. “Persons affected by the COVID-19 virus are entitled to receive replacement income from social security and more specifically from health insurance” (p. 28).

The Federal Government of Germany has adopted a number of different measures to support the labour market, as well as occupational health and safety measures. Sagan and Schüller (2020) list the following: “1. Workplace adjustment. 2. Toilets, food and rest facilities. 3. Ventilation. 4. Infection control measures for construction sites, farms, field service personnel, etc. 5. Infection control measures for collective workplaces. 6. Work from home. 7. Business trips and meetings. 8. Distance. 9. Equipment and tools. 10. Organization of schedules and working hours. 11.

Storage and cleaning of work clothes, etc.” (p. 293). Measures also include the extension of working hours in the health sector, reduction of working hours in other sectors, part-time work (750,000 companies have stated that they worked part-time during 2020), continuous payment in case of illness of workers (person suffering from COVID-19 is released from work while maintaining the right to compensation), child care (if a child is infected or if children are attending school from home and the parent needs to take care of them), quarantine and prohibition of professional activities (in which case workers are paid if there are official decisions to terminate work), etc.

Austria has taken measures to mitigate the negative effects of the pandemic on the labour market. Böheim and Leoni (2020) report that “the main components can be summarized as follows: (i) a € 15 billion ‘Corona support fund’, targeted at all firms, (ii) a € 2 billion ‘difficulty fund’, aimed at the self-employed, independent professionals and small enterprises, (iii) guarantees and postponement of tax liabilities for businesses, and (iv) COVID-19 short-term work scheme with an initial budget of around € 12 billion. Measures (i) – (iii) addressed businesses that have little or no income due to crisis. All measures were announced as methods to keep the business functioning and capable of securing employment” (p. 15).

The pandemic has hit the labour market in Italy very hard. The Italian government has taken a number of measures to mitigate the impact of the pandemic on the labour market. Biasi (2020) reports that some of the measures taken by the Italian Government are: “Parental leave – as a result of the temporary closure of schools, public and private sector employees and self-employed workers caring for children under the age of 12 or with disabilities were entitled to up to 15 days paid leave for both parents; temporary ban on dismissal – employers banned from taking collective redundancies; work from home; measures to protect health and safety at work; development of social dialogue during the emergency phase” (pp. 309–311).

Wage subsidies and various tax incentives for employers are the main measures taken by the Government of Croatia to address the challenges in the labour market after the pandemic (Grgurev, 2020, p. 1). Slovenia has adopted a series of measures to meet the challenges of the pandemic in the labour market, such as: work from home, partial re-securing of workers’ salaries for workers temporarily fired due to closure, deferral of payment of taxes and tax contributions, basic income for self-employed persons, etc. (Kresal, 2020, p. 1). The Government of Montenegro also took measures to manage the difficulties caused by the pandemic in the

labour market, but these measures were not consulted with social partners (ILO, 2020, p. 8).

Canada is one of the countries where there has been a drastic reduction in employment due to the pandemic. According to Lemieux and his colleagues (2020), “COVID-19 has caused a decrease of 32% of the total weekly hours worked between February and April 2020 and a decrease of 15% of employment” (p. 2). Low-income workers account for almost half of the job losses. The biggest losses were experienced in the industries and professions most affected by closures (accommodation and food services), and by workers who are younger, paid by the hour and who are not union members.

The Australian labour market has also been severely affected by the pandemic. Borland and Charlton (2020) find that “after a sharp one-month drop in working hours from March to April during closing, this was followed by May-June by the largest increase of one month in working hours after opening” (p. 316). We have argued that what happened in the Australian labour market from March to June is best understood by looking at the key elements – first, the impact of the pandemic on household spending through the government’s constraints on business and consumers voluntarily withdrawing from activities in which they perceive themselves at risk of contracting the virus; and second, the government’s response, and especially the job retention program.

India is one of the countries that have faced great difficulties in the labour market due to the pandemic. Walter (2020) said that “as an immediate measure of support during the blockade, the Indian Government had secured a package of US \$ 25 billion, about 0.8% of GDP”. Reserve Bank of India has taken steps to release about \$ 18 billion in liquidity to the banking system” (2020). In addition, an economic stimulus package was announced as part of the “Self-Support Mission” project, amounting to INR 20 trillion (about 10% of GDP).

Psychologically, the pandemic has affected the labour market in several dimensions. According to Trougakos, Chawla and McCarthy (2020), COVID-19 pandemic has disrupted the lives of workers across the globe, yet it makes little sense how COVID-19 health anxiety (CovH anxiety) – that is, feelings of fear and intimidation about having or contracting COVID-19 – affects in critical work, home and health outcomes.

The COVID pandemic will radically transform the job market globally. Fana, Perez and Fernández-Macías (2020) find that “the COVID crisis is so deep that it will not only radically affect the labour markets in the

short and medium term, but can also profoundly change the way of organizing the work” (p. 402). Telework will transform the labour market and replace the classic form of work with the physical presence of workers in the workplace, but this will not be the only transformation. This is because “early evidence from Italy suggests that industries that employ more robots per worker in production tend to exhibit a lower risk of infection due to COVID-19” (p. 402). Automation can be accelerated after the crisis as it can be used as a strategy to minimise health risks while maintaining production and economic activity.

3. Methodology

Data for the paper were obtained from various sources. First, administrative data were obtained from the Employment Agency. These data refer to the number of jobseekers registered at the Employment Offices, as well as the number of jobseekers whose regular employment was mediated through the Employment Offices. Administrative data were also data obtained regarding the number of citizens who have benefited from the emergency package as well as the economic recovery package. Second, statistical data on the labour market, as well as on the economic development were taken from the Kosovo Agency of Statistics and the Central Bank of Kosovo. As the pandemic is not over yet, the Government’s pandemic management interventions are also not over. We are focused only on the study of intervention measures within the two major packages (emergency package and economic recovery package). Meanwhile, the Government has approved other special measures, but their study is problematic due to a lack of data.

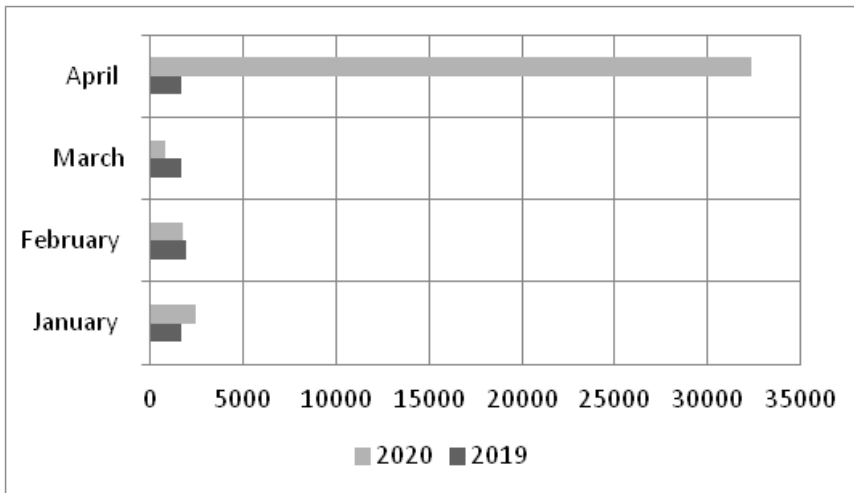
4. Results and Discussion

4.1. The Effects of the Pandemic on the Labour Market – Statistical and Administrative Data

The administrative data of the Employment Agency and the statistical data of the Kosovo Agency of Statistics show an enormous increase in the number of jobseekers in the Employment Offices in the first months of the pandemic in 2020. According to these data, the number of jobseekers

registered as unemployed at the Employment Offices in the period of January – June 2020 was 37,392, in contrast to the same period of 2019, when the number of registered jobseekers was 6,882.

Figure 1: *Administrative data by the Employment Agency*

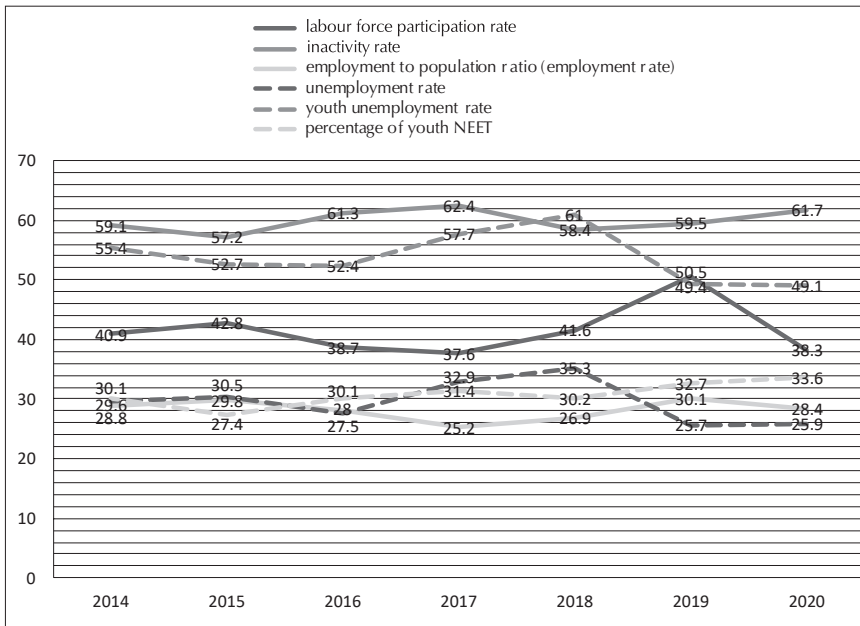


Source: Authors, based on the Employment Agency (2020); Employment Agency (2021).

The unemployment rate rose from 25.7% in 2019 to 25.9% in 2020. The increase in the unemployment rate is estimated to have come as a result of the impact of the COVID-19 pandemic on the labour market, in which a considerable number of workers lost their jobs. The employment rate in 2020 was 28.4%, compared to the year 2019 when the employment rate was 30.1%, showing a decrease in employment of 1.7%, which is considered to have come as a result of the pandemic and its impact on the labour market. There are large gender differences in the labour market. 20.8% of working-age women were active in the labour market in 2020 (21.1% in 2019), compared to 56.0% of men (59.7% in 2019). Unemployment is higher for women than for men (33.2% for women, 23.5% for men in 2020). In 2020, 53% of women were employed in the education, trade and healthcare sectors, while 46.3% of men were employed in the construction, manufacturing and trade sectors. The unemployment rate among young people aged 15-24 decreased from 49.4% in 2019 to 49.1% in 2020. About 37.4% of young people aged 15-19 were long-term unemployed (12 months). Based on the 2020 Labour Force Survey, there

are gender differences among young people in terms of unemployment. Among young men, the unemployment is 45.2%, while among women the unemployment is 57.2%, i.e. with a difference of 12%. According to VET, about 67% of the registered unemployed are considered long-term unemployed, while the percentage of young people in the NEET category increased from 32.7% in 2019 to 33.6% in 2020 (33.2% among young women and 34% in men).

Figure 2: Comparison of key labour market indicators in the last five years



Source: Authors, based on Kosovo Agency of Statistics (2015; 2016; 2017; 2018; 2019; 2020; 2021).

4.2. The Reaction of Kosovo Institutions to the Impact of the Pandemic on the Labour Market

At the end of March 2020, the Government of the Republic of Kosovo approved the Fiscal Emergency Package to address the consequences of the pandemic (Decision of the Government of the Republic of Kosovo, No. 01/2019, dated: 30. 03. 2020). If we look at the measures contained in the

package, we see that, out of the 13 measures contained in the package in total, six are directly intended for the labour market, namely:

Double payment of the value of the social scheme for all beneficiaries of social schemes for April and May;

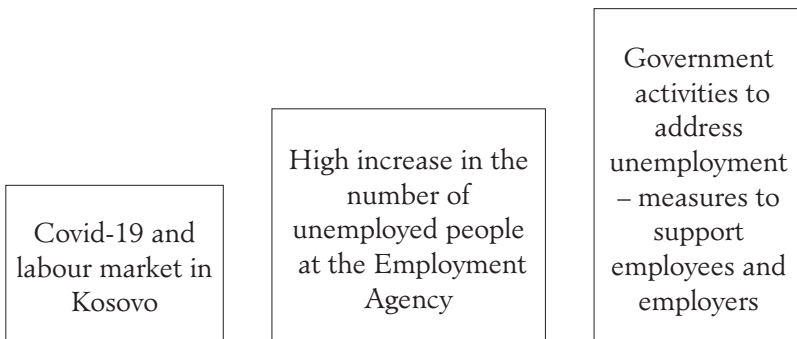
Additional payment in the amount of thirty euros (30 €) per month for all beneficiaries of social and pension schemes who receive a monthly payment in the amount of less than one hundred euros (100 €), for the months of April, May and June;

Providing a salary supplement in the amount of three hundred euros (300 €) for field workers who are directly exposed to the risk of infection in their work: medical staff, police, Correctional Service officials, Emergency Management Agency officials, KSF staff, workers working in quarantine;

Additional payment in the amount of one hundred euros (100 €) for workers of grocery stores, bakeries and pharmacies for April and May;

Payment of monthly assistance in the amount of one hundred and thirty euros (130 €) to citizens who lose their job due to the public health emergency situation, for the months of April, May and June.

Figure 3: *The process of drafting and approving new packages*



Source: Authors.

Table 1: *Fiscal Emergency Package to address the consequences of the pandemic*

Number	Measures	Amount
1	Double payment of the value of the social scheme for all beneficiaries of social schemes for April and May	7,650,000.00 €
2	Additional payment in the amount of thirty euros (30 €) per month for all beneficiaries of social and pension schemes who receive a monthly payment in the amount of less than one hundred euros (100 €), for the months of April, May and June	-----
3	Financial support for companies that are in financial difficulties due to the decline of their activity because of the public health emergency situation	-----
4	Providing interest-free lending to public enterprises that have financial difficulties due to the public health emergency situation, in order to ensure their temporary liquidity, with repayment until 31.12.2020	20,000,000.00 €
5	Providing additional financial support to the municipalities of the Republic of Kosovo that have been affected in dealing with the pandemic, in case of need due to the potential extension of the public health emergency situation	10,000,000.00 €
6	Providing a salary supplement in the amount of three hundred euros (300 €) for field workers who are directly exposed to the risk of infection in their work: medical staff, police, Correctional Service officials, Emergency Management Agency officials, KSF staff, workers working in quarantine	15,000,000.00 €
7	Additional payment in the amount of one hundred euros (100 €) for workers of grocery stores, bakeries and pharmacies for April and May	3,000,000.00 €
8	Payment of monthly assistance in the amount of one hundred and thirty euros (130 €) to citizens who lose their job due to the public health emergency situation, for the months of April, May and June	4,000,000.00 €
9	Supporting initiatives and projects aimed at improving the lives of non-majority communities in the Republic of Kosovo, which have been hit the hardest by the public health emergency situation, in the amount of up to two million	2,000,000.00 €
10	Increasing the budget for grants and subsidies for the Ministry of Agriculture, Forestry and Rural Development to increase agricultural production	5,000,000.00 €
	Increasing the budget for grants and subsidies for the Ministry of Culture, Youth and Sports to avoid the situation created by the public health emergency situation in sports and cultural activities	5,000,000.00 €

11	Support for exporters in the Republic of Kosovo after the end of the public health emergency situation	10,000,000.00 €
12	Financial support for companies that register employees with an employment contract of at least one (1) year during the period of the public health emergency situation, from one hundred and thirty euros (130 €) for the next two months after registration	6,000,000.00 €
13	Payment of monthly assistance in the amount of one hundred and thirty euros (130 €) for citizens with difficult social conditions, registered as unemployed at the competent institution, who are not beneficiaries of any monthly income from the Kosovo budget, for the months of April, May and June	3,000,000.00 €

Source: Authors.

In addition to the Fiscal Emergency Package, in 2020 the Government of the Republic of Kosovo approved measures for the implementation of the Economic Recovery Package (Decision of the Government of the Republic of Kosovo, No. 06/58, dated: 14. 01. 2021). The approved plan for the implementation of the Economic Recovery Package amounts to three hundred and sixty-five million euros (365,000,000.00 €). If we look closely at the measures contained in this package, out of a total of 15 measures, only five are intended for direct employment support, namely:

Increase in employment, in particular of specific groups of workers with lower probability for employment;

Increase in local agricultural production, to increase employment in rural areas, to reduce the import of agricultural products, to overcome the challenges of lack of sales caused by COVID-19, and to increase food security;

Stimulating aggregate demand, which promotes production and employment with multiplier effects in the economy;

Financial support for youth employment, support for civil society organisations, other informal groups, stimulation of cultural, artistic, sports activities and their revitalisation;

Financial support for projects and initiatives aimed at improving the position of women in society and the economy.

Table 2: *Economic Recovery Package*

Economic Recovery Package		
Number	Measures	Amount
1	Facilitate access to credit for private enterprises, to finance investment projects and the continuation of operation	100,000,000.00 €
2	Relief of the tax burden of businesses, to improve their short-term liquidity	15,000,000.00 €
3	Increase in employment, in particular of specific groups of workers with lower probability for employment	67,300,000.00 €
4	Increase in local agricultural production, to increase employment in rural areas, to reduce the import of agricultural products, to overcome the challenges of lack of sales caused by COVID-19, and to increase food security	26,000,000.00 €
5	Stimulate aggregate demand, which promotes production and employment with multiplier effects in the economy	15,000,000.00 €
6	Support the operation and capital investments of public enterprises, in particular those investments that are of a strategic nature, to afford the reduction of collection revenues and the necessary capital investments to be undertaken	17,000,000.00 €
7	Financial support for youth employment, support of civil society organisations, other informal groups, stimulation of cultural, artistic, sports activities and their revitalisation	5,000,000.00 €
8	Support for existing and new programmes related to regional development through the Ministry of Regional Development, which affect balanced regional development	2,000,000.00 €
9	Support to non-majority communities in the Republic of Kosovo, for projects and initiatives aimed at improving their lives and their economic revival	2,000,000.00 €
10	Financial support for projects and initiatives aimed at improving the position of women in the society and the economy	2,000,000.00 €
11	Support to the education sector to enable the successful start and progress of learning during the school year 2020/2021	10,000,000.00 €
12	Support to Kosovo municipalities to manage the situation created by the COVID-19 pandemic	10,000,000.00 €
13	Financial support for compatriots covering the cost of the insurance policy premium	3,000,000.00 €
14	Financing (reimbursement of budget lines) for the implementation of the measures of decision no. 01/19 of the Government of the Republic of Kosovo	71,700,000.00 €
15	Contingency for emergencies - Contingency is maintained for emergencies for better coping with the pandemic COVID-19	19,000,000.00 €

Source: Authors.

4.3. Administrative Data and Discussion

The data on the results consist of administrative data obtained from government agencies regarding the number of beneficiaries of various measures. With regard to the data it should be noted that the implementation of the measures has not been completed yet, which means that it is a process which is still ongoing and consequently we do not yet have collected data on the number of citizens who have benefited from the measures; some of the institutions had not yet systematised and published the data at the moment of writing this paper. It should also be noted that we focused only on the measures that are directly related to the labour market, while other measures were not studied.

Regarding the measure for the payment of monthly assistance in the amount of one hundred and thirty euros (130 €) for citizens with difficult social conditions, registered as unemployed at the competent institution, who are not beneficiaries of any monthly income from the Kosovo budget, for April, May and June, in the amount of up to three million euros (3,000,000.00 €), as can be understood from the data presented in chart 1, the number of families that have benefited from this measure is a total of 87, 277 with 261,523 members.

Table 3: Beneficiaries of the fifteenth measure of the emergency package

Beneficiaries of the fifteenth measure of the emergency package		
Month	Number of families	Number of family members
April	25,376	75,184
May	31,381	94,713
June	30,520	91,626
Total	87,277	261,523

Source: Authors.

Table 3 summarises the number of beneficiaries by measures to support the labour market from the emergency package. Regarding the measure for supporting employers by supporting the salaries of active workers with 170 euros each in order to maintain the current level of employment, the number of active workers who have benefited from this measure is 148,188. The purpose of the measure is to support employers in order

to keep workers at work, as well as to maintain the current level of employment. The measure for the support of inactive workers was aimed at supporting inactive workers with 130 euros per month. The number of citizens who have benefited from this measure is 834 beneficiaries. A measure to support new workers has also been part of the package. The purpose of the measure was the financial support of new workers with 130 euros per month. The number of citizens who have benefited from this measure is 14,988 beneficiaries. The number of beneficiaries of the measure to support vulnerable workers with 100 euros per month is 14,925 beneficiaries.

Table 4: *Measures to support the labour market, as well as the number of beneficiaries by measure*

Measures to support the labour market	
Measures	Number of beneficiaries
Support for active workers	148,188
Support for inactive workers	834
Support for new workers	14,988
Support for vulnerable workers	14,925
Total	178,935

Source: Authors.

5. Conclusions

The Government of Kosovo has approved two packages of measures to manage the situation created by COVID-19 in the labour market in Kosovo. The first is the emergency package which was approved immediately after the onset of the pandemic. In the framework of the emergency package, some of the measures pertain to the management of the effects of the pandemic on the labour market in Kosovo. However, as we have seen from the data presented above, the number of citizens who have benefited from these measures is very small. At the end of 2020 and the beginning of 2021, the Government of Kosovo approved the package of measures for economic recovery. Within this package five measures per-

tain to the management of the situation in the labour market. Meanwhile, some other partial measures have been approved, but due to the lack of data regarding the number of citizens who have benefited, we have not been able to present those measures in the paper. This is the main limitation of this paper.

References

- Borland, J., & Charlton, A. (2020). The Australian labour market and the early impact of COVID-19: An assessment. *The Australian Economic Review*, 53(3), <https://doi.org/10.1111/1467-8462.12386>
- Böheim, R., & Leoni, T. (2020). Crisis response monitoring Austria. *IZA – Institute of Labor Economics* Retrieved from https://www.iza.org/wc/files/downloads/iza_crisismonitor_countryreport_at_202010.pdf
- Biasi, M. (2020). COVID-19 and labour law in Italy. *European Labour Law Journal* 2020, 11(3), 306–313, <https://doi.org/10.1177/2031952520934569>
- Central Bank of Kosovo (2021). Quarterly Assessment of Macroeconomic Developments, No. 30. Retrieved from https://bqk-kos.org/wp-content/uploads/2020/07/CBK_Q1_2020_MD.pdf
- Ergurev, I. (2020). COVID-19 and labour law: Croatia. *Italian Labour Law e-Journal*, 13(Special Issue 1), 1–5, <https://doi.org/10.6092/issn.1561-8048/10773>
- Costa Diaz, M., Joyce, R., Postel-Vinay, F., & Xu, X. (2020). The challenges for labour market policy during the COVID-19 pandemic. *Fiscal Studies*, 41(2), 371–382, <https://doi.org/10.1111/1475-5890.12233>
- Eichroost, W., Marx, P., & Rinne, U. (2020). Manoeuvring through the crisis: Labour market and social policies during the COVID-19 pandemic. *Review of European Economic Policy*, 55(6), 375–380, <https://doi.org/10.1007/s10272-020-0937-6>
- Employment Agency of the Republic of Kosovo (2020). *Labor Market Information System June, 2020*.
- Employment Agency of the Republic of Kosovo (2021). *Labor Market Information System January 2021*.
- Fana, M., Perez, S., Fernández-Macías, E. (2020). Employment impact of COVID-19 crisis: From short term effects to long terms prospects. *Journal of Industrial and Business Economics* 47, 391–410, <https://doi.org/10.1007/s40812-020-00168-5>
- International Labour Organization (2020). COVID-19 and the world of work rapid assessment of the employment impacts and policy responses Montenegro. Retrieved from file:///C:/Users/Ylber%20Aliu/Downloads/wcms_749201.pdf
- International Labour Organization & Organisation for Economic Co-operation and Development (2020). The impact of the COVID-19 pandemic on jobs and incomes in G20 economies. Retrieved from <https://www.ilo.org/wcmsp5/>

- groups/public/---dgreports/---cabinet/documents/publication/wcms_756331.pdf
- International Labour Organization. (2020). COVID-19: Public employment services and labour market policy responses. Retrieved from https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_753404.pdf
- Kaushik, M., & Guleria, N. (2020). The impact of pandemic COVID-19 in workplace. *European Journal of Business and Management*, 12(15), 9–18, <https://doi.org/10.7176/EJBM/12-15-02>
- Kniffin, M., Narayanan, J., Anseel, F., Antonakis, J., Ashford, P. S., & Bakker, A. (2020). COVID-19 and the Workplace: Implications, issues, and insights for future research and action. https://doi.org/10.127_6164cbfd-37a2-489e-8bd2-c252cc7abb87.pdf.
- Kresal, B. (2020). COVID-19 and labour law: Slovenia. *Italian Labour Law E-Journal Special Issue 1*, 13(1S), <https://doi.org/10.6092/issn.1561-8048/10944>
- Kosovo Agency of Statistics (2021). Labour Force Surveys for 2020. Retrieved from <https://ask.rks-gov.net/media/6259/labour-force-2020.pdf>
- Kosovo Agency of Statistics (2020). Labour Force Surveys for 2019. Retrieved from <https://ask.rks-gov.net/media/5412/labour-force-survey-2019.pdf>
- Kosovo Agency of Statistics (2019). Labour Force Surveys for 2018. Retrieved from <https://ask.rks-gov.net/media/5026/labour-force-survey-2018.pdf>
- Kosovo Agency of Statistics (2018). Labour Force Surveys for 2017. Retrieved from <https://ask.rks-gov.net/media/3989/labour-force-survey-2017.pdf>
- Kosovo Agency of Statistics (2017). Labour Force Surveys for 2016. Retrieved from <https://ask.rks-gov.net/media/3593/lfs-2016-anglisht.pdf>
- Kosovo Agency of Statistics (2016). Labour Force Surveys for 2015. Retrieved from <https://askdata.rks-gov.net/pxweb/en/ASKdata/>
- Kosovo Agency of Statistics (2015). Labour Force Surveys for 2014. Retrieved from <https://askdata.rks-gov.net/pxweb/en/ASKdata/>
- Kosovo Agency of Statistics (2018). Statistical Yearbook of the Republic of Kosovo, 2018. Retrieved from <https://ask.rks-gov.net/media/4369/statistical-yearbook-2018.pdf>
- Lemieux, T., Milligan, K., Schirle, T., & Skuterud, M. (2020). Initial Impacts of the COVID-19 Pandemic on the Canadian Labour Market. *University of Toronto Press*, 46(1), 55–65, <https://doi.org/10.3138/cpp.2020-049>
- Organisation for Economic Co-operation and Development. (2020). The territorial impact of COVID-19: Managing the crisis across levels of government. Retrieved from https://read.oecd-ilibrary.org/view/?ref=128_128287-5agkko-jaa&ttitle=The-territorial-impact-of-covid-19-managing-the-crisis-across-levels-of-government
- Trougakos, J. P., Chawla, N., & McCarthy, J. M. (2020). Working in a pandemic: Exploring the impact of COVID-19 health anxiety on work, family, and health outcomes. *Journal of Applied Psychology*, 105(11), 1234–1245, <https://doi.org/10.1037/apl0000739>

- Sachs, T. (2020). COVID-19 and labour law in France. *European Labour Law Journal* 2020, 11(3), 286–291, <https://doi.org/10.1177/2031952520934565>
- Sagan, A., & Schüller, C. (2020). COVID-19 and labour law in Germany. *European Labour Law Journal* 2020, 11(3), 292–297, <https://doi.org/10.1177/2031952520934566>
- Walter, D. (2020). Implications of COVID-19 for labour and employment in India. *The Indian Journal of Labour Economics* 63, 47–51, <https://doi.org/10.1007/s41027-020-00255-0>

Legal sources

- Decision of the Government of the Republic of Kosovo, No. 01 / 2019. Retrieved from: <https://kryeministri-ks.net/wp-content/uploads/2020/03/Vendimi-i-Qeveris%C3%AB-nga-Mbledhja-e-19.pdf>
- Decision of the Government of the Republic of Kosovo, No. 06 / 58, Retrieved from: https://mf.rks-gov.net/desk/inc/media/FEC082F0-53E1-46B9-BC9B-5F23C29920CE.pdf?fbclid=IwAR2c6uVrwnmK8WtMFkNO-eNLCi4Heol-25BQoP_Ydmq-wc131NTAfh2XVv6Q

STATE ADMINISTRATION AND MANAGING THE EFFECTS OF THE PANDEMIC ON THE LABOUR MARKET IN KOSOVO

Summary

The purpose of the paper is to understand the impact of the pandemic on the labour market, as well as the measures taken by the Government to address the challenges of the pandemic in the labour market in Kosovo. In that respect, the paper provides experiences from other countries regarding the measures taken by the state administration to maintain the level of employment through support for employers to keep their employees, as well as through support for the employees who have lost their jobs. The paper also provides detailed information about the statistical and administrative data on the key labour market indicators in Kosovo, as well as information about two packages approved by the Government, the fiscal package and the package for economic recovery. Several conclusions have been made: the pandemic has had a significant impact on the labour market in Kosovo; the Government of Kosovo has drafted and approved two packages in order to support employment; however, the number of people who have benefited from these measures is small compared to the needs.

Keywords: Kosovo, COVID-19, labour market, measures, institutions

DRŽAVNA UPRAVA I UPRAVLJANJE UČINCIMA PANDEMIJE NA TRŽIŠTU RADA U KOSOVU

Sažetak

Svrha je rada razumjeti utjecaj pandemije na tržište rada kao i mjere koje je Vlada poduzela za rješavanje izazova pandemije na tržištu rada u Kosovu. U radu se iznose iskustva drugih zemalja o mjerama koje državne uprave poduzimaju za održavanje razine zaposlenosti potporom poslodavcima da zadrže zaposlene kao i za potporu zaposlenicima koji su ostali bez posla. Također, u radu se nalaze detaljne informacije o statističkim i administrativnim podacima o ključnim pokazateljima tržišta rada u Kosovu kao i informacije o dvama paketima koje je odobrila Vlada – fiskalni paket i paket za ekonomski oporavak. Doneseno je nekoliko zaključaka: pandemija je imala znatan utjecaj na tržište rada u Kosovu; Vlada Kosova izradila je i odobrila dva paketa za potporu zapošljavanju; međutim, broj ljudi koji su imali koristi od tih mjera malen je u usporedbi s potrebama.

Ključne riječi: Kosovo, COVID-19, tržište rada, mjere, institucije