



Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada - Government

ZYRA E Kryeministrit / OFFICE OF THE PRIME MINISTER / URED PREMIJERA
AGJENCIA PER BARAZI GJINORE / AGENCIJA ZA RAVNOPRAVNOST POLOVA
AGENCY OF GENDER EQUALITY



Inclusiveness of the government response to the COVID-19 crisis: **Who was left behind?**

Prishtina, 2021



Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada - Government

ZYRA E Kryeministrit / OFFICE OF THE PRIME MINISTER / URED PREMIJERA
AGJENCIA PËR BARAZIM GJINORË / AGENCIA ZA RAVNOPRAVNOST POLOVA
AGENCY OF GENDER EQUALITY



Inclusiveness of the government response to the COVID-19 crisis: Who was left behind?

Authors:
Ardiana Gashi and Petrit Gashi

Disclaimer: The views expressed in this publication are not necessarily those of the Friedrich Ebert Foundation or of the Agency for Gender Equality.

Prishtina, 2021

Table of Contents

1. Introduction and context	5
2. Impact of COVID-19 in Kosovo	8
3. Kosovo Government response to the COVID-19 crisis	12
4. Profile of women left behind	21
4.1 Informally employed women	21
4.2 Informal women farmers	23
4.3 Single parents/mothers	26
5. Literature review on government response to COVID-19 crisis	29
6. Conclusions and recommendations	36
References	40

List of tables

Table 1: Macroeconomic and labour market indicators, 2012–2019	6
Table 2: Contribution of Agriculture to GDP (in %) and employment (in 000)	24
Table 3: Enterprise ownership in agriculture sector	24
Table 4: Number of Farm Identification Number, by gender	24
Table 5: Subsidy beneficiaries, by gender in 2019	25
Table 6: Divorces and whether children and how many children	26
Table 7: Children kept with, after divorces	26
Table 8: Putting people first: overview of measures utilised by countries	30

Cumulatively, as of December 9, 2020 there have been 67,210,778 confirmed cases of COVID-19, including 1,540,777 deaths, reported to World Health Organisation (2020). COVID-19 is a disaster that bears broad similarities with other forms of man-made and natural disasters, however, the biggest difference between the former and the latter ones is the scale. COVID-19, unlike conflicts and natural disasters that are localized and affect a small areas, has affected the entire world. Initially, the world was concerned with the numbers of those affected, those who recovered and those who succumbed to this terrible pandemic disease. By end of March 2020, the first financial numbers started to appear on the headlines of global media and public statements of world leaders and policy experts and international organizations raising concerns of the bleak economic impact of the pandemic and its long-lasting, multi-dimensional effects.

Since 12 March, even before the first case of coronavirus infection was reported, Kosovo introduced containment measures to limit the spread of the virus and protect the population's health. As of 19th of December, Kosovo has had 48,682 cases with COVID-19. Reopening of the economy in Kosovo was implemented in three phases, phase 1 (4-17 May) Individuals may leave their residences for three hours each day (and certain businesses such as car dealerships, real estate offices, consulting firms and certain types of retail firms may resume operations. Phase 2 (18-31 May) individuals were permitted to leave their residences for four hours each day during specific timeframes in the morning and evening, in two times slots. Phase 3 started on the 1st of June with taxis, dine-in restaurants, cinemas, theatres, shopping malls and select sports events have resumed operations. Nurseries and kindergartens, mosques, churches and other religious centres were reopened. Restrictions were imposed once the situation started deteriorating in early December November. In municipalities with large numbers of cases per 100,000 inhabitants a daily 19:00-05:00 curfew has been put in place, allowing persons to leave their homes only for essential work and health emergencies in that period.

Kosovo context prior to COVID-19 crisis

Kosovo steady economic growth has not translated into job creation. Although the GDP growth was steadily positive, poverty remains high. Based on the Household Budget Survey (HBS), it is estimated that 18% of the Kosovo's population lives below the poverty line, with 5.1% of the population below the extreme poverty line (Table 1). Kosovo labour market is characterised with high inactivity rate, low employment, and high unemployment rate. Labour market is also characterised with a stark gender divide with women being at a disadvantageous position (Table 1). According to Labour

Force Survey, in 2019, 78.9% of women were inactive in the labour market, compared to 40.3% of men. Only 13.9% of working age women were employed in 2019, as opposed to 46.2% of their male counterparts. Amidst low activity rate, unemployment rate of women is higher than of men, namely 34.4% and 22.6%—nearly a 10-point percentage difference. Gender differences prevail across all age groups and education levels. Low quality of jobs is another concerning issue, with vulnerable employment, informal and temporary employment remaining persistent.

Table 1: Macroeconomic and labour market indicators, 2012–2019

	2015	2016	2017	2018	2019
GDP real annual growth	4.1	4.1	4.2	3.8	4.0
Poverty rate (based on household consumption)	17.6	16.8	18.0		
FDI inflow (million EUR)	308	220	255	272	272
Remittances as share of GDPs	15.1	14.7	15.3	15.6	15.8
Labour force participation rate (% population 15+)	37.6	38.7	42.8	40.9	40.5
Inactivity rate	62.4	61.3	57.2	59.1	59.5
Employment-to-population ratio (employment rate) (% population 15+)	25.2	28.0	29.8	28.8	30.1
Unemployment rate	32.9	27.5	30.5	29.6	25.7
Youth unemployment rate (15–24 years)	57.7	52.4	52.7	55.4	49.4
NEET share of youth population (15–24 years)	31.4	30.1	27.4	30.1	32.7
Vulnerable employment (self-employed without employees and unpaid family workers)	22.7	22.9	23.1	19.6	18.8
Informal employment (% without employment contract)	15.5	26.3	21.5	14.0	13.4
Temporary employment	72	70.5	70.6	74.5	54.7

Source: KAS, Labour Force Survey 2012–2019; FDI and remittance data from Central Bank of Kosovo: https://bqk-kos.org/repository/docs/time_series/33%20Foreign%20direct%20investments%20-%20by%20sector.xls; GDP growth from ERP 2018–2020: 2019–2021 and 2020–2022 retrieved from <https://mfrks-qovnet/page.aspx?id=2.28>; Remittance as share of GDP: <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=XK>

Methodology

Methodology employed for identification of groups left behind, with special focus on women is based on the following instruments:

- ✓ Thorough analysis of government measures included in the Emergency Fiscal Package approved on March 30, 2020, measures of the Economic Recovery Program approved on August 13, and those included in the Law for Recovery approved by the Kosovo Assembly on 4th of December 2020. The focus of this analysis is to understand target groups for each measure, and the potential of measures to support women as direct beneficiaries;
- ✓ For each of the left behind group the gender data analysis is conducted, that would inform the potential size of these groups. In addition, for each of the identified groups, in-depth analysis is performed through focus group discussions and in-depth interviews (a representative of a collection center for medicinal aromatic plants which also represent about 20 cultivators). One focus group was organised with 6 informally employed women and the other one was conducted with 8 single mothers;
- ✓ Inventory on non-government response measures, targeting women specifically and other identified left behind groups (e.g. informal workers). Interview was conducted with Riinvest Institute representative to collate information about the measure that targeted informally employed women only; and
- ✓ Literature review of best practices supporting women is performed, which aims to identify measures that could be feasible to Kosovo context.

This analysis, then, provides a sound basis to identify best practices that could be utilised to ensure that women benefit equally with men and that no one is left behind.

This report is organised as follows. Chapter 2 provides an overview of impact of the pandemic crisis in Kosovo Economy. Elaboration of Kosovo government response to COVID-a9 crisis is presented in Chapter 3. Based on findings from the third chapter, Chapter 4 provides a profile of women that were not supported by any of the government measures. Chapter 5 summary of measures implemented by other government, with primary focus on left behind groups identified in this report. Conclusions and recommendations are outlined in the final chapter.

Kosovo has made a significant economic progress in the last two decades. Macroeconomic stability has been maintained, while growth rates have been positive and well above the regional averages. A sound legal framework for a free-market economy has largely been put in place, and that the business environment is generally perceived to be conducive to business activities. In this context, significant efforts have been made to approximate laws and regulations to the EU acquis, building the foundations towards future accession to the European Union, which has been an overarching objective of the different governments to date.

However, Kosovo still faces enormous challenges. Despite the progress, Kosovo still remains the poorest country in Balkans. Kosovo's average GDP per capita is the second lowest in Europe. Unemployment remains high, especially among woman and young. On average, levels of unemployment have been persisting at less than 30% (see below). Institutions have been weak, and ailing from endemic corruption. All-encompassing trade liberalisation resulted in the widening of the trade deficit.

Owing to its performance, there have been questions raised about the growth model adopted in Kosovo. Economic growth in Kosovo has been fuelled by household consumption and by investment channelled primarily into the non-tradable sector, services, and real state. The growth has relied heavily on Diaspora remittances. Despite being one of the economies most open to FDI in the region, the latter represented on average around 4% of the GDP in the last decade, and was primarily driven by remittances from the Kosovar diaspora (see OECD, 2020¹). It is widely believed that the current growth model is not sustainable, and it will not support Kosovo's development goals, hence there is a need to guide the country towards a new development pathway. A new approach would require a greater involvement of the government, likely through measured industrial policy instruments, to support the ailing manufacturing sector.

Against this backdrop, Kosovo economy was facing the second major challenge following the 2008 global financial crisis, that is, the COVID-19 pandemics. However, before we look more closely into the impact of the latter, let us first look at the 2019 statistics prior to COVID-19.

According to the World Bank report Fighting COVID-19 (World Bank, 2020), Kosovo's GDP growth in 2019 was estimated at 4%, driven by consumption – public and private – and service exports. In addition, the contribution of the private investment remained low, largely resulting from the construction activities. From the sectoral perspective, while agriculture contracted, the services were the main engine of

¹OECD (2020). The COVID-19 Crisis in Kosovo. <http://www.oecd.org/south-east-europe/COVID-19-Crisis-in-Kosovo.pdf>.

growth, mostly due to strong performance of the wholesale and retail trade and financial sector. Consumer price inflation averaged at 2.7%. On the other hand, the overall fiscal deficit reached 2.8% of GDP. Revenues increased by 7.5% driven by strong growth and higher tax debt collections, while spending went up 7.4%, mostly driven by an increase in current expenditures. The current account deficit dropped from 7.6% of GDP in 2018 to 5.5% in 2019 as import growth slowed down. Merchandise exports grew by 4.4% year-on-year basis, while service exports grew by 7.3% reaching 23.4% of GDP. Net FDI decreased by 11% year-on-year basis, while net remittance inflows increased by 7.9%. Employment rate increased by 1.3%, while unemployment rate decreased by 3.9% reaching 25.7%. In this context, youth unemployment dropped by 5.9% from 2018 but is still high at 49.4%. Finally, the poverty rate is projected to have decreased from an estimated 19.6% in 2018 to 17.9% in 2019.

COVID-19 has plunged economies across the world into deep recession. Kosovo is not an exception. Following the first wave of infections, the growth projections were not as pessimistic; initially the World Bank expected that Kosovo's economy would contract by 1.6% (World Bank, 2020). Along the same lines were the projections of the Central Bank of Kosovo, who was arguing that the contraction would range between 2% to 4%.² As the second wave of infections hit the country harder, Kosovo Government revised the figure of the expected growth contraction to 6.4% (OECD, 2020). Later, in a joint statement with Government of Kosovo, Central Bank of Kosovo reported the new growth projections estimating the fall at 7.2%. Finally, a recent report by the World Bank revised Bank's initial figure to 8.8%, making Kosovo the second hardest hit economy in Western Balkans following Montenegro which is expected to contract by 12.4% (World Bank, 2020a).

Moreover, it is not only the degree of contraction that will worry Kosovo policymakers, but also recovery will be longer according to the World Bank. Growth is expected to rebound in the second half of 2021; the GDP growth in 2021 is expected to reach 3.7%. Only in 2022 growth is expected to accelerate to 4.9%.

The World Bank (2020a) argues that the 2020 contraction by 8.8% resulted from the drop in investments (4.6%) and drop in total consumption (2.6%). Both suffered from the uncertainty induced by the pandemics, and the containment measures that put the economy for months in almost complete lockdown. In addition, due to international travel restrictions service exports suffered significantly. The estimated impact of net exports in growth contraction is 1.5%. Overall, the crisis deteriorated the current account to 7.2% of GDP in 2020. Total exports were projected to fall by over 30%, while imports are expected to be down by 12%.

²Statement by the Governor of the Central Bank of Kosovo Mr. Fehmi Mehmeti. <https://cbk-kos.org/governor-mehmeti-presented-cbk-measures-to-minimize-as-much-as-possible-the-damage-caused-to-economy-as-a-result-of-covid-09-pandemic/?lang=en>.

³Interview by the Governor of the Central Bank of Kosovo Mr. Fehmi Mehmeti. <https://www.rtklive.com/en/news-single.php?ID=18193>.

During 2020, COVID-19 determined developments in other economic spheres. The prolonged crisis will weigh on Kosovo's fiscal position. The overall budget deficit will reach 9.5% by the end of 2020, compared to 2.9% in 2019. The deficit will result from the 13% drop in public revenues, higher current spending to respond to the crisis, and the overall contraction of economic activity. Another sector that will be feel the pressure of the pandemics is the financial sector, especially if the pandemics persists. Currently, all the parameters show that the sector is sound.

Some specific business sectors have been hit particularly hard. Tourism is one that stands out. Three countries that accounted the largest drops in GDP in Western Balkans are heavily reliant on tourism, including Montenegro, Albania, and Kosovo (Diaspora tourism). The World Bank reports that the first half of 2020 saw a decline by 12% in firm turnover across-the-board, however the hospitality services saw the largest drop of 25%. In terms of company size, OECD argues that the impact of the COVID-19 pandemics threatened the inherently resource-constrained SMEs. The pandemics led to severe cash-flow problems for SMEs. In addition, as SMEs rely on imported components and raw materials the crisis may have caused disruptions in the supply-chains. Finally, in the time of crisis SMEs are likely to experience significant labour shortages.

The COVID-19 is putting labour markets under enormous pressure. Although the data show that unemployment rate, youth unemployment, employment rate, and labour force participation remained at the same levels as in 2019, the World Bank Business Pulse Survey in Kosovo (World Bank, 2020a) shows that the most businesses cut working hours, while the main avenue for adjusting employment was granting leave of absence to their employees. Information on the impact of the COVID-19 on gender-specific developments are limited. Earlier studies show that women made up about 21 percent of the employed in Kosovo in 2018, compared, for instance to Western Balkans average at 40% (World Bank and wiiw, 2019). In addition, no information is available on the COVID-19 induced gender gap in the Kosovo labour market. OECD argues that the gender gap is the key challenge on women's access to economic opportunities. The World Bank and wiiw report Western Balkans Labor Market Trends 2019 shows that the gender gap in 2018 was almost 46 percentage points in Kosovo (for instance, gender gap in Montenegro is 15 percentage points). Finally, as many women hold informal jobs, no information is available on the impact of pandemics on this fraction of employed. According to the 2017 Riinvest survey with around 600 employed women, approximately one in third employed in the private sector has no contract (Riinvest, 2017). It is very likely that the COVID-19 has exacerbated the already poor position of women in the Kosovo labour market.

Education was another sector that suffered considerably as a result of pandemics. The pandemics caused a shock to the education systems across the world, even in developed countries, as countries had to transit from face-to-face teaching to online teaching. The transition required access to new teaching tools and different set of skills. Kosovo education system is in a poor state. The pandemics created great confusion. There were difficulties with the access to online learning platforms; in many cases technology was not available to both teachers and students; and a number of teachers did not have the necessary technical and pedagogical skills to integrate digital devices into the process of instruction.

Finally, again Kosovo's Diaspora is proving to be a decisive factor to easing the pressure on the economic activity caused by COVID-19. The World Bank argues that the COVID-19 shock confirmed the fragility of Kosovo's consumption-based growth model, but also showed the significant role remittances play during these challenging times.⁴ The latter shows that Kosovo is the only country in the region where remittances are growing. Data show that between January – July of 2020 Kosovo's Diaspora remitted Eur526 million, representing Eur47 million more than the same period in 2019 (i.e. 9.8%). In October 2020, the remittances reached Eur800 million.⁵

⁴The World Bank (2020). An Uncertain Recovery.

⁵Interview by the Governor of the Central Bank of Kosovo Mr. Fehmi Mehmeti.

Kosovo Government response to the COVID-19 crisis

The Government of Kosovo took a series of steps to address the challenges posed by the COVID-19 outbreak. Initially, in March 2020, Government of Kosovo instigated the Emergency Fiscal Package⁶, a stimulus package amounting at Eur179 million. The package aimed at providing support to segments of society most in need. A more systematic approach was devised in August 2020 with the development of the Economic Recovery Program (Ministry of Finance, 2020), which has extended substantially measures foreseen by the Emergency Package. The approval of the Economic Recovery Program was followed by a government decision which outlines specific targeted measures and the plan of interventions for economic recovery.⁷ The package amounted at over Eur350 million. While the emergency stimulus relied solely on government funds, the Economic Recovery Program benefited also from the support of the European Commission, World Bank and IMF.⁸

An important ingredient of the Economic Recovery Program was the approval of the Law on Economic Recovery – COVID-19 on December 2020.⁹ The Law enabled the Government of Kosovo to provisionally amend a series of laws to enforce the Economic Recovery Program and tap into resources that otherwise the Government of Kosovo would not have access to. To provide easier access to financing, changes have been made to the Law on the Establishment of the Credit Guarantee Fund. Access to the 10% of the pension savings was granted by the amendments to the Law on Pension Funds. To provide tax reliefs several amendments to the existing laws were enacted, including the Law on Personal Income Tax, Law on Value Added Tax, and Law on Tax Administration and Procedures. To support domestic suppliers, changes to the Law on Public Procurement were made. To channel privatisation funds in the economic recovery changes to the Law on the Privatisation Agency of Kosovo and the Law on Public Financial Management and Accountability were needed.

Next, we look more closely into the specifics of the Emergency Plan and the proposed measures of the Economic Recovery Program.

Emergency Fiscal Package

The emergency stimulus contains measures to support the most vulnerable segments of the society and the front-line workers in the amount of Eur45.5 million (see Table 1). The Government allocated Eur20 million to support individuals under social and pension schemes, either by doubling the payment for two months or subsidizing payments for three months. In addition, a support of Eur3 million was

⁶Decision of Government of Kosovo No. 01/19, dated 30.03.2020.

⁷Decision of Government of Kosovo No. 01/19, dated 13.08.2020

⁸The committed external assistance amounts at Eur200 million – European Commission: Eur100 million; IMF: Eur516 million; and World Bank: Eur46 million. See EBRD (2020). Responding to the Coronavirus Crisis: Update on Kosovo.

⁹Law No. 07/L -016 on Economic Recovery – COVID-19. <https://qzk.rks-govnet/ActDetail.aspx?ActID=35478>.

envisaged for the registered unemployed living in poverty and with no other source of income. Similar amount of support has been provided for workers of grocery shops, bakeries, and pharmacies. While Eur4 million were planned for laid-off workers as a result of pandemics. Regarding front-line workers, the Government allocated Eur15 million to the medical staff dealing with infected, then police, customs officers, fire-fighters, inspectors, and prison guards.

Measure	Beneficiaries	Length	Instrument	Budget (Eur. mil.)
Support the vulnerable and front-line workers	Beneficiaries of the social schemes	April, May	Doubling of the payment	7.5
	Beneficiaries of the social and pension schemes	April, May, June	Additional payment of Eur30	13.0
	Registered unemployed living in poverty and with no other source of income	April, May, June	Monthly assistance of Eur130	3.0
	Workers of grocery shops, bakeries, and pharmacies	April, May	Additional payment of Eur100	3.0
	Workers laid-off as a result of COVID-19	April, May, June	Monthly assistance of Eur130	4.0
	Front-line workers	/	One-off payment of Eur300	15.0

Second major area of intervention in the emergency package stimulus concerns the support to the private sector, either through providing financial stimulus or liquidity support to cushion the effects of the pandemics. Some Eur15 million have been designated to serve this purpose. In addition, the Government has pledged Eur20 million to support the liquidity and operations of public enterprises. The latter has been offered in forms of loans. Finally, the Government provided Eur6 million in total to enterprises for each new registered employee. The aim was to reduce informality. The measure will extend to a one year. In total, the enterprise sector in Kosovo will benefit from Eur112 million in funds.

Measure	Beneficiaries	Length	Instrument	Budget (Eur. mil.)
Support to enterprise sector	Business organisations	April, May	Subsidizing salaries in the amount of Eur170	41.0
	SMEs	April, May	Subsidizing 50% of the rent	12.0
	Business organisations their workers	April, May	Subsidizing pension contributions	8.0
	Public enterprises and other enterprises providing public services	End of the year 2020	No-interest loans	20.0
	Micro-enterprises and self-employed	24 months	Support through Credit Guarantee Fund to access external finance in the amount of Eur10,000	15.0
	Exporters	Once the emergency situation is over	/	10.0
	Private sector businesses	Support provided for two months after registering an employee	For each new registered employee support in the amount of Eur130	6.0

Finally, the emergency stimulus of Eur22 million addresses the needs of the municipalities, minorities, farmers, youth, and the artist and sport community. In the case of municipalities, the support will be first provided to the municipalities hardest hit by the pandemics. Minorities, on the other hand, will gain from the projects financed by the Government that aim at improving the livelihoods of minorities. Farmers will benefit from the increased budget for grants and subsidies. Last but not least, the budget of Ministry of Culture, Youth, and Sports will see its budget for grants and subsidies increased.

Measure	Beneficiaries	Length	Instrument	Budget (Eur, mil.)
Support to municipalities, minorities, farmers, youth, and artist and sport community	Municipalities	One-off payment	Support for the management of the situation created by COVID-19	10.0
	Minorities	/	Support initiatives and projects to improve lives of minorities	2.0
	MAFRD/Farmers	One-off payment	Increasing the budget for grants and subsidies to stimulate production	5.0
	MCYS/Youth and artists and sport community	One-off payment	Increasing the budget for grants and subsidies to stimulate sport and artistic activities	5.0

Economic Recovery Program

As pointed out, the Economic Recovery Programme devised by the Government of Kosovo has a broader focus, as it looks beyond addressing emergency needs of the Kosovo society by supporting, among others, business development, creating jobs, stimulating aggregate demand, addressing regional disparities, and supporting education sector. The plan includes measures designed to facilitate loan access for businesses and farms, provide targeted tax relief and rental subsidies for firms, stimulate employment by subsidising worker salaries, and incentivising capital

investments. As we can see, the August Decision does not foresee measures to address emergency needs of the vulnerable segments of the society, such as beneficiaries of the social and pension schemes, including those living in poverty, and front-line workers. However, the Decision allocates over Eur71 million to address commitments stipulated in the March's Decision

In what follows, we look more closely at the measures specified in the August's Decision.

The first measure in the context of supporting the enterprise sector concerns the ease to access finance. In total, Eur100 million are committed for this purpose. The support covers the provision of the guarantee for new loans through the Credit Guarantee Fund, including the coverage of the costs of tariff of the Credit Guarantee Fund. Further, the support covers the costs of reprogramming the existing bank loans and subsidizing of interest rates in specific sectors.

Measure	Beneficiaries	Instrument	Budget (Eur, mil.)
Access to finance	Private business organisation	Increasing of coverage through Credit Guarantee Fund	60.0
		Subsidizing the cost of the tariff of the Credit Guarantee Fund	5.0
		Reprogramming of the existing loans	30.0
		Subsidizing interest for specific sectors	5.0
Tax reliefs	Private business organisation	Delaying tax payments	/
		Subsidizing 5% of pension contributions	5.0
		Tax breaks for specific sectors	/
		Exemption from advanced payments of taxes	/
		Amnesty from penalties for delays in tax payments	/
		Reprogramming of tax payments	/
		Subsidizing 50% of the rent	/

Financial support for operations and strategic investments	Public enterprises	Subsidizing operational costs	14.0
		Reviewing capital investment plan	/
		Supporting strategic investments through: <ul style="list-style-type: none"> • Government subsidies • Government loans Issuance of sovereign guarantees to access external finance	/

Second, some Eur15 million have been allocated in the form of tax breaks, exemptions, amnesties, and coverage of pension contributions. In addition, as in the emergency stimulus, public enterprises have benefited from the Government support. However, this time Government took a more strategic approach by imposing initially a revision of the operations and capital investments plans. In addition, the Government also diversified sources of finance for capital investments in public enterprises. The allocated amount provided to support public enterprises amounts at Eur17 million.

Farmers have received specific treatment by the Government of Kosovo. The support for farmers amounts at Eur26 million. The aim of the support is to increase agriculture production, substitute imports, increase employment, and increase quality of produce (see below).

Measure	Beneficiaries	Instrument	Budget (Eur, mil.)
Supporting agriculture sector	Farmers	Doubling of the budget for Direct Payments program	24.0
		Subsidizing interest for loans in agriculture	2.0

Increasing employment, especially for those with a lower likelihood of finding jobs, is one of the core targets of the Economic Recovery Plan. In addition, the Plan targets also subsidization of salaries, including of newly hired workers, then professional support to business adjusting to pandemics, support to manufacturing and service providers with equipment and machinery to automatize processes, and support to increase productivity. Overall, the Government committed over Eur67 million for this specific goal. Some specific actions have been transferred from the March's Decision, including the subsidizing salaries of businesses affected by pandemics in the amount of Eur170 per employee. However, the budget for this position has increased from Eur41 million to Eur47.3 million. Details about specific actions are shown below.

Measure	Beneficiaries	Instrument	Budget (Eur, mil.)
Increasing employment and strengthening business internal capabilities	Private sector businesses	Subsidizing salaries in the amount of Eur170	47.3
		Subsidizing salaries of the newly employed	5.0
		Professional support to businesses	3.0
		Supplying machinery and equipment	3.0
		Support to increase productivity	3.0

The Plan proposes two measures to stimulate aggregate demand: [1] withdrawal of 10% from the pension fund; and, [2] extending the grace period for real estate purchases, specifically for buying flats and residential homes. It is estimated that the first measure will inject around Eur200 million in the economy, while in the latter case the Government has committed Eur15 million.

Measure	Beneficiaries	Instrument	Budget (Eur, mil.)
Measures to stimulate aggregate demand	Citizens	Withdrawal of 10% from individual contribution-payers	/
		Extension of the grace period for real estate purchases, i.e. flats and residential homes	15.0

Finally, some Eur34 million have been committed to mitigate the effects of COVID-19 for other various segments of the society. This money will be allocated to reduce regional disparities in the development, support minorities, gender equality, education, municipalities, civil society, and Diaspora. More details about this set of measures is provided in below.

Measure	Beneficiaries	Instrument	Budget (Eur. mil.)
Reducing regional disparities, minorities, gender equality, education, municipalities, civil society, and Diaspora	Ministry of Regional Development	Supporting new and existing programs for balanced regional development	2.0
	Minorities	Support initiatives and projects to improve lives of minorities	2.0
	Women through the Agency for Gender Equality/ Prime Minister's Office	Supporting projects that aim at improving the position of women in society	2.0
	Ministry of Education and education-related institutions	Preparations to for the academic year 2020/2021	10.0
	Municipalities	Support for the management of the situation created by COVID-19	10.0
	Kosovo's Diaspora	Subsidizing the cost of insurance premium	3.0
	Cross-cutting: youth employment, civil society, cultural activities	Direct financial support	3.0

As reported in the table below, to directly support women, Eur2 million were designed to support women through Agency for Gender Equality. At the end of November, 115 kindergartens beneficiaries signed the contract with Agency for Gender Equality and the support included a variety of aspects as needed by kindergartens. The support to kindergartens as they were hit by the pandemic crisis but also since they represent an important actor supporting employed women, those in education and training and those that are searching for a job. Eligible items to be supported were rent for coming months, wages for employees, coverage of costs for heating, teaching material,

supply of library, toys, sanitary and hygienic material, improvement of extension of service infrastructure (kitchen, bathroom, painting of walls, etc.), food packages, technology improvement (setting up a camera system), subsidy for children from vulnerable families (such as single parents, social assistance households, etc.). Data provided by the Agency for Gender Equality show that supported kindergartens accommodated 6,638 kids (3,249 girls and 3,389 boys).

In addition to the support provided through the Agency for Gender Equality, government has allocated a budget to the Ministry of Trade and Industry, totalling Eur470,000 aimed to support women owned businesses. The measure was implemented by the Kosovo Investment and Enterprise Support Agency that operates within the MTI. In early December, 32 subsidies were disbursed to women owned businesses.¹⁰ It is also important to note that within the Law for Economic Recover, within the budget allocated for the Credit Guarantee Fund, a specific window of support is dedicated to women owned businesses. The credit guarantee of up to 80% of the collateral will act as important support for women owned businesses, who, due to lack of ownership face difficulties to accessing finance.

On a final note, as pointed out, the Government of Kosovo has viewed the Emergency Fiscal Package and the Economic Recovery Plan not only as a means to provide short-term fixes but also an instrument to address structural deficiencies of the economy. For instance, the latter document argues that in parallel with recovery measures the Government should intervene in trade and industrial policies, labour market policies, policies involving Kosovo's Diaspora into development, policies to attract strategic investors, and reshape tax policy. This approach is vitally important because COVID-19 is expected to have long-term consequences on economic activity.¹¹ As a result, the World Bank (2020) report *An Uncertain Recovery* argues that for Kosovo "it will be necessary to advance structural reform in the medium term to reverse negative economic impacts of the outbreak and help citizens to become more resilient to future negative shocks" (p. 60). The World Bank report proposes that the structural reform should go beyond what Economic Recovery Plan suggests, by including measures to boost productivity, invest in human capital, and improve the rule of law.

¹⁰<https://kiesarks-govnet/page.aspx?id=2.5.479>

¹¹The World Bank (2020). *An Uncertain Recovery*.

4 Profile of women left behind

Based on analysis presented above, the following women groups have been identified as not specifically targeted by the government measures. As women represent an important share of these left behind groups, the analysis is focused on women only.

4.1 Informally employed women

A focus group discussion with 6 women informally employed at the time of COVID-19 quarantine period (March–May 2020) was conducted. Participants were aged from 21 to 58 years old. They were employed in super markets, as baby sitters, caretaker for elderly, hairdresser and beauty and personal care. Out of six, 4 were working on full time basis and two of the hairdressers were working on part time basis, mainly on demand basis. Among participants, work duration was from 1 to 8 years, but none of them had an employment contract. When asked why they accepted to work without a contract, the common response was that they were happy to find a job and they did not even think about whether they had a contract or not. 'It is so hard to find a job in Kosovo, so we simply do not care about the contract'. Participants that were working as hairdressers, stated that none of the hairdressers have employment contract.

Out of six participants, only one was working during quarantine period. The other four were not working and were not paid at all. All participants stated that in their households, other members were also affected by the wage loss, which negatively influenced their financial status.

In one case, employer paid the worker during quarantine, while she was not working and then she had to repay it through some months after return to work. This was noted as a supportive approach from employer.

Government and non-government support to informally employed workers

Measure 14 within the Emergency Fiscal Package included a financial support for companies that register employees with employment contracts of at least one year during the period of emergency public health situation, in the amount of 130 Euros for two months after the registration. The total budget for the measure was 6 million Eur, that it available for about 24,000 newly registered workers. Until the end of August 2020, in total there were 14,463 beneficiaries.

There is no estimation, but it is likely that these newly registered were informally working in the companies.

Participants and their families did not benefit from government measures. In addition, none of the participants that lost jobs during pandemic searched for a job. Lack of jobs and employment based on networks and political affiliations were mentioned as main reasons for not looking for a job. Moreover, none of them were registered at Employment Agency, most did not know that the Agency existed and of their services for unemployed.

The only available measure that was available for informal workers was the Riinvest measure, financed by the KFOS. The project was implemented from June to September 2020. In total, 444 women benefited from this measure, supported with 170 Eur for one month. However, only one of the participants was aware of this opportunity, and she herself found out late and did not manage to apply. This also indicates lack of information for this group (particularly of those working in households), who although are working, they are largely detached from the labour market. Although the measure implemented by Riinvest was considered supportive, given that it was only for one month and required documentation, it might have demotivated women to apply. Representative of Riinvest stated that there was a high demand for applications. The requirement for application was to submit a statement from the Kosovo Pension Fund confirming that applicants did not have contribution to the Pension fund—which confirmed that they were informally working and that they did to receive support from the government. The main challenge to assess applications was evidencing that the applicant has been working informally. For this, Riinvest Institute required applicants to sign a statement that they have been informally working. In some instances, applicants indicated where they were working but some of them did not report, being concerned whether their employer will find out and have consequences for having informal workers. Applicants were working as baby sitters, caregivers for elderly, hairdressers, tailors, shop assistants, etc.

4.2 Informal women farmers

In 2019, agriculture and forestry in Kosovo for 8.1% of GDP and it employed only 19,200 individuals, out of which only 2,400 were women (Table 1). However, these data should be considered with caution as they are likely to be underestimated due to inability to capture the unpaid family work and informal work. To evidence the prevalence of the underestimation, we can draw comparisons between numbers obtained from the Agriculture census conducted in 2013/14 and the 2014 Labour Force Survey (LFS). According to the LFS, in 2014, agriculture employed only 8,600 employed individuals (7,500 men and 1,100 women), whilst in the same year, the Agriculture Census findings estimated that there were 362,700¹² individuals engaged in the agriculture sector. The Census also revealed that 58.2% of individuals working in agriculture were women, which points to the invisible role of women in the sector. This evidence suggests that women are the backbone of agriculture and guardians of household food security in their communities. Women constitute an essential contributions as smallholder farmers, as unpaid labour on family farms, as seasonal and informal workers on formal farms. The 2017 MCC LFTUS survey with 8,554 households also revealed that women are an important agriculture workforce. Whilst according to LFS of KAS in 2017, agriculture employed only 15.9% of employed individuals, the MCC LFTUS survey found that the agriculture accounted for 21.7% of jobs, making it the sector with highest share of jobs. Agriculture was particularly important for employment of women—as it employed 33% compared to 17.6% of men. According to the same study, the proportion of unpaid family workers in rural areas was 27.8%, compared to only 6.1% in urban areas. Data suggest that individuals engaged in the agriculture sector are mainly categorized as unpaid family workers, i.e. they do not have employment contracts but are engaged in the sector—of all unpaid family workers, 72.2% were employed in Agriculture, Forestry and Fishing sector. It is also important to highlight that unpaid workers, i.e. those in agriculture are usually low skilled, since about 66% were unpaid family workers, and the data showed likelihood to be working in unpaid family labour to be decreasing with higher levels of education.

¹²ASK, 2015. Regjistrimi i Bujqësisë 2014 – Rezultatet përfundimtare: <http://ask.rks-govnet/media/1374/rezultatet-perfundimtare.pdf>

Table 2: Contribution of Agriculture to GDP (in %) and employment (in 000)

	2012	2013	2014	2015	2016	2017	2018	2019
A Agriculture, forestry and fishing	12.2	12.0	11.9	10.3	10.5	9.1	7.2	8.1

Employment in agriculture, in 000

	2012		2013		2014		2015		2016		2017		2018		2019	
	B	G	B	G	B	G	B	G	B	G	B	G	B	G	B	G
Agriculture, forestry and fishing	10.5	3.4	14.4	5.9	7.5	1.1	6.0	0.7	12.5	1.7	13.4	2.5	11.6	0.7	16.8	2.4

Source: KAS, LFS 2012-2020

Women are also under-represented also as owners of agriculture enterprises. Data outlined in Table 12 show that share of agriculture enterprises owned by women has increased over time. In 2014, only 7.3% of enterprises in the agriculture sector are women, which increased to 19.8% in 2018.

Table 3: Enterprise ownership in agriculture sector

	2014	2015	2016	2017
Women	7.3%	11.1%	15.6%	19.8%
Men	92.7%	88.9%	88.4%	80.2%

Source: Women and men in Kosovo, 2016-2017

As of 9 December, in total there were 72,449 farmers with Farm Identification Number (FIB, NIF in Albanian), out of which only 3,890 were women, accounting for only 5.4% of the total number (Table 3).

Table 4: Number of Farm Identification Number, by gender

	Women	Men	Total
Farm Identification Number	3,890	68,559	72,449
Share of farm identification number	5.4%	94.6%	100%

Given this underrepresentation of women as formalized farmers and the small number of owned businesses in the sector, majority of agriculture grants and subsidies have been benefited by men. According to data provided by the representative from the MAFRD, in 2019, out of 43,522 subsidy beneficiaries only 4% were women accounting for only 4% of the total subsidies (Table 4). To redress the gender imbalance, the MAFRD applies an affirmative measure, provides women applicants with two additional points, no such provisions exist for subsidies.

Table 5: Subsidy beneficiaries, by gender in 2019

	Women	Men	Total	Share of women
Number of beneficiaries	1,573	41,949	43,522	4%
Total subsidies	1,192,939	26,961,450	28,154,389	4%

Source: MAFRD, December 2020

Agriculture has been a sector supported by the government, to remedy negative impacts from the COVID-19 crisis. Within the 87 million Eur allocated from the Economic Recovery Program, the government has allocated 12 million Eur for agriculture, by doubling subsidies to agriculture. However, the government has doubled subsidies but has not revised criteria, in order to support unpaid family workers—most of which are women. As a result the main direct beneficiaries will be men. An interviewed women owner of a collection center for medicinal aromatic plants that also represents other 20 women cultivators, stated that none of them have benefited from the MAFRD subsidies. Lack of access to land was stated to be the main reason for women farmers not meeting the criteria for subsidies.

4.3 Single parents/mothers

For Kosovo, there is no data about the number of single parents. Looking at the data shown in Table 5, since 2010, there were in total 11,797 divorces, out of which 31% were divorces from couples with children. It is important to note that these numbers are likely to be underestimated since there are ongoing cases in court procedures and also divorced of legally married couples. Most commonly, divorced couples had 1 or two children.

Table 6: Divorces and whether children and how many children

	Total	No children	One	Two	Three	Four	Five and above	Divorces with children
2010	1,453	1,066	119	117	93	40	18	27%
2011	1,469	1,110	231	80	41	5	2	24%
2012	1,328	929	126	142	88	31	12	30%
2013	1,040	646	117	146	82	33	16	38%
2014	1,243	814	113	156	102	46	12	35%
2015	1,268	783	148	180	119	24	14	38%
2016	1,110	730	122	139	78	30	11	34%
2017	1,072	739	86	120	98	22	7	31%
2018	999	740	94	94	48	18	5	26%
2019	815	607	76	78	41	10	3	26%

Source: KAS, Divorce Statistics 2012–2020

Based on data from the Kosovo Agency of Statistics, in about two thirds of divorces with children, children are kept by the mother. This suggests that in Kosovo children usually remain with the mother.

Table 7: Children kept with, after divorces

	Total	No children kept	Husband	Wife	Spouses	Other	Kept by wife only
2010	1,453	1,097	125	219	10	2	62%
2011	1,469	1,055	163	229	19	3	55%
2012	1,328	929	119	256	18	6	64%
2013	1,040	671	124	212	26	7	57%
2014	1,243	814	162	247	18	2	58%
2015	1,268	783	147	304	28	6	63%
2016	1,110	725	140	219	19	7	57%
2017	1,072	739	106	208	17	2	62%
2018	999	740	80	150	26	3	58%
2019	815	607	48	144	15	1	69%

Source: KAS, extracted on 9 December 2020: askdata¹³

¹³http://askdata.rks-govnet/PXËeb/pXëeb/sq/askdata/askdata__09%20Population__Divorces/?rxid=91b9b3b8-43b9-451b-a30a-a23d65d23eb5

Single mothers in Kosovo represent a category that has been left behind in Kosovo. However, there has been lack of attention from the Government but also civil society. In addition, their needs and concerns have been rarely studied. According to a qualitative study conducted by Single Parent Association in 2019, single mothers in Kosovo face multiple challenges in relation to accommodation, employment, economic conditions and childcare. Given that only a small share of women in Kosovo own a property (only 12% in 2017–KAS, 2018 Women and Men), most of the single mothers either live with their parents or live in a rented apartments. Lacking financial resources, single mothers face difficulties in meeting basic needs for themselves and their children.

To understand the impact of pandemic crisis, focus groups discussion was held with 9 single mothers. Their age ranged from 21 to 47 years old. Two of single mothers had one child and the rest had 2, 3 and 4. During the focus group discussions organised for this report, lack of shelter was mentioned as the main barrier. More than half of participants were living in a rented premise, paying on average 150–200 Eur. One was living in a house with several other girls, who were not willing to accept the mother to get her son, with explanation that his presence will increase utility costs for all. None of the mothers have been provided with social shelter from municipalities. One of them has applied to municipality for social shelter, but she has not received any response. Single mothers in need for a shelter, stated that it is very hard to get a social shelter, since the applicant needs to be living in extreme conditions and large families are usually prioritised. Most of single mothers indicated that they either do not receive alimony arrears at all or they receive it with delays. This is quite a barrier for them, since needs of children do not wait. Collecting alimony through court procedures takes time and not all mothers can bear the costs of pursuing a court case.

Only two out of nine single mothers were not currently working. Given their burden for their children, mothers did not select jobs, they were just happy to have income. Most of them were working on informal basis, although they would prefer to have a formal and more stable job. During quarantine period, only 3 out of 9 single mothers were working, which worsened their financial situation. The closure of schools and day cares forced single mothers to stay at home and focus more on unpaid care. For unemployed single mothers, family support was the only financial source. Covering basic needs, including health costs during pandemic was a challenge for them. In addition, those that had children in school had difficulties to provide smart IT for the online teaching.

Government and non-government support to single parents

Kosovo government has not supported specifically single mothers. However, if they were social assistance beneficiaries, they have benefited from the advance payment for 3 months as part of the Emergency Package and double social assistance payment for months October, November and December 2020. Agency for Gender Equality, within its measure supporting kindergartens, considered eligible proposal by kindergartens to subsidy fees for single mother children.

Taking into account that single mothers have multiple burdens and are the sole caregivers for their children, it would have been appropriate to design specific supporting measure for them. For example, North Macedonia provided payment cards for single parents (amounted at 100 Eur). Coverage of shelter rents would be highly needed, but some of them indicated that the owners are not willing to have formal renting contracts and hence paid by cash, which would make it difficult for women to evidence the rent payment. Therefore, during discussions with mothers, provision of unconditional basic income support would have been an adequate instrument of support.

Riinvest Institute had few applications from single mothers. Only six benefited but their social assistance was terminated. This is because of the rule that once social assistance beneficiaries' account is credited from other sources, the government terminates the social assistance. Given that social assistance is insufficient (one single mother with one child receives 87 Eur for a month), in future interventions, the restriction of no income to be received could be paused for a limited time.

National governments, chiefly in the affluent economies of the Global North, immediately announced economic measures that took the form of emergency relief packages, with clearly articulated financial allocations, time-lines and specific target groups. Analysis of the packages demonstrate that the relief packages has recognized from the onset the need to balance the interests of private sector and simultaneously, provide assistance to the disadvantageous social groups. Alongside the injection of funds to sustain the production and to ease the supply chain obstructions and difficulty in recovering production, national governments have introduced as part of their COVID relief packages, emergency income replacement, paid leave (often for both the sick and those with care responsibilities), and mortgage or other loan relief.

The International Trade Union Confederation ([ITUC](#)) conducted an analysis of the emergency relief packages of 69 countries, "Putting people first: 12 governments show the world how to protect lives, jobs and incomes", and among other findings concluded that some of the interventions have recognized the realities of today's employment structure – although in limited measures – by introducing income support for employment categories of freelancers, self-employed and gig workers. Further, only 50% of the 69 countries under analysis had free health care and 29% of those countries have spent the money on business bail out versus 21% of them that chose to spend the funds covering sick leave of all workers.

The ITUC analysis was measured against five core policies essential for working people, namely: paid sick leave, wage support, income support, mortgage, rent or loan relief and free health care. Only twelve countries out of 69 under analysis provided support for four core policies and only six out of them for five core policy areas of the analysis. These six countries are: Argentina, Canada, New Zealand, Norway, Singapore and United Kingdom (Table 8).

As already noted above, some national governments have already recognized the today's employment structure, but this is insufficient and a meagre support if juxtaposed against the employment trends. Fully 61% of the world's workers work in the informal economy (or a total of 2 billion workers from age 15 and above); in developing countries, that number totals 90% overall and 79% in urban areas (ILO, 2018).

Informality is highest in countries with the lowest levels of income¹⁴. Informality is 90 per cent of employment in developing (low-income) countries, 67 per cent in

¹⁴Following the World Bank definition for 2018 fiscal year, countries are grouped into developing (low-income), emerging (lower-middle and upper-middle income) and developed (high-income).

emerging (upper-middle and lower-middle) countries and 18 per cent in developed (high income) countries (Bonnet et al., 2020).

**Table 8: Putting people first¹⁵:
overview of measures utilised by countries**

	Paid sick leave	Wage support	Income support*	Mortgage, rent or loan relief	Free health care
Argentina	✓	✓	✓	✓	✓
Austria	✓	✓	✓	✗	✓
Canada	✓	✓	✓	✓	✓
Denmark	✓	✓	✓	✗	✓
France	✓	✓	✓	✗	✓
Germany	✓	✓	✓	✗	✓
Ireland	✓	✓	✓	✗	✓
New Zealand	✓	✓	✓	✓	✓
Norway	✓	✓	✓	✓	✓
Singapore	✓	✓	✓	✓	✓
Sweden	✓	✓	✓	✗	✓
UK	✓	✓	✓	✓	✓

Source: The International Trade Union Confederation, 2020. * e.g., freelancers, self-employed, gig economy workers

¹⁵https://www.ituc-csi.org/IMG/pdf/20200327_ituc_covid-19_countryresponses.pdf

Informal employment is 73 per cent of non-agricultural employment in developing countries, 59 per cent in emerging countries and 17 per cent in developed countries (Bonnet et al., 2020). Gender-wise, ILO's statistics reveal the following:

- a) informal employment is a greater source of employment for men than for women at the world level (63 vs. 58 per cent), in developed countries (19 vs. 18 per cent) and in emerging countries (69 vs. 64 per cent), however in developing countries, the percentage of women workers who are
- b) informally employed (92 per cent) is substantially higher than the percentage of men workers (87 per cent) and in a majority of countries (56 per cent), the percentage of women workers in informal employment exceeds the percentage of men workers, meantime
- c) self-employment represents 64 per cent of informal employment at the world level, 79 per cent in developing countries, 63 per cent in emerging countries and 49 per cent in developed countries (Bonnet et al., 2020).

In the agricultural sector, 80 per cent of rural employment compared to 44 per cent of urban employment is informal, where 98 per cent of informal workers are to be found in the developing countries, 93 per cent in emerging and 59 per cent in developed countries (Bonnet et al., 2020). Globally, 42 per cent of women are informally employed in the agricultural sector, vs. 36 per cent of men informally employed in the same sector. In the developing world, the informal employment in the agricultural sector among women reaches 68 per cent of the workforce vs. 69 per cent of men (Bonnet et al., 2020).

It should be noted that low female labour force participation rates and higher shares of informal employment for men relative to women in emerging countries with large populations such as Russia and China, limit the effect of high female informal employment rates in the global and regional estimates (Bonnet et al., 2020).

Further examination of national government policy measures to combat COVID-19 effects, reveals that from the time that the pandemic was officially declared, national governments are expanding and adapting social assistance measures in an attempt to provide at least a basic level of food and income security to the many households who rely on earnings from informal work. Starting from the second quarter of the 2020, World Bank estimated that 133 countries had planned, introduced or adapted 564 social protection measures in response to COVID-19, 60 per cent of which belong to the social assistance category. The total number of beneficiaries from these new social assistance measures were about 622 million individuals (for public

work programs) and households (for cash transfers) (Gentilin et al, 2020). Overall, cash transfers include 222 COVID-related measures representing one-third (32.4 per cent) of total COVID-related social protection programs. Cash transfers include a mix of both new and pre-existing programs of various duration and generosity. About half (47 per cent) of cash transfers are new programs in 78 countries (reaching 512.6 million people), while one-fifth (22 per cent) of measures are one-off payments. The average duration of cash transfers is 2.9 months¹⁶.

In addition to the above measures, support to informal and self-employed workers is being currently delivered in many forms. To sum them up, the national governments have used the following supportive programs to assist the informal workers:

- ▶ Existing unemployment insurance or social safety net programs (i.e. Northern Macedonia, Lesotho, Kazakhstan, Vietnam, etc..)
- ▶ New direct cash or in-kind transfers or grants (i.e. Thailand, Egypt, Guatemala, El Salvador, Brazil, Ecuador, Indonesia, etc..)
- ▶ Public works programs (i.e. Nepal, Kenya, Philippines, South Africa, U.S.A., UK)
- ▶ Support to micro, small and medium-sized enterprises (including informal businesses), (USA, Canada, Burkina Faso, Gabon, Malaysia, etc.) (Nygaard and Dreyer, 2020).

Despite the efforts of national governments, a large number of emergency measures remain short-term. Further, when governments designed packages with informal workers in mind, it seems to not have occurred to them that the promised aid could be inadequate, or problems with identifying and registering informal workers could impede the aid distribution. Also, as the national governments aiming to slow the virus have put into place public health measures, ranging from border closures to full lockdown, many of these measures have forced informal workers and self-employed workers to give up their livelihoods, alter their ways of working and reducing incomes or simply making it impossible for informal workers to earn their livelihoods. This threatens the very survival of these workers and their families who are already living on a precarious situation. It is significantly important to consider that COVID-19 crisis and the undertaken health measures manifest and have different impact on different groups within the informal economy, according to the set of economic relationships in which they are embedded, where their work takes place, and their gender.

¹⁶Ibid

As earlier mentioned in this chapter, women outnumber men in the informal economy in most countries. The COVID-19 pandemic has vastly impacted and threatened their lives and livelihoods across the globe, with emerging evidence suggesting that women informal workers have been hardest hit. Informal workers, especially women, were already in a vulnerable and precarious situation before the COVID-19 pandemic. In addition to broad policy measures to tackle COVID-19 crisis, national governments have started to pay attention to policy measures that address women's needs and gender-based needs. Tracking national governments' responsive new policies is not an easy task, as many of these new policies continue to be introduced and those already introduced at the early months of the COVID-19 pandemic are being transformed and changed to reflect the realities on the ground.

One of the most relevant tracking system has been developed by the UNDP and UNWOMEN known as "COVID-19 Global Gender Response Tracker"¹⁷. The Tracker system, which monitors policy measures enacted by governments worldwide to tackle the COVID-19 crisis, and highlights responses that have integrated a gender lens (UNDP, 2020), captures policy measures that fall under four categories: social protection; labour markets; violence against women; and fiscal and economic policies. The Tracker system further defines the four categories of the identified policies as either gender sensitive or not. The policy measures that fall under the four above-mentioned categories are assessed to be gender sensitive when:

- a) those that fall under violence against women aim at prevention and response to address needs, provide services, increase awareness and ensure data collection; and
- b) those that fall under social protection and labour market measures are defined as gender-sensitive if they target women's economic security or address unpaid care. Fiscal and economic measures are defined as gender-sensitive if they provide support to female-dominated sectors of the economy (UNDP and UN Women, 2020).

As of September 28, 2020 there have been taken 2,517 measures world-wide to address the COVID-19 pandemic crisis, of which 992 of them are considered gender-sensitive or 39.4 per cent of all measures (UNPD, 2020). Globally, only 11.2 per cent of them address unpaid care, 17.8 per cent of the policy measures address women economic security, while 70.9 per cent of them address violence against women. Further, 9.9 per cent of all fiscal and economic measures cover target female dominated sectors, while of all social protection and labour market measures only 9.7 per cent target or prioritize women.

¹⁷Note. The Tracker system gets updated regularly although the coordination bodies in charge for the Tracker system acknowledge that the system is a living database with countries and measures being regularly added and updated. Some policies may be over or underreported, some countries may have had pre-existing gender-sensitive measures which have been adapted to the pandemic crisis and have exerted more profound mitigating effects. Caution on the interpretation of the data is advised to avoid bias and misinterpretation of the measures and generated information through the Tracker system.

The overall data reading from all the world regions demonstrates the following:

- ✓ most preferred form of assistance for social protection remains mostly cash transfers that either prioritizes women as the main recipients or provide benefits to all citizens or members of an age group;
- ✓ food assistance and in-kind support (health and hygienic kits) have been part of social protection policy measures but applied mostly as short terms;
- ✓ vocational training, long-term loans and free loans (WIEGO, 2020), grants and public works are included in the labour market policy and fiscal policy measures (UNDP, 2020);
- ✓ unpaid care includes care services such as child care and long-term care for senior citizens and persons with disabilities (UNDP, 2020);
- ✓ countries that have had pre-existing gender equality policies and gender mainstreamed public policies have had a significant advantage that has allowed them to serve a wider population and expand resources and services' access for women;
- ✓ national governments with strong feminist agenda and equal gender representation in decision-making structures have put in place policy measure packages that are both qualitatively inclusive, diverse and have numerous well-coordinated measures that target women from all walks of life (UNDP, 2020); and
- ✓ community mobilizing and solidarity actions, combined with the rethinking of the current business models, pursuing new market opportunities and facilitating business survival through information management, technology use and business-to-business approach, diversifying the nature of agricultural and livestock goods to respond to market demands, supply shortage and affordability and encourage rural workers to grow food crops in the next season, rather than cash crops (UN Women, 2020).

Despite the policy measures undertaken from the national governments, the end of COVID-19 is not near enough, while addressing the needs of the most vulnerable segments of the population is growing acutely. Unemployment, poverty, food insecurity and malnutrition are on the rise. Movement restrictions, on and off periods of lockdowns, paltry financial savings, poor health care access, inadequate household infrastructure and poor hygiene, increasing domestic and unpaid care work, unsupportive gender norms and values are all factors contributing to worsening the dire situation of the informal and rural workers, especially women. Immediate policy responses that carry long-term effects should continue to be undertaken and should not be separated from health and economic strategies and must follow a multi-track strategy that aim at regenerating the economy and combating COVID-19 pandemic impact through an inclusive model that invigorates a new social contract with those who have been vulnerable, invisible and disadvantageous for a long time such as informal and rural workers, women and men and by having being attentive and responsive to the disproportionate dimension of the COVID-19 crisis on female informal and rural workers.

As documented in this report, Kosovo has been quite fast in designing support measures to affected individuals and businesses. It is important to note that Kosovo government did design special measures targeting women implemented by Agency for Gender Equality (Eur1 million Eur in November 2020); Eur 470,000 for women owned businesses implemented by KIESA and specific windows within the Credit Guarantee Fund which aims to support access to finance. However, based on overview of government response measures within the Emergency Fiscal Package, Economic Recovery Program and Law on Economic Recovery, focusing on women, three groups have remained unsupported by the government, i.e. the informally employed women (mainly engaged by households); single mothers and informal women farmers.

Although government implemented a measure to incentivise formalisation of informal workers and supported those that lost the job as a result of pandemic crisis, there were no measures designed to support informally employed women, working for households. Although there are no official statistics, given lack of childcare facilities, most of families with working mothers and small children employ a baby sitter. In addition, there are numerous women who work as self-employed without employees who were influenced by the COVID-19 crisis.

Single mothers represent a vulnerable group that face multiple challenges. Divorce statistics reported by the Kosovo Agency of Statistics show that in about two-thirds of divorces with children, children are kept by mothers. It is known that a very small share of women in Kosovo own a property, which implies that most of the single mothers are faced with sheltering challenge. Evidence collected for this study reveal that covering renting costs is a great challenge for single mothers. Affording kindergarten costs is also a barrier for employment of single mothers, who, given the low wages in Kosovo, cannot afford to hire e babysitter. Pandemic crisis was a tough period for single mothers, left without income and increased demand for health expenses and also in need to equip children with appliances for online learning. Therefore, in future interventions, single mother should be among priority groups to support.

Informal women farmers has been identified as another group left without support. Data suggest that women account for more than half of agriculture workforce. Survey data show that a larger share of women belong to the category of unpaid family work, which are predominantly in agriculture sector. Although they seems to be heavily engaged in the sector, only 4% of formalised farmers are women. As a result only 4% of the subsidies are received by women. Within the Economic

Recovery Program, the government has doubled subsidies to farmers, but given that the same eligibility criteria were applied, only 4% of beneficiaries will be women. This imbalance has been evidenced before and no steps have been taken. Therefore it is the time for the government to revise its policies, in order to support those women who are invisible but do the job.

Recommendations

The COVID-19 crisis has created an extreme shock globally, with different implications for men and women. The COVID-19 crisis is an unprecedented one in the modern and interconnected world. Immediate policy measures that have been put in place within a short time have been beneficial at a certain degree, however, one thing must be clear that the policy measures put in place ought to be monitored daily and adequately, and adjustments must be made without hesitation to ensure the maximisation of the benefits of the measures put in place. The responses cannot and should not separate health and economic impact and must follow a multi-track that combines multiple actions and avoid piece meal policy approach. The most vulnerable and disadvantageous ones ought to be put into the central of attention. All policies and actions taken shall be taken by keeping in mind a few major principles:

- ▶ reduction of the exposure to the virus and risk of contagion,
- ▶ broad and whole access to health care for those infected,
- ▶ providing income and food support to individuals and their families from rural, informal and single parents' households, to compensate the loss of, or reduction in economic activity,
- ▶ preventing and mitigating the damage to the socio-economic fabric and preserving and restoring employment,
- ▶ maximize use of technology and support innovative initiatives, and
- ▶ design, review and implement COVID policy measures as right-based policy fashion.

Concurrently with the efforts to ensure economic stabilisation and adequate support for men and women, government entities should run and incorporate a gender lens in the design and implementation of recovery policy responses. Ensuring that all policy and structural adjustments to support sustainable recovery go through robust gender and intersectional analysis through comprehensive engagement of gender mechanisms in Kosovo led by the Agency for Gender Equality. Ensure that all public institutions collect gender disaggregated data periodically and report them in timely fashion. Kosovo public institutions should observe closely the application of gender mainstreaming as required by the Law on Gender Equality and Regulations for the Functioning of the Government and make full use of existing instruments on gender mainstreaming that currently exist in the policy design system of the Kosovo Government.

Specific recommendations for informal workers, informal women farmers and single mothers are enlisted below.

COVID-19 pandemic has highlighted the need for immediate responsive actions to protect the informal workers through immediate relief measures and long-term economic and social policies. Identification of informal workers engaged in informal economy has been challenging for many countries, an inclusive strategy that targets broad categories of low-income workers can avoid creating incentives for workers to stay or become informal and can provide the basis for facilitating their transition to the formal economy (ILO 2020). In addition, since the profile of the informal workers is too broad and each of the informal workers' categories require tailored and targeted policy responses, the recommendations are extended as wide-ranging to allow for further and realistic modifications:

- ✓ Provide both cash transfer as a short-term solution and broad base coverage as basic income sufficient enough to not fall under poverty and at minimum level that encourages actions on the side of informal workers for improving their economic status;
- ✓ Engage informal workers in public works in their communities especially in setting up water and sewage systems, street and green/farm market cleaning; and
- ✓ Avoid penalisation for informal workers and save it for medium and large business by enforcing and increasing labour inspection policies and labour sites visitations.

With regards to supporting informal women farmers, feasible interventions in Kosovo include:

- ✓ Support small farmers accessing fertilizers, seeds and fuels in order to ensure continuous farming;
- ✓ Support informal farmers with subsidies and grants that increase their productivity and quality of products. Agency for Gender Equality does have an experience in subsidising physical persons, which could be used as a guide in designing the subsidy for this group. Ministry of Agriculture, Forestry and Rural Development should identify best practices to support informal women farmers and perhaps should also set quotas for women in agriculture. Good practices from donors should also utilised; and
- ✓ Advisory services and trainings should be provided alongside other policies to maximize the production.

With regards to **single-parent/mother households** the following measures are proposed and validated by single mothers present in the focus group for this study:

- ✓ Support access to the available social housing and rent assistance to improve single mothers' ability to maintain a family home and reduce the likeliness of poverty;
- ✓ Provide support for low income single mothers to further their education and training and facilitate job-seeking and job placement process;
- ✓ Introduce a permanent basic income scheme for single mothers who are unemployed, with children under five-year-old;
- ✓ Whenever public kindergartens are not available, subsidies pre-school education of children under six-year-old living with single mothers to facilitate single mothers' access to labour market and gainful employment or pursue of education for better job opportunities; and
- ✓ Apply an unconditional cash transfer would be the most feasible approach to support single mothers. The income would serve single mothers to cover rental expenses, food, health costs and any other costs for their children. Given that some mothers would be in a court process for their divorce, the support might leave some cases unsupported. However, when designing

required documentation, the institution implementing the measure should identify documents that would prove that a case is in the court process.

References

- EBRD, 2020, Responding to the Coronavirus Crisis: Update on Kosovo.
<https://www.ebrd.com/what-we-do/coronavirus/coronavirus-policy-response>
- Gentilini, U, Almenfi, M, Orton, I, and Dale, P., 2020. Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures. World Bank, Washington, DC. World Bank. <https://openknowledge.worldbank.org/handle/10986/33635>
- ILO, 2018, Women and men in the informal economy: A statistical picture (Third edition).
https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_626831.pdf
- ILO, 2020, Extending social protection to joformal workers in the COVID-19 crisis: country responses and policy considerations
<https://www.social-protection.org/qimi/RessourcePDFaction?id=56833>
- KAS, 2018, Women and Men in Kosovo 2016/17:
<https://ask.rks-gov.net/media/4582/women-and-man-2016-2017.pdf>
- Ministry of Finance, 2020, Economic Recovery Program.
https://mf.rks-gov.net/desk/inc/media/FEC082F0-53E1-46B9-BC9B-5F23C29920CE.pdf?fbclid=IwAR2c6uVrwnmK8WtMFkNO-eNLCi4Heol25BQoP_Ydmq-wc131NTAfh2XVv6Q
- Ministry of Finance, 2020, Economic Recovery Program.
https://mf.rks-gov.net/desk/inc/media/FEC082F0-53E1-46B9-BC9B-5F23C29920CE.pdf?fbclid=IwAR2c6uVrwnmK8WtMFkNO-eNLCi4Heol25BQoP_Ydmq-wc131NTAfh2XVv6Q

Nygaard, K. and Dreyer, M., May 2020, Countries Provide Support to Workers in the Informal Economy.
<https://som.yale.edu/blog/countries-provide-support-to-workers-in-the-informal-economy>

OECD, 2020, The COVID-19 Crisis in Kosovo

WIEGO–Women in Informal Employment: Globalizing and Organising, 2020, Innovation and unity: How home-based workers are adapting to the COVID-19 world
<https://www.wiego.org/blog/innovation-and-unity-how-home-based-workers-are-adapting-covid-19-world>

Riinvest, 2017, Women in the Labor Market: Analysis of Working Conditions for Women in Kosovo.
https://www.riinvestinstitute.org/uploads/files/2017/November/10/Grate_ne_tregun_e_punes1510308263.pdf.

The World Bank and wiiw (2019). Western Balkans Labor Market Trends 2019.
<http://documents1.worldbank.org/curated/en/351461552915471917/pdf/135370-Western-Balkans-Labor-Market-Trends-2019.pdf>

The World Bank, 2020, Fighting COVID-19. Europe and Central Asia Economic Update.
<https://openknowledge.worldbank.org/handle/10986/33476>.

The World Bank, 2020a. An Uncertain Recovery. Western Balkans Regular Economic Report No.18.
<https://www.worldbank.org/en/region/eca/publication/western-balkans-regular-economic-report>.

UN Women, 2020, Rural women lead solutions and solidarity in the wake of COVID-19 (shq. Gratë e zonave rurale udhëheqin zgjidhje dhe solidaritet pas COVID-19):
<https://www.unwomen.org/en/news/stories/2020/10/compilation-rural-women-lead-in-the-wake-of-covid-19>.

UN Women, 2020, Rural women lead solutions and solidarity in the wake of COVID-19:
https://data.undp.org/wp-content/uploads/2020/09/COVID-19_Global_Gender_Response_Tracker_Methodological_Note_20092020.pdf

UNDP and UN Women, 2020, COVID-19 Global Gender Response Tracker:

https://data.undp.org/wp-content/uploads/2020/09/COVID-19_Global_Gender_Response_Tracker_Methodological_Note_20092020.pdf

Bonnet, F. et al (January 2019). Women and Men in the Informal Economy: A Statistical Brief www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_711798.pdf

UNDP, 2020, [COVID-19 Global Gender Response Tracker Fact Sheets | UNDP:](https://www.undp.org/content/undp/en/home/librarypage/womens-empowerment/COVID-19-Global-Gender-Response-Tracker.html)

<https://www.undp.org/content/undp/en/home/librarypage/womens-empowerment/COVID-19-Global-Gender-Response-Tracker.html>

WIEGO-Women in Informal Employment: Globalizing and Organising, 2020. Innovation and unity:

How home-based workers are adapting to the COVID-19 world:

<https://www.wiego.org/blog/innovation-and-unity-how-home-based-workers-are-adapting-covid-19-world>

World Health Organisation, 2020, Coronavirus Disease (COVID-19) Dashboard | WHO Coronavirus Disease (COVID-19) Dashboard:

https://covid19.who.int/?gclid=Cj0KCQiAw_H-BRD-ARIsALQE_2N1-vwhsf3T4RPilmzNJPo_vPcAMu8pDjG1snl7wQmyTxxhjiJeiJoaAr7-EALw_wcB



Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada - Government

ZYRA E Kryeministrit / OFFICE OF THE PRIME MINISTER / URED PREMIJERA
AGJENCIA PËR BARAZIM GJINORË / AGENCIA ZA RAVNOPRAVNOST POLOVA
AGENCY OF GENDER EQUALITY



Inclusiveness of the government response to the COVID-19 crisis: Who was left behind?

Authors:
Ardiana Gashi and Petrit Gashi

Disclaimer: The views expressed in this publication are not necessarily those of the Friedrich Ebert Foundation or of the Agency for Gender Equality.

Prishtina, 2021



Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada - Government

ZYRA E KRYEMINISTRIT / OFFICE OF THE PRIME MINISTER / URED PREMIJERA
AGJENCIA PER BARAZI GJINORE / AGENCIJA ZA RAVNOPRAVNOST POLOVA
AGENCY OF GENDER EQUALITY



Inclusiveness of the government response to the COVID-19 crisis: **Who was left behind?**

Prishtina, 2021