



Labor Market along Covid-19 and the New Needs for the Regulation of Distance Working Relationships

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Abstract

The pandemic that invaded the globe during early 2020 had a major impact on every aspect of each of our lives. The challenges that society faced in the beginning of this situation were mainly related to the uncertainty of the normal continuation of everyone's daily activity. There was a need to adapt to the new conditions we were facing. Despite the initial difficulties and panic, it was necessary to immediately adapt to this new reality, making it possible to create conditions for the continuation of work and all chains closely linked to the economy and the supply of customers with the necessary products and services. Consequently, the labor market was one of the markets which would face the greatest difficulties and which had to create new ways to ensure the continuity of existing labor relations and the creation of spaces for the development of new ones. Small developing countries were first confronted with new concepts of labor market development that were little known to most of the population. We realized that a series of certain job positions did not necessarily have to be developed in certain office settings and also that the market was naturally creating demand for new job roles. The purpose of this paper is to highlight the new developments of the labor market conditioned by certain socio-economic circumstances and also to understand the need that the new circumstances have to be regulated in a legal way to guarantee the basic remuneration rights for the service provided.

Keywords: pandemic, challenges, regulation, market, labor

1. Introduction

During these two years of the global Covid-19 pandemic, the world experienced one of the biggest labor and employment market-related crises. Putting the well-being of each individual first, at the onset of the pandemic, many service sectors that had exorbitant numbers of employees were forced to close their operations, leaving behind a high level of unemployment. The consequences of these events were great both economically and socially. The labor market was severely damaged and recovery seems to be slow, despite due to high social pressure but also taking into account the actions taken in the field of medicine through vaccination and medical care, life has returned to normalcy almost everywhere.

The economy of any country is closely linked to the level of employment it has. The circumstances that conditioned the percentage of the impact of the pandemic period on the economy were also related to the sectors in which the highest

level of employees was. Focusing more on examples such as our country which has a significant part of the labor market that depends on the services and tourism sector, the effects of the pandemic were felt even more and the level of employed persons at the beginning of the three-month period of first marked the peak of their number decline. This period in the labor market found employees divided into several categories: employees who continued the work process without interruption by relocating work activity within the premises of their homes, employees who due to the type of work did not create any separation but by observed security measures continued working in the same facilities; employees who reduced the number of daily working hours due to limited hours of movement; employees who were temporarily dismissed from their jobs; jobseekers who quit the job search and interviewees who suspended the recruitment process.

As we can see, by facing these new categories, which came as a consequence of the measures taken, the whole labor market changed its point of view. Under these new circumstances the requests and the offers of the job positions wasn't anymore the same and job seekers started to adapt quickly to these conditions. Small countries like ours started to be come more familiar with new concepts of working. For the biggest part of the populations, people were used with the traditional course of employment and it was new and difficult to adapt with what is called smartworking or work at home.

Referring to Eurostat data for the pandemic period regarding working hours, as mentioned before, we can note that the biggest decline was during the second quarter of 2020 and despite the recovery of the following year, it hasn't not yet reached the levels where it was before this period. This is not only because of the loss of many jobs, but also because what humanity has experienced in these two years has changed their way of life, making them look to new alternatives that give them the opportunity to explore other areas of employment, and better living conditions.



ec.europa.eu/eurostat 81

2. Situation of Labor Market in Albania

The pandemic found Albania still recovering from the last crisis of 2019 due to the earthquake. This event shook the labor market a bit, mainly in the cities most affected by it. In the new conditions, taking into account the sectors on which the economy of our country is based, the employers, due to the austerity measures and the economic consequences that came from them, were forced to cut jobs. For problems related to infrastructure but also to the type of work it became even more difficult to find alternative solutions for the development of normal work activity. According to the World Bank 71% of firms in Albania reported decreases in demand and as demand plunged, sales went down by 52% on average. This situation forced firms to reduce employment. According to statistics employers reduced about 11% of full-time

81 Source: Eurostat (lfsi_emp_q)

employees.⁸²

The employees who suffered the most from this period were those who were part-time or who were employed on fixed-term contracts that lost their jobs. Social packages launched by the government to protect employees for a period of three months came to the aid of businesses to partially avoid job cuts. Until this period for most of the labor market, home-based work was not widespread. It took such an event for the Albanian companies to adapt to this method of developing their activity, mainly in the sectors related to the provision of services and where the daily activity could very well be carried out in other facilities. But being a still new concept and in the absence of a preliminary infrastructure, unlike other European countries, for our employers developing the work in this way was not so simple. As a result, a small percentage of companies offered this opportunity in the conditions in which we were. Rising unemployment in the face of such a situation was inevitable.

If we compare the state of the labor market before these difficult times, we will realize that we were also dealing with a delicate situation. This market mainly depends on employment in the services and tourism sector, where according to statistics one in four employees belongs to this one. Companies suffer mainly for qualified employees and the market is facing a shortage of professionals. Young people mainly choose branches that are preferred by the masses but that do not adapt to market demands and this has resulted in a wide gap between supply and demand in different employment sectors.

The official unemployment rate for young people aged 15-29 is 20.6%. Compared to the fourth quarter of the year 2020, the youth unemployment rate, in the fourth quarter of 2021, has decreased by 1.1 percentage points. Compared to the third quarter of 2021, this indicator has increased by 0.7 percentage points. The unemployment rate for the 30-64 age group is 8.9%. In annual terms this indicator has decreased by 0.3 percentage points, while compared to the previous quarter it increased by 0.2 percentage points.⁸³

3. New Ways of Working

The many crises that societies have gone through have made them more vigilant against opening up to new opportunities that minimize risks and maximize benefits. In difficult times when human work becomes difficult, bigger ideas arise on how technology can be put at the service of people. Mainly today the labor market is open towards this sector which offers great employment opportunities and even greater benefits. The study market is closely related to the labor market. We must keep in mind that the path that a young person takes today is the product that will be worthwhile in the labor market in the next five years. Finally there is an effort to educate young people in choosing the right profession that suits the demands of the market. Technology is one of the most demanded new sectors. Its connection with every field of life makes it a main goal for those who are still looking for a professional qualification or a field of study.

New ways of working are not only related to a certain job position, above all it is a new concept of working that consists of several important factors. Work should no longer be considered as a fixed time slot where you are within a certain office or space, where you receive a fixed salary and where everything is placed within these boundaries. Work should no longer be seen as an obligation but as creating a product or service for which you are rewarded. With this in mind and to have more productive employees working outside of conservative barriers, several ways of developing work have been created such as:

- Telecommuting: The staff prefers remote working using modern technological tools;
- Flextime: Employees work a set number of hours but are free to choose the start and stop times;
- Freelancing: Self-employed people offer their services to companies and often work for multiple clients at the same time;
- Job sharing: Two or more people are employed on a part-time or reduced-time basis to complete a job normally done by one full-time employee.

The scope of these new ways of working lies in many sectors. Through technology and artificial intelligence it is possible to give the necessary support in every field. The pandemic made it possible for it to spread widely even in those small places or societies where such work mindsets were little known. For the labor market, this means saving thousands of jobs and moving the economy because unemployment directly affects consumption and brings chain effects to the entire circulation of goods and services in a country. In addition to the opportunity to have a job, these new variants of its development have had an impact on the social life of these employees. Studies have shown that employees, who have

⁸² "COVID-19 impact on Albania's private sector: taking stock, looking ahead", World Bank

⁸³ "Quarterly Labor Force Survey", INSTAT

the opportunity to choose the time, the place, how and how much they will work, turn out to be more productive. Restrictions on freedom of movement in the first months of the pandemic made it difficult to work only at home, but with the return to normalcy and freedom of movement in any other environment, it became difficult to return to offices. And yet, the new job variants are mostly coveted because of the endless possibilities they offer.

4. Policies and Protection

One of the fundamental rights of every individual is to be rewarded for his work. It is clear that any employment relationship to guarantee remuneration, in fulfillment of the obligations of both parties subject to this relationship, must be regulated by law. The aspects that we will focus on in this section are two: how jobs can be legally protected in times of major crises and how long-distance working relationships are regulated. Certainly in the first place, in a difficult period like that of Covid-19, the most important was to guarantee the health of individuals. After this, of great importance is the guarantee of the continuity of the employment relationship. Employees are protected by the employment contract and the general conditions it maintains, but is this valid in any period? Legal guarantees set out in the employment contract do not allow the employer to abuse this agreement depending on external factors. In case such a thing happens then the employers are obliged to obey the law and meet the conditions provided for the respective cases.

An important role, in cases of such crises, of course plays the government of a country. Through measures taken and social packages, governments can protect employees against special circumstances and can also help businesses continue their activity in the face of financial crises. Depending on the special circumstances that may arise, the executive branch may issue acts with the force of law to regulate certain issues and to protect the subjects, part of the conflict. Even the labor market has the obligation to issue new policies which include the categories in need of employment.

Initially, the laws that entered into force to regulate the employment relationship, had before them the concept of work developed in a traditionally developed way. Considering the new employment opportunities and mainly distance employment, there is a need to regulate these relations regardless of the location of the parties. In the domestic laws of European countries, including our country, work outside the office is included and the employer must guarantee the employee the necessary means for the development of work or in the absence of this to reward him in case the employee has provided them himself. So far so good. But what is the discussion on this topic? The onset of the pandemic found a significant portion of the European population working from home due to emergencies. It is clear that even in the light of this situation the future will offer a combined work between office and home. This has opened a series of discussions since the beginning of last year in the European Parliament regarding the provision of means of work, to include in them the remuneration related to other monthly bills of expenses that the employee has, such as electricity, gas or water, in addition to internet bill. During these discussions, the need to ensure the health status of employees has emerged and according to MEPs and not only there should be reinforcing clauses in the law that ensure the employee does not respond or work outside the scheduled working hours.⁸⁴ In this way the necessary distance between work and social life can be created to guarantee the physical and mental health of the employee. The need for such legal reinforcement came as a result of numerous observations of employees, where it was observed that teleworking made them work long hours and respond to work needs even outside their hours. This situation leads to a lack of socialization and reduces the quality of life despite the economic income of the individual. Therefore, in order not to leave room for abuse by claiming the education of the parties on such issues, there is a need for the space of provision in law of such an issue.

5. Materials and Methods

The methodology used for this paper is based on qualitative and quantitative research to understand the labor market approach to new professions and giving another form of development to the current ones. Also in focus is the analysis of data extracted from various research studies during this period to understand the impact that the pandemic period had on the development of long-term employment relationships and also important is the observation of the legal aspect that regulates these relationships between small countries like ours and the approach of the wider European market to new labor market concepts.

⁸⁴ European Parliament resolution of 21 January 2021 with recommendations to the Commission on the right to disconnect

6. Conclusions

Due to the health reasons that the world was facing, employers had to, mainly strengthened and by government orders based on the guidelines of the World Health Organization, first ensure the health of employees in each sector by creating suitable conditions and spaces for development of activity based on these regulations. Due to this situation, the labor market also faced the closure of many jobs, the reduction of hours in certain sectors and the development of smartworking in other positions which were more favored as they allowed the development of the activity, without affecting its progress. Coping with these types of circumstances made the eyes shifted further from the development of technology which can replace the work processes performed by humans to not again risk in similar situations in the future the lack of service delivery.

The pandemic situation did not only change the lifestyle during its most difficult period. It also left behind a new way of thinking and the way the individual can choose to act and live regardless of the circumstances from which he or she is conditioned. The labor market, like any other sector of the economy, suffered major shocks, leaving behind a significant number of unemployed. Recovery after such events is certainly not easy and requires time to develop in time and space. This period made the employees more aware of the importance of a regular employment contract and the choice they should make in the future in the face of the opportunities offered to them to guarantee legal protection against any situation that may arise for unforeseen reasons.

Major crises also bring new opportunities. The labor market could quickly adapt to the new conditions created to enable employees to work in new ways that allowed them to develop their normal activity in new spaces. It seems that the new job variants that are combined with technology are the future and the most popular options at the moment. Yet the market is always dynamic, leaving room for new developments and other opportunities ahead.

Most attention has recently been paid mainly to the development of a quality employee life. For this reason, in addition to meeting the other conditions already provided in the law for the protection of employees, there is a need to create new legal spaces that guarantee him distancing himself from work outside the scheduled time and guaranteeing social life without creating interference from employers. Setting this distance between work and social life creates a more appropriate environment to guarantee the physical and mental health of the employee.

One of the biggest consequences of the pandemic period was the huge increase in the number of unemployed worldwide. The most affected categories are those in the services sector or employees without a profile with a certain professional qualification. Such consequences subsequently influenced the orientation of the labor market towards the essential occupations of work and the education of jobseekers in their further qualification to adapt to market demands.

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