

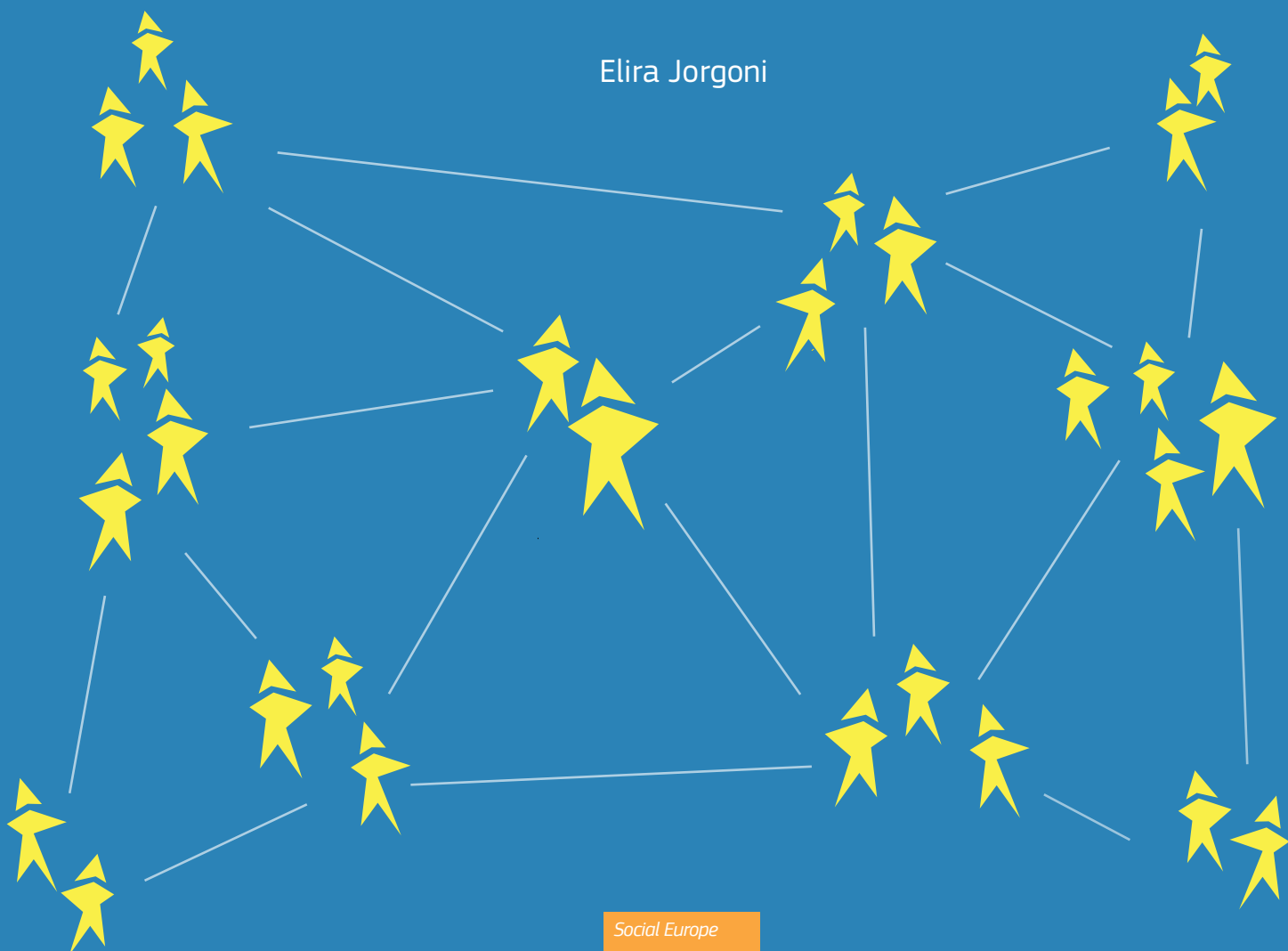


EUROPEAN SOCIAL POLICY NETWORK (ESPN)

Social protection and inclusion policy responses to the COVID-19 crisis

Albania

Elira Jorgoni



Social Europe

EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
Directorate D — Social Rights and Inclusion
Unit D.2 — Social Protection

Contact: Giulia Pagliani

E-mail: Giulia.PAGLIANI@ec.europa.eu

European Commission
B-1049 Brussels

European Social Policy Network (ESPN)

**ESPN Thematic Report:
Social protection and inclusion
policy responses to the
COVID-19 crisis**

Albania

2021

Elira Jorgoni

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

For more information on the ESPN, see:

<http://ec.europa.eu/socialmain.jsp?catId=1135&langId=en>

LEGAL NOTICE

The information and views set out in this document are those of the authors and do not necessarily reflect the official opinion of the European Union. Neither the European Union institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained therein. More information on the European Union is available on the Internet (<http://www.europa.eu>).

Manuscript completed in July 2021

The European Commission is not liable for any consequence stemming from the reuse of this publication. Luxembourg: Publications Office of the European Union, 2021

© European Union, 2021



The reuse policy of European Commission documents is implemented by the Commission Decision 2011/833/EU of 12 December 2011 on the reuse of Commission documents (OJ L 330, 14.12.2011, p. 39). Except otherwise noted, the reuse of this document is authorised under a Creative Commons Attribution 4.0 International (CC-BY 4.0) licence (<https://creativecommons.org/licenses/by/4.0/>). This means that reuse is allowed provided appropriate credit is given and any changes are indicated.

For any use or reproduction of elements that are not owned by the European Union, permission may need to be sought directly from the respective right holders.

CONTENTS

SUMMARY.....	5
1 TRENDS OF THE PANDEMIC AND SOCIAL AND ECONOMIC IMPACT	6
1.1 Epidemiological situation	6
1.2 Economic and (un)employment situation	11
1.3 Poverty, inequality and social exclusion situation.....	15
2 SOCIAL PROTECTION AND INCLUSION MEASURES IN RESPONSE TO THE PANDEMIC.....	16
2.1 Measures related to unemployment benefits	16
2.1.1 <i>Pagesë shtesë për individët që përfitojnë pagesën e të ardhurës nga papunësia</i> (Top-up financial support to beneficiaries of unemployment benefit)	16
2.2 Measures of job protection provided through support to employers, employees and the self-employed.....	17
2.2.1 <i>Ndihmë financiare për të punësuarit në subjektet e biznesit me të ardhura</i> <i>vjetore deri 14 milionë lekë që kanë mbyllur aktivitetet sipas urdhrave të</i> <i>ministrit të Shëndetësisë dhe Mbrojtjes Sociale</i> (Financial assistance to those employed in companies with an annual turnover up to ALL 14 million that have closed their activities as per orders of the Ministry of Health and Social Protection).....	17
2.2.2 <i>Ndihmë financiare për të punësuarit në subjektet me të ardhura vjetore mbi</i> <i>14 milionë lekë që kanë mbyllur aktivitetet sipas urdhrave të ministrit të</i> <i>Shëndetësisë dhe Mbrojtjes Sociale</i> (Financial assistance for those employed in companies with an annual turnover over ALL 14 million that have closed their activities as per orders of the Ministry of Health and Social Protection)	18
2.2.3 <i>Ndihmë financiare për ish-të punësuarit në subjektet që janë lejuar të kryejnë</i> <i>aktivitetet ose janë mbyllur sipas urdhrave të ministrit të Shëndetësisë dhe</i> <i>Mbrojtjes Sociale</i> (Financial assistance for laid-off workers in companies allowed to operate and those that closed their activities as per orders of the Ministry of Health and Social Protection).....	18
2.2.4 <i>Ndihmë financiare për të punësuarit në subjektet me të ardhura vjetore deri</i> <i>në 14 milionë lekë, që janë lejuar të kryejnë aktivitetet sipas urdhrave të</i> <i>ministrit të Shëndetësisë dhe Mbrojtjes Sociale</i> (Financial assistance for those employed in companies with an annual turnover up to ALL 14 million that could operate as per orders of the Ministry of Health and Social Protection).....	19
2.2.5 <i>Ndihmë financiare për të punësuarit në subjektet që ushtrojnë aktivitetin si</i> <i>struktura akomoduese</i> (Financial assistance for those employed in accommodation structures).....	19
2.2.6 <i>Ndihmë financiare për të punësuarit në subjektet që ushtrojnë aktivitetin në</i> <i>Rafinerinë e Naftës, Ballsh</i> (Financial assistance for those employed at the Ballsh oil refinery).....	20
2.2.7 <i>Programi i nxitjes së punësimit nëpërmjet punësimit të personave të dalë të</i> <i>papunë si pasojë e COVID-19</i> (Employment-promotion programme for workers laid off as a result of the COVID-19 situation).....	20
2.2.8 <i>Programi i nxitjes së punësimit nëpërmjet punësimit të personave të cilët</i> <i>deklarojnë që kanë qenë të punësuar, por nuk evidentohen si të tillë në</i> <i>Drejtorinë e Përgjithshme të Tatimeve</i> (Employment-promotion programme for laid-off workers who declared that they had been employed, but could not be identified as such through the General Directorate of Taxation)	21
2.2.9 <i>Ndihmë financiare për të punësuarit apo ish- të punësuarit në subjektet e</i> <i>transportit publik, qytetas dhe ndërqytetas</i> (Financial assistance to employees or former employees in public transport entities, urban and intercity)	21
2.2.10 <i>Garancia shtetërore e huas me bankat e nivelit të dytë për pagat e tregtarëve</i> <i>ose shoqërive tregtare</i> (State loan guarantee with commercial banks for the salaries of traders or companies)	22
2.3 Measures related to sickness benefits and sick pay	22

2.3.1	<i>Përfshirja e COVID-19 në listën e sëmundjeve infektive, të detyrueshme për t'u raportuar nga institucionet shëndetësore, publike ose private të të gjitha niveleve në Republikën e Shqipërisë (Inclusion of COVID-19 in the list of infectious diseases subject to mandatory reporting by health institutions, public or private, at all levels in the Republic of Albania)</i>	22
2.4	Measures related to health insurance	23
2.4.1	<i>Rimbursimi i paketës së barnave për trajtimin ambulator në banesë për personat e diagnostikuar me COVID-19 nga Fondi i Sigurimit të Detyrueshëm të Kujdesit Shëndetësor (Reimbursement of the package of medicines for out-patient treatment for people diagnosed with COVID-19, from the compulsory health insurance fund)</i>	23
2.5	Measures related to minimum-income schemes and other forms of social assistance	23
2.5.1	<i>Dyfishimi i pagesës së ndihmës ekonomike për subjektet përfituese gjatë periudhës së fatkeqësisë natyrore, të shpallur si pasojë e COVID-19 (Doubling economic assistance for beneficiaries during the natural disaster emergency situation declared as a consequence of COVID-19)</i>	23
2.5.2	<i>Mbështetje financiare për familjet aplikuese për ndihmë ekonomike gjatë periudhës korrik 2019 në prill 2020 (Financial assistance to families who had applied for economic assistance during the period July 2019 to April 2020)</i>	24
2.6	Measures related to housing support.....	25
2.6.1	<i>Shtyrja e pagesës së qerasë për kategori të veçanta (Deferral of rent payments for special categories)</i>	25
2.6.2	<i>Shtyrja e pagesave të kredive për kreditorët në vështirësi (Deferral of credit loan instalment payments)</i>	25
2.7	Leave for parents whose children are unable to attend school or a pre-school service by reason of COVID-19	26
2.7.1	<i>Për caktimin e datave 10 deri 23 mars dite pushimi për prindin kujdestar të fëmijëve të mitur (Setting 10-23 March as leave days for the custodial parents of minors)</i>	26
2.7.2	<i>Përcaktimin e nëpunësve/punonjësve që mund të punojnë në distancë online (Distance online working permission for parents working in public administration)</i>	26
2.8	Other important temporary social protection/inclusion measures adopted in the context of the pandemic, which do not fall in any of the categories listed in the previous sections.....	27
2.8.1	<i>Falja e kamatvonesave të energjisë elektrike për familjarë apo biznese të vogla debitore (Forgoing of debt interest arrears related to electricity bills for families and small enterprises)</i>	27
3	SOCIAL PROTECTION AND INCLUSION RESPONSES TO THE CRISIS: OVERALL ASSESSMENT AND POSSIBLE GAPS	28
3.1	Expected cost of social protection and inclusion measures	28
3.2	Impact on the social protection system and social inclusion policies	29
3.3	Remaining gaps in the social protection system and social inclusion policies	29
3.4	Debates and recommendations	30
	REFERENCES	31

SUMMARY

Between Monday 3 February 2020 and Sunday 18 April 2021, the total number of confirmed COVID-19 cases per 100,000 people was 6,740 for the EU-27 as a whole; in Albania, it was 4,536. The total number of deaths per 100,000 people was 151 for the EU-27, versus 83 in Albania.

The government of Albania adopted two major support packages for people and businesses affected by COVID-19, for a total of ALL 45 billion (approx. €362.9 million), or approximately 2.7% of GDP in 2019. The first package included: additional funding for the health sector; support to workers in small businesses, the self-employed, the unemployed, and recipients of cash assistance; humanitarian relief for the most vulnerable; and the first sovereign guarantee fund for businesses. The second package included a large-scale one-off lump-sum transfer to current and former employees in sectors and businesses affected by the pandemic, as well as a second sovereign guarantee for working capital and investment. By December 2020, the combined value of social protection and social inclusion measures/payments that were directly provided to protect jobs and the most vulnerable amounted to ALL 13.1 billion (€105.6 million) out of ALL 13.4 billion (€108 million) planned, with most of the funds going towards job-protection measures, equivalent to about 0.74% of GDP in 2019 (about ALL 12.44 billion or €105.6 million). Overall, the number of direct beneficiaries exceeded 245,000 workers/former workers in 87,370 companies, as well as 70,034 families.

Albania was quick to introduce protection measures that were simple to implement and largely addressed immediate, short-term needs and income losses among the vulnerable. Measures to protect companies, employees, and households from the impact of the lockdowns and other restrictions imposed, mitigated to a large extent the sizeable negative impact on jobs and poverty. **Nonetheless, the pandemic in Albania has widened existing gaps and inequalities, and has highlighted pre-existing challenges of the social protection system.** Cash transfers and emergency humanitarian support were the main measures supporting poor and vulnerable households. The extreme poor, recipients of economic assistance, received **doubled cash assistance for the three months April-June 2020**. In addition, another **one-off payment was provided to families and individuals** who had unsuccessfully applied for economic assistance during the period July 2019 to April 2020. The doubled cash assistance benefit was reintroduced for the period January-June 2021, benefiting on average 69,040 people each month. These two measures were the only minimum-income measures introduced that were designed to address adequacy and coverage for the vulnerable population. Child poverty was not addressed, while other newly vulnerable groups could only rely on ad hoc in-kind support and access to the social care services available.

Job-protection measures were temporary, and arguably did not protect the most vulnerable in the labour market, such as those employed informally. Given the high level of informality in the Albanian labour market (30% in 2019, INSTAT), comprehensive support is required for this category of workers. More importantly, linkages between informal employment and the weak welfare system should be considered simultaneously, as often the latter forces individuals into informal employment, as do institutional inefficiencies and structural problems in the economy.

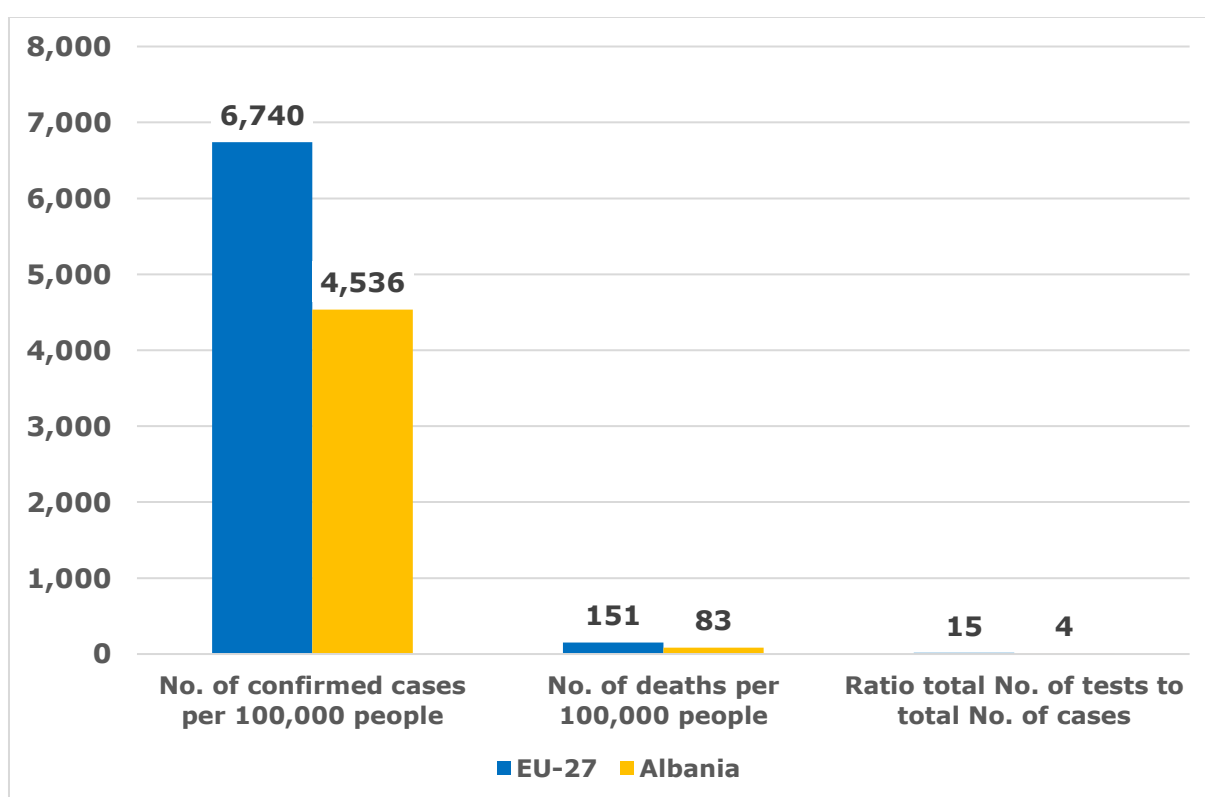
There is scope for both vertical and horizontal expansion of the cash assistance scheme, aimed at improving the adequacy and coverage of the programme. Cash assistance payments can be organised by **adapting and scaling up existing economic assistance** or categorical schemes, such as schemes for certain broad population groups, including children, as well as other non-contributory programmes and social insurance, in order to support previously uncovered population groups. As the pandemic is still continuing, no additional longer-term minimum-income support measures have been introduced after the lockdown. Arguably the initial response measures have minimised the likely impact of the crisis on poverty rates.

1 TRENDS OF THE PANDEMIC AND SOCIAL AND ECONOMIC IMPACT¹

1.1 Epidemiological situation

During the 63 weeks considered for these three indicators (from Monday 3 February 2020 to Sunday 18 April 2021), the total number of confirmed COVID-19 cases per 100,000 people was 6,740 for the EU-27 as a whole; in Albania, it was 4,536. The total number of deaths per 100,000 people was 151 for the EU-27 versus 83 in Albania. The ratio of the total number of COVID-19 tests conducted to the total number of confirmed cases was 15.3 for the EU-27 and 4.5 for Albania.

Figure 1: Total number of COVID-19 cases and deaths per 100,000 people & ratio of total number of COVID-19 tests to total number of cases, 3 February 2020 to 18 April 2021 (EU-27 and Albania)

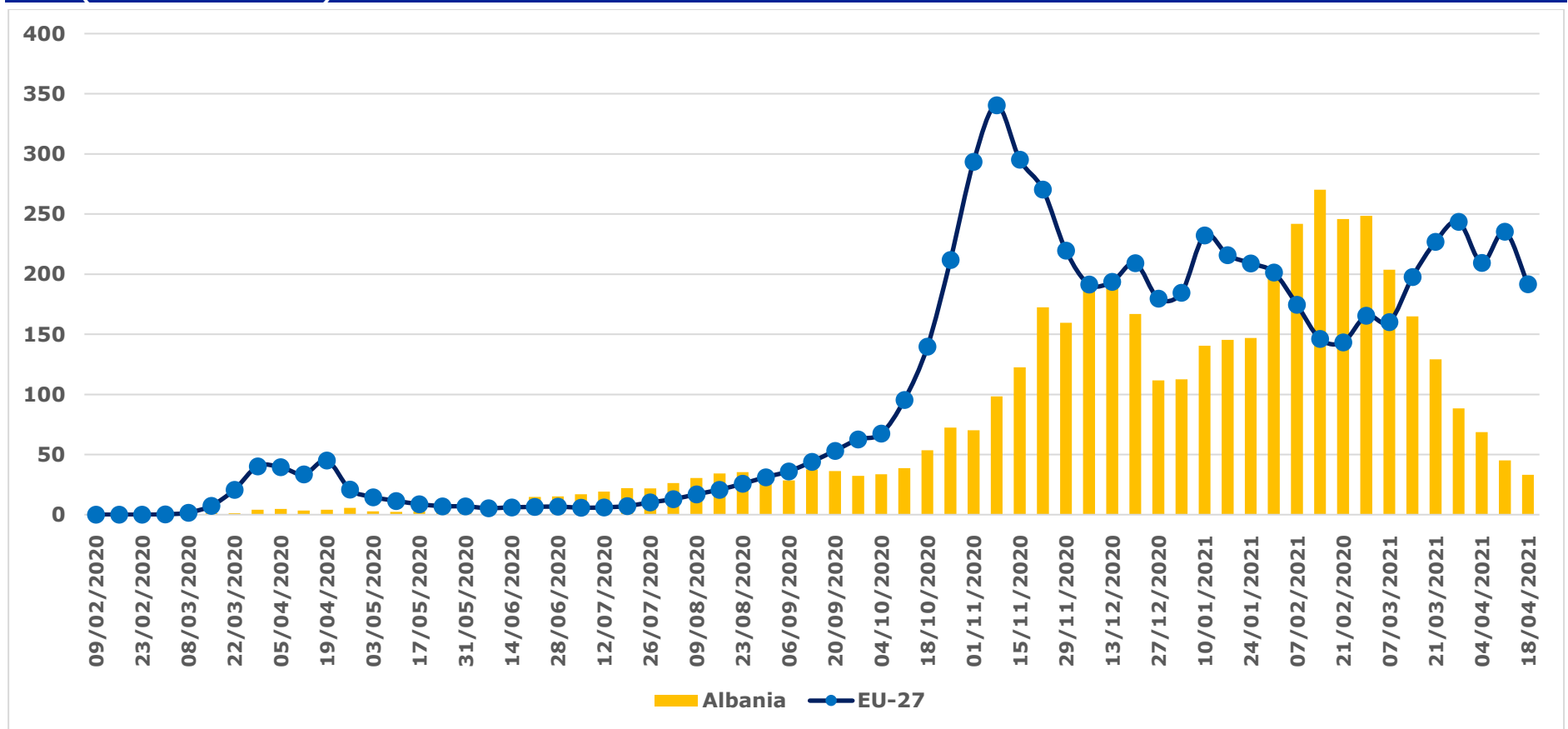


Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021

¹ Except if otherwise specified, the indicators presented in Sections 1.1 and 1.2 were calculated by the ESPN Network Core Team on the basis of data coming from two data sources: Our World in Data (OWID: <https://ourworldindata.org/coronavirus-source-data>) and the statistical office of the European Union (Eurostat: <https://ec.europa.eu/eurostat>). These indicators were calculated for all the 35 ESPN countries for which data were available. All of them are presented in Annex B of the following report: Isabel Baptista, Eric Marlier, Slavina Spasova, Ramón Peña-Casas, Boris Fronteddu, Dalila Ghailani, Sebastiano Sabato and Pietro Regazzoni (2021), *Social protection and inclusion policy responses to the COVID-19 crisis. An analysis of policies in 35 countries*, European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This report also provides additional explanations on the data sources used and the calculation of the indicators. In addition, Annex B of the report provides the country results related to all ESPN countries included in the two international data sources used (see Tables B1.1, B2.1 and B3.1 for Figure 1, Table B1.2 for Figure 2, Table B2.2 for Figure 3, Table B3.2 for Figure 4, Tables B4.1, B4.2 and B4.3 for Figure 5, Table B5 for Figure 6, Tables B6.1-3 for Figures 7a-c, and Tables B7.1-3 for Figures 8a-c). The full report and its various annexes can be downloaded [here](#).

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of confirmed COVID-19 cases per 100,000 people reached 191.8 for the EU-27. In Albania, it was 33.1.

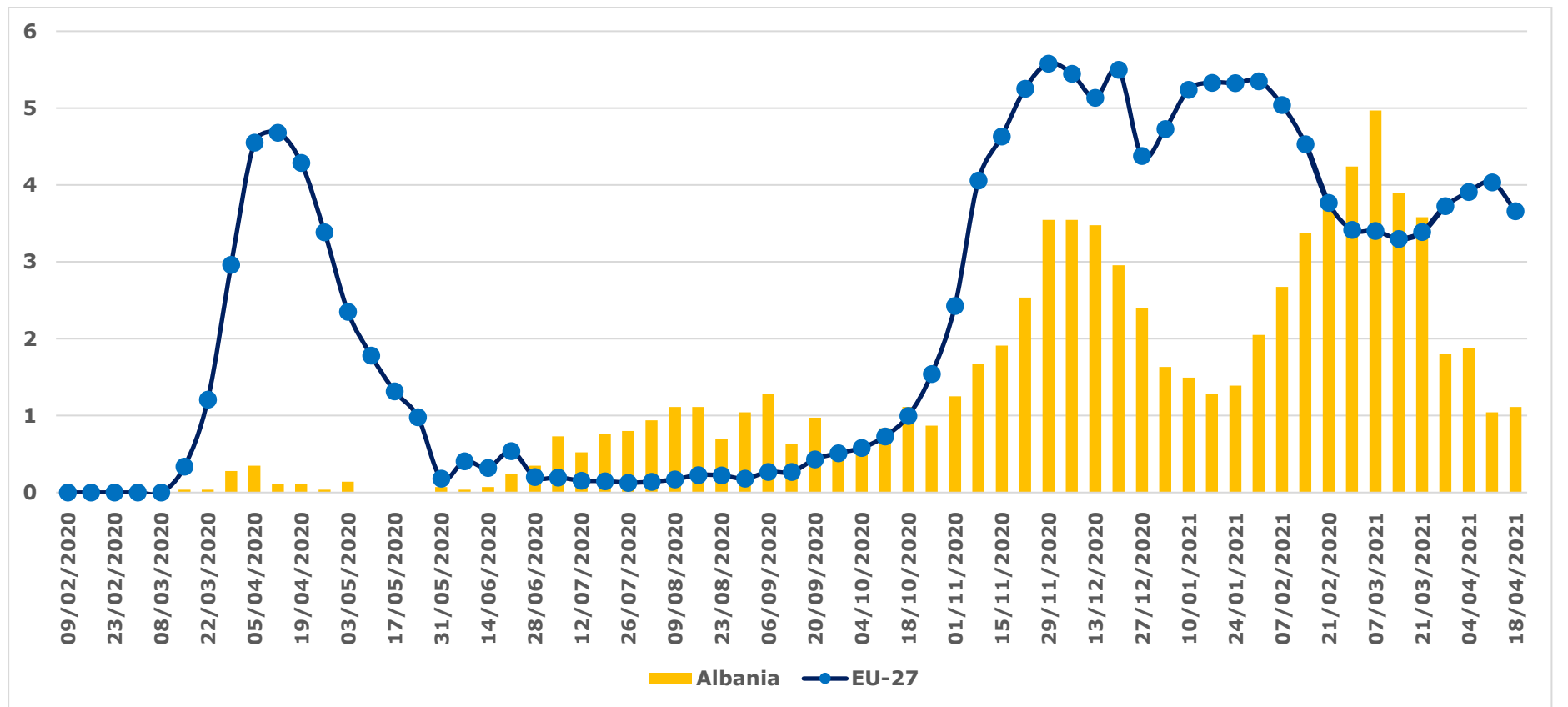
Figure 2: Weekly evolution - Number of confirmed COVID-19 cases per 100,000 people from 3 February 2020 to 18 April 2021 (EU-27 and Albania)



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021.

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of COVID-19 deaths per 100,000 people reached 3.66 for the EU-27 as a whole. In Albania, it was 1.11.

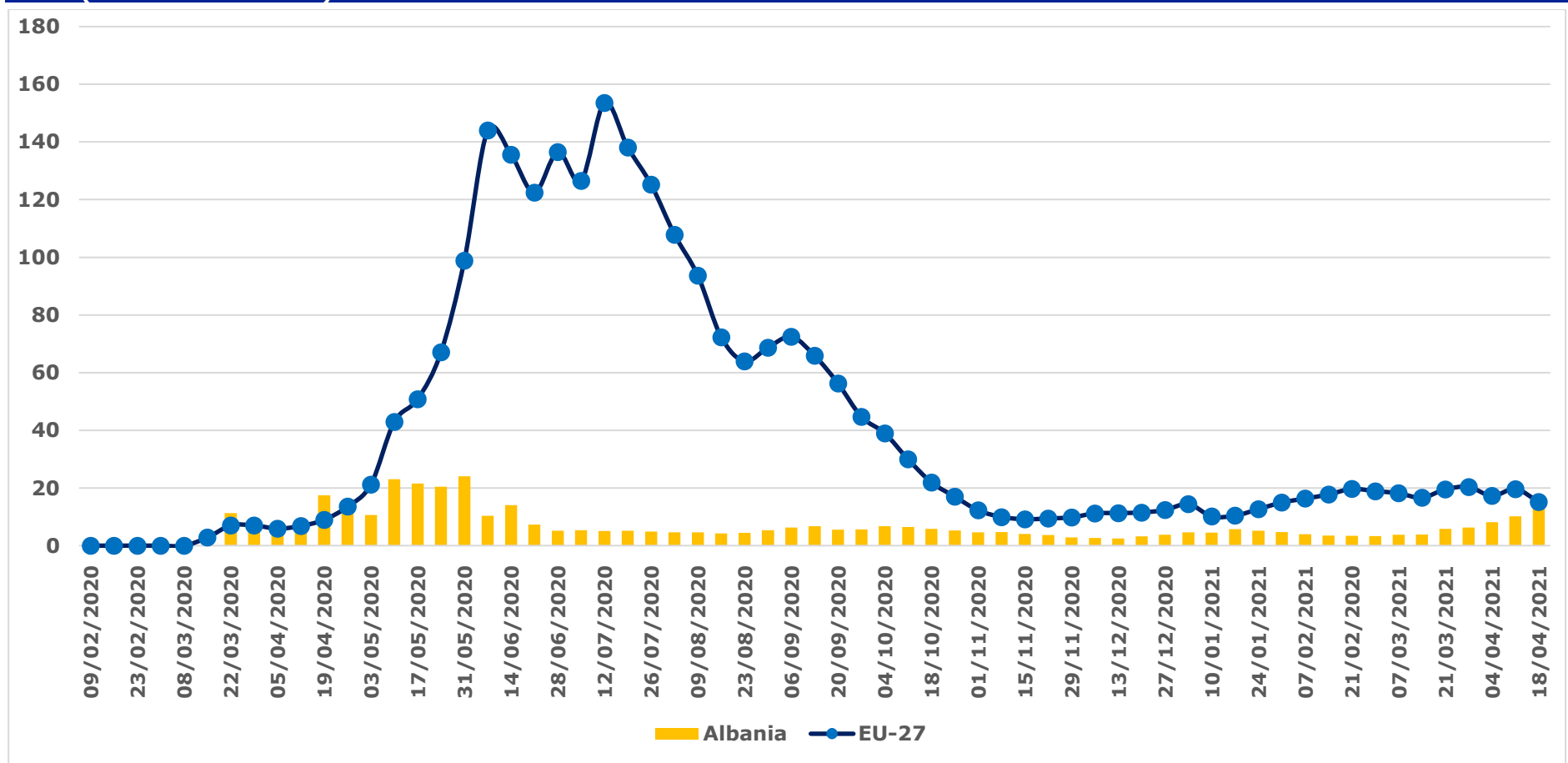
Figure 3: Weekly evolution - Number of COVID-19 deaths per 100,000 people, 3 February 2020 to 18 April 2021 (EU-27 and Albania)



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021.

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of COVID-19 tests per new confirmed COVID-19 cases was 15.2 for the EU-27. In Albania, it was 15.1.

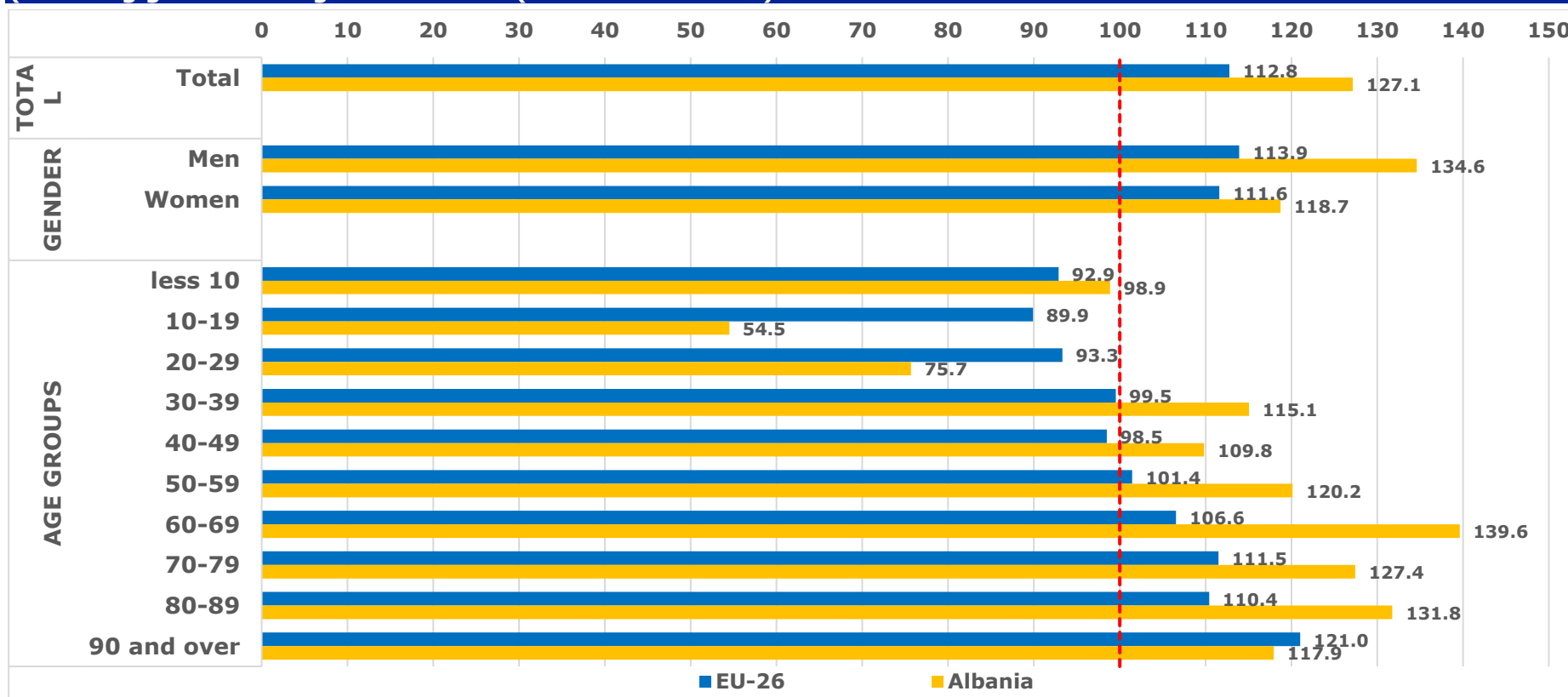
Figure 4: Weekly evolution - Number of COVID-19 tests per new confirmed COVID-19 case, 3 February 2020 to 18 April 2021 (EU-27 and Albania)



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021. Full quote for these testing data: Hasell, J., Mathieu, E., Beltekian, D. et al. (2020). "A cross-country database of COVID-19 testing". *Sci Data* 7, 345 (2020) (<https://www.nature.com/articles/s41597-020-00688-8>).

The excess mortality ratio for 2020 is the total number of deaths (without distinction of causes) in the year 2020 expressed as a percentage of the previous 4-year (2016-2019) annual average of the total number of deaths. For the EU-26 average (no data for Ireland), the ratio of the total population is 112.8% while it is 127.1% in Albania. For the EU-26, it is 113.9% for men and 111.6% for women. In Albania, these gendered ratios are 134.6% and 118.7% respectively. Excess mortality is higher among older age groups. For those aged 90 years and more it reaches 121.0% for EU-26 and 117.9% for Albania.

Figure 5: Excess mortality - Total number of all deaths in 2020 as percentage of the 2016-2019 annual average (including gender and age breakdowns (EU-26 and Albania))

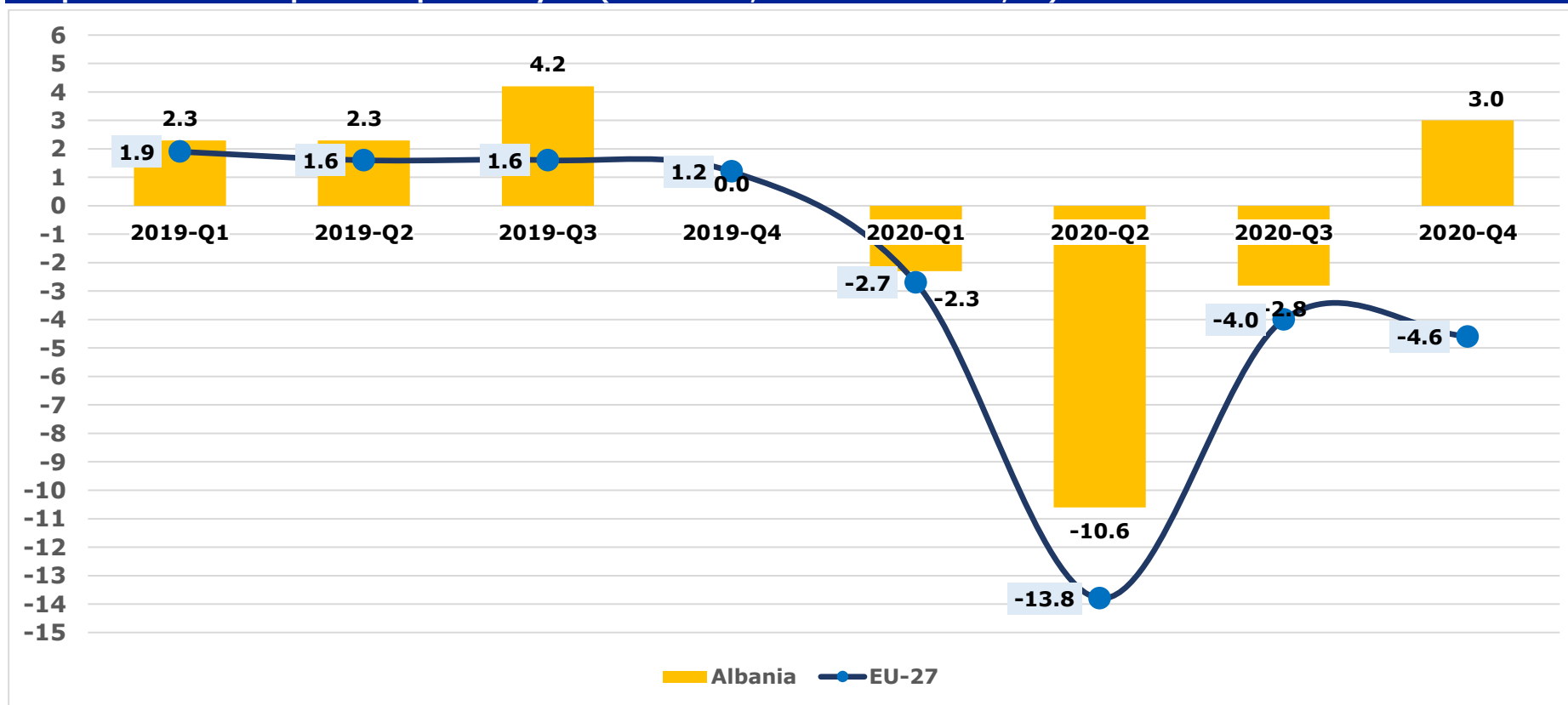


Source: Eurostat - indicator [DEMO_R_MWK_10__custom_560457] Deaths by week, sex and 10-year age groups - downloaded 26 April 2021. For Bosnia and Herzegovina: Agency for statistics of Bosnia and Herzegovina (data received upon request on 19 April 2021).

1.2 Economic and (un)employment situation

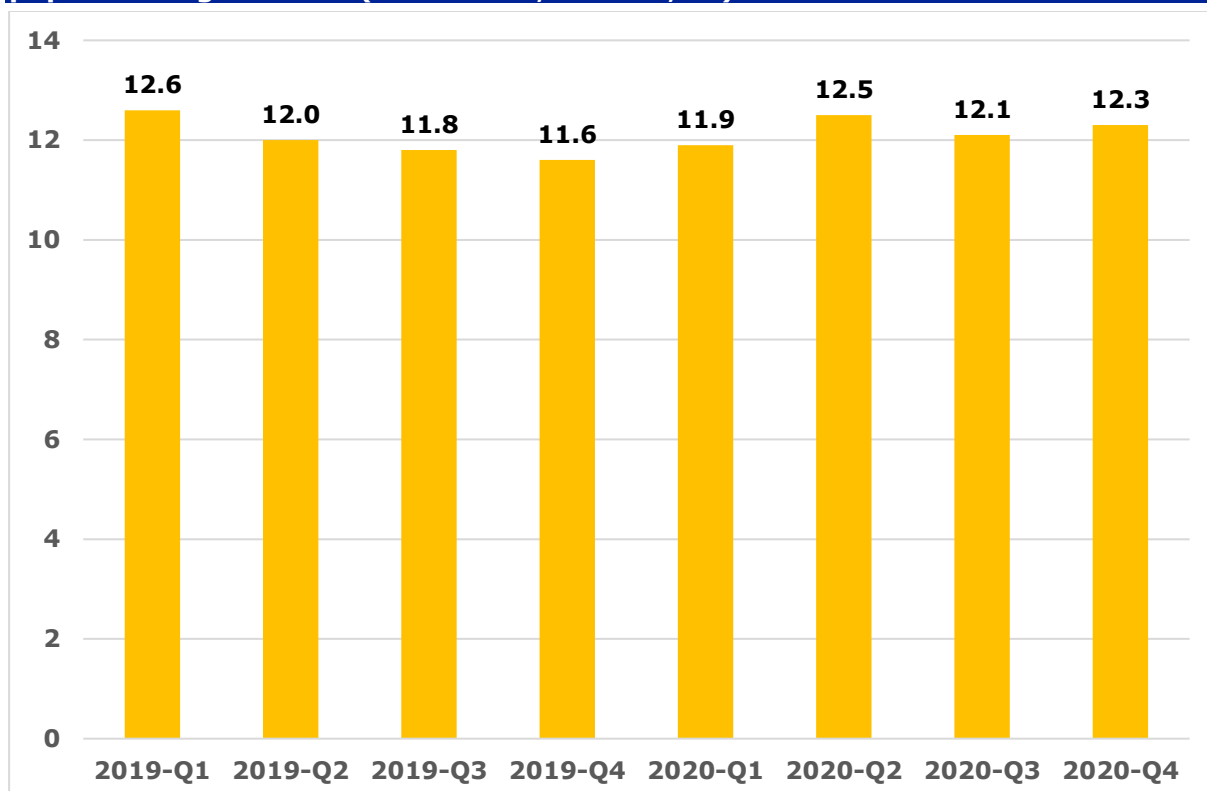
In the EU-27, GDP in the fourth quarter (2020-Q4) of 2020 fell by 4.6% compared to the fourth quarter of 2019 (2019-Q4). In Albania, there was an increase of 3.0% for the same period.

Figure 6: Gross domestic product at market prices, chain-linked volumes prices adjusted, percentage changes in quarter compared with same quarter in previous year (2019-2020, EU-27 and Albania, %)



Source: Eurostat -GDP and main components (output, expenditure and income) - indicator [NAMQ_10_GDP__custom_507806] - downloaded 26 April 2021.

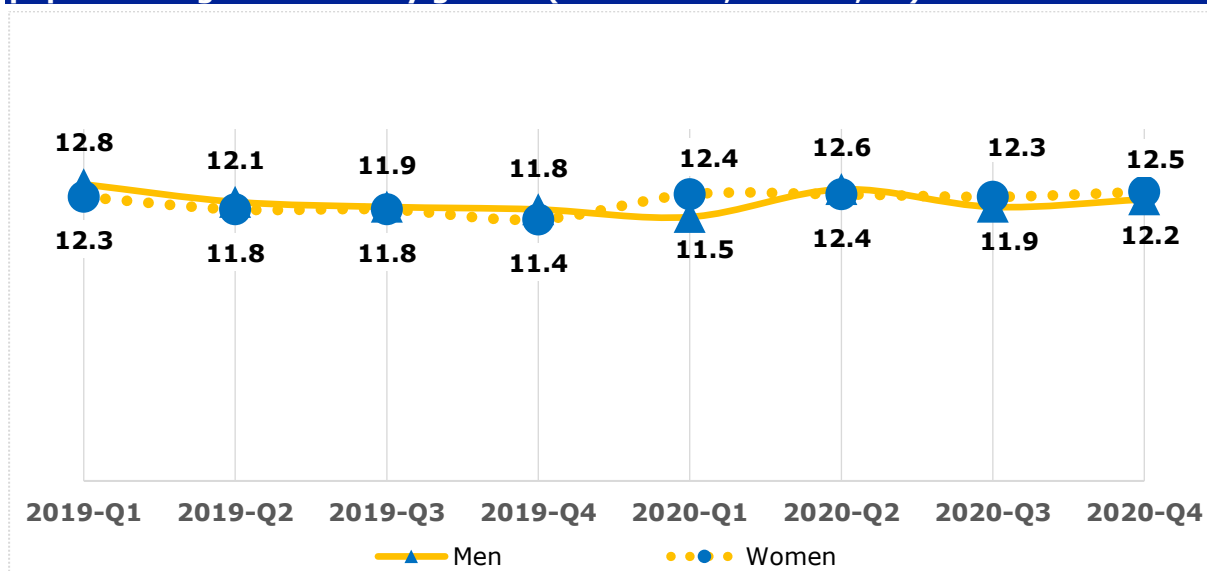
Figure 1a: Unemployment rate (not seasonally adjusted), quarterly data, total population aged 15-64 (2019-2020, Albania, %)



Reading note: In the fourth quarter of 2020 (2020-Q4), the unemployment rate in Albania for people aged 15-64 reached 12.3%.

Source: INSTAT Labour Force Survey – downloaded 26 April 2021.

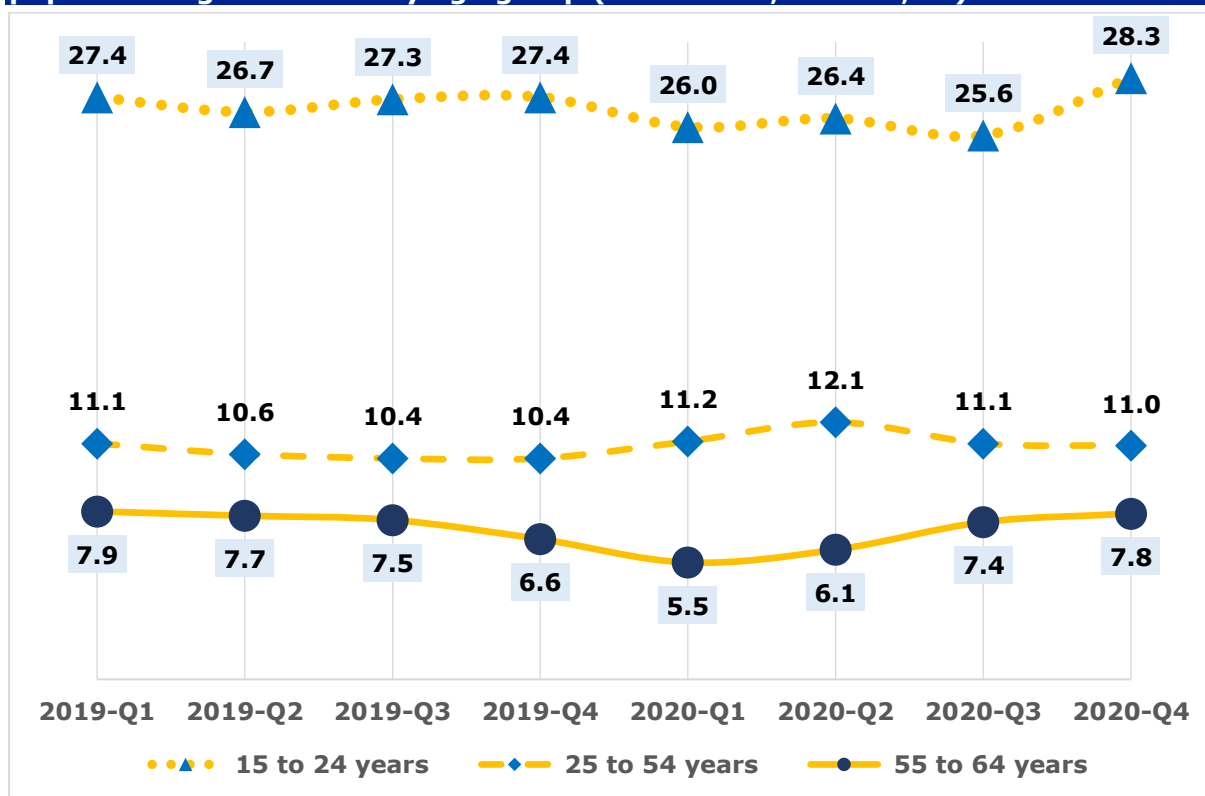
Figure 7b: Unemployment rate (not seasonally adjusted), quarterly data, total population aged 15-64 – by gender (2019-2020, Albania, %)



Reading note: In the fourth quarter of 2020 (2020-Q4), the unemployment rate in Albania for people aged 15-64 reached 12.2% for men and 12.5% for women.

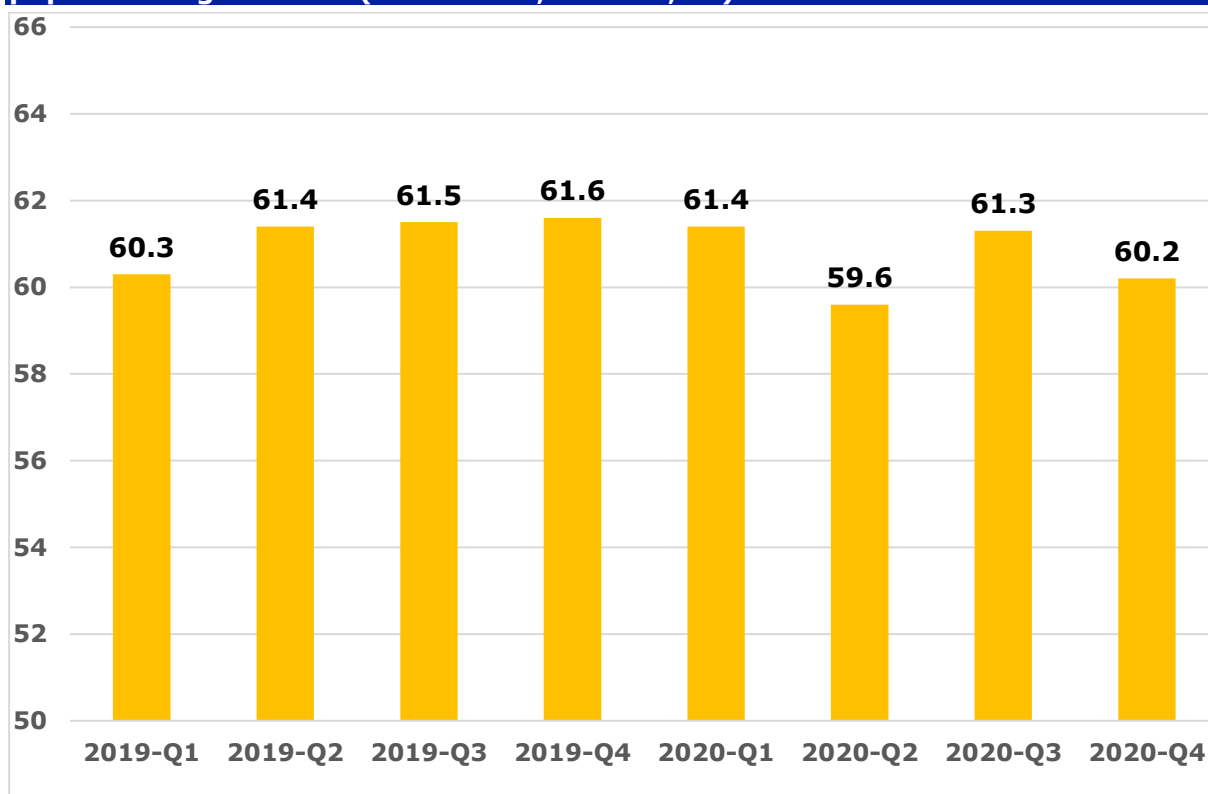
Source: INSTAT Labour Force Survey – downloaded 26 April 2021.

Figure 7c: Unemployment rate (not seasonally adjusted), quarterly data, total population aged 15-64 – by age group (2019-2020, Albania, %)



Reading note: In the fourth quarter of 2020 (2020-Q4), the unemployment rate in Albania for people aged 15-24 reached 28.3%, 11.0% for people aged 25-54, and 7.8% for people aged 55-64.
Source: INSTAT Labour Force Survey – downloaded 26 April 2021.

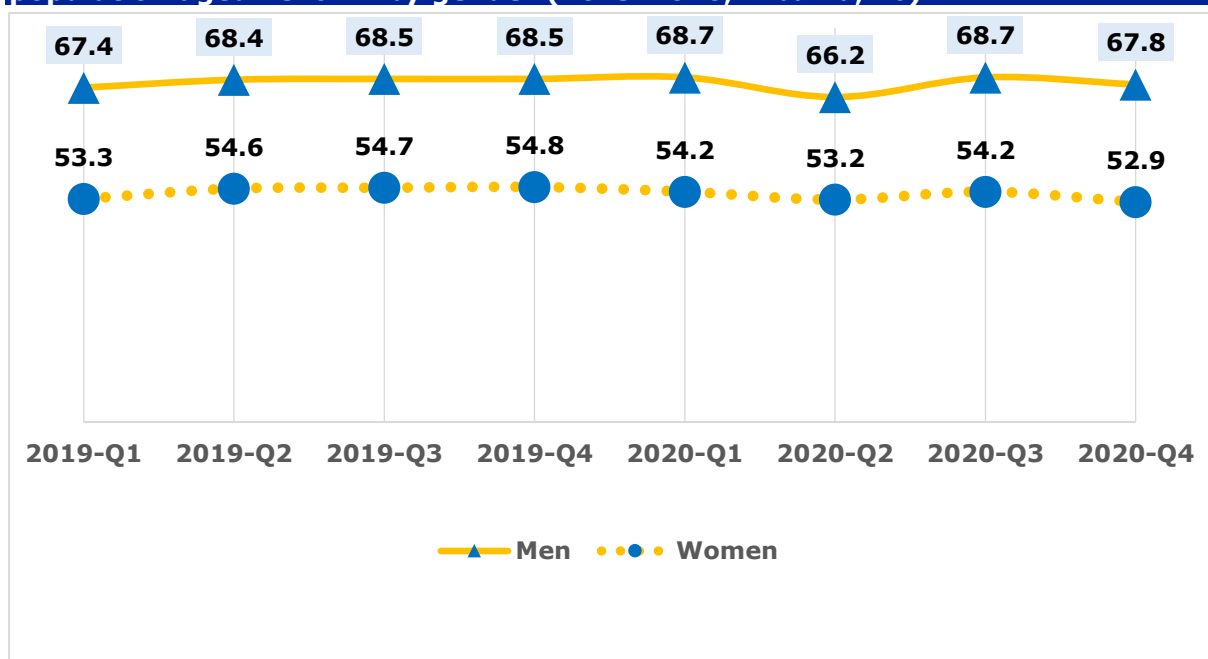
Figure 2a: Employment rate (not seasonally adjusted), quarterly data, total population aged 15-64 (2019-2020, Albania, %)



Reading note: In the fourth quarter of 2020 (2020-Q4), the employment rate in Albania for people aged 15-64 reached 60.2%.

Source: INSTAT Labour Force Survey – downloaded 26 April 2021.

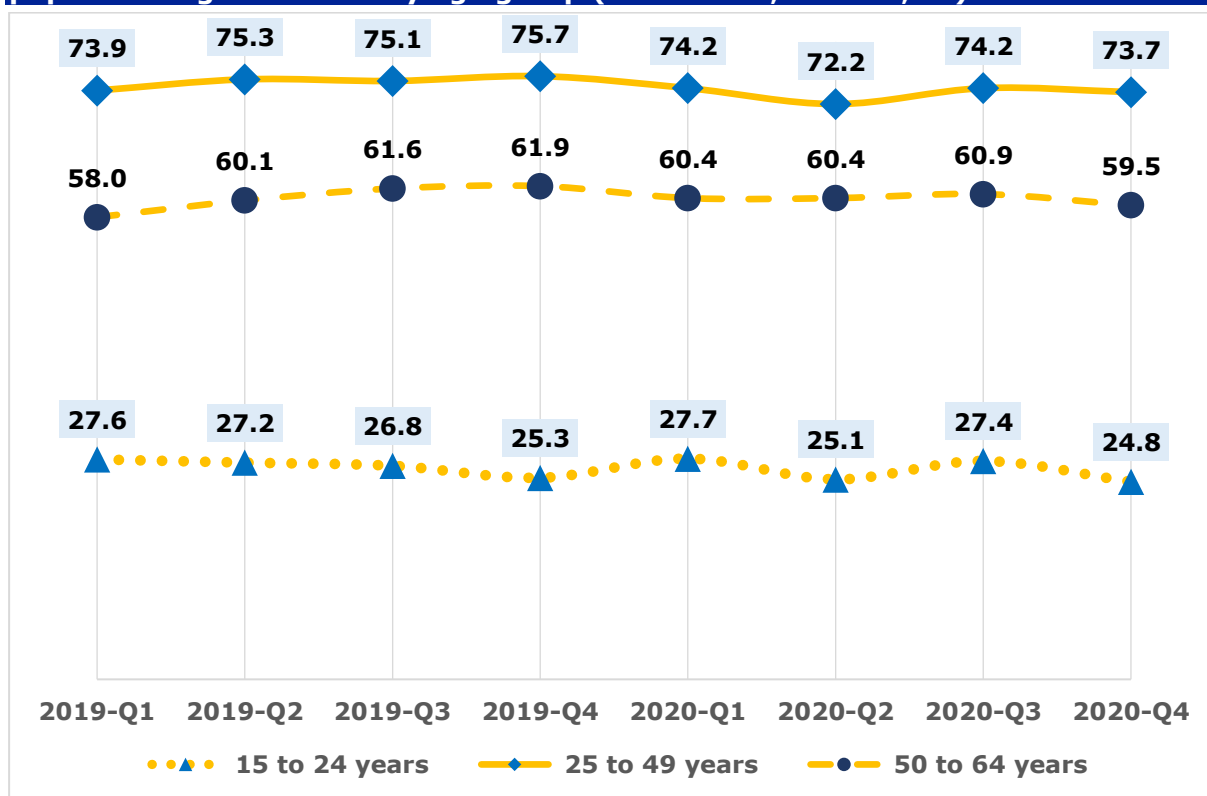
Figure 8b: Employment rate (not seasonally adjusted), quarterly data, total population aged 15-64 – by gender (2019-2020, Albania, %)



Reading note: In the fourth quarter of 2020 (2020-Q4), the employment rate in Albania for people aged 15-64 reached 67.8% for men and 52.9% for women.

Source: INSTAT Labour Force Survey – downloaded 26 April 2021.

Figure 8c: Employment rate (not seasonally adjusted), quarterly data, total population aged 15-64 – by age group (2019-2020, Albania, %)



*Reading note: In the fourth quarter of 2020 (2020-Q4), the employment rate in Albania for people aged 15-24 reached 24.8%, 73.7% for people aged 25-54, and 59.5% for people aged 55-64.
Source: INSTAT Labour Force Survey – downloaded 26 April 2021.*

1.3 Poverty, inequality and social exclusion situation

There is no information from national sources regarding the impact of the COVID-19 pandemic on poverty, inequality and social inclusion.

2 SOCIAL PROTECTION AND INCLUSION MEASURES IN RESPONSE TO THE PANDEMIC²

This section provides a brief description of the main measures related to social protection and social inclusion that have been put in place to help mitigate the financial and social distress produced by the economic downturn caused by the pandemic. It is based on readily available data and evidence. For each measure, it provides the following information.

- a) Short description of the measure.
- b) Category: Is it a flat benefit, a conditional benefit, both a flat and a conditional benefit, or neither a flat nor a conditional benefit?
- c) Timing: When did the measure start/end? Has it been extended?
- d) Depending on the category:
 - amount and duration (for flat measures); and
 - range (minimum-maximum), duration and conditionality (thresholds) (for conditional measures).

If the measure is neither flat nor conditional, this is indicated by "Not applicable".
- e) Targeted population: What is/are the target(s) of the measure? – that is to say, which parts of the population or of the labour force. Where data and evidence are readily available, estimated number of people targeted and/or applicants.
- f) Beneficiaries: What is the number of recipients of the measure (if relevant and available)?
- g) Novelty: Was the measure new or an already existing one that was adjusted?

2.1 Measures related to unemployment benefits

2.1.1 *Pagesë shtesë për individët që përfitojnë pagesën e të ardhurës nga papunësia (Top-up financial support to beneficiaries of unemployment benefit)*³

- a) **Short description of the measure:** Unemployment benefit in Albania is a flat-rate benefit unrelated to prior earnings, set at 50% of the gross minimum wage. To qualify for the benefit, job-seekers should have at least 12 months of insurance, be involuntarily unemployed, and registered as unemployed at an employment office. The self-employed are not eligible for unemployment benefit. The measure doubled the level of unemployment benefit, from 50% of the gross minimum wage to 100%.
- b) **Category:** Flat benefit.
- c) **Timing:** The measure was launched in March 2020, and its implementation commenced in April 2020. The additional financial support was provided for a maximum of three months (ending in June 2020) or until the cessation of unemployment benefit (whichever occurred first).
- d) **Amount and duration:** ALL 26,000 (approx. €210) per month for March, April and May 2020 (payable in the subsequent month). The benefit was conditional upon meeting general eligibility criteria for unemployment benefit (for example, someone in the last month of unemployment benefit would receive the top-up financial assistance for only one month).

² The temporary measures mentioned in this report refer to the situation as of 15 April 2021. Their duration may have been extended since then.

³ DCM No 254, 27 March 2020.

- e) **Targeted population:** To discourage companies from laying off workers, the measure targeted only existing beneficiaries of unemployment benefit and all those who had applied for unemployment benefit prior to the onset of the pandemic. An estimated 3,100 beneficiaries were targeted by this measure.
- f) **Beneficiaries:** A total of 6,527 payments were made (2,257 for March, 2,349 for April, and 1,921 for May 2020).
- g) **Novelty:** This was an existing measure that was adjusted for a three-month period.

2.2 Measures of job protection provided through support to employers, employees and the self-employed

2.2.1 *Ndihmë financiare për të punësuarit në subjektet e biznesit me të ardhura vjetore deri 14 milionë lekë që kanë mbyllur aktivitetet sipas urdhrave të ministrit të Shëndetësisë dhe Mbrojtjes Sociale (Financial assistance to those employed in companies with an annual turnover up to ALL 14 million that have closed their activities as per orders of the Ministry of Health and Social Protection)*⁴

- a) **Short description of the measure:** Financial assistance to workers in businesses with an annual turnover up to ALL 14 million (approx. €113,000), temporarily closed because of restrictions imposed on businesses by the Ministry of Health and Social Protection – this measure targeted some 30,000 or more enterprises whose employees were to receive monthly payments equal to the minimum wage over April, May, and June 2020.
- b) **Category:** Flat benefit.
- c) **Timing:** The measure was launched in March 2020, and its implementation commenced in April 2020. The financial support was provided for three months (ending in June 2020). However, reviews of complaints submitted following refusal of applications continued throughout 2020.
- d) **Amount and duration:** ALL 26,000 (approx. €210) per month for three months.
- e) **Targeted population:** The measure targeted contractual workers as well as the self-employed and dependent family members in businesses with an annual turnover of up to ALL 14 million (approx. €113,000). Individuals with an annual personal income over ALL 2 million (approx. €16,130) were not eligible to receive such support. In addition, individuals employed in more than one enterprise could receive only one benefit. An estimated 60,000 beneficiaries were targeted by this measure. A total of 125,053 individuals applied to benefit from the measure, of which 47.5% were rejected as they did not meet eligibility criteria.
- f) **Beneficiaries:** A total of 65,574 individuals in 38,994 enterprises benefited from the measure.
- g) **Novelty:** This was a new measure not implemented previously. In addition, it extended support to the self-employed and unpaid family members, who otherwise would not have been able to receive other benefits such as unemployment benefit.

⁴ DCM No 254, 27 March 2020.

2.2.2 *Ndihmë financiare për të punësuarit ne subjektet me të ardhura vjetore mbi 14 milionë lekë që kanë mbyllur aktivitetet sipas urdhrave të ministrit të Shëndetësisë dhe Mbrojtjes Sociale (Financial assistance for those employed in companies with an annual turnover over ALL 14 million that have closed their activities as per orders of the Ministry of Health and Social Protection)*⁵

- a) **Short description of the measure:** Lump-sum financial assistance to workers in businesses with an annual turnover over ALL 14 million (approx. €113,000), temporarily closed because of restrictions imposed on businesses by the Ministry of Health and Social Protection.
- b) **Category:** Flat benefit.
- c) **Timing:** Applications were received during April to 5 June 2020. However, reviews of complaints continued throughout 2020.
- d) **Amount and duration:** One-off ALL 40,000 (approx. €323) lump-sum payment.
- e) **Targeted population:** The measure targeted workers in this category of businesses who had been employed up until the issue of the Ministry of Health and Social Protection orders. Individuals with an annual personal income over ALL 2 million (€16,130) were not eligible to receive such support. In addition, individuals employed in more than one enterprise could receive only one payment. An estimated 10,000 beneficiaries in 1,000 enterprises were targeted by this measure. Out of the 1,160 applications made by businesses, 821 were successful.
- f) **Beneficiaries:** A total of 9,435 individuals in 821 enterprises benefited from the measure.
- g) **Novelty:** The measure extended support to workers in companies with a larger turnover than those in the first support package (see Section 2.2.1).

2.2.3 *Ndihmë financiare për ish-të punësuarit në subjektet që janë lejuar të kryejnë aktivitetet ose janë mbyllur sipas urdhrave të ministrit të Shëndetësisë dhe Mbrojtjes Sociale (Financial assistance for laid-off workers in companies allowed to operate and those that closed their activities as per orders of the Ministry of Health and Social Protection)*⁶

- a) **Short description of the measure:** Lump-sum financial assistance for laid-off workers both in companies that could operate during the lockdown as well as those temporarily closed because of restrictions imposed on businesses by the Ministry of Health and Social Protection.
- b) **Category:** Flat benefit.
- c) **Timing:** Applications were received during April to 5 June 2020. However, reviews of complaints continued throughout 2020.
- d) **Amount and duration:** One-off ALL 40,000 (approx. €323) lump-sum payment.
- e) **Targeted population:** The measure targeted workers (employed, self-employed or unpaid family workers) who were laid off following the onset of the pandemic, regardless of whether they were employed in essential businesses that could operate or in businesses that were temporarily closed. It is important to note that the beneficiaries of the lump-sum payment were still eligible to apply for unemployment benefit; however, the two types of support could not overlap. An estimated 60,000 beneficiaries in 10,000 enterprises were targeted by this measure. Out of the 14,998 applications made by businesses, 10,476 were successful.

⁵ DCM No 305, 16 April 2020.

⁶ Ibid.

- f) **Beneficiaries:** A total of 65,666 individuals in 10,476 enterprises benefited from the measure.
- g) **Novelty:** The measure supported all laid-off workers, including those who might have not been eligible for unemployment benefit.

2.2.4 Ndhmë financiare për të punësuarit në subjektet me të ardhura vjetore deri në 14 milionë lekë, që janë lejuar të kryejnë aktivitetet sipas urdhrave të ministrit të Shëndetësisë dhe Mbrojtjes Sociale (Financial assistance for those employed in companies with an annual turnover up to ALL 14 million that could operate as per orders of the Ministry of Health and Social Protection)⁷

- a) **Short description of the measure:** Lump-sum financial assistance to workers in businesses with an annual turnover up to ALL 14 million (approx. €113,000).
- b) **Category:** Flat benefit.
- c) **Timing:** Applications were received during April to 5 June 2020. However, reviews of complaints continued throughout 2020.
- d) **Amount and duration:** One-off ALL 40,000 (approx. €323) lump-sum payment.
- e) **Targeted population:** The measure targeted workers in this category of businesses who were employed up until the issue of the Ministry of Health and Social Protection orders. Excluded categories of workers included those working in the fruit and vegetable trade, lawyers, notaries, doctors, pharmacists, nurses, veterinarians, architects, engineers, laboratory technicians, designers, economists, agronomists, registered accountants, certified public accountants, and property appraisers. An estimated 60,000 beneficiaries in 30,000 enterprises were targeted by this measure. Out of the 33,072 applications made by businesses, 31,746 were successful.
- f) **Beneficiaries:** A total of 68,391 individuals in 31,746 enterprises benefited from the measure.
- g) **Novelty:** The measure extended support to almost all smaller businesses that, even though could operate, faced reduced working hours and a probably significant decline in demand.

2.2.5 Ndhmë financiare për të punësuarit në subjektet që ushtrojnë aktivitetin si struktura akomoduese (Financial assistance for those employed in accommodation structures)⁸

- a) **Short description of the measure:** Lump-sum financial assistance to workers in accommodation structures.
- b) **Category:** Flat benefit.
- c) **Timing:** Applications were received during April to 5 June 2020. However, reviews of complaints continued throughout 2020.
- d) **Amount and duration:** One-off ALL 40,000 (approx. €323) lump-sum payment.
- e) **Targeted population:** The measure targeted workers in accommodations structures who were employed up until the issue of the Ministry of Health and Social Protection orders. An estimated 10,000 beneficiaries in 1,000 enterprises were targeted by this measure. Out of the 1,175 applications made by businesses, 1,006 were successful.

⁷ Ibid.

⁸ Ibid.

- f) **Beneficiaries:** A total of 4,927 individuals in 1,006 enterprises benefited from the measure.
- g) **Novelty:** This measure was new, and extended support to the accommodation structures in the hospitality sector.

2.2.6 *Ndihmë financiare për të punësuarit në subjektet që ushtrojnë aktivitetin në Rafinerinë e Naftës, Ballsh (Financial assistance for those employed at the Ballsh oil refinery)*⁹

- a) **Short description of the measure:** Lump-sum financial assistance to workers at Ballsh oil refinery.
- b) **Category:** Flat benefit.
- c) **Timing:** Applications were received during May to 5 June 2020. However, reviews of complaints continued throughout 2020.
- d) **Amount and duration:** One-off ALL 40,000 (approx. €323) lump-sum payment.
- e) **Targeted population:** This measure targeted employees of the Ballsh oil refinery, who were on their companies' payroll as of December 2019 and who had a gross salary below ALL 100,000 (approx. €806). An estimated 721 beneficiaries in two enterprises were targeted by this measure. Out of the three applications made by businesses, two were successful.
- f) **Beneficiaries:** A total of 721 individuals in two enterprises benefited from the measure.
- g) **Novelty:** This measure was new, and extended support to two companies in the Ballsh oil refinery.

2.2.7 *Programi i nxitjes së punësimit nëpërmjet punësimit të personave të dalë të papunë si pasojë e COVID-19 (Employment-promotion programme for workers laid off as a result of the COVID-19 situation)*¹⁰

- a) **Short description of the measure:** Active labour market programme to support the labour market reintegration of workers laid off as result of the COVID-19 pandemic. Wage subsidies (aligned to the minimum wage) for between two and four months, and social insurance contributions for between four and eight months, were provided to employers willing to hire recently laid-off workers.
- b) **Category:** Conditional benefit.
- c) **Timing:** The programme was first implemented during September-December 2020. It was due to be relaunched in May 2021.
- d) **Range, duration and conditionality:** ALL 69,368 (approx. €560) per beneficiary for the four-month long programme and ALL 138,736 (approx. €1,120) per beneficiary for the eight-month long programme.
- e) **Targeted population:** The measure targeted formally employed workers who were laid off between 10 March and 23 June 2020. 1,500 beneficiaries were targeted during September 2020 to June 2021.
- f) **Beneficiaries:** 1,161 individuals in 126 enterprises enrolled in the programme during September-December 2020.
- g) **Novelty:** New subsidised employment measure.

⁹ Ibid.

¹⁰ DCM No 608, 29 July 2020.

2.2.8 Programi i nxitjes së punësimit nëpërmjet punësimit të personave të cilët deklarojnë që kanë qenë të punësuar, por nuk evidentohen si të tillë në Drejtorinë e Përgjithshme të Tatimeve (Employment-promotion programme for laid-off workers who declared that they had been employed, but could not be identified as such through the General Directorate of Taxation)¹¹

- a) **Short description of the measure:** Active labour market programme to support the labour market reintegration of workers who declared that they had been informally employed and laid off as a result of the COVID-19 pandemic. 12 months of social and health insurance contributions of workers and employers were subsidised by the state.
- b) **Category:** Flat benefit.
- c) **Timing:** The programme was first implemented from September to December 2020. It was due to be relaunched in May 2021.
- d) **Amount and duration:** ALL 87,048 (approx. €700) per beneficiary.
- e) **Targeted population:** The measure targeted laid-off workers who declared that they had been informally employed workers who were laid off between 10 March and 23 June 2020. 1,500 beneficiaries were targeted for September 2020 to June 2021.
- f) **Beneficiaries:** 560 individuals in 114 enterprises enrolled in the programme during September-December 2020.
- g) **Novelty:** The sole measure taken targeting informal workers.

2.2.9 Ndhimë financiare për të punësuarit apo ish- të punësuarit në subjektet e transportit publik, qytetas dhe ndërqytetas (Financial assistance to employees or former employees in public transport entities, urban and intercity)¹²

- a) **Short description of the measure:** Lump-sum financial assistance to employees or former employees in public transport entities, urban and intercity. In December 2020, an additional lump-sum payment was given to all employees and formal employees as per September 2020 payroll records.
- b) **Category:** Flat benefit.
- c) **Timing:** August-December 2020.
- d) **Amount and duration:** ALL 26,000 (approx. €210).
- e) **Targeted population:** This measure targeted employees or former employees in public transport entities, urban and intercity, regardless of whether they had benefited from other measures. An estimated 5,000 beneficiaries were targeted by this measure.
- f) **Beneficiaries:** A total of 4,553 individuals in 714 enterprises benefited from the measure. No data are available for the disbursements made after the December amendment to this measure.
- g) **Novelty:** New measure targeting the transport sector.

¹¹ Ibid.

¹² DCM No 651, 13 August 2020.

2.2.10 *Garancia shtetërore e huas me bankat e nivelit të dytë për pagat e tregtarëve ose shoqërive tregtare (State loan guarantee with commercial banks for the salaries of traders or companies)*¹³

- a) **Short description of the measure:** The government of Albania issued the first loan guarantee of ALL 11.0 billion (approx. €81 million), to be allocated by banks to companies that had difficulties in paying employee salaries. Interest rate costs were fully covered by the government, and no collateral was required from the companies. The loan would cover employee salaries for three months, not exceeding a monthly salary of ALL 150,000 (approx. €1,210) per worker.
- b) **Category:** Conditional benefit.
- c) **Timing:** Launched in April 2020. Ended in September 2020.
- d) **Range, duration and conditionality:** Varying depending on the specificities of each loan application.
- e) **Targeted population:** This measure targeted companies whose activity had been closed, or affected by a fall in turnover, because of decisions of the Council of Ministers and orders issued by the Ministry of Health and Social Protection in the context of COVID-19. All companies that benefited from the measure in Section 2.2.1 were not eligible to benefit from this measure. ALL 11 billion (€89 million) was made available to all businesses that had not benefited from other support measures.
- f) **Beneficiaries:** A total of 492 loan applications were approved by 12 banks.
- g) **Novelty:** The first loan guarantee issued by the government of Albania to businesses to cover salary costs.

2.3 Measures related to sickness benefits and sick pay

2.3.1 *Përfshirja e COVID-19 në listen e sëmundjeve infektive, të detyrueshme për t'u raportuar nga institucionet shëndetësore, publike ose private të të gjitha niveleve në Republikën e Shqipërisë (Inclusion of COVID-19 in the list of infectious diseases subject to mandatory reporting by health institutions, public or private, at all levels in the Republic of Albania)*¹⁴

- a) **Short description of the measure:** The inclusion of COVID-19 in the list of infectious diseases allows for employees who need to quarantine (whether they are sick or not) due to COVID-19 to benefit from 80% of their salary, paid by their employer for up to 14 days (as per the specifications of the labour code).
- b) **Category:** Neither flat nor conditional benefit.
- c) **Timing:** The measure has been in effect since 20 February 2020.
- d) **Amount and duration/range, duration and conditionality:** Not applicable.
- e) **Targeted population:** Employees who are temporarily unable to work because they have to quarantine due to COVID-19. Conditional upon issuance of inability to work certificate by a family doctor.
- f) **Beneficiaries:** No data available.
- g) **Novelty:** Change to an existing measure.

¹³ DCM No 277, 6 April 2020.

¹⁴ Order of the Minister of Health and Social Protection No 123, 26 February 2020.

2.4 Measures related to health insurance

2.4.1 *Rimbursimi i paketës së barnave për trajtimin ambulator në banesë për personat e diagnostikuar me COVID-19 nga Fondi i Sigurimit të Detyrueshëm të Kujdesit Shëndetësor (Reimbursement of the package of medicines for out-patient treatment for people diagnosed with COVID-19, from the compulsory health insurance fund)*¹⁵

- a) **Short description of the measure:** Reimbursement of treatment costs. The family doctor issues a reimbursable prescription for all those who have tested positive for SARS-CoV-2 (confirmed by the responsible public health institutions), according to the severity of the disease.
- b) **Category:** Conditional benefit.
- c) **Timing:** The measure has been in effect since 20 February 2021.
- d) **Range, duration and conditionality:** Reimbursement of treatment costs up to ALL 1,650 (approx. €13.3) for a mild form of the disease and up to ALL 10,900 (approx. €88) for moderate disease severity.
- e) **Targeted population:** All citizens diagnosed with COVID-19, registered under the insurance scheme.
- f) **Beneficiaries:** No data available.
- g) **Novelty:** Extends reimbursement of healthcare costs to all, irrespective of coverage by the compulsory health insurance fund.

2.5 Measures related to minimum-income schemes and other forms of social assistance

2.5.1 *Dyfishimi i pagesë së ndihmës ekonomike për subjektet përfituese gjatë periudhës së fatkeqësisë natyrore, të shpallur si pasojë e COVID-19 (Doubling economic assistance for beneficiaries during the natural disaster emergency situation declared as a consequence of COVID-19)*^{16/17}

- a) **Short description of the measure:** The social assistance benefit programme¹⁸ was increased twice during the pandemic. On 27 March 2020, a government decision (Decision of Council of Ministers No 597) doubled the economic assistance, for three months, for beneficiaries on the approved list in February of the 6% budget administered by local government bodies (LGs). The second Council of Ministers Decision, of 10 February 2021¹⁹, announced a doubling of the social assistance amount. This decision was effective as of 1 January 2021.
- b) **Category:** Conditional benefit.
- c) **Timing:** April-June 2020 and January-June 2021.
- d) **Range, duration and conditionality:** The economic assistance assessment is means-tested and varies according to size of household. The amount was doubled for all approved beneficiaries applying in February 2020 for a period of three months (paid during April-June 2020). The same conditionality also applied to the second decision of

¹⁵ DCM No 908, 18 November 2020.

¹⁶ DCM No 254, 27 March 2020.

¹⁷ DCM No 85, 10 February 2021.

¹⁸ Social assistance is a means-tested poverty-alleviation programme. It consists of non-contributory transfers in cash, vouchers, or in kind; public works programmes; fee waivers (for basic health and education); and subsidies (e.g. for food).

¹⁹ Ibid.

10 February 2021. The increase included the flat-rate supplements that are part of the economic assistance scheme, such as: the supplement related to education for families with children attending compulsory education (ALL 300, or €2.4, per month per child); and the immunisation supplement for families with children following the compulsory immunisation scheme (ALL 100, or €0.8).

- e) **Targeted population:** The categories eligible for economic assistance were: families without, or with insufficient, income; orphans not in institutions; parents of triplets or more, belonging to families in need; victims of trafficking, once they leave social care services until the moment of their employment; victims of domestic violence, for the period of validity of the protection order or immediate protection order; and children placed in foster care.
- f) **Beneficiaries:** There were 63,510 approved beneficiaries in 2020: specifically, 60,561 were approved in March 2020 who had applied in February 2020 (or 98% of the total of 62,101 applicants), and 2,949 beneficiaries covered through the 6% budget administered by LGs.

The number of beneficiaries under the second decision of 10 February 2021 will depend on applications approved on a monthly basis during January-June 2021. For January-April 2021, the monthly number of beneficiaries of doubled economic assistance through the scoring system was on average 64,701; and during January-March 2021, the number of beneficiaries of this scheme through the LG 6% budget 4,338²⁰.

- g) **Novelty:** It was novel to double cash assistance support for poor families, based on means-testing, to address the needs emerging from a crisis. The second decision, passed in February, provided a longer period of support to poor families. Over the year after the pandemic began, the doubled support was provided for nine months in total.

2.5.2 Mbështetje financiare për familjet aplikuese për ndihmë ekonomike gjatë periudhës korrik 2019 në prill 2020 (Financial assistance to families who had applied for economic assistance during the period July 2019 to April 2020)²¹

- a) **Short description of the measure:** The government also supported one-off financial assistance for families who had applied unsuccessfully for economic assistance during July 2019 to April 2020 – and were not beneficiaries of social assistance through the 6% budget of LGs.
- b) **Category:** Flat benefit.
- c) **Timing:** April-June 2020.
- d) **Amount and duration:** The government also supported with one-off financial assistance of ALL 16,000 (€130) those families who had applied unsuccessfully for economic assistance during July 2019 to April 2020 – and were not beneficiaries of social assistance through the 6% budget of LGs.
- e) **Targeted population:** Applicants for economic assistance during July 2019 to April 2020, who were not selected under the system due to insufficient scores. The measure targeted only 4,524 individuals and families. About 24,614 applicants were refused due to the scoring system during July 2019-April 2020, or an average of 2,461 applicants per month over that period.
- f) **Beneficiaries:** Same as targeted population; 4,524 individuals and families.

²⁰ The average number for the 6% budget administered by LGs covers January-March 2021, as the list of beneficiaries for April 2021 had not been approved by LGs at the time of writing. During this period, about 2,480 beneficiaries (on average) were new applicants or reapplications under the scheme.

²¹ DCM No 341, 23 April 2020.

- g) **Novelty:** This was the only flat benefit introduced during the pandemic, providing increased coverage of cash benefits for poor families and individuals through horizontal extension. This flat benefit approximates in size to unemployment benefit or the higher end of the economic assistance benefits for larger families (six or more members).

2.6 Measures related to housing support

2.6.1 *Shtyrja e pagesës së qerasë për kategori të veçanta (Deferral of rent payments for special categories)*²²

- a) **Short description of the measure:** Deferral of rent payments for special categories as a result of the situation caused by COVID-19.
- b) **Category:** Neither flat nor conditional benefit.
- c) **Timing:** For two months, between 1 April and 31 May 2020. Arrears accumulated during these two months were paid by the lessee, proportionally and by agreement with the lessor, after May 2020. For those contracts that expired before 31 May 2020, the arrears were paid by the lessee within three months after 31 May 2020.
- d) **Targeted population:**
 All **individuals** who had a rental contract for an apartment, or any other arrangement based on a documented lessor-lessee contractual relationship, before the pandemic was declared, and who had an employment contract suspended/terminated as a result of the COVID-19 situation.
 All **students** who had a rental contract, or any other document certifying a lessor-lessee contractual relationship, before the pandemic was declared.
 All lessees, natural/legal persons, with incomes up to ALL 14 million (€131,000) per year, who have a notarial lease contract for the development of their economic activity, signed before the pandemic was declared, regardless of whether the activity was allowed or stopped due to the COVID-19 situation.
- e) **Beneficiaries:** There are no data available on how many individuals and families claimed a rent deferral during the period in focus.
- f) **Novelty:** This was the first time such a measure had been enacted.

2.6.2 *Shtyrja e pagesave të kredive per kreditorët në vështirësi (Deferral of credit loan instalment payments)*²³

- a) **Short description of the measure:** On 17 March 2020, the Prime Minister of Albania and the Governor of the Albanian National Bank signed a joint order for deferring credit loan instalment payments for individuals (and businesses) in difficulties as a result of the COVID-19 pandemic. Eligible borrowers were required to communicate with the lenders (banks, non-bank financial institutions or savings and loan associations) arguing the case for deferral. Lending institutions were required to process any application submitted to them within three days. The measure addressed only the postponement of loan instalments, and all other elements of the individual loan agreements remained unchanged.
- b) **Category:** Neither flat nor conditional benefit.
- c) **Timing:** 1 March to 31 August 2020. This measure was initially planned for three months (17 March to 31 May 2020), but was extended later until 31 August 2020.

²² Normative Act No 12, 2 April 2020.

²³ Joint order 17 March 2020.

- d) **Targeted population:** All individuals (and businesses) facing difficulties during this period due to COVID-19.
- e) **Beneficiaries:** There are no data available on how many individuals and families claimed deferral of credit loan repayments during the period in focus.
- f) **Novelty:** This was the first time such a measure had been enacted in times of crisis.

2.7 Leave for parents whose children are unable to attend school or a pre-school service by reason of COVID-19

2.7.1 *Për caktimin e datave 10 deri 23 mars dite pushimi për prindin kujdestar të fëmijëve të mitur (Setting 10-23 March as leave days for the custodial parents of minors)*²⁴

- a) **Short description of the measure:** Leave was extended to the parents of children attending daycare, pre-school provision or primary education for the period 10-23 March 2020, while such services remained closed by the Ministry of Health and Social Protection.
- b) **Category:** Neither flat nor conditional benefit.
- c) **Timing:** 10-23 March 2020.
- d) **Targeted population:** Public administration at both central and local government level. Private sector companies were invited to extend the same treatment to their employees.
- e) **Beneficiaries:** No data available.
- f) **Novelty:** New measure.

2.7.2 *Përcaktimin e nëpunësve/punonjësve që mund të punojnë në distancë online (Distance online working permission for parents working in public administration)*²⁵

- a) **Short description of the measure:** On 12 May 2020, the Department of Public Administration passed Order No 38 approving the standard regulation "On taking organisational measures for the operation of activities of public administration institutions during the epidemic situation caused by COVID 19". Part of this order, specifically point (c) of Article 3 ("On the organisation of work in the institutions during the pandemic situation"), gives managers the right to allow employees who are parents of children aged up to 14 to work online from home.
- b) **Category:** Neither flat nor conditional benefit.
- c) **Timing:** From 12 May 2020 until the end of the pandemic.
- d) **Amount and duration/range, duration and conditionality:** Not applicable.
- e) **Targeted population:** Public administration employees, parents of children under 14.
- f) **Beneficiaries:** Parents with children under 14, working in public administration.
- g) **Novelty:** This is the first time that online working has been introduced as an option for public administration in Albania.

²⁴ DCM No 208, 10 March 2020.

²⁵ Order No 38, 12 May 2020.

2.8 Other important temporary social protection/inclusion measures adopted in the context of the pandemic, which do not fall in any of the categories listed in the previous sections

2.8.1 *Falja e kamatvonesave të energjisë elektrike për familjarë apo biznese të vogla debitore* (Forgoing of debt interest arrears related to electricity bills for families and small enterprises)

- a) **Short description of the measure:** The measure envisaged an amnesty for all debt interest payments owed to the electricity distribution operator (OSHEE) as of December 2019 by families and small enterprises.
- b) **Category:** Neither flat nor conditional benefit.
- c) **Timing:** April to 30 June 2020.
- d) **Amount and duration/range, duration and conditionality:** Not applicable.
- e) **Targeted population:** The measure targeted 227,568 subscribers of OSHEE. The first category of beneficiaries included those who had old debt and had an agreement with OSHEE to repay this obligation in instalments, in addition to the monthly bill. The second category of beneficiaries was those with an old energy debt but who had not signed an agreement with OSHEE: the condition for them to be included in the interest forgiveness scheme was the signing of an agreement by 30 June 2020. A total of 227,568 subscribers to OSHEE, of which were 205,228 families and 22,340 small businesses, were targeted by this measure, for a total value of ALL 15.8 billion (€127 million) of foregone interest payments.
- f) **Beneficiaries:** No data are available on the actual number of beneficiaries.
- g) **Novelty:** New measure.

3 SOCIAL PROTECTION AND INCLUSION RESPONSES TO THE CRISIS: OVERALL ASSESSMENT AND POSSIBLE GAPS

This third section briefly considers three aspects: the expected cost of the social protection and inclusion measures put in place by the country (Section 3.1), the impact of these measures on the social protection system and on social inclusion policies (Section 3.2), and the possible remaining gaps in the social protection system and in social inclusion policies (Section 3.3). It concludes with Section 3.4 on debates and recommendations.

3.1 Expected cost of social protection and inclusion measures

The government of Albania adopted two major support packages for people and businesses affected by COVID-19, with a combined size of ALL 45 billion²⁶ (approx. €362.9 million), or approximately 2.7% of GDP in 2019. The first support package included: (i) additional funding for the health sector of ALL 3.5 billion (approx. €28.2 million, 0.2% of 2019 GDP); (ii) ALL 6.4 billion (approx. €52.4 million, 0.4% of 2019 GDP) for the support of workers in small businesses that were affected by the lockdown at the beginning of the pandemic, the self-employed, the unemployed, and recipients of cash assistance; (iii) ALL 2 billion (approx. €16.1 million, 0.1% of 2019 GDP) toward humanitarian relief for the most vulnerable; and (iv) a ALL 11 billion (approx. €88.7 million, 0.66% of 2019 GDP) sovereign guarantee fund for businesses to access overdrafts. The second support package included: (i) ALL 7 billion (approx. €56.5 million, 0.4% of 2019 GDP) worth of funding to pay for a one-off lump-sum transfer to current and former employees in sectors and businesses affected by the pandemic; and (ii) a sovereign guarantee of ALL 15 billion (approx. €121 million, 0.9% of 2019 GDP) to provide loans for all private companies that were tax-compliant and solvent before the pandemic and required working capital.

By December 2020, the combined value of social protection and social inclusion measures/payments that were directly provided to protect jobs and the most vulnerable amounted to ALL 13.1 billion (approx. €105.6 million, 0.8% of 2019 GDP) out of ALL 13.4 billion (approx. €108 million, 0.8% of 2019 GDP) planned – measure (ii) in the first support package and measure (i) in the second support package – with more than 90% of the funds going towards job-protection measures. The overall figure includes the cost of the two newly introduced minimum-income measures, which amounted to ALL 1.01 billion (approx. €8.15 million, 0.06% of 2019 GDP). The cost of doubling social assistance benefit for existing beneficiaries for three months in 2020 was ALL 938 million (approx. €7.56 million, 0.06% of 2019 GDP) whereas the one-off flat social assistance measure for unsuccessful applicants during July 2019 to April 2020 was ALL 72.38 million (approx. €0.58 million, 0.004% of 2019 GDP). Overall, the number of direct beneficiaries for 2020 exceeded 245,000 workers/former workers in some 87,370 companies, as well as 70,034 families.

Finally, the recently approved decision on doubling social assistance for the first six months of 2021, is estimated to cost ALL 2 billion (approx. €16.13 million, 0.1% of 2019 GDP). For the period January-April 2021, the monthly number of beneficiaries receiving doubled economic assistance was on average about 69,040. The two employment-promotion programmes for workers laid off during the pandemic were relaunched in May 2021, and will continue until December 2021.

In addition, ALL 13.57 billion (approx. € 109.43 million, 0.8% of 2019 GDP) of loans were issued by banks within the framework of the two loan guarantee schemes. ALL 5.33 billion (approx. €43 million, 0.32% of 2019 GDP) was disbursed to companies, as part of the loan guarantee providing liquidity to pay workers' salaries. No data are available for the other measures.

²⁶ This figure does not include sector-specific fiscal measures undertaken during the time.

3.2 Impact on the social protection system and social inclusion policies

The introduction of measures related to minimum-income support are a sign of increased awareness that social assistance levels are rather low. The average social assistance benefit for a household was ALL 5,225 per month (€42), which is below the (rough estimated) average monthly poverty threshold of ALL 14,232 (€114) or ALL 170,785 (€1,377) at an individual level (EU-SILC²⁷ 2019). Furthermore, EU-SILC results for 2019 indicate that around 659,000 individuals (23% of the total), or on average about 173,421 families²⁸, are living below the at-risk-of-poverty threshold. During 2020, only 70,034 families²⁹ were targeted with social assistance, while other poor families have not received any kind of social assistance during the pandemic. The recent decision of February 2021, extending the doubled social assistance for six months, though a positive step, does not address the long-term need for increased adequacy and coverage. Therefore, **there is scope for both vertical and horizontal expansion of the cash assistance scheme**, including increasing the benefit value or the duration of the existing programme, while adding new beneficiaries and facilitating participation through the relaxation of requirements and entitlement rules.

New administrative arrangements – which included deferred rental and mortgage loan repayments, and home delivery of social assistance payments and pensions – can be reintroduced whenever needed. No data have been published regarding the people applying for rent or credit loan deferrals and therefore it is not easy to argue how many people benefited from these measures.

3.3 Remaining gaps in the social protection system and social inclusion policies

The pandemic has arguably widened existing gaps and inequalities, and highlighted pre-existing challenges of the social protection system. Cash transfers and in-kind support (food and hygiene supplies) have been the main measures supporting poor and vulnerable households. There is **no child benefit in Albania, and the COVID-19 response package failed to include any cash measures to tackle child poverty**. Unlike cash assistance, the care system received very little additional funding to support care service provision. The administrative measures introduced were welcomed, but the much needed support to the most vulnerable groups was absent, especially during the lockdown, and limited afterwards. **People with disabilities were further excluded** as a result of the significant disruption of social care and specialised services, whereas the **ad hoc support provided was not sufficient, continuous or adequate**. With many families relying on **informal care**, especially for childcare and sick older people, or older people living alone, the pandemic **highlighted the existing gaps in social care service delivery overall**.

Measures to protect companies, employees, and households from the impact of the lockdowns and other restrictions imposed, mitigated to a large extent a sizeable negative impact on jobs and poverty; nonetheless, they did not protect the most vulnerable in the labour market such as those employed informally (World Bank 2020), and no relief payments were made available to them. Given the high level of informality in the Albanian labour market (over 30%), comprehensive support is required for this category of workers. Although one active labour market programme has been introduced to support the labour market reintegration and formalisation of informal workers, at its current scale it is not likely to have a significant impact.

²⁷ European Union statistics on income and living conditions.

²⁸ Rough estimates based on the average family size in the country, of 3.8 people.

²⁹ 65,510 beneficiary families of the social assistance programme (including the ones supported through the 6% budget of LGs) and 4,524 families receiving the flat social assistance payment.

3.4 Debates and recommendations

Overall, the measures taken so far have been simple and effective, and there is a need to scale up support for the challenges ahead, and to build resilience. For 11 municipalities, the post-earthquake needs and COVID-19-related needs overlapped. Drawing on the experiences from both crises would lead to a better consolidated response for the period ahead, and serve as the basis for establishing a shock-response system for social protection.

Without response measures, the number of poor people would increase by 115-230,000, on average, to the levels of 2012 and 2005 (World Bank 2020). Therefore, it is paramount to properly reflect and assess issues related to **quality, adequacy, and coverage**. The COVID-19 pandemic is a wake-up call to accelerate the pace of reforms, and build adequate social protection systems that are also responsive to shocks, based on **preparedness, response activation, and recovery measures**.

Cash assistance payments could be enhanced by **adapting and scaling up existing economic assistance** or categorical schemes, such as those for certain broad population groups, including children, as well as other non-contributory programmes and social insurance, to support previously uncovered population groups. The recently approved decision on scaling up the existing social assistance benefit is a positive step.

Capitalising on current experience, co-ordination would not just be about maximising the delivery of support and better use of existing resources; it would also help avoid fragmentation and potential overlaps. Designing a shock-responsive system also entails taking into account the need for outreach, recognising the different limitations of vulnerable groups in terms of accessing and using the existing or new proposed system, and putting in place regular monitoring for adjustments of operational processes and eligibility criteria. It also means increasing investment in the current mandates and adopting an integrated social, health, and employment approach to services, in order to build community resilience.

Albania should comprehensively address the issue of informal employment, in parallel with the country's efforts to improve welfare safety nets. A weak welfare system often forces individuals into informal employment, as do institutional inefficiencies and structural problems in the economy. The COVID-19 crisis presents an opportunity for Albania to review its current system of unemployment insurance, which makes the level and duration of benefits conditional on contributions.

Albania was quick to introduce protection measures, which largely addressed immediate, short-term needs and income losses among the vulnerable. However, medium- and long-term responses are required, particularly in sectors that are likely to continue to be negatively affected by the COVID-19 crisis. Workers in labour-intensive, export-oriented sectors will continue to need support well into 2022 and beyond, both in terms of retaining jobs in these sectors, and in supporting skills upgrading and transfers to other sectors of the economy.

REFERENCES

- Baptista Isabel, Eric Marlier, Slavina Spasova, Ramón Peña-Casas, Boris Fronteddu, Dalila Ghailani, Sebastiano Sabato and Pietro Regazzoni (2021), Social Protection and Inclusion Policy Responses to the COVID-19 Crisis: An analysis of policies in 35 countries, European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union, <https://ec.europa.eu/social/main.jsp?langId=en&catId=1135>.
- DCM No 208, 10 March 2020, "Për caktimin e datave 10 deri 23 mars 2020 ditë pushimi për prindin kujdestar të fëmijëve të mitur", <http://qbz.gov.al/eli/vendim/2020/03/10/208>.
- DCM No 237, 20 March 2020, "Për një shtesë në vendimin nr.511, datë 24.10.2002, të Këshillit të Ministrave, 'Për kohëzgjatjen e punës dhe të pushimit në institucionet shtetërore", të ndryshuar", <http://qbz.gov.al/eli/vendim/2020/03/20/237>.
- DCM No 254, 27 March 2020, "Për përcaktimin e procedurave, të dokumentacionit dhe të masës së përfitimit të ndihmës financiare për të punësuarit në subjektet e biznesit me të ardhura vjetore deri 14 milionë lekë, ndihmës ekonomike e të pagesës të së ardhurës nga papunësia gjatë periudhës së fatkeqësisë natyrore, të shpallur si pasojë e Covid-19", <http://qbz.gov.al/eli/vendim/2020/03/27/254>.
- DCM No 277, 6 April 2020, "Për miratimin e garancisë shtetërore të huas me bankat e nivelit të dytë për pagat e tregtarëve ose shoqërive tregtare, aktiviteti i të cilave është prekur nga vendimet e Këshillit të Ministrave, në kuadër të menaxhimit të situatës së krijuar nga COVID-19, si edhe për përcaktimin e kushteve e të kriterëve të marrëveshjes së garancisë dhe marrëveshjes së mirëkuptimit", <http://qbz.gov.al/eli/vendim/2020/04/06/277>.
- DCM No 305, 16 April 2020, "Për përcaktimin e procedurave, të dokumentacionit dhe të masës së përfitimit të ndihmës financiare për të punësuarit aktualë dhe punonjësit e larguar nga puna si pasojë e COVID-19", <http://qbz.gov.al/eli/vendim/2020/04/16/305>.
- DCM No 341, 23 April 2020, "Some additions and changes to the decision no.305, dated 16.4.2020, of the Council of Ministers, 'On the determination of procedures, documentation and the amount of financial assistance for current employees and employees dismissed as a result of COVID-19'".
- DCM No 387, 13 May 2020, "Për miratimin e garancisë shtetërore të me bankat tregtare për garantimin e huamarrjes së tregtarëve ose tregtare për të mundësuar financimin e nevojshëm për rimëkëmbjen e aktivitetit tregtar të ndikuar nga situata e krijuar nga COVID-19, si edhe për përcaktimin e kushteve e të kriterëve të marrëveshjes së garancisë dhe marrëveshjes së mirëkuptimit", <http://qbz.gov.al/eli/vendim/2020/05/13/387>.
- DCM No 608, 29 July 2020, "Për procedurat, kriteret dhe rregullat për zbatimin e programit të nxitjes së punësimit nëpërmjet punësimit të personave të dalë të papunë si pasojë e COVID-19", <http://qbz.gov.al/eli/vendim/2020/07/29/608>.
- DCM No 651, 13 August 2020, "Për përcaktimin e procedurave, të dokumentacionit dhe të masës së përfitimit të ndihmës financiare, si pasojë e COVID-19, për të punësuarit apo ish – të punësuarit në subjektet e transportit publik, qytetas dhe ndërqytetas", <http://qbz.gov.al/eli/vendim/2020/08/13/651>.
- DCM No 85, 10 February 2021, "Për një shtesë në vendimin nr. 597, datë 4.9.2019, të Këshillit të Ministrave, 'Për përcaktimin e procedurave, dokumentacionit dhe masës mujore të përfitimit të ndihmës ekonomike dhe përdorimit të fondit shtesë mbi fondin e kushtëzuar për ndihmën ekonomike'" ("For an addition to the decision no. 597, dated 4.9.2019, of the Council of Ministers, 'On determining the procedures, documentation and monthly measure of receiving economic assistance and the use of additional fund over the conditional fund for economic assistance'").
- DCM No 908, 18 November 2020, "Për miratimin e paketës së barnave për trajtimin ambulator në banesë të personave të diagnostikuar me COVID-19, që do të financohet

nga Fondi i Sigurimit të Detyrueshëm të Kujdesit Shëndetësor”,
<http://qbz.gov.al/eli/vendim/2020/11/18/908>.

Joint Order 17 March 2020, Urdhër i përbashkët, firmosur nga Guvernatori i Bankës së Shqipërisë, dhe Kryeministri i Republikës së Shqipërisë datë 17.03.2020 për shtyrjen e afatit të pagimit të kësteve të kredisë për biznese dhe individë, të cilët do të hasin vështirësi në këtë periudhë si pasojë e COVID-19.

Joint order 17 March 2020 of the Prime Minister and Governor of the Bank of Albania for postponing the payment of credit loan instalments.

Normative Act No 12, 2 April 2020, “Për një shtesë në aktin normativ nr.3, datë 15.3.2020, të Këshillit Të Ministrave, ‘për marrjen e masave të veçanta administrative gjatë kohëzgjatjes së periudhës së infeksionit të shkaktuar nga COVID-19’”, të ndryshuar, Fletore Zyrtare Nr. 57/2020. (“For an addition to the normative act no. 3, dated 15.3.2020, of the Council of Ministers, ‘On the Acquisition of Special Administrative Measures during the Duration of the Infection Period Caused by COVID-19’” – Official Gazette No 57/2020.

Order No 38, 12 May 2020, of the Department of Public Administration “Për miratimin e rregullores tip ‘Për marrjen e masave organizative për ushtrimin e veprimtarisë së insticioneve të administratës shtetërore gjatë gjendjes së epidemise së shkaktuar nga COVID 19’” (“On the approval of the standard regulation ‘On taking organisational measures for the operation of activities of public administration institutions during the epidemic situation caused by COVID 19’”).

Order of the Minister of Health and Social Protection No 123, 26 February 2020, “Për një shtesë në urdhrin nr. 632, datë 29.8.2018, ‘Për miratimin e listës së sëmundjeve infektive, të detyrueshme për t’u raportuar nga institucionet shëndetësore, publike ose private të të gjitha niveleve në Republikën e Shqipërisë’”,
<http://qbz.gov.al/eli/urdher/2020/02/26/123>.

World Bank (2020), Western Balkans Regular Economic Report No 18: An Uncertain Recovery, p. 15
<https://openknowledge.worldbank.org/bitstream/handle/10986/34644/153774.pdf>.

Getting in touch with the EU

In person

All over the European Union there are hundreds of Europe Direct Information Centres. You can find the address of the centre nearest you at: <http://europa.eu/contact>

On the phone or by e-mail

Europe Direct is a service that answers your questions about the European Union. You can contact this service

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696 or
- by electronic mail via: <http://europa.eu/contact>

Finding information about the EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: <http://europa.eu>

EU Publications

You can download or order free and priced EU publications from EU Bookshop at: <http://bookshop.europa.eu>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see <http://europa.eu/contact>)

EU law and related documents

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp/en/data>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

