

## **WESTERN BALKANS LABOUR MARKET POLICIES RESPONSE TO COVID-19**

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### **MOTIVATION**

During the Covid-19 pandemic many governments have implemented large socio-economic packages, providing massive fiscal support to protect employment, households and vulnerable populations. The focus of this research is on the types and effects of employment-related measures of the governments of the Western Balkan (WB) countries. These countries were chosen because they are not in the system of EU assistance, so that the effects of the implemented measures can be assessed objectively.

### **RESEARCH QUESTION**

Employment-related measures of the governments in the region were: compensation of salaries to companies in order to preserve employment, financial assistance and facilitation of business to enterprises, with the condition of retaining all workers or without this condition, measures relating to certain categories of employees or sectors, etc. The research question is what effects these measures have produced individually or in combination on the number of employees in WB countries.

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## **METHODOLOGY**

Methodology of research includes *cost-benefits analysis* of particular employment-related measures applied by WB governments, as well as *statistic description* and *comparison* of employment and unemployment in WB countries during the pandemic.

The biggest obstacle to the effectiveness of all measures is the invisible informal segment of economy.

## **RESULTS**

The research found that, among the employment-related measures applied in WB countries, all types of assistance to companies had a positive effect, but the long-term effects would be only possible by making the assistance conditional on keeping the workers for a long period.

In all six countries it is necessary to revise the records of socially vulnerable categories of population.

## **CONTRIBUTION**

The research reveals which measures were successful and which were not, as well as reasons for particular effects, specific for every WB country. Thus, this research provides elements for establishing strategies and procedures for different crisis scenarios.

## **KEY WORDS**

Unemployment, employment-related measures, fiscal support, Covid-19

## **JEL CLASSIFICATION**

J08, J48

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