

ANALYSIS OF SEASONAL WORKERS ENGAGEMENT IN AGRICULTURE AND TOURISM IN ALBANIA



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DETAILED OVERVIEW OF CURRENT STATE OF PLAY AND PROPOSED POLICY OPTIONS FOR OPTIMIZATION



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This document has been prepared as part of the German Development Cooperation's 'Increasing Seasonal Employment Opportunities' project, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of German Federal Ministry for Economic Cooperation and Development (BMZ).

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This document has been prepared by Co-Plan, Institute for Habitat Development¹ in collaboration with NALED2 Executive Office's Expert Team, as part of the German Development Cooperation's 'Increasing Seasonal Employment Opportunities' project, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of German Federal Ministry for Economic Cooperation and Development (BMZ).

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Abbreviations

NALED	National Alliance for Local Economic Development
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
NAIS	National Agency of Society of Information
NRC	National Registration Center
NCL	National Center Licensing
GoA	Government of Albania
SME	Small and medium-sized enterprises
NIPT	Unique Identification Number for Businesses and Farmers
INST AT	National Institute of Statistics
ALL	Albanian LEK
GTD	General Tax Directorate
CWG	Country Working Group
ISI	Institute of Social Insurance
NAES	National Agency of Employment and Skills

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EXECUTIVE SUMMARY

The labor market in Albania is governed by the Labor Law, which does not recognize seasonal work as a specific form of labor engagement but views it as a part-time job.

Considering the immediate need to explore and give consideration in the employment system in Albania concerning the relatively high level of seasonal employment, a thorough analysis was undertaken during March – October 2020 by a joint and continuous effort between experts, advisors, and the relevant institutional representatives.

During this analysis, the working team analyzed and evaluated different aspects concerning the employment system and specifically seasonal/temporary employment in Albania, from provisions of the legal framework to seasonal workers in numbers, registrations, and taxation systems as well as a thorough evaluation of the possible reforms.

The analysis has shown that in both Agriculture and Tourism Sector in Albania, there is a relatively high number of seasonally/temporarily engaged workers, which highlights the crucial need to address their rights and obligation as a specific type of employment.

As such, the very first milestone to be set is that the policy on seasonal workers in Albania should clearly define the term 'seasonal worker' (with a clear distinction from part-time employers).

Yet the policy on seasonal worker will require future changes to several legislation/regulations related to labor policies in Albania (such as insurance and contribution, labor law, taxation, etc.) or

adoption of new legislation to regulate seasonal/temporary work, thus as such the whole process should be carefully coordinated among sectors.

Considering the need of reforming seasonal employment both horizontally and vertically for the agriculture and tourism sector separately, this document provides general recommendations to be implemented in both sectors and a range of "policy elements" for each part of the reform (registration system, taxation, needed restrictions). Starting from these policy elements a "puzzle" like structure can be made to identify Policy Options (explaining each element) most suitable for each of the analyzed sectors.

Based on analyzed data regarding the needs and characteristics of seasonal workers in both of the sectors, the project team designed recommended policy options for each sector to be considered and discussed with the Albanian Government to effectively and efficiently tackle the seasonal work reform in the country.

INTRODUCTION / PREFACE

Seasonal work is usually not registered and it largely contributes to the shadow economy. Seasonal workers are often not provided with adequate working conditions, and due to more difficult supervision and weak bargaining position, they are often forced to accept such conditions. Considering the seasonal nature of work, the employees are engaged on a casual or temporary basis, while a great number of employees are employed informally, on factual work, i.e. without a contract of employment or another form of work engagement as a legal basis under labor regulations.

A preliminary research study on seasonal workers in Albania was previously conducted by Co-PLAN (local experts) in the period September – October 2019, in the framework of the “Increasing Employment Opportunities for Seasonal Workers” project. This preliminary research of the existing framework for the engagement of workers on causal or temporary jobs of seasonal nature was conducted in six economies on the territory of Southeast Europe: Albania, Bosnia and Herzegovina (Federation Bosnia and Hercegovina and Republika Srpska, Montenegro, Kosovo, North Macedonia and Serbia).

The results of this preliminary research have shown that there is certainly potential for implementing the reform on increasing seasonal worker opportunities and streamlining of the hiring of seasonal workers in Albania modeled by the system in Serbia.

Yet the dimensions of the potential effects of introducing the system remain unknown due to the lack of precise data on the current number of seasonal workers. The estimation regarding the

seasonal workers is calculated only in the agriculture sector, taking into consideration only the collective and registered farms from the Agriculture Sector. Considering that most of the agriculture farms are not registered and operating as part of the shadow economy, the number of seasonal workers only in the agriculture sector can be doubled or tripled. On the other hand, almost the same number of seasonal workers could be estimated in the tourism sector as well.

The Government of Albania is fully committed and engaged in fighting the informality, in various aspects, including employment as such. While various actions are being taken with regards to employment, the introduction of an electronic portal for the registration of seasonal workers is possible in an Albanian system, especially given that Albania already has experience in electronic procedures, as well as the Government of Albania's commitment to digitize as many procedures as possible.

The in-depth analysis given below presents a clearer picture of the given situation, challenges, and opportunities related this specific labor type in Albania in the sectors of agriculture and tourism, and will be the very first step towards reforming opportunities and new policy options for the seasonal employment system in the country.

METHODOLOGY

The main goal of this study is to determine whether there is a need and potential to conduct reforms in the field of seasonal worker employment in Albania.

Thus, this comprehensive study will aim to reflect the multidimensional approach and complexity of issues related to formalizing undeclared seasonal work in the agriculture and tourism sectors in the country. The preparation of in-depth country analysis is mainly related to data gathering and revisions of the previous desk research on the legal framework for seasonal workers in Albania. Additionally, a comparative analysis was conducted comparing the Albanian system with Hungarian, Croatian, and Serbian systems to use examples of the best practices in the region.

As far as the methods of collecting data/number of seasonal workers are concerned, this research has methodologically followed the following structure and activities in terms of data collection:

Calculations made based on the general data on the number of registered employees both in Agriculture and Tourism sector from General Tax Authority in Albania

With the strong support and collaboration of the General Tax Authority of Albania, the researchers were able to have an overview of the most recent data on registered employees in Albania in two main sectors, the subject of this study. The provided database of registered employees from the GTD was comprised of relevant information on:

- **Total number of registered enterprises** (agriculture and tourism).
- **Main categories** of registered enterprises.
- **Total number of employees** in the relevant sector.
- **Number of working days** for the 2019 period/ for each declared month.

Based on the abovementioned elements, calculation of the estimation regarding temporary/seasonal types of jobs was made and presented in the following chapter below.

Calculation based on interviews with the private sector on the number of employees each of these private employers engage

During the April - May period 2020, several on-line and **phone interviews with a list of identified private employees/business activities** were conducted. The selection of the following business /private stakeholders was based on their experience in engaging seasonal workers during their work routines, and availability of responses (given the emergency of COVID-19 in Albania during the period).

The interview was organized in 2 main parts:

- a) the first being more of a quantitative nature, thus presenting the number of employees, specific job description, wage ranges, number of days engaged etc.;
- b) the second part was composed of 8 questions which try to illustrate the perception, challenges and main constraints of the private employer on seasonal engagement issues.

During this process, 21 on-line/phone interviews were conducted (11 with the agriculture sector businesses, and 10 with the tourism sector businesses). Due to sensitive data, specific information provided in this study is not directly linked with the company/employer's answer, thus the data-sheet is presented as an aggregated document. Yet a full list of the contacted business activities/employers is provided in Annex 1.

Calculation based on the conducted on-line survey targeting seasonal employees

On the other hand, due to the unusual circumstances during the COVID-19 Emergency in Albania, and the need for this study to take into consideration employee's views about seasonal employment, an on-line general survey was carried out during April – May 2020. The choice for an online survey was driven by the possibility of easily and quickly catching random employee's view on seasonal workers issues while presenting them with a structured, easy to understand, and a short questionnaire. The questionnaire included 15 questions in the form of multiple-choice (see annex).

The online survey was disseminated in various related social media accounts (Facebook and LinkedIn) in the Albanian language and was primarily posted in Co-PLAN and POLIS University accounts. The dissemination of the online survey was strongly supported by the National Agency for Employment and Skills, which posted the survey online in all its 30 Regional and Local Offices Facebook accounts. The questionnaire was designed aiming for answers and information on:

- **General information regarding potential seasonal workers** in Albania.
- **% of employees engaged** in various sectors explicitly seasonal in nature such as agriculture, construction, tourism, and housekeeping.
- **Information related to the approximate number of working days** of seasonally engaged employees
- **Employee's perception and general knowledge** on the existing legal framework regulating labor issues in

Albania, and specifically issues such as taxes and contribution, registration, and working hours allowed.

- **Information on paying methods** of seasonal workers and if contributions and taxes were explicitly paid.

All respondents' information through the on-line survey was to be submitted up to the cut-off date of May 15th. The provision of the respondent's e-mail address was optional. For clarification purposes, few participants were additionally contacted via e-mail

Calculations based on the existing data on the Agriculture Census, 2017

The General Census of Agriculture¹ is a statistical survey organized, and implemented based on scientific criteria and definitions, for the collection, processing, and publication of data on the structure of agricultural farms organized by the Institute of Statistics (INSTAT) in close cooperation with the Ministry of Agriculture and Rural Development.

Based on the published findings of this CENSUS², 2 main indicators were considered with a focus on seasonal workers:

- a. **Employed non-family members**
- b. **Working days** by non-family labor force

Assessment done based on this methodology is presented in Chapter 1.3 of this document.

COUNTRY ANALYSIS

| CURRENT SITUATION | CHALLENGES & OPPORTUNITIES

1.1 Legal Framework for seasonal work in Albania

The labor issues in Albania are governed by the Labor Law, which does not recognize seasonal work as a specific form of labor engagement but views it as a part-time job. Article 14 of this Law regulates part-time work as ‘... half-time, weekly or monthly work based on working hours’. Given that seasonal workers are randomly considered as part-time workers, there is no difference between full-time and part-time contracts in terms of administrative procedures, and in the way, taxes and contributions are calculated, except that the liability is proportionate to the amount of time spent at work.

Law no 9125, date 29/07/2003 ‘The Labor Code of Republic of Albania’, as amended

The article no. 14 recognizes the ‘Part Time Job’, stating that ‘...with a part-time job contract, the employee agrees to work on an hourly basis, half-day, weekly or monthly, usually in a time-frame shorter than that of a full-time job’. Thus, part-time employees have the same rights and obligations as full-time workers, but in proportion to the time spent working.

In addition to part-time contracts, although not provided under the Labor Law, the service contract is also randomly used, even though this type of contract is not adequate for seasonal employment. Namely, the service contract can be concluded for only one week (7 days) in one calendar year. Yet these kinds of procedures are mainly related to service providers (technicians, experts, engineers, etc.), and regulated ad-hoc by the employers.

There seems to be a gap in the legal framework regarding exemptions from this Code (*see article no. 5, item c*), which deals with all the types of family work which are done by the: spouse, children, and their spouses, co-living partners, offspring (including adopted ones), as long as they

live under a common economy.

This type of engagement of family members is a typical situation of working in the agriculture sector, where the whole family might be considered as employment in the agriculture sector (as long as they own agricultural land). Even though this kind of engagement of family members (i.e. helping household members) are not the focus of the reform proposal, it is important to emphasize that with the existing system it is impossible for a farmer, as a natural person, to register his family members or random seasonal workers working in their farms, while they are engaged in the field and thus they are often not entitled to employment rights.

There’s also one mention in this law, related to temporary employment, article 3/1 (Added by law no. 136/2015, dated 5.12.2015) which only gives general directives on Temporary employment of foreign employees in Albania; and applies in cases where a foreign enterprise sends the employees to Albania, for a period no longer than 12 months, on account of and under its direction, based on a contract concluded between the sending enterprise and the enterprise registered with the Albanian tax authorities.

Following these arguments, we can conclude that the Labor Law does not recognize seasonal work as a specific type of engagement, especially in agriculture where engagement can be daily and largely depends on weather conditions, and tourism, where increased needs for workers during the summer season, is noticeable.

Law Nr.7995, date 20.9.1995 ‘For Employment Promotion’

This law defines the rules and the way the public employment service system works, active and passive labor market programs, and the bodies responsible for their management. This law aims

to increase the employability of the workforce through the provision of public employment services, training services, and professional programs.

Active labor market programs include mechanisms aimed at maintaining employees in the labor market, support for unemployed job seekers to enter the job market, increase productivity and income from work, and improve the functioning of the labor market.

1. Active labor market programs include:

- a) employment services including a three-layer model of providing services: including service information for employees and employment (through the portal), mediation of employment, counseling and career orientation;
- b) employment promotion programs - include the employment of unemployed jobseekers in various employment programs, public works, self-employment, professional practices or training, for which subsidy is provided, in a certain percentage;
- c) vocational training programs - regional/local employment structures provide financial support, based on procedures of competition, vocational training courses, organized by training institutions professional, public or private. Unemployed job seekers benefit from free vocational training courses offered by the institution responsible for employment and skills.

Even though seasonal workers can somehow be involved in employment promotion programs such as public works, active labor market programs do not have specific programs aimed at seasonal workers in agriculture or tourism. As we can see further in the analysis these employees are often long-term unemployed (agriculture workers) or yet not fully integrated into the labor market (e.g. students for the summer jobs in tourism).

2. Passive labor market programs include Payment of unemployment benefits Article no.13 defines that:

Unemployed jobseekers, who meet the conditions for receiving income from unemployment and are registered in the regional/local structure as unemployed

jobseekers in implementation of the legislation on social insurance in the Republic of Albania, benefit from the payment of unemployment benefits.

Specifications and other regulations regarding the economic assistance for unemployed individuals (based on the definitions of beneficiaries made above) are given in the DCM No. 161, date 21.3.2018 'For the Unemployment Income Payment'.

To all the beneficiaries of this payment the benefit income is paid depending on the period of social security contribution (paid by the employer), as follows:

3 months for persons who have a period of contributions **for at least 1 year**

6 months for persons who have a period of contributions **for at least 3 year**

9 months for persons who have a period of contributions **for at least 5 year**

6 months for persons who have a **period of contributions over 10 years**

All the individuals that apply for the unemployment payment should be registered with the Regional or the Local offices of Employment and Skills, with all the required application documents. Most of these documents are provided online through the e-Albania portal.

The basic level of income from unemployment for each beneficiary is 50% of the national minimum wage (for 2020 it is calculated as 50% of the 26'000 ALL).

In cases of temporary employment during the period of unemployment benefit payment, unemployment income is processed intermittently, as follows:

Within 6 (six) months, for persons who receive payment for 3 (three) months;

Within 12 (twelve) months, for persons who receive payment for 6 (six) months;

Within 18 (eighteen) months, for persons who receive payment for 9 (nine) months;

Within 24 (twenty-four) months, for persons who receive payment for 12 twelve months.

The beneficiary of the unemployment benefit payment is obliged to appear at the employment office once a month and should notify the employment office within 5 days if during the benefit period they are being employed or self-employed. Also, they must return the amount of income they have earned during this period unfairly, contrary to laws and regulations. The period during which the beneficiary receives the payment of unemployment benefits is known as seniority, insured for the effect of old age, family, and disability pension.

To conclude, related to seasonal work it is important to emphasize that if a person is engaged during one year when he/she receives unemployment benefits, this right will not be terminated, but only paused during the period of work. The payment of unemployment benefit continues after the period of engagement is over, provided that the entire period (from the beginning of receiving the benefit to the continuation of the income) does not exceed 2 years, as well as that the total number of days of receiving the benefit does not exceed 365.

Law No. 9920, dated 19.5.2008 'On Amended Tax Procedures in the Republic of Albania'

This law regulates the procedures of the administration of tax liabilities in the Republic of Albania, as well as the principles of the organization and functioning of the tax administration in the Republic of Albania. Tax procedures as well as each type of tax and contribution scheme will be presented in more detail in part 1.4 of the analysis.

Law No. 7703, dated 11.05.1993 "On Social Security in the Republic of Albania", as amended

The Law on Social Security regulates the relations in the field of social security.

DCM No. 77, dated 28.1.2015 'On mandatory contributions and benefits from the social insurance and health care insurance system' as amended, regulates and defines the mandatory contributions for each type and schemes of the contributions that employers are obliged to pay for their employees.

Additionally, under this Law (and specifications on the DCM), in article 3, every citizen has the right to voluntarily pay their contributions. This applies also to the mandatory insured person, when for a reasonable time and causes he/she cannot be compulsorily insured, he/she has the right to continue insurance, according to the voluntary system.

Mandatory insurance provides pension as well as health insurance for all workers engaged with the standard employment agreement. For this type of contract, employees can choose whether to pay or not additional voluntary insurance. On the other hand, if a person is engaged by a service contract, he/she is not obliged to pay mandatory insurance, and can only choose to pay voluntary insurance by him/herself.

Law 57/2019 on Social Assistance

Having in mind the importance that the social assistance system had for seasonal workers in agriculture in Serbia, the project team decided to analyze the Law on Social Assistance as well. In this regard, economic assistance provides benefits to families who do not have income or have insufficient income (less than the minimum wage of 240 euro/month) from social protection programs, remittances, rent, assets, agriculture, or other income, and individuals defined in Article 7, of this law.

Article 15 of this law mentions that *..." Exempted from economic assistance are all working-age persons, able to work, who are not job seekers (or registered unemployed at employment offices) or self-employed person registered with the tax authority offices, except for families owning/using agricultural land and residing in the village".*

This means that the question of whether the unemployed person who doesn't own agricultural land but rather works for other farmers, who is engaged in a temporary job is still considered unemployed, is very important for low-income families. If this person is considered employed, he/she can lose his/her rights to social assistance if his/her income exceeds the set level. In this regard special consideration should be given during the designation of the policy regarding the employment of seasonal workers (especially in

agriculture), considering the characteristics of this specific type of employment and the relatively low level of income it usually generates.

The European Commission Report³ - Albania 2019, stressed that the link between social assistance and employment programs needs to be stronger. (Ex)-beneficiaries of economic assistance did receive more active support on labor market during 2018 through mediation and attendance in vocational training courses.

Thus, reforming seasonal workers' engagement could provide these workers with greater possibilities for employment.

NATIONAL LABOR POLICIES & SECTORAL STRATEGIES

National Strategy for Employment and Skills (2014 – 2020)

As defined in the National Strategy for Employment and Skills, employed persons are considered those individuals over a specified age, who, during a short reference period, have been engaged in any kind of activity to produce goods or provide services against payment or benefit. Employed persons also include:

(a) employed persons,⁴ who have worked in a job for at least an hour; and (b) "non-working" employees due to temporary absence from work, or due to work schedule (for example shift work, flexible time and off-hours work permit).

Among other things, this strategy highlights several points, which can be related to temporary engagement, especially at family work. Informality is high when it comes to working conditions as well as unpaid family work. Most women and young people do unpaid household chores, especially in rural areas.

The impact of informality is fivefold:

- 1) it directly affects the security of labor, because contracts are missing;
- 2) it affects the right to social security, which are very important for coverage of health insurance

- and pension of old age, endangering living at a later period of life;
- 3) it reduces payment and the source of income, aggravating economic well-being;
- 4) it puts a financial burden on the economy through tax evasion;
- 5) it hinders market development in areas that are highly dependent on family work, such as agriculture.

Under this strategy, Employment is the main goal of the Government program, which is committed to opening 300,000 new jobs for women and men in the manufacturing industry (52 thousand), maritime industries (15 thousand), in agricultural and livestock activities (155 thousand) in tourism industry (11 thousand) information technology, etc. These will be the object of detailed specific programs for each sector. Having in mind the upcoming activities regarding the preparation of new employment strategy and the relevance and importance of the analyzed topic, it should be considered to introduce the reform of seasonal worker engagement as a part of a new strategy.

Reform of seasonal workers' engagement in agriculture and/or tourism can contribute to the main goal of creating new jobs as well as contribute to the reduction of the shadow economy and setting further the objectives of the GOA towards fiscalization.⁵

Digitalization and Modernization of Public Services Reform - Digital Agenda of Albania 2015 – 2020

The government data center NAIS offers several centralized services for **211 public institutions**. This center has been set up at the National Agency of Society of Information (NAIS), according to contemporary standards and enables all online government services to be centralized and integrated.

Regarding e-business, the establishment of the National Registration Center and the National Licensing Center were among the first experiences in providing services to business through one-stop shops. The electronic business register was created and is published on www.qkr.gov.al. Registering a business went through a simpler procedure and reduced it in time. During 2013-2014, the online traceability project was implemented in NRC and NLC. The realization of this project has allowed the entities that apply for

a Permit / License nearby NLC counters or for registration in the NRC to follow on the NCL website (www.qkl.gov.al) and the NRC (www.qkr.gov.al) the progress of the application in all stages, it goes through.

Fiscalization and Reducing Informality Reform

Working in the shadow economy has tangible consequences in time. Incomplete reporting (or sub-reporting) of social security contributions today means relatively low coverage or exemption from pensions. In the medium term, significant improvement has occurred in Albania, especially since the start of the anti-informality campaign in September 2015, where the share of informal employment shrank from 50% in 2014 to 36% in the second quarter of 2018⁶. In this context, GoA is fully committed to fiscalization and reducing informality in all sectors of the economy. In this sense, the following goals are expected to be met during implementation of this Reform:

- Reduction of informality - improving two main aspects - reporting more cash transactions and reducing hidden cash transactions, with better control of the fiscal system, will reduce informality in the Albanian economy.
- Increasing efficiency in tax reporting - with more information collected by a taxpayer, the Tax Administration will be able to provide a better service to the taxpayer, as a preliminary supplement to VAT invoices with already ready data of the taxpayer. This will speed up tax reporting and reduce errors in the process.
- Improving tax control and field verification - using the fiscal system, it is possible to control and inspect the tax based on risk, which will result in the direct identification of abusers, thus avoiding inspections in regular businesses.
- Citizen engagement - through verification of bills they pay, - whether or not they are declared in the tax system, - citizens themselves help and become part of the fight against informality and abuse of those who

work in the black. GoA also plan concrete rewards to motivate civic involvement in this process.

- Digitalization of the economy - through improvements in the fiscalization software program, expands the opportunity to increase the digitalization of processes at points of sale, especially for the SME market in the country.

This will lead to a less bureaucratic economy, with the added convenience of exchanging information between business and government and businesses with each other as well.

Reforming the Agriculture Sector in Albania – Farmers Identification Number

After 2015, GoA undertook several initiatives towards agricultural development in Albania. New subsidies for farmers and agricultural holdings were presented, while a new identification number was introduced for registering farmers all around Albania. As defined in the legal framework of taxation, a farmer is:

“... an agricultural producer, self-employed, who carries out the activity with his labor force and with the available means of work, in the activity of agricultural, forestry, and fishing production”.

In the context of introducing new reforms and subsidies for this category in Albania, all farmers who sell their products to entrepreneurs (traders) are required to register and obtain a Farmers NIPT certificate. The NIPT certificate provides the farmer with all rights and obligations as if he/she were a legal entity, i.e. farmer is observed as self-employed. The application and provision of the NIPT certificate are done by the farmer himself, at the Regional Tax Directorate of the jurisdiction according to the division of the administrative organization through a simplified procedure. In terms of procedures and provided documentation to obtain the Farmer's NIPT, the following are required:

1. **Application for registration** according to the relevant form.
2. **Original identification document**
3. The **original certificate** issued by the Regional Directorate of Agriculture, Rural Development and Water Administration,

based on which the **farmer's agricultural production activity is certified.**

4. **Address, contact, and specific location** of the agricultural activity
5. **Field of agricultural productive activity**
6. **Signature** of the individual-farmer.

A special opportunity is provided to farmers that are self-employed to pay a "lower" annual amount of mandatory insurance of 29,400 up to 38,400 ALL (as government support program) and gains the right to old-age pension, disability pension, family pension, childbirth allowance, as well as health insurance.

Regarding farmers and their fiscalization, there are two viewpoints.

The first viewpoint expressed in figures shows that out of 354'000 farmers⁷ across the country, only 40,265 of them are visible to the state (in the system) and have a NIPT for their activity. This document identifies them as sellers of their (surplus) products beyond family consumption, and for this, they are not obliged to pay the VAT (20%). Given the situation, that many transactions between farmers and potential buyers are informally done, this means that the majority of farmers are not motivated to enter the social security schemes that put pressure on the system having in mind that more than 300,000 farmers are out of the system.

The other view shows that this "formalization" is positively recognized not only by farmers but also by collectors of agricultural products. Some examples show that, in some districts, not only individual farmers but the whole village have applied to be provided with an identification document (we call it NIPT for short) for the sale of surplus produce. And these have also been affected by the opportunity to benefit from grant support, credit support, and support programs, both at the governmental and community levels, as has been officially recognized. According to experts at the GTD, this category of farmers is not considered traders and, in this sense, the provision of their NIPT is done only for VAT compensation. The 2018 data show that the number of farmers registered in the National Business Center has moved very little compared to the initial introduction of the scheme in 2017.

According to 2018 data, more than 313'000 of them continue to remain indifferent to the funding provided by the Ministry of Agriculture for the development of rural areas, making only 11 percent of them enjoy the benefits that come from having a NIPT and pay social and health contributions.

Several reasons can be analyzed in this context, regarding the farmer's position towards formalization

First, insufficient information and awareness of farmers on NIPT registration - reduces the possibilities for the effectiveness of the scheme. From the interviews with the farmers themselves, the registration with NIPT until today, it can be said that it has come mainly as a result of the "pressure" and the role of the collector and processor. Most of the contacted farmers admit that they have not received advice on how the compensation scheme works and on the procedural requirements for registration for this scheme or the provision of NIPT.

Second, although the guidance is clear, there is still confusion over NIPT registration. In the current conditions, the farmer has at his disposal the identity card (like any citizen of the Republic of Albania), as well as the NIPT, creating confusion among the farmer about the purpose of each of them. As reported by product collectors (who prepare the bills) these bills are prepared both at the address of the Farmers NIPT holder or identity cardholder. From a vegetable collector, it is learned that he collects products from about 120 farmers who are equipped with NIPT, as well as from about 500 farmers who are not equipped with NIPT, but by reflecting the number of their identity cards.

Lastly, according to the collectors, especially in the traditional agricultural areas (Lushnja and Fier) the phenomenon of informal markets of the majority is noticed, where the farmers themselves, in search of a higher price for their agricultural products, sell without any documentation by not sending the products to their nearest licensed collection points. According to a survey conducted by the Foreign Investors Association in Albania (FIAA) and the Albanian Savings and Credit Union in 2014, about 50% of farmers sell their products directly in markets or on the streets.

1.2 Seasonal Workers in Numbers

1.2.1. *Confronting the figures – A snapshot of the existing situation*

Seasonal working in Albania, though a random type of work, manifesting itself in various sectors in the country, is yet hard to be tackled in terms of numbers of employees. This lack of proper data on seasonal workers comes as a consequence of various factors, from informality characterizing this type of employment especially, to unrecognition of 'seasonal worker/ seasonal contracts' in the existing legal framework and sectorial policies in various sectors in Albania.

Informality in employment remains one of the biggest challenges. In 2018, almost 32 % of employees did not pay insurance. According to INSTAT administrative data, in 2018 the average number of employees was over 1.3 million people, but in the same year, the average number that pays contributions to insurance for pension effect was 778,111 people. In estimation, this data shows that about 360 thousand people are counted as employees but they were neither registered nor paying contributions to insurance.

According to the World Bank report "2019 Employment Trends in the Balkans Region" about 37% of employees in Albania are part of the shadow economy. The report notes as well, that almost half of those working in the informal market are self-employed.

As stated above, the unrecognition of 'temporary or seasonal employment' as a specific type of employment in the legal framework in Albania leads as well to confusion, when discussing seasonality/temporarily in employment.

Various stakeholders/institutions and even sectorial policies do recognize seasonal employment differently. For example:

- A lot of students, or young people who just have finished their studies, seem to find Call Centers, as the most immediate and secure working for the time being – though in some cases this 'seasonality' might be a bit prolonged. In this sense this kind of job is to be considered more as a temporary full-time job than a seasonal one and as such should be treated differently.
- Smile Albania – an initiative of GoA with the Ministry of Environment and Tourism provided around 7000 seasonal jobs in Tourism in 2018 and 2019 – mainly students working for a maximum of 3 months during the summer breaks.
- Many business employers consider the May – September period as the seasonal working period especially in Tourism, while for Agriculture Sector, seasonality is whenever there is a need for harvesting, yet it does not last more than 3 – 4 weeks.

1.2.2. *Calculation based on interviews with the private sector on the number of employees each of these private employers engage*

The information obtained from the online/phone interviews with the private stakeholders is presented below separately for the agriculture and tourism sector.

Agriculture Sector - Results on qualitative data

As can be analyzed from the table below, in average, medium and big enterprises⁸/business activities in Albania, engage up to 25 seasonal workers during the high peak agricultural season. The typical jobs these workers are engaged in are

fruit collection/picking, cleaning, shearing, milking, and (fewer) processing. However, in most of the cases, there was no specification regarding the age/target group of these seasonal workers, specific jobs such as milking or some specific fruit collection did require female employees. **For most seasonal workers, the average working period in the agriculture sector is 3 months (though there are workers engaged up to 6 months according to the questionnaire).** As the employers have responded, they do engage their workers, for 6 days a week; register them according to the law and regulations (max 1 day before the job start).

Nevertheless, the duration of the engagement of seasonal workers in agriculture varies on the agriculture sector (value chains). For instance, based on an assessment conducted by the GIZ bilateral programme Sustainable Development in Rural Areas in Albania (SRD) "Assessment on seasonal workers in the Vegetables, Fruits, Medicinal and Aromatic Plants and Small Ruminants Value Chains in Albania"⁹, the engagement of non-family members in the vegetables sector, especially export-oriented products, is required for about 70% of the year. Meanwhile, as explained below, the fruits sector

may require seasonal workers for shorter periods during peak agriculture activities.

The average wage for a seasonal worker is the same as the indicated minimum salary in Albania between 27'000 to 30'000 ALL/month. When daily engaged the indicated salaries vary from 1'500 to 2'500 ALL/day¹⁰, the lowest fare compared to what neighboring countries offer for seasonal work (Greece¹¹ for example). These type of workers are mostly engaged on daily basis and are often engaged in the jobs of fruit collection, shearing, picking, etc. It is interesting to notice that these workers are usually paid in cash or 50% in cash in comparison to workers who are engaged monthly who are paid usually thorough a bank account.

Tourism Sector – Results on quantitative data

In the tourism sector, in contrast to the findings from the agriculture sector above, the engagement of seasonal workers seems to be higher in number.

No. of Interviews	No. of seasonally engaged employees	Type of works?	How are employees engaged	No. of working days (average)	How are the wages calculated? Wage range? In ALL	Method of payment Bank/cash	Declaration and registration procedures	Population/age of seasonally engaged employees?
1	45	Fruit collection	Daily	23-30 for 4 months	2500 – 3000 daily	50 / 50	1 day before online registration	Mainly women
2	30	Cleaning / Collection	Monthly	24 for 3 months	3000 daily	50 / 50	1 day before online registration	Whoever is available
3	25-30	Shearing	Daily	2-3 months	15'000 Weekly	Cash	1 week to 10 days before	Available workforce
4	10	Sales / production	Monthly	3 months	monthly	Bank	Same day as the job starts	Youngsters
5	17	Collection process	Monthly	22 days/month	27'000 – 29'000	Bank	Min 3 days prior	Available workforce
6	20	Collection	Monthly	24 for 2-3 months	30'000 monthly	50 / 50	1 day prior	Women
7	20	Milking/package	Monthly	6 months	35'000 – 55'000	Bank	1 day prior	Available workforce
8	20	Milking	Monthly	6 months	35'000 – 55'000	Bank	1 day prior	Available workforce
9	30	Processing	Daily	6 months	2500 Daily	Bank	According to law	Women and youngsters
10	20-30	pickings	Daily	24 days up to 4 months	Daily	50 / 50	1 day prior	Both males females within the working age
11	18	Collection / pickings	Monthly	3 months	Monthly	Bank	1 – 2 day prior	Available workforce

On average, there are 30 - 50 seasonally engaged employees in the course of mainly 3 months. The high engagement of these employees is explained by the fact that the tourism sector in Albania, report a working period of 3 months in the summer, requiring a high number of staff members only during this period.

As can be witnessed from the table below, there are variations in terms of how employees are engaged (varying daily to monthly), yet the max period of engagement is 4 months. Salaries, on the other hand, vary from 30'000 to 50'000 ALL (slightly higher compared to agriculture), while the paying method remains that from the banking system or 50% in cash and 50% through a bank in some other cases.

Given the dynamics of the tourism, sector itself, all the employers usually seek to engage the young population in their businesses. It can also be noted that beside engagement on monthly basis, in tourism, weekly engagements are also common, and when the employee is engaged on the weekly (or daily) basis he/she is usually paid in cash. This indicates the existence of the problem

for this kind of engagement.

Lastly, in almost all the cases, the employers stated that they were aware of the registration procedures of their employees and that they registered their employees with the Tax Authority system.

Perception and Challenges in Engaging Seasonal Workers / Private Sector Perspective

The second part of the questionnaire, as stated above, is composed of 8 questions mainly oriented to catch employers' perspectives on their perception and challenges of engaging seasonal workers, especially in a context where no legal framework on seasonal workers exists. In this context, in the first question, the interviewees were asked to define shortly what a seasonal worker is.

The unique answers are shown in the following figure in the next page.

No of Interviews	No. seasonally engaged employees	Type of works?	How are employees engaged	No. of working days (average)	How are the wages calculated? Wage range?	Method of payment? Bank/cash	Declaration and registration procedures	Population/age of seasonally engaged employees?
1	50	Service, cleaning, kitchen	Monthly	Up to 6 months	35'000 ALL/month	Bank	1 day prior	Youngster
2	30	Service, cleaning	Weekly	3 months	-	Cash	No	Youngster
3	100	Waiter, bartender, reception, security, cleaning	Daily	NULL	-	Bank	1 day prior	Youngster
4	50-100	Waiter, bartender, cleaning, dishwasher	daily	Up to 6 months	30'000 ALL/month	50 / 50	1-2 day prior	Youngster
5	45	Cleaning, receptionist, bartender, waiter	Monthly	6 days week / 3-4 months	35'000 – 50'000 ALL/months	Bank	1 day prior	Youngster
6	45	Cleaning, receptionist, bartender, waiter	Weekly	12 – 17 weeks	9000 – 10'000 ALL/week	Bank	No	Youngster
7	30	Cleaning, security, service	Weekly	12 – 17 weeks	9000 – 10'000 ALL/week	Cash	1 day prior	Emigrant
8	Up to 50	Bartender, waiter	Daily	2 months	1000 – 1500 ALL/day	50 / 50	According to law	Youngster
9	4	Kitchen, waiter	Monthly	6 days a week / 3 months	30'000 – 45'000 ALL/month	Bank	According to law	Youngster
10	4	Kitchen, bartender, waiter	Monthly	3 months	35'000 – 50'000 ALL/month	Bank	1 day prior	Youngster

Agriculture sector	Tourism Sector
Is an artisan who knows to process fruit	Workers engaged during the summer period
A worker on a seasonal basis	Young people who are engaged during the off - period at school
Someone who works on a seasonal basis	Short-period engaged employees
A worker engaged only for 2 / 3 / 4 months	Skilled and resourceful employees
Someone working on a fixed period for several years	Sectors' need basis engaged workers
Someone with at least high school education	Workers engaged according to visitors/tourist flows
Employees engaged in the highest intensity working period of the year	

1.2.3. Findings from the on-line survey on seasonal workers – overall conclusions

The conducted online survey registered 159 responses in total, 42% of which were from female participants. The majority of the responders aged 25 – 35 (74 of them), followed by respondents aged 16-25 and 35-45. This explains two things: *a)* 25 – 35 remains the dominant age group in search for a job; *b)* This age group is most engaged in social media (especially job-searching groups)

Most of the answers register 'services and other' as the sector that they were engaged in (55 in total), and tourism, agriculture, and construction to follow (29, 26, and 31 respectively). On the other hand, housekeeping and call-center operators remain relevant for seasonal work engagement as well.

While 57 of the respondents were working for more than 120 days (in this sense we might even consider extracting them from the overall number of seasonal workers taking the survey), the remaining 102 respondents, were engaged seasonally mainly for 60 – 90 days (54 respondents). The average working hours is 8 – 10 hours a day (71 of the respondents have been working for 8 hours), while a considerable number of the respondents have been also engaged for a 6-hour job (23 of them).

Unfortunately, the situation regarding payment of taxes and contributions remains an issue in all the cases. For 71 employees contributions were not

paid, while 20 of them were not sure if these payments were ever made. The issue is reflected as well in the method of payment. Only 44 of employees were paid through the banking system, while 88 of them were paid directly in cash.

Information and knowledge regarding the related legal framework for workers (being seasonal or not) remain to be an issue in Albania as well. During the conducted online survey, 106 out of 159 respondents were not sure whether there's an existing regulatory framework for seasonal work, and on average 60 of them were neither sure if there are specific procedures related to their registration, specified working days, or reduced taxes and contributions.

Introducing on-line platforms for the registration of seasonal workers seems to be a good option from the employees' perspective.

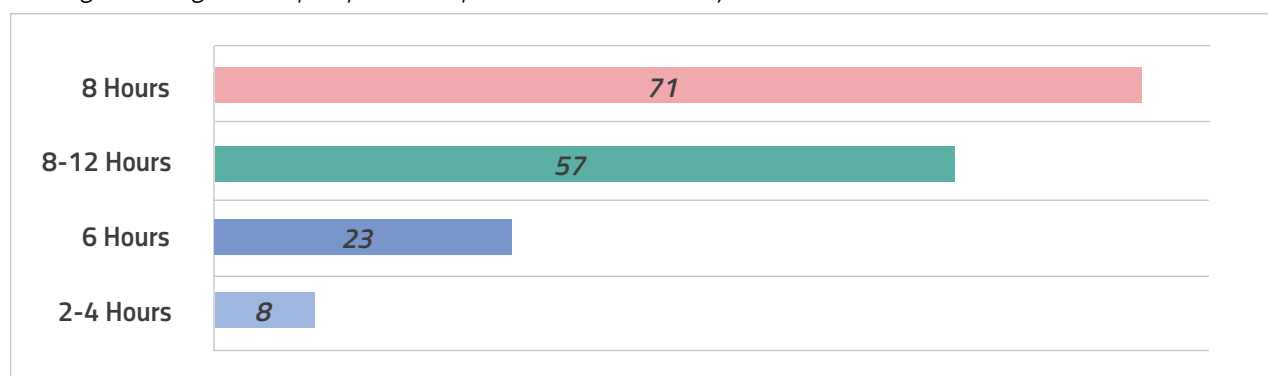
109 of the online survey respondents said 'YES – an online platform would help with the registration and all related procedures', and 101 of these respondents were already users of other governmental on-line service platforms (e-Albania being one).

Main conclusion from the on-line survey - Agriculture

1. 26 out of 159 respondents were engaged in the agriculture sector, and 12 of them were within the age group of 25-35.

2. Only 10 females were working in the agriculture sectors, for around 6-8 hours a day for mainly 2 different employers

Average working hours of respondents from the on-line survey



3. 22 out of 26 respondents working in the agriculture sector, were paid 100% in cash, while for 17 of them taxes and contributions were not paid at all (only 2 did pay themselves)

4. For half of these workers (13), seasonal engagement in agriculture is their main job, while for the other half it is an additional type of work. Unfortunately, 24 of them have not been working during the pandemics (COVID-19 situation)

5. 23 of them have no information whether there is an existing legal framework (or specific procedures) for seasonal work in Albania, while 5 are sure that there are no reduced taxes and contributions nor specifications regarding the total days a seasonal worker is allowed to work.

6. Respondents working in agriculture were the group with the highest share of respondents not using any existing online platform (10/27), while (19/26) did respond that a specific online platform for registering seasonal workers in Agriculture is needed.

Main conclusion from the on-line survey - Tourism

1. Out of 159 respondents, only 29 were engaged in the tourism sector, the majority being

males (18), 25-35 years old.

2. The majority of respondents working in the tourism sector were engaged for 60 – 90 days, mainly corresponding to the 2-3 months period of summer.

3. The average working hours for respondents in the tourism sector is 8 – 12 hours a day. No working hour below 6 hours/day was registered.

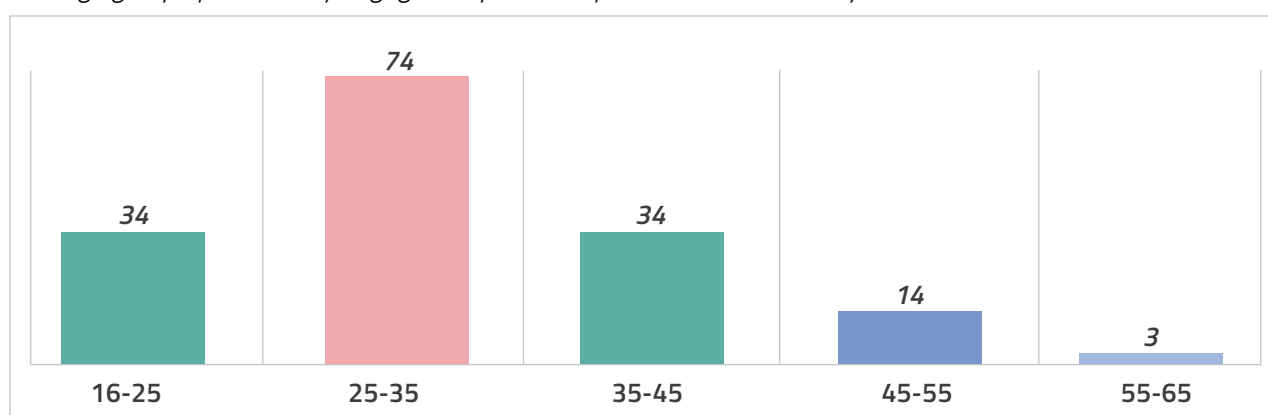
4. Around half of them, have been working for 2 employers, while only 10 / 29 were engaged in seasonal work outside the country, while their job was paid 100% in cash.

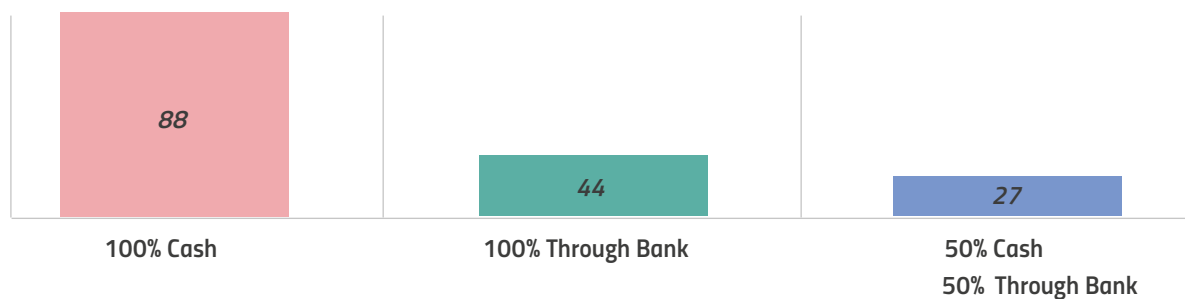
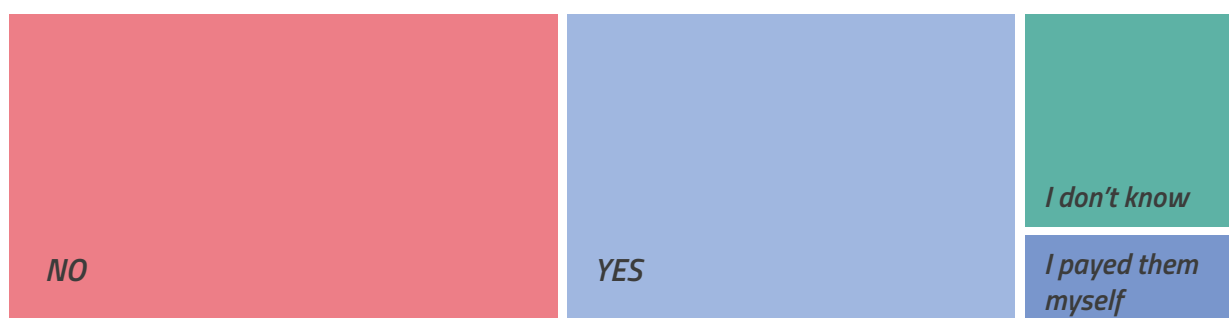
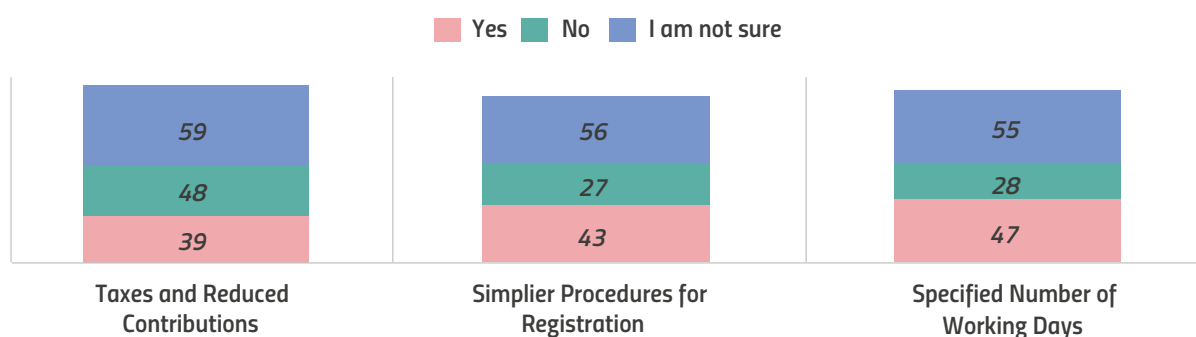
5. For only 12 of them, the employee has paid the contributions and taxes, while in most of the cases, these workers were paid 100% in cash

6. For most of these workers in the tourism sector, seasonal engagement in tourism is their main job, and unfortunately, 21 of them have not been working during the pandemics (COVID-19 situation)

7. The majority of respondents are not familiar with any legal regulations regarding seasonal workers, neither taxes, contributions, or even limited working hours for seasonal engagements.

The age group of seasonally engaged respondents from the on-line survey



In which form was your job paid?*During your working period
were your taxes and contributions paid?**How aware are the employers regarding the legal framework*

1.2.4. Calculations based on the number of registered employees in tourism from the General Tax Authority

General Tax Administration in Albania, is the only central tax authority in the Republic of Albania, operating under the Ministry of Economy and Finance, responsible for the implementation and administration of all national taxes, public payments, and collection of contributions from all the citizens of Albania.

Through a fully developed digital system, the General Tax Directorate, is the main institution dealing with all registered employers and employees in Albania, as such providing a comprehensive database, on employment matters in the Country.

Due to monthly reporting on payrolls and contributions for each employed individual in Albania (done electronically by the employers through e-filing system as explained in the chapter below), some general data and estimation on possibly seasonally employed individuals in Albania are done. Based on this database, 4'330 Businesses were registered in the Tourism sector in Albania in 2019, with the majority of these businesses in Bar & Beverages Services (1'835) and Restaurant & Food Services (1'219). By observing the monthly engagement of employers on each of the main business activities (see graph and table below), a very high increase in the number of employ-

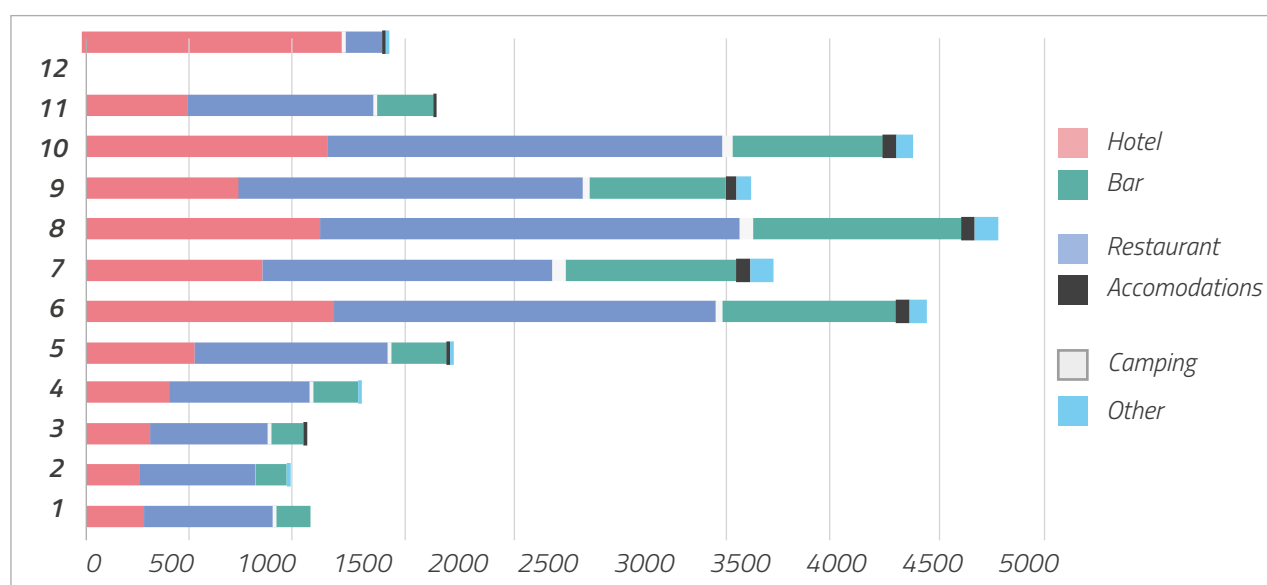
ees/workers can be noticed in the May – September period.

Yet, this is no surprise considering that this is the summer season in Albania. Almost in every business activity, there's an increase by at least 20% to 45% (peak) on the number of employees, especially on the hotelier and food& restaurant services.

As can be observed from the database, the highest increase can be noticed for that group of employees who are employed for up to 15 days during one month and refer to typical touristic seasonal jobs (cleaning and maintenance, waiter/s, bartender, etc.). For example, in the hotelier services, there's a huge increase in the number of employees from December-January (270 -300) to July (1200). The same trends are observed for other touristic activities as well.

In conclusion, it is estimated that there are around 15'500 registered seasonal/temporary employees in the touristic sector in Albania, during a fixed season of the May – September period. On average temporary/seasonally employed individuals in this sector are registered to work for up to 15 days a month.

Registered employees in the tourism sector during the 12-month period.



Business Activity	No. of Business per Sector	Number of Employed – Total 2019											
		1	2	3	4	5	6	7	8	9	10	11	12
Hotel	754	2,972	2,983	3,127	3,374	3,787	5,034	6,157	6,274	5,222	3,889	3,627	3,460
Restaurant & Food Service	1219	4,873	4,805	4,970	5,005	5,590	7,010	8,707	9,061	7,214	5,887	5,626	5,558
Camping Areas & Entertainment	52	14	14	15	19	32	86	152	164	68	32	20	19
Bar & Beverage Services	1835	2,222	2,192	2,241	2,346	2,536	3,421	4,493	4,645	3,492	2,629	2,436	2,377
Accommodations for Holidays	211	90	85	89	98	161	295	476	495	357	196	163	156
Other Registered accommodation	259	43	40	47	62	91	205	410	444	282	108	84	80

Business Activity	No. of Business per Sector	Number of Seasonally Employed Persons - Calculated for persons working up to 15 days/month 2019												Av. Period of Employment days/month
		1	2	3	4	5	6	7	8	9	10	11	12	
Hotel	754	272	270	307	409	521	1200	1131	733	1157	487	436	300	8.24
Restaurant & Food Service	1219	625	552	577	677	930	1,832	2,016	733	1,912	905	776	713	7.4
Camping Areas & Entertainment	52	2	2	2	4	6	38	53	42	31	6	3	4	6
Bar & Beverage Services	1835	177	140	159	220	272	826	1007	648	728	270	183	184	7.8
Accommodations for Holidays	211	5	5	10	7	19	73	68	49	75	16	15	9	7.3
Other Registered accommodation	259	2	1	3	10	24	76	109	74	72	8	7	7	7.8

1.2.5. Data and findings of the Agriculture Census in Albania

According to the Labor Force Survey in Albania in 2018, there were a total of 1,230,000 employees, of which as many as 37.4% were agricultural workers (an average of 460,000 workers) and 42.9% in the services sector. On the other hand, official data from the registers show that 1,138,000 workers are employed in Albania, of which an average of 459,778 is employed in the agricultural sector.

According to the Census of Agriculture in Albania, 32,053 farms employ labor outside the assisting household members. As many as 90% of them (cc 28,800) hire a seasonal workforce, while only 10% (cc 3,000) hire a regular workforce throughout the year. The census also indicates that workers hired by farm owners, spend more than 2,200,000 working hours (see table 5 below).

Based on the same survey the table below estimates a total of 88,841 seasonally engaged employees in agriculture.

LEGAL FORM	TOTAL			WORKERS EMPLOYED ON REGULAR BASIS			SEASONAL / OCCASIONAL		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	98,264	76,245	22,019	9,423	6,474	2,949	88,841	69,771	19,070
Physical person	94,527	74,497	20,031	8,376	5,602	2,774	86,151	68,895	17,256
Legal entities	3,737	1,748	1,988	1,047	872	175	2,690	876	1,814

PREFECTURES	TOTAL			WORKERS EMPLOYED ON REGULAR BASIS			SEASONAL OR OCCASIONAL		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	2,211,657	1,655,773	555,884	1,392,421	1,085,676	306,745	819,236	570,097	249,139
Berat	88,252	61,452	26,800	53,227	35,730	17,497	35,025	25,722	9,303
Dibër	59,000	45,182	13,818	42,449	32,209	10,240	16,551	12,973	3,578
Durrës	134,041	93,169	40,872	97,772	63,846	33,926	36,269	29,323	6,946
Elbasan	283,889	207,801	76,088	247,215	177,875	69,340	36,674	29,926	6,748
Fier	426,016	316,145	109,871	163,951	118,926	45,025	262,065	197,219	64,846
Gjirokastër	55,951	50,631	5,320	37,279	34,614	2,665	18,672	16,017	2,655
Korçë	238,455	193,158	45,297	175,222	154,302	20,920	63,233	38,856	24,377
Kukës	13,937	8,030	5,907	8,073	4,932	3,141	5,864	3,098	2,766
Lezhë	119,952	54,288	65,664	59,228	39,121	20,107	60,724	15,167	45,557
Shkodër	113,649	70,682	42,967	41,175	30,238	10,937	72,474	40,444	32,030
Tiranë	202,116	133,903	68,213	107,525	61,256	46,269	94,591	72,647	21,944
Vlorë	476,399	421,332	55,067	359,305	332,627	26,678	117,094	88,705	28,389

1.3 Procedure - Tax - Cost of employing seasonal workers

1.3.1. Existing Employment Registration Procedure in Albania

If equipped with a unique identification Number NIPT, the taxpayer can hire an employee electronically and directly from his/her e-filing account. This means that natural persons in Albania cannot engage employees formally which influences the farmer's possibility to legally engage seasonal workers. Employee registration is done by filling the E-Sig-27 form, which contains the following fields to be filled (as presented in figure 1):

- Employees Name Surname and ID Number, as well as personal information (date of birth, sex, nationality)
- Type of employee's profession, (list of all types of professions is already installed)
- Date of employment of the worker (1 day before each new employment for the existing taxpayers)
- Information regarding employer such as NIPT number, address, bank accounts, etc

After completion of the above steps, automatic completion of the E-Sig-25 form of payroll for an employee is done by the taxpayer himself/herself, while the Tax Authority independently follows the procedures that control the declarations made and legal regularity through verifications at the place of business.

The whole process is done online and completely free and does not take more than 5 minutes for each employer to declare his or her employees, given the fact that one does not need to re-register employees every month for each payroll done.

To give a clearer picture on the whole process of the registration of employees, a step-by-step procedure, starting from announcement of job vacancies to fulfillment of all required documents is specifically explained in the following table. After signing the contract, an employee has to deliver to the employer the following documents:

- University/ High School Diploma (not compulsory)
- Medical-Legal Report (DCM No. 639, date 7.9.2016) – A declaration of your ability to perform work. This document now is available through the e-Albania portal, free of charge.
- Self - Declaration Form of Judicial Status – This document now is available through the e-Albania portal, free of charge.

After the e-Sig-25 forms are filled in and sent, the IT system of the Tax Authority registers the employee automatically without any additional effort of public officers.

A: Agriculture Sector



Step in the procedure	The time required or monetary cost allocated by the employer (accountant)	Additional explanation of time required or monetary cost	Service available on-line (YES/NO)	Note/Comments
Step 1: Announcement of vacant position at National Employment Service	1 week to max 1 da before	Communication with the National Employment Service and the Employment Office in Tirana	Yes	With the amendment of the Law 'For Employment Promotion', this requirement is removed. As such, announcements of vacant positions are non-mandatory for the employees in the Employment Service Platform
Step 2: Shortlisted people - the test/interview	2 days max (depending on the institution)	Each company /institution might have customized procedures.	NA	The test or interview might happen also on-line, through phone or face to face
Step 3: Employer notified of the new position	10 min	The employee is notified via e-mail or phone number about the new position, usually by the HR offices within institutions or companies	YES	
Step 4: The employer announces the new position together with the employees' credentials to the Tax Office	Max 1 day before the employee starts working	The employer does all the procedures to register the new employee online. This process does not take more than 5 minutes for the employee	YES	
Step 5: 2 contract copies are drafted	30 min	These 2 original contracts are signed both by the employee and the employer	NO	
Step 6: Registration of worker (filling in e-sig-27 and e-sig-25 forms)	5 min	This process is manually done by the employer. once an employee is registered the system automatically updates the credentials each month	YES	
Step 7: Processing the request for worker registration	Non-Applicable (NA)	This procedure is automated by the system. The e-filling system is linked to the e-Albanian system	YES	Request processing is fully automated
Step 8: The information of this new employee (credentials + info on the job position) are given to the National Insurance Office by the Taxation Directorate	This procedure is handled by the IT departments within the Tax Authority and ISI.	This process is internally regulated between General Tax Authority and Social Insurance. No additional steps are required from the employer	YES	In terms of staff requirements in both institutions, there are at least 3 IT officers handling the process

1.3.2. Tax Burden in Employment System in Albania

The amount of taxes and contributions paid by employers for hiring a seasonal worker is prescribed by the Law on Income Tax, the Law on Tax Procedures in the Republic of Albania, the Law on Social Insurance in the Republic of Albania, and the Law on Mandatory Social Insurance Contributions in the Republic of Albania. Given that a seasonal worker is hired through a part-time contract, there are no differences between a standard full-time and part-time contract.

As stated in the table below, there is an obligation in Albania to pay contributions for pension and health insurance, as well as income tax. However, the tax and contribution rates will depend on the type, or classification, of the employee. The tax authorities have published a list of all types, and classifications of employees with their tax rates and contributions. Rates range from 0% to 24.5% for social insurance and from 0% to 3.4% for health insurance.

The tax rates are calculated as follows:

Even though seasonal workers are not explicitly mentioned anywhere, the assumption is that they can be classified into the following categories:

- Self-employed (mainly for farmers) regardless of hours worked;
- Employees with a contract of less than one week during the year;
- Students or trainees approved by relevant institutions;
- Employees who work as principal or assisting members of the farm registered with the tax authorities.

Progressivity is introduced into the Albanian system both directly, through different tax rates, and indirectly through the introduction of a non-taxable income of 30,000 Albanian Lek (ALL). Seasonal workers, usually do fall in this category, as in the Tourism sector and especially in the Agriculture Sector, the wages of the seasonal employees do not exceed this amount.

Tax burden	Albania
Tax rate	If earnings are below ALL 30,000 (approx. EUR 240) - 0%, if the earnings are up to ALL 130,000 (approx. EUR 1,050), the tax rate is 13% on the difference between gross earnings and the non-taxable part. If the salary is over ALL 130,000 then 13,000 ALL + difference in gross earnings are taxed and 130,000 ALL x 23%
Pension and Disability Fund contribution rate	24.5% Rates vary depending on the type of employee or line of business of the employee
Healthcare contribution rate	3.4% Rates vary depending on the type of employee or line of business of the employee
Tax base	Gross earnings
The base for the calculation of contributions	Gross earnings
Is there a minimum basis for calculating contributions	YES, as well as a maximum base for calculating contributions
Total tax and contributions for a seasonal worker	minimum of 27.9% maximum cannot be determined due to different tax rates depending on the amount of earnings

1.4. Challenges of employing seasonal workers

Challenges identified by the CWG - semi-structured interviews (summary)

Introducing the Seasonal Engagement system in Albania remains quite a crucial issue to be tackled by the Government of Albania. The existing legal framework and employment policies in Albania does not tackle the issue of seasonal workers at all, and yet we find a great potential of addressing it (manifested by both no. of seasonal engagements in the tourism and agriculture sectors).

Informality in both of these sectors comes as a consequence of many factors, while directly impacting the nation's economy and citizen's prosperity for the future. In this regard several challenges as expressed by the relevant institutions (part of the CWG) are as follows:

1. The lack of having an updated legal framework which includes and specifies the seasonal worker as a specific type of employment has led to a situation where informality is manifested in various ways. No registration of these employees is made, most of these employees do not pay taxes and, therefore, might be part of social assistance schemes of the government and high burden of dealing with the situation in the pension spheres, both sectors remain underdeveloped.
2. The lack of having an integrated registering system dealing with unemployed jobseekers (being seasonal or not), which could help the government channel the issues in a more effective and efficient way.
3. Often the line institutions find it difficult to deal with intragovernmental issues on the employment of seasonal workers (such as the provision of seasonal workers for foreign/neighboring countries) because of the lack of proper regulations on this matter

As a conclusion, the need for introducing a comprehensive reform on the seasonal engagement remains crucial. Different institutions refer to it as the need to partially reform the existing legal framework on employment issues in Albania, while others would go for total reform options and a separate framework, regulation, and mechanism of tackling the issue.

Challenges identified by private stakeholders/employers – interviews and questionnaires

According to the private sector, there are several challenges highlighted in terms of the seasonal engagement of employees. The graph below shows in an aggregate way (for both tourism and agriculture) the main challenges these sectors face when engaging seasonal workers.

One of the biggest challenges for private employers in Albania remains the lack of seasonal workers due to migration issues, especially in the agriculture sector (14 /21 employers interviewed). Many Albanian seasonal workers in agriculture are engaged in seasonal works (every year) in the neighboring countries such as Greece, Montenegro, or even further Germany. These neighboring countries, besides much higher salaries (approx. in the agriculture sector the wages vary 30 – 50 euro/day), offer better working conditions, including safety measures, transport, and in few cases even meals and accommodation included.

In conclusion, private sector employers also highlighted some of the issues, which usually lead to informal engagement of seasonal workers in both sectors. While different interviewed employers

have responded for more than one issues, the conclusion is presented as follows:

The high tax burden, for both employer and employees, remains the main concern related to seasonal labor engagement. As expressed by both interviewed employees and private employers, serious reforms should be taken by the government in reducing these taxes for seasonal workers specifically. This follows the idea of distinguishing seasonal workers as a specific type of employment, in the relevant legal framework.

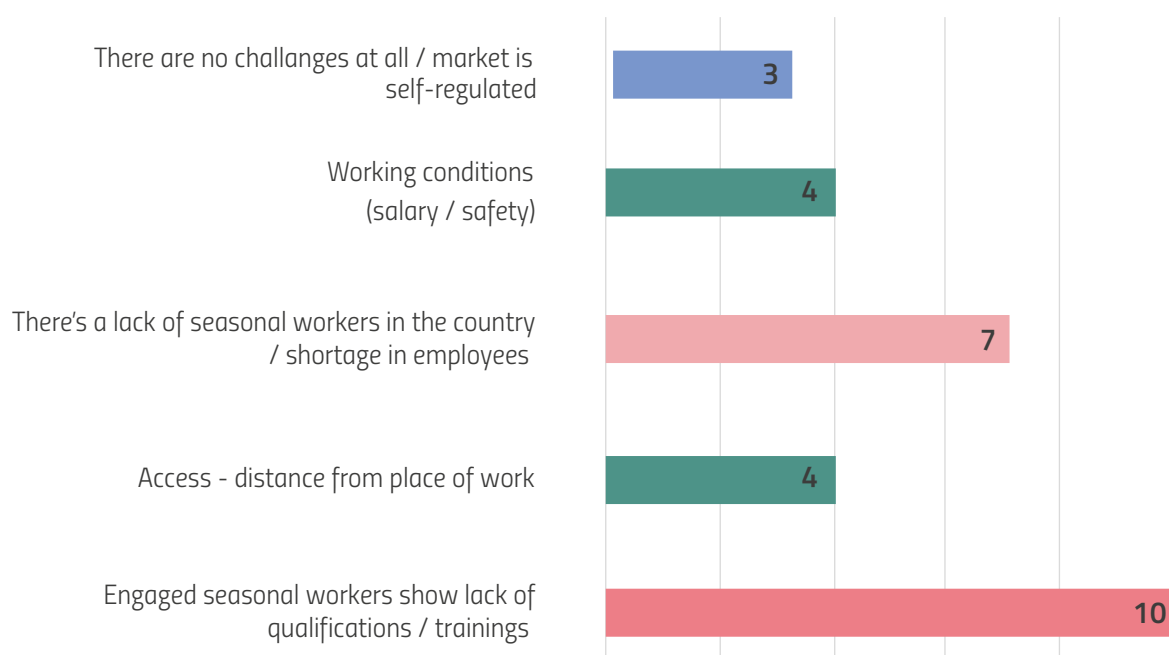
In terms of procedures of engaging and registering these employees, while on-line registration is quite simple and effective, the administrative procedures of hiring, training, and then employing these seasonal workers are yet inefficient for private employers.

As one suggested, channeling the engagement/employment of seasonal workers through the national employment and skills system, might be a good option in solving the issue related to the supply/demand of trained and qualified short-term (seasonal) employees.

Results of conducted consultations with relevant public stakeholders following software and registries relevant for the procedure of registering seasonal worker are listed in the following table:

Analysis of software, systems, and registries interaction and connection relevant for the seasonal work registration process

Identified system registry/ software	Line Institution	Form / manner of maintenance & access
E-filing portal	GTD	Online portal – linked with the e-albania system. Employers are filling in the registration forms
Evidence of possible job seekers and job providers	NAES	In software – online. Employers can declare vacancy and citizens can register as jobseekers
E- Albania system	NAIS	Online portal providing almost all the public services in Albania.
System of NIPT number	National Business Centre	Registration on-line through the e-Albania system or in-person in the local offices of NBC
Registry of citizens	Ministry of Interior / National Civil Registry	Online system is automatically linked with the e-albania system.



1.5. Supervision of employment / Institutions & Bodies Responsible

By analyzing all procedures that directly or indirectly influence the process of engagement of seasonal workers following institutions are found to be relevant:

Ministry of Environment and Tourism and Ministry of Agriculture and Rural Development - as line ministries providing and drafting the sectorial policies, which cover the labor issues as well in the long-term planning/programming.

Ministry of Finance and Economy as the line ministry responsible for all labor regulations in Albania, and the provider of the adequate policies in this regard.

General Tax Directorate is the specialized state authority, under the Ministry of Finance and Economy for the creation, provision, and collection of tax revenues and social and health insurance contributions in the Republic of Albania. The institution is organized at the central level with the General Directorate of Taxation, responsible for drafting, monitoring, and implementing effective operational strategies and policies in carrying out the mission of the institution. At the regional level, the institution has 14 Regional Directors with a total of 1'569 employees are taxed, ranking the GTD as one of the most important law enforcement institutions in the country.

As for the procedure of registration of seasonal worker GTD is responsible for registering all the employed individuals in Albania and collect tax revenues through simple and minimal cost procedures, uniformly implementing tax legislation to finance the Albanian state budget. Additionally, Regional Tax Directorates are important for registering farmers and issuing of NIPT certificate for farmers that allow farmers to engage workers (and thus seasonal workers).

National Agency for Employment and Skills is an autonomous public service, with the status of a

central state administration. It operates through the Regional and Local Employment Offices and the Regional Vocational Training Directorates.

Under one of its objectives, the National Employment Service in Albania is the set of administrative institutions and providers of employment, self-employment, and vocational education and training services, an integral part of the system of the ministry responsible for employment and skills development, based on the provisions of law no. 7995 dated 20.09.1995, "On the promotion of employment", amended. NAES operates through Regional Directorates and Local Employment Offices (36 Employment Offices (12 Regional Directions of the National Employment Service and 24 National Offices of the National Employment Service).

State Inspectorate for Labor and Social Services, through their local/regional offices, have several inspections regarding employment (though they are more oriented at safety at work issues). This Inspectorate, performs its duties based on a provided datasheet for registered businesses/taxpayers from the General Tax Authority.

As such, several inspections are made in recent years at the building construction sites (where a considerable number of seasonal workers are engaged). Through the inspections, almost 30% of these workers work as part of the shadow economy. Unfortunately, data regarding inspections done in the agriculture and tourism sectors are not available. Having in mind that inspectors are in charge of field control, the "new" system for registration of workers must be connected with inspection systems in real-time providing them with updated data.

National Agency of Information Society as the main institution for implementing the policies, for the evaluation of the information society sector,

and coordination of information programs in all the relevant public institutions.

National Business Center, because one of the main missions of this institute is to carry out the registration of the businesses defined in the law that regulates the registration of a business, for the purpose of fiscal registration, social and health insurance, as well as inspection of labor relations;

General Directorate of Civil Status (with branches in the region, civil status offices in the LGUs) – is the institution responsible for the registration of the population in Albania, under the Ministry of Interior. This authority provides the registration and provision with the unique identification number for each citizen of Albania, and the registration is in the "National Registry of Civil Status" system. This system is already linked with all other systems providing public services i.e. e-Albania system.

EMPLOYMENT SYSTEMS & SOFTWARE IN PLACE

1.6.1. *Ex officio exchange of information*

Within the framework of Digitalization Reform of the GoA, every Institution / public entity in Albania is covered with the IT department, structures under the National Agency of Information System, which at the same time is the only institutional body, which administers e-Gov infrastructure as well as ICT for public institutions in Albania.

The e-Albania government portal is linked to the Government Platform of Interaction, which is the basic architecture that enables the interconnection of registers electronics with each other and real-time data exchange, in the form of safe and reliable, guaranteeing electronic services for citizens, businesses, and the public administration.

The exchange of data in Albania is governed by the Law on the Right to Information of Public Importance, which regulates the right of access

to the information contained in public registers, as well as the Law on the Statistical Office, which regulates the manner of collecting, processing and publishing statistical data.

According to the above-mentioned laws, the information in Albania can be exchanged electronically between institutions. However, the exchange of data is generally done when one institution sends an official request for information to another, after which the data can be sent either electronically (e-mail) either by CD or on paper. It is only recently that this procedure has been automated, especially when it comes to institutions relevant to the labor market such as the Tax Administration, the National Social Insurance Service, or the National Employment Service.

The Tax Administration is primarily responsible for collecting data relevant for the registration and deregistration of employees, and they are also responsible for the electronic distribution of information to all relevant institutions. In the communication relations with the institution of Social Insurance, the General Directorate of Taxation has signed a Cooperation Agreement where part of it is the "Electronic Communication Protocol" for sending the payroll data every month to each taxpayer. Other data outside this agreement are provided based on a written request made by the ISI to the GDT.

Cooperation with the NAES is done by giving information whenever requested. According to the requirements of the NAES/branches in the districts, the GDT has given priority to the delivery of information/receipt of information through the Regional Tax Directorates in the districts.

In the developments made in the government portal E-Albania, it is already possible and offered the service of automated verification of the payroll of the Taxpayer (form Sig-25)¹² as well as of the receipt or departure of the employee (form sig-27),¹³ information which is used by the Employment Inspectorate during the field verification of employees.

1.6.2. Analysis of the existing software's or digital systems related to employment in Albania

At the end of 2018, the Government Platform of Interaction has 49 interconnected institutions (Tax Authority, National Agency for Employment and Skills, Institute of Social Insurance, and Inspectorate of Employment being part of this connection). This connection makes it possible to communicate and exchange data between different institutions, creating the possibility of providing electronic services for citizens, businesses, and public administration employees themselves.

Over the last 2 years, approx. 300 on-line services and procedures have been provided for citizens and businesses. In the context of employment-related procedures and the agriculture sector the following services are already provided online:

- Registration of employees in the efiling.tatime.gov.al/ format of the General Tax Authority
- Social Security and Health Contributions in the efiling.tatime.gov.al/ format
- Proof of payments for obligations and contributions for each employee can be delivered online through e-albania.al/
- On line application for Farmers who want to profit from the national schemes for rural and agricultural development in the e-albania.al/ platform (2018 and 2019, 6000 and 8000 applications were registered, respectively)
- Application for enrollment in incentive programs of employment and the professional training courses through the portal provided by the National Agency for Employment and Skills (www.puna.gov.al)

In analyzing the existing digital system in terms of employment in general and (seasonal employment specifically) 2 main on-line portals could be identified.

E-filing portal of the General Tax Authority, which makes it possible for every registered private stakeholder (below mentioned as a taxpayer - equipped with business identification number NIPT) to register the employees and then pay accordingly their contributions. The GTD does

not have a specific system for seasonal employment, but the tax administration is responsible and follows the calculation and payment of contributions by each taxpayer, for the employee he/she employs from the first day of work. In exercising this responsibility, Tax Authority follows the obligation that each taxpayer has to declare the payroll of any new employee before hiring (1 day before for the existing taxpayer, max 2 days after for newly registered taxpayers). This action is performed by each taxpayer for each type of activity and regardless of whether the employee will be seasonal or not. Based on this rule, we emphasize that the data of seasonal employment in a certain activity of the taxpayer are part of the payroll (its curve) for a required period – in our database identified as working days for the given declaration period (monthly).

The Employment Services System, which provides data on unemployed job seekers and job vacancies for employers, as such serves only as a platform of meeting potential jobseekers with existing job vacancies (provided mainly by the private stakeholders)

Neither of the abovementioned portals has any record-breaking areas regarding seasonal employment.

Currently, the National Agency for Employment and Skills is in the phase of building an improved version of the current Employment Services system in which during the analysis phase it will be considered to include data records on seasonal job offers. This should go in line as well with possible improvements in the legal framework and clear definition of a seasonal worker. As stated from the NAIS, on possible changes of the existing system, vacancies concerning the seasonal job offer published in the Employment Service should be carefully and clearly categorized, specified, and turned into a statistical indicator afterward.

Yet, the whole process requires that the legal basis that will regulate the seasonal employment process to be in place and inter-institutional cooperation such as GTD, ISI, NAES, line ministries (agriculture, tourism, etc.) and the interaction of databases that they administer to be properly regulated.

TOWARDS REFORMING

IDENTIFIED POLICY OPTIONS FOR WORKERS IN ALBANIA

2.1. Experiences from the countries in the Region

In different neighboring countries in the region and in the European Union, different models for hiring workers for short-term employment are already being applied. Paragraphs below, present in short some of the best experiences in Croatia, Serbia, and Hungary as well as 3 different systems for engaging seasonal workers.

Croatian voucher system

According to the Employment Promotion Act, in 2013 Croatia has implemented a voucher system for engaging seasonal workers in the sector of agriculture. This system allows the employer to engage seasonal workers on daily basis up to 90 days per year.

The first step is that the employer buys vouchers from the Financial Agency (FINA). The value of vouchers is determined at the beginning of each year when the minimum wage is determined and it is equivalent of taxes and contributions that need to be paid for one day of worker engagement for the minimum wage.

This means if an employer needs 10 workers for 5 days, he/she should buy 50 vouchers at thus pay 50 days of worker engagement in advance.

When an employer engages seasonal workers, he/she needs to stick the voucher in the employee's workbook. In addition to vouchers, the employer is obligated to pay at least a minimum daily wage to the seasonal worker under the contract that he/she has signed with the employee. By the end of January of the following year, the employee needs to report its workbook to the Social and Pension Institute to register his/her work experience.

This voucher provides social and pension insurance as well as occupational health insurance to

seasonal workers. Croatian Social and Pension Institute and Central Register of Insured Persons communicate electronically and exchange data regarding insured persons. The crosscheck is done several 3-4 times a year and if there is any mistake it can be corrected.

The system implemented in Croatia was not tailored to be online, but rather in "paper" given that it was estimated that farmers were not yet ready for e-business.

Example of Croatian vouchers



Hungarian online system for seasonal workers

In 2010 Hungary implemented a special labor law (Law on simplified employment) that builds on General labor law but provides rules for engaging seasonal workers.

According to Special labor law, an employer can engage seasonal workers if his activity is linked to a period of the year regardless of the sector (Agriculture, tourism, and temporary work including movie production). Seasonal work in agriculture is regulated in more detail. An employer can engage seasonal workers in agriculture if employment does not exceed 120 days in a calendar year.

Yet there are restrictions regarding the total number of employees an employer can engage as well as few restrictions concerning salaries.

With a seasonal worker, the employer can sign a written or oral contract. To register a seasonal worker employer must submit two applications: one to register employee, and the other regarding the taxes. There are three possible ways of registration (either via the portal, phone call, or mobile app), and the employer can use national telephone customer service for help or simply authorize another person (bookkeeper, agency, etc.).

For every day of engagement, the employer must pay the minimal daily taxes of 370 ft (1 euro). This tax provides occupational injury protection for the employee but it does not provide pension insurance.

The system automatically performs control and identifies if the fee has not been paid. If the employer exceeds 120 days for the employment of one worker, the automatic system informs him about it and he is not able to register him according to the simplified procedure.

Besides seasonal work, the employer can use casual work as a way to engage workers for a shorter period. Casual work allows engagement for a maximum of five consecutive calendar days, up to 15 days within a calendar month, and up to 90 days in a calendar year. Additionally, the employer has a limitation regarding the number of employees that can be engaged by using this contract depending on the number of full-time employees (e.g. if the employer has 5 full-time employees, he can engage up to two casual workers).

Serbian seasonal workers' application software

Following the experience from Croatia and Hungary, Serbia has developed a "hybrid system" for the registration of seasonal workers in agriculture that was implemented in 2019.

Simplified procedures for engaging seasonal workers was introduced by special law "The law on simplified engagement in seasonal jobs" that

builds on the General Labor Law. This law stipulated that employers in agriculture can engage seasonal workers to perform specific tasks in agriculture (that are listed in detail in the Law) up to 120 days per employee.

The number of employees that can be engaged per day is not limited but the number of days when an employer can engage seasonal workers is limited to 180 days.

The employer registers seasonal workers through one online application where he/she enters only a few information - the worker's unique identification number and the date when the worker will be engaged. The worker must be registered before the commitment of work.

The system distinguishes two shifts for work - morning and afternoon shifts. The morning shift worker must be registered by 10 a.m. and for the afternoon shift by 1 p.m.

Systems of all relevant institutions (Tax Authority, Central registry of mandatory social insurance, National Employment Agency) are exchanging data automatically without any effort of the public servants. The tax return is automatically generated and sent to the employer with a completed payment slip at the end of the month.

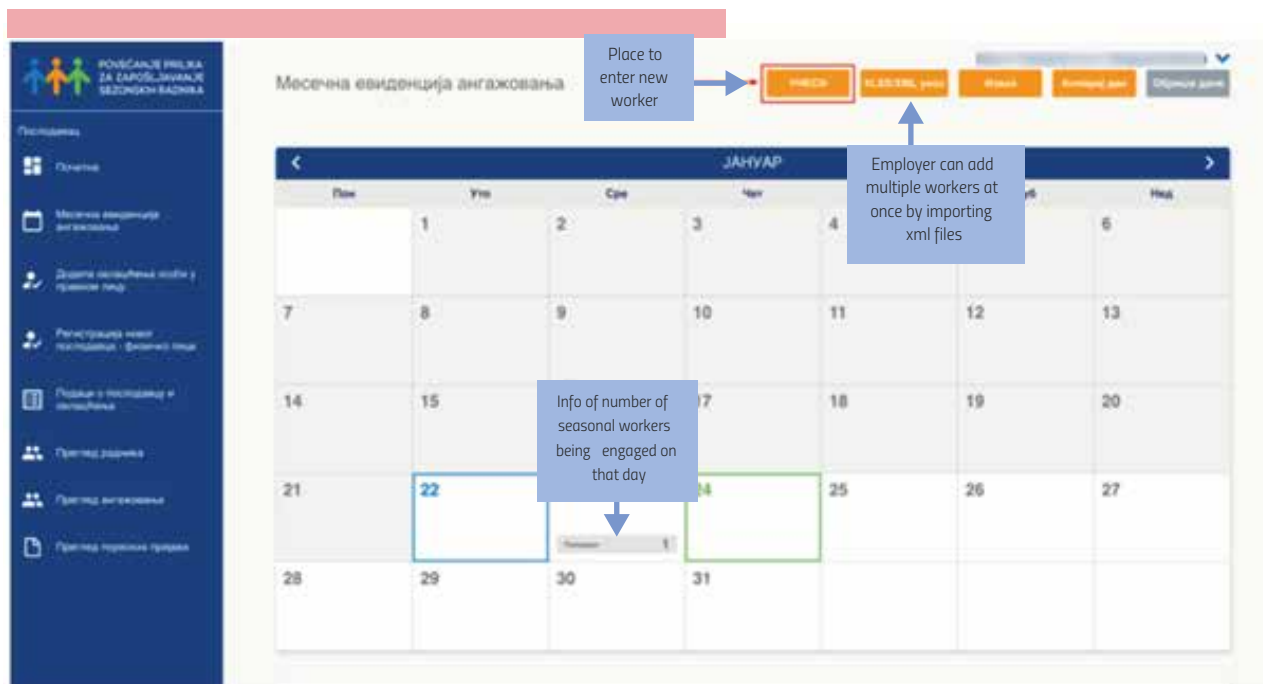
For every day of engagement, the employer must pay taxes and contributions of around 300 dinars (2,5 euros) that provide employee social and pension insurance as well as occupational injury protection.

The system automatically performs control and identifies if the employer exceeds 120 days for the employment of one worker or 180 days in total, and informs him about it.

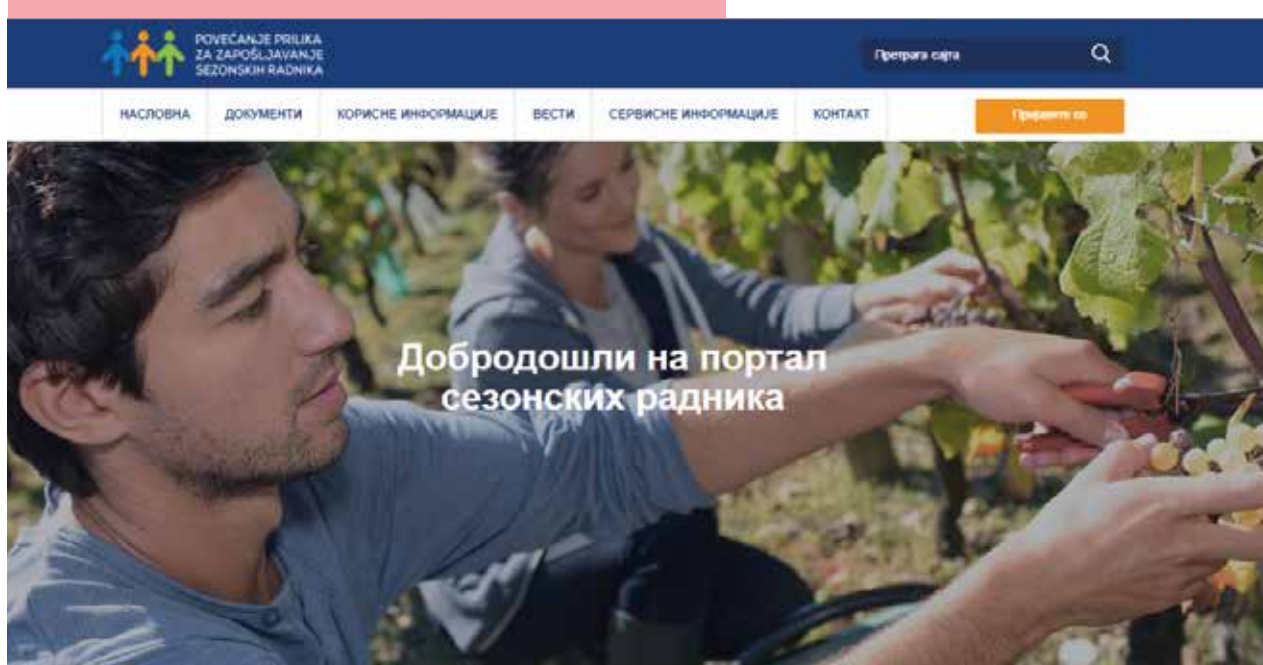
The system also automatically generates Seasonal Worker Registry out of workers that were engaged through the online system.

Additionally, unemployed persons can be registered at their request. National Employment Agency is in charge of maintaining a registry that besides basic and contact information of employees contains information regarding their training and experience that can help employers in finding the best worker.

Interface from Serbian online portal – calendar through which employers engage seasonal workers



Interface from Serbian online portal – calendar through which employers engage seasonal workers



2.2. Provided Policy Options

While the designation of the right policy to address seasonal worker's challenges in Albania remains a crucial issue, referring to the analysis above several things need to be taken into consideration while working on policy models.

It is clear that employers needed to engage workers for a short period during seasons in agriculture and tourism.

By observing data regarding engagement in agriculture (1.3 of the analysis) we can conclude that nearly 40% of agricultural holdings/farmers engage seasonal workers during a year. Though the Agricultural CENSUS estimates around

85'000 seasonal workers engaged in agriculture, the Albanian labor market is estimated to have a larger share of this type of employment, considering the relatively high rates of the informality of engaging workers. These workers are usually engaged on daily basis on jobs that are short-lasting but require a large number of workers (as picking, shearing, collection, etc.).

When it comes to tourism it is noticeable that the number of persons engaged is drastically larger (even doubled) during the period from June till the end of September. Additionally, the share of workers who are working less than 15 days a month is increased during these months. Namely,

	Agriculture Sector	Tourism Sector
Definition	A seasonal worker in agriculture is a worker engaged on a seasonal basis during the highest intensity working period of the sector	A seasonal worker in the Tourism sector is usually an employer engaged during a fixed period of the year (summer period)
Working period	Up to 100 days throughout the year	3 – 4 mon on average between May - September
Method of engagement	Usually daily	Monthly but also weekly or daily
Working hours	6 – 8 hours	8 – 12 hours
Employees work for	1 – 2 employers	Usually, work for 1 employer
Method of payment	Mostly paid in cash or 50% in cash in engaged daily	Mostly paid in cash or 50% in cash if engaged weekly/daily
% of employees registered	Fewer registrations of seasonal workers	A considerable number of registrations but noticed that workers engaged on a weekly/daily basis are not registered

offseason about 10% of engaged workers work less than 15 days a month, while during the season this share is about 20%. Given these data, a total number of 15'500 seasonal workers are estimated to have worked in the tourism sector during 2019, yet this data only refers to the formally registered employees in the fiscal system.

To illustrate this, the following table with the main characteristics of each sector is provided. As such, the nature of employment in the agriculture sector and that of the tourism sector are quite different and need to be addressed individually.

Having in mind the abovementioned characteristics and findings, general recommendations for the reform are:

- ***The Policy on seasonal workers in Albania should clearly define the term 'seasonal worker'*** (with a clear distinction from the part-time employees), sectors in which the term seasonal worker is applicable, and restrictions to reduce the potential for abuse.
- ***A daily engagement system should be introduced*** having in mind that analysis has identified that for both agriculture and tourism this kind of engagement is necessary.
- For the daily engagement system, ***signing a written contract should not be mandatory***, but replaced with an oral contract and obligation to register worker before starting the work.
- ***All existing forms of engagement can also be used for seasonal workers*** and the form of seasonal worker engagement completely depends on the employer and its needs.
- ***Engagement of seasonal worker should not be considered an employment relationship*** having in mind that this type of engagement is temporary and intermittent
- To motivate the registration of daily or weekly engaged workers ***simple taxation system should be developed***. An employer should not pay taxes and contributions for the days when the daily engaged seasonal worker is not working.

- Additionally, to prevent possible misuse of the system (having in mind that it would be cost-effective) ***restrictions should be introduced***
- ***Subsidy schemes in a "promotional period"*** should be considered, especially in the field of agriculture where it was noticed that worker registration is lower
- ***The policy of seasonal workers will require future changes to several legislation/regulations related to labor policies in Albania*** (such as insurance and contribution, labor law, taxation, etc.), and as such the whole process should be carefully coordinated among sectors.
- Additionally, reform must be harmonized with unemployment benefits and social assistance systems.

On another note, the *assessment on seasonal workers in the Vegetables, Fruits, Medicinal and Aromatic Plants and Small Ruminants Value Chains in Albania prepared in the frame of the GIZ/Sustainable Rural Development Programme*, stresses out that the labor force situation is becoming an issue especially for two major sub-sectors such as that of MAPs and small ruminants which are very sensitive to labor shortages. In this context.

The MAPs sub-sector which is the second most important export commodity after vegetables and with a long tradition is already facing serious challenges related to increased labor costs. Such costs will consequently be reflected in lower incomes for producers but also higher prices, which would make the sector vulnerable.

For this purpose, a flexible labor market for seasonal workers with no legal barriers (paying insurance and/or other taxes) would provide incentives for potential workers to be engaged seasonally but also would release the pressure off of the labor supply side by bringing the labor costs down.

Employment policies in general and especially specific employment policies such as those on temporary/seasonal work are quite challenging, considering a huge range of elements to be considered during reform processes.

As such, for the reform on the seasonal work to be implemented, several parts of reform must be considered and developed:

- The procedure and IT system for seasonal worker registration
- The form of restrictions to be introduced
- The method of taxation
- The benefits that worker would have

Considering the need of reforming seasonal employment both horizontally (general recommendations) and vertically for the agriculture and tourism sector, this document provides a range of “*policy elements*” for each part of the reform. These policy elements, are to be considered by the Albanian Government and can be mixed depending on sector characteristics (similar to puzzle stacking), for effective and efficient tackling of the seasonal work reform in the country.

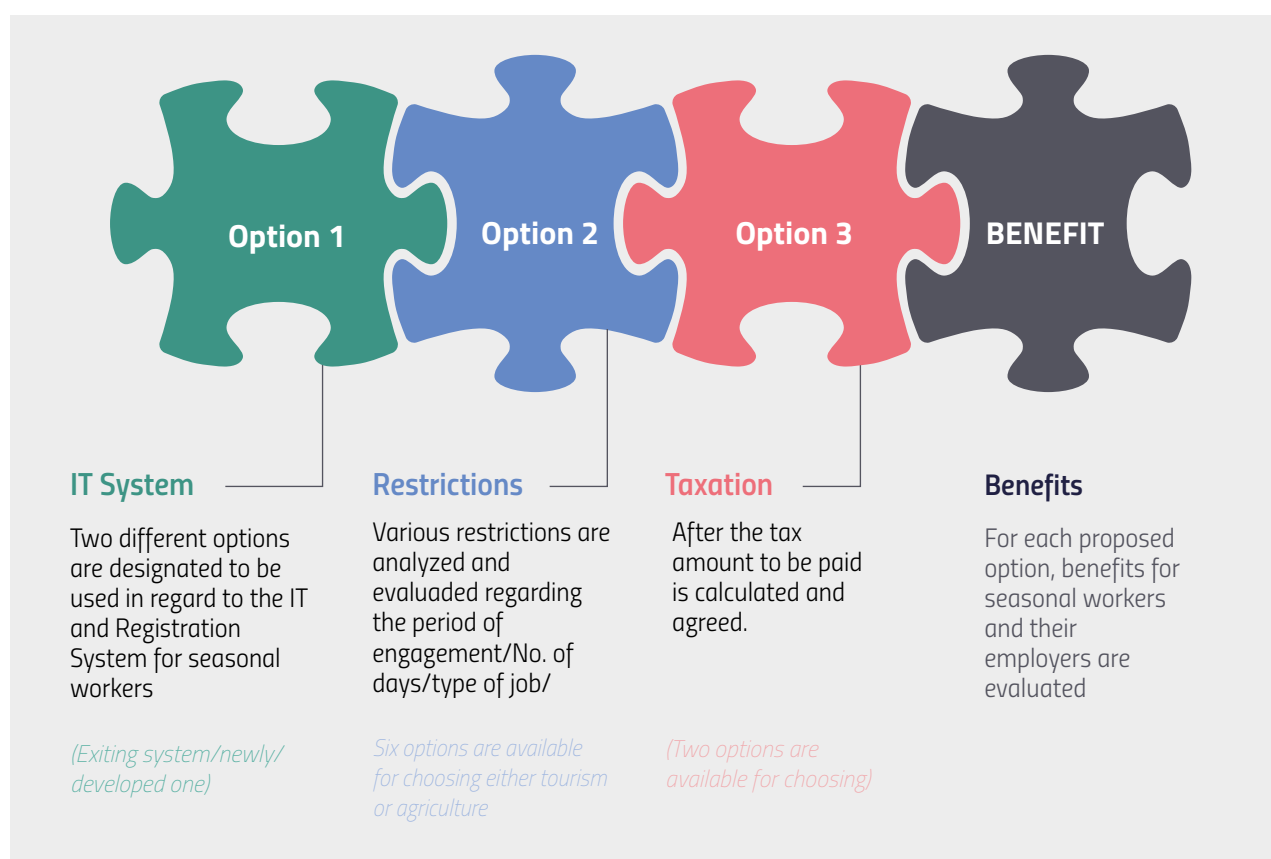
The provided policy options can be designed by choosing among various policy elements that are provided, to provide the best possible Policy Option either considering both sectors (agriculture and tourism as one) or designating policy options separately.

Figure below shows the puzzle like elements’ options for reforming the seasonal working system

The procedure and IT system for seasonal worker registration

Having in mind that the majority of workers engaged on a daily or weekly basis in both sectors are not registered and subsequently do not pay taxes and contributions, it is necessary to develop a system that is simple, user-friendly, and cost-effective that will motivate an employer to register his/her employees.

For this reason, the registration procedure should be simple with the minimum information required from the employer. The suggestion is that registration is done electronically and online having in mind both the strategic commitment of GoA to digitalization reforms, as well as the fact that the majority of public services are already provided through the e-albania portal and other relevant platforms. The risk that employers (especially smaller ones) won’t possess the knowledge to use online systems or will not have available necessary IT infrastructure still stands, thus it is necessary to think about the ways to support them (through support centers at the administrative units and municipalities, call centers, trainings, etc.)



Each employer who does engage seasonal workers should have (or create) his/her account on the platform. The employer registration should be done directly by the employer using his/her identification number or digital signature (if possible) or a public officer can register the employer in the case that he/she does not have a digital signature. After the registration account login can be done by using a personal username and password.

Having in mind that employers are familiar with the existing E-Sig-27 form our suggestion is to simplify it and use it for daily seasonal registration. The rest of the information from E-Sig-27 form can be obtained from already existing registers/databases rather than entered by the employer. E.g. by entering ID number of employee, the system should obtain his/her name and surname, date of birth, nationality, and sex from the Citizen Register. This way the burden on the employer would be significantly lower, the quality of data entered would be higher, and the need to double-check the data would be eliminated.

When it comes to the IT system that can be proposed, one of two provided policy elements/options should be implemented:

Optional element S1: Using the existing e-filling system to register seasonal workers – this would require a separate module to be developed within the existing systems, as it is important that both legal entities and natural persons can engage seasonal workers.

The benefits of this option would be the possibility to use systems that are already developed and employers are familiar with and the majority of IT infrastructure is already provided. On the other hand, the flexibility of the new service can be reduced due to already existing “rules” or IT settings. The mobile application or mobile-friendly version of the e-filling system for seasonal worker registration would be an added convenience.

Optional element S2: Developing a separate IT system to register seasonal workers – this would require the development of a completely new platform or application to be used only for the seasonal worker registration. Even though this would allow total flexibility in designing the new

service, this option will probably be more costly, and more demanding having in mind that the system needs to be interconnected with all relevant existing platforms/registries as well as to inform and educate employers to use it.

Possible methods of taxation

The employer has the legal obligation to calculate, declare, and pay contributions at the appropriate time and extent, for each of his/her employees (being those employed for 1 day or full-time contracts). In this regard, the payroll declaration (which is done online through e-sig27 platform), is a statement of the subject, in which individual contributions are evidenced, and as such, in support of Law no. 9920, dated 19.05.2008 “On tax procedures in the Republic of Albania” the taxpayer who does not issue these obligations on time is sanctioned with a fine of 10 000 ALL, for each tax return.

How are the contributions and taxes calculated?

Social and health insurance contributions for persons employed by legal or natural entities are calculated based on gross monthly salary within the national minimum wage limit and the maximum wage limit to calculate social security contributions approved by the relevant decision of the Council of Ministers. The minimum monthly salary to calculate social security and health insurance contributions from 01.01.2019 is 26,000 ALL, according to DCM no. 809, dated 26.12.2018 “On determining the minimum wage nationwide”.

According to law no. 7703, dated 11.05.1993 “On social insurance in the Republic of Albania”, as amended, for this study, the social security and health insurance contributions for individuals are calculated as a percentage of the minimum monthly wage nationwide. This is to be considered as especially employees in the agriculture sector, usually are paid in line with the national minimum wage.

As such, the employer is obliged to pay the following contributions:

- For social security contributions - 23% of the minimum monthly salary of 26,000 ALL;
- For health insurance contributions 3.4% of the double min. monthly salary of 26,000 ALL.

Possible forms of restrictions

The following table builds on several ways of restrictions aimed at minimizing the risks of possible misuse of the system.

Introducing some form of restrictions is not mandatory but desirable to prevent the misuse of the system. These policy options can be combined or used separately following the sector needs.

Options	Short description	Rationale
Optional element R3: <i>Restriction in number of days that employer can engage the daily seasonal worker</i>	Up to 120 days a year. No maximum in no. of seasonal worker that could be engaged during the period. No restrictions when these 120 days should be used.	It is noted from the analysis that employers engage daily seasonal workers for up to 4 - 5 months (120 days a year).
Optional element R4: <i>Restriction in number of days that one employee can work for one employer (monthly, or annually)</i>	Up to 15 days a month / or 90 days a year. One worker could be engaged by one employer up to 90 days a year, or up to 15 days a month. If the engagement is longer, conventional contracts should be used.	It is noted that employers engage daily seasonal worker for a shorter period, usually up to 15 days a month, not for all month, as seen mainly in the tourism sector
Optional element R5: <i>Restrictions regarding months during which daily seasonal worker could be engaged</i>	May-October period for both sectors An employer could engage workers during these months that are marked as the season. There are no restrictions on the number of workers to be engaged or the number of days per worker.	It is noted that employers engage daily seasonal workers for specific months during a year.
Optional element R6: <i>Restrictions regarding types of jobs for which daily seasonal workers could be engaged</i>	Define groups of jobs Rather than to make a detailed list of jobs. An employer could engage daily only to work on these jobs.	Employers engage daily seasonal workers for some specific type of jobs that are simple, short-lasting, but require a large number of employees in a short period
Optional element R7: <i>Restrictions regarding the amount of income</i>	Limit the income Up to minimum wage per month or up to 120% of the minimum wage for the highly profitable sector such as tourism. An employer could engage workers through this system only if these workers are not highly paid.	Even though the job is temporary by its nature, some professions could be highly paid (e.g. managers of hotels, chef, etc.)
Optional element R8: <i>Restriction in the type of employer (with or without NIPT number)</i>	NIPT provision. It should be discussed whether an employer that does not have a NIPT number should be allowed to engage seasonal workers.	Farmers who sell products on the market are required to have a NIPT number. Usually, these farmers with higher production have needs for a large number of seasonal workers.

However, having in mind the Serbian experience, and considering the diversity of agricultural product/activity in Albania, there is a full year engagement possibility for agriculture workers in the country as well.

Some specific types of jobs in tourism (manager, receptionist etc) are to be considered more as temporary and not seasonal.

Benefits	Potential risks
Easy to regulate. The system can automatically track the number of days. Easy to control.	The suggested number of days is not adequate. An employer can transfer his/her full-time workers from employment contracts.
Easy to regulate. The system can automatically track the number of days. Easy way to separate regular part-time workers who can work all month for several months from daily-engaged employees.	Monthly restriction not adequate for some types of jobs. Could be confused with a part-time contract
Relatively easy to regulate. Easy to implement and control. Restrictions are the lowest from the employers' point of view.	The season can be different for different sectors. The system cannot be used in other months. The long period of the season can motivate employers to engage his/her part-time workers this way.
Fewer opportunities for system misuse. Employers do not engage workers that work on the usually long-term type of job (administrative jobs)	Hard to control and requires higher capacities of inspectors. Hard to set the adequate list of jobs acceptable for farmers and tourism employers
Fewer opportunities for system misuse. Highly paid workers will pay more taxes and contributions.	Hard to control and requires higher capacities of inspectors. There is a high risk of 50% paid in cash wages could be used.
Farmers would be motivated to apply for the NIPT number. The system will encourage both farmer and seasonal workers to be registered.	The number of employers will be limited to NIPT possessing employers. Seasonal workers engaged by farmers that don't possess the NIPT number won't be legally registered.

Considering this, the following calculations can be done to calculate the daily obligation of employers for each employee/worker they hire.

- By assuming an average of 20 working days/month, daily salary of a *minimum wage paid employee is 300 ALL / day*.
- For this daily wage, the employer should pay 23% of 1300 ALL = *299 ALL for social security contributions* and 3.4% of 2 x 1300 ALL = *88.4 ALL for health insurance*

In total, the employer is obliged to pay daily around 390 ALL (3.2 euros approximately) for each employee he/she engages

As mentioned, to motivate employers to register their daily engaged workers, it is important to develop a cost-effective solution. With that in mind, the employer mustn't have the obligation to pay taxes and contributions during days or periods when the worker is not working.

When and how can taxes and contributions be paid?

Optional element T1: Paying taxes and contributions at the end of the month (Serbian model): For every day of engagement through the electronic system employer pays associated taxes and contributions. To minimize administrative burden at the end of the month the system could sum all taxes and contributions, send the information to the employer through the system so that employer could pay it.

The benefit of this system is that employer can pay all associated costs after the worker has completed his/her work. An employer can distribute the tax burden according to his/her abilities and necessities. Additionally, the employer has more flexibility and is not limited to pre-purchased quantities of "working days". On the other hand, the risk of the employer not paying his/her taxes and contributions at the end of the month (and thus employee can't exercise acquired rights) remains.

Optional element T2: Paying taxes and contributions before the engagement (improved Croatian model): As presented in the Croatian voucher system employers pay taxes and contributions in advance, before the engagement of seasonal workers. The employer could buy the

necessary quantity of vouchers based on his/her needs. If the employer knows that he will need 500 vouchers during this season he/she can pay taxes and contributions at once so he will not have to pay it at the end of every month when he/she hires seasonal workers. Vouchers can be electronic. Every voucher would have his/her ID number.

The voucher will be considered as used up when one seasonal worker is "linked" to the voucher through the online system. The risk of this system is that the employer won't use all paid up vouchers so he/she needs to return them and return already paid taxes and contributions.

Optional element T3: Implementation of subsidy schemes during the promotional period of the reform: To motivate employers to register their seasonal workers subsidy schemes could be implemented for a limited period (e.g. one year). The introduction of subsidy schemes shows that the government "believes" in reform and is willing to support the employer's needs. Additionally, strong resistance might be encountered at the beginning of the reform implementation, especially with employers who have not registered their workers previously, thus they can consider this reform as additional levies.

Optional element T4: The option that employee pays for taxes and contributions for seasonal work is implemented. As Albania already has developed voluntary taxes and contributions that employee as the natural person can pay on their own, in case of strong resistance it is possible to implement this kind of system that will provide the employer and employee with the freedom to agree on conditions who will pay taxes and contributions. The benefit of this kind of system will be the lower resistance of employers (especially smaller ones).

On the other hand, the risk is that all of the tax burdens will be transferred on employees and it is unclear if the employee would pay it or use the money as an income supplement.

While it is necessary to choose between the optional elements T1 and T2, T3 and T4 elements are optional and to be discussed if they should be introduced.

2.3. Recommended Policy Option

Based on the conducted benefits and potential risk analysis for each of the Policy elements presented above, the first recommendation for implementing a Seasonal Workers Reform in Albania is to introduce slightly different reform “puzzles” from one sector to another. The recommendations proposed in this section, build up on the discussion during the Country Working Group Workshop – Towards Policy Recommendation, and represent the views and main discussion lines expressed during this meeting.

In this regard, one common conclusion for implementing the reform is highlighted for both sectors. Having in mind the fact that the majority of public services are provided online, employers are already used to the system such as e-filing or e-Albania systems, as well as that existing e-sig-27 forms, with minor simplifications, is quite user-friendly, the recommendation is to use the existing IT infrastructure and existing forms. This solution would be more cost-effective and easier to implement. Given that, the same can be applied when it comes to paying taxes and contributions and further approaches (whether payment is done daily/before work/after) will be given after a thorough process of consultation with the CWG.

On the other hand, given the existing approach towards paying contributions, the general recommendation for both sectors would be that the employer will pay contributions at the end of the month, based on the number of days he has engaged the seasonal workers. **While the amount of the contributions calculated daily is subject to further discussion by the relevant Ministry and Institution, a reduction from the daily amount (approx. 3 euro) is suggested to be taken in consideration by the policymakers when implementing this reform.**

Given the importance of undertaking this reform, alternative schemes of providing subsidies for the employer during the piloting phase of the project, is necessary and was clearly pointed out during the workshop with the Country Working Group. This approach would firstly help on identifying and legally registering those employer who engage seasonal workers, and secondly would pilot the process of the registration with all the given assistance in order to ensure sustainability during the long run of the implementation of the reform.

Lastly, for the successful implementation of such newly presented reform in Albania, a wide-ranged introductory and awareness campaign should be organized and follow the whole process of implementation (from introduction/adaptation of the legal framework to testing of the registration platform). General recommendations should be fine-tuned taking into consideration sector characteristics. Therefore, our sector-oriented recommendations are:

Agriculture: The analysis has shown that seasonal workers are engaged on a daily and weekly basis for a specific type of job such as shearing, picking, fruit collection, etc. For more complex jobs employees are engaged for a longer period (e.g. 4 or 5 months). The majority of daily engaged seasonal workers in agriculture, work on average for up to 3 months and their work is highly influenced by the weather conditions and thus very dynamic.

Having in mind these main characteristics, our recommendation is to introduce two types of limitations to be able to separate „longer-term workers” from „daily seasonal worker” – the first one are the restrictions regarding the type of job for which daily seasonal workers could be engaged, and the second one relates to the

maximum number of days that one employer can engage a daily seasonal workers (e.g. 120 days). When it comes to paying taxes and considering the low tax morale of farmers, our recommendation is that implementation of a subsidy scheme in reform promotional period could be useful to motivate farmers to register their seasonal workers.

Tourism: The analysis has shown that seasonal workers in tourism are engaged during summer months – May to September, for up to 3 or 4 months on average. Workers can be engaged both monthly and daily depending on the type of job and necessity to work throughout all 20 days of a month. There are differences regarding the level of education and skills of workers in tourism that influence their income. When it comes to daily jobs in tourism these are usually jobs done by students or the younger workforce that is usually engaged for several weeks during the summer season.

Considering this our recommendation is to set a bit stronger restrictions for seasonal engagement in comparison to the agriculture sector. In addition to restrictions such as restriction in number of days that employer can engage the daily seasonal workers during a year (e.g. maximum of 120 days) or restrictions regarding types of jobs for which daily seasonal workers could be engaged that are also suggested for agriculture, in tourism additional restrictions should be introduced such as: restriction in the number of days that one employee can work for one employer (e.g. maximum of 90 days).

The main reason to suggest this restriction is to fine tune the type of workers that can be engaged by using this system. Tourism is an sector where some jobs can be highly paid, thus in order to identify the workers that work only temporarily jobs this restriction needs to be introduced.

As a conclusion the reform “puzzles” (i.e. policy options) are as follows:

Sector	Procedure & IT	Restrictions	Taxation
Agriculture	Optional Element S1 (using the existing system)	Optional Element R3 Optional Element R6	Optional Element T1 & Optional Element T3
Tourism		Optional Element R3 Optional Element R4 Optional Element R6	

*** The separate recommendation proposals draw out during the Country Working Group Workshop – Towards Policy Recommendation are presented in the Annex 2 of this Document as minutes of meeting, and reflected in the figure below*



CONCLUSIONS

FINAL RECOMANDATIONS

REFERENCES & BIBLIOGRAPHY

ANNEXES (1 & 2)

CONCLUSIONS & FINAL RECOMMENDATIONS

The employment of seasonal workers, in both agriculture and tourism, remains a hot issue of the labor policies in Albania, and addressing this issue is a quite challenging topic requiring strong and systematic coordination among all stakeholders and various sectors.

The analysis presented here highlights the huge potential of undertaking the reform on seasonal worker's employment based on the relatively high number of seasonally or temporarily engaged workers throughout the whole employment system in Albania.

The data presented here show that that nearly 40% of agricultural holdings / farmers engage seasonal workers during a year, and there are around *85'000 seasonal workers working in agriculture*. When it comes to tourism it is noticeable that the level of engagement is drastically larger (even doubled) during the period from June until the end of September and given these data, a total number of *15'500 seasonal workers are estimated to have worked in the tourism sector during 2019*, yet this data only refers to the formally registered employees in the fiscal system.

Yet a larger share of seasonal workers can be estimated for Albania, considering the relatively high rates of the informality of engaging workers not only in the presented and analyzed sectors of this report.

Although reform on seasonal workers could be implemented slightly different in terms of policy elements, some crucial notes and general recommendations shall be taken in consideration from the GoA when designing the reform as following:

- The Policy on seasonal workers in Albania should clearly define the term 'seasonal worker' (with a clear distinction from the part-time workers, sectors in which this definition is applicable, and restrictions to reduce the potential for abuse.

- Daily engagement system should be introduced considering that analysis shows that for both agriculture and tourism this engagement is necessary.
- Engagement of seasonal workers should not be considered an employment relationship as this type of engagement is temporary
- To motivate the registration of daily - engaged workers a simpler taxation system should be developed. As such an employer should pay taxes and contributions ONLY for the days the engaged seasonal worker is working. On the other hand, reduced amount of contributions could be introduced. *Yet this is a issue of governments' fiscal policies, so no specific recommendations are appropriate to be given here.*
- Subsidy schemes in a "promotional period" should be considered, in order to increase awareness, increase the number of registered employers and employees as well as successful implementation of the reform.
- The policy of seasonal workers will require future changes to several legislation/regulations related to labor policies in Albania (such as insurance and contribution, labor law, taxation, etc.), and as such the whole process should be carefully coordinated among sectors.

Additionally, reform must be harmonized with unemployment benefits and social assistance systems.

The importance and urgency of addressing the employment issues of seasonal workers should be clearly defined in the relevant strategic documents of Albania, and embraced by the relevant institution in taking further the Reform.

NOTES

1 The Register of Agricultural Economic Units is an integral part of the agricultural statistics system, methodology of which is in line with the Organization's international standards, Food and Agriculture Organization (FAO) and EU legislation: Regulation (EC) no. 1166/2008 of the European Parliament and of the Council on farm structure surveys and methods of agricultural production.

2 For further information see:
<http://www.instat.gov.al/al/temat/censet/censusi-i-bujq%C3%ABsis%C3%AB/#tab2>

3 Source:
<https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-albania-report.pdf>

4 This category excludes persons fully engaged in activities of the production of goods or provision of services for personal use, such as the production of agricultural products, fishing and collection of products for personal consumption or cleaning, decoration, gardening and maintenance of their dwelling or premises, of long-term equipment and of other goods.

5 Fiscalization, is a reform undertaken by the Albanian Government aiming at reducing informality in all economic sectors in Albania.

6 'Western Balkans Labour Market Trends 2019', World Bank Report, 2019

7 Albanian Chamber of Commerce, 2018

8 All the contacted employers/business part of this questionnaire are listed under the category of Big Enterprises as per classification of the Tax Authority

9 For more information on the report, contact information of the author are provided in the Bibliography chapter below

10 The indicated salaries represented here, refer only on the responses of the 10-business interviewed for the purpose of this study. Other assumptions consider the average 1000 – 1200

ALL/day, especially on the harvesting jobs.

11 As indicated from different interviews / other sources, the average daily salary for an Albanian seasonal worker in the agriculture sector in Greece is between 30 – 35 EU / day.

12 E-SIG 027 is the form that serves to declare employees for the first time after registration, to hire them and to dismiss them.

13 E-SIG 025 is the taxpayer's payroll. This form serves to declare three types of taxes: Social Insurance, Health Insurance and Employment Income for Employees.

14 Interviewed private sector employers, have listed more than one challenges.

15 The full list of interconnected institution and the list of on-line provided services can be found in the link below, respectively in the Annexes 1.1 and <https://akshi.gov.al/wp-content/uploads/2019/08/raport-vjetor-AKSHI-2018.pdf>

16 Through web portal sezonskiradnici.gov.rs or by using mobile application

17 Medical and Aromatic Plants

18 The municipality level officers can provide assistance e.g. for farmers to register

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Crosscutting Strategy "The Digital Agenda of Albania 2015-2020", Republic of Albania, 2015

Crosscutting Strategy 'For Rural Development and Agriculture 2014-2020', DCM no. 709, dated 29.10.2014

National Strategy 'For Sustainable Tourism Development 2019 – 2023', Ministry of Environment and Tourism

National Strategy 'For Employment and Skills' 2014 – 2020, Ministry of Economy and Finance

Annex 1

List of contacted stakeholders

Name Surname	Institution / Business Sector
Genta Prodani	Ministry of Finance and Economy
Elkida Sinani	Ministry of Tourism and Environment
Elisa Teneqexhi	Ministry of Agriculture and Rural Development
Artan Babaramo	General Directory of Taxation
Irena Xhafa	General Directory of Taxation
Romina Kostani	National Agency of Information Society
Elira Demiraj	National Agency of Employment and Skills
Anila Bilero	National Agency of Employment and Skills
Sabah Djaloshi	AgroPUKA – Business/Agriculture Sector
Ruzhdi Koni	AGROKONI shpk – Business/Agriculture Sector
Albert Pashaj	Butrinti FERM – Business/Agriculture Sector
Rrapi Hazizi	Rinaldi Ltd – Business/Agriculture Sector
Genc Mita	SEJEGA – Business/Agriculture Sector
Trifon Ashano	SHPIRAGU – Business/Agriculture Sector
Ejup Ahmeti	Doni Fruits – Business/Agriculture Sector
Arben Zdrava	Zdrava Shpk – Business/Agriculture Sector
Fatmir Shero	Agro Konispoli – Business/Agriculture Sector
Kujtim Zere	Albanian Herb SHA – Business/Agriculture Sector
Moza Shuli	Perla Hotel – Business/Tourism Sector

Name Surname	Institution / Business Sector
Fatos Cereshti	FaFa Hotels & Resorts – Business/Tourism Sector
Vasil Bedinaj	Regina Group – Business/Tourism Sector
Monda Dukgilaj	Hotel Tradita – Business/Tourism Sector
Besiana Bregasi	Palace Hotel – Business/Tourism Sector
Aida Kastrati	Razma Hotel and Resortl – Business/Tourism Sector
Olta Kolaveri	Kolaveri Resorts – Business/Tourism Sector
Azem Selmanaj	Paradise Beach Vlore – Business/Tourism Sector
Eva Xhepa	Rogner Hotel & SPA – Business/Tourism Sector
Klodjan Memoali	Blue Day Hotel – Business/Tourism Sector
Rozafa Zmijani	NAES – Regional Unit Shkoder
Indrit Buku	NAES – Regional Unit Durres
Latif Ciku	NAES – Regional Unit Diber
Marsida Hyseni	NAES – Regional Unit Elbasan
Nusret Avdulla	NAES – Regional Unit Fier
Kristjana Kaci	NAES – Regional Unit Gjirokaster
Saniela Xhaferi	NAES – Regional Unit Vlore
Julinda Gjonja	NAES – Regional Unit Tirane
Florenc Tabaku	NAES – Regional Unit Korçe
Marsida Hyseni	NAES – Regional Unit Elbasan

Annex 2

CWG Workshop /Minutes of meeting

Towards Policy Recommendations Online Meeting October 8th 2020 / 14:00 – 16:00

The virtual workshop 'Towards Policy Recommendation' for seasonal workers engagement in Agriculture and Tourism in Albania, was organized in the framework of the "Increasing Employment Opportunities for Seasonal Workers in the SEE Region" project, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of German Federal Ministry for Economic Cooperation and Development (BMZ).

The workshop followed up on the finalization of the Country Analysis Report together with the draft proposal on policy recommendations/ options provided by the project team, with the aim of further discussing these recommendation with the project Country Working Group. The main Goal of the workshop was to propose the final Policy Option/s and recommendations towards a future reform on seasonal employment system in Albania.

The following participated in the meeting:

GIZ Team: Mrs. Amira Omanovic – Deputy Sector Fund Manager ORF MMS, Mrs. Alkida Sini – Albanian National Coordinator at GIZ, Mr. Zoran Jakovljević – Project Manager at GIZ,

NALED Team: Mrs. Tisa Causevic, Mrs. Milica Andjelkovic Đoković, Mrs. Isidora Smigic

Co-PLAN Team: Mrs. Fiona Imami, Mr. Ledio Allkja, Mrs. Kejt Dhrami, Mrs. Merita Toska

Country Working Group Representatives: Mrs. Anila Bilero, Mrs. Elira Demiraj – NAES, Mr. Artan Babaramo, Mrs. Irena Xhafa – GTD, Mrs. Elisa

Teneqexhi – MARD, Mrs. Etleva Dyrmyshi MoEF, Mrs. Jona Haderaj – NAIS, Mrs. Elkida Sinani – MoET, Mrs. Ina Serani

This meeting was facilitated by an external moderator facilitator : Mr. Relja Dereta

Development of the Meeting:

The virtual meeting was congratulated by Mrs. Amira Omanovic who held the welcoming speech. Mr. Omanovic, highlighted once again the importance of undertaking steps toward policy reformation on seasonal workers in Albania, and thanked everybody for conducting the first step – the country analysis – towards a future reformation of the system. She also highlighted that the discussion to be held today is very important on setting up common grounds and perception toward a policy option for the future.

Mrs. Alkida Sini, being the National Coordinator at GIZ, welcomed everybody in the virtual meeting, and congratulated on the work done so far. She thanked the Country Working Group for not only being present in this final step of the project but also on the continuous support on conducting the Country Analysis especially during these challenging times for all.

Next, with the help of the moderator Mr. Relja Dereta, the participants on the virtual meeting, took a round of short introductions, and then the approach and guidelines of the workshop were briefly explained.

After the short introduction, Mrs. Fiona Imami held a presentation on the findings from the Country Analysis report in order to set the ground for the discussion on the policy elements which followed on the virtual meeting. Mrs. Imami highlighted the following points during the presentation:

01 Goals and Methodology of the Study – presenting a clearer picture of the given situation, challenges, and opportunities related this specific labor type in Albania in the sectors of agriculture and tourism as a very first step towards reforming opportunities and new policy options

02 Remarks on the Legal Framework & National Labor Policies – stating that employment of seasonal workers is not recognized as a specific form of employment in any regulations or in 'The Labour Law of Republic of Albania.

03 Seasonal Workers in Numbers – presenting the findings from the conducted analysis on three level (i) data from INSTAT and Forml registers of employees from the General Tac uthority, (ii) Data from the interviews conducted with private sector and (iv) Data from the on-line survey).

04 Challenges of Seasonal Employment – Defining the main findings from the analysis towards the biggest challenges that employers, employees or even institutions meet on engaging seasonal workers or towards reforming the system

05 Recommendations & Policy Options – Here Mr. Imami presented the study's general ecomandations and explained thoroughly the puzzle structure proposed on combining the identified policy elements, which will further build up the Main Policy Option/s for reforming the seasonal workers system in agriculture and tourism in Albania.

After the presenttion, the participants were divided in two main groups, where a thorough discussion on the policy elements took place, and the participants were asked to build up the puzzle like structure on the policy recomandation for both analysed sectors. The main findings from the group work are presented as following:

Findings from Group 1:

- The reformation of the seasonal workers' system should start from defining a clear definition on seasonal workers, and respective legal provi sions to be done in the respective legal framework.

- It is difficult on defining on the range of the conributions, as it is clearly a fiscla policy of the Government of Albania and the respective responsible Ministry of Finance, as such it would equire a thorough deeper study only for that matter.

- Agritourism might have been considered n the study, being a crosscutting sector merging both agriculture and tourism. The increased number of premissions taken for seting up agrouturism businesses in Albania, shows that there is also a huge potential on increasing the employment in this sector.

- For both sectors would be necessary to present some restrictions on number of days an employee is engaged (up to 120) and also on the type of jobs.

- The existing system for registering employees is already in place, and it can easily customized or adapted towards the needs for registering this type of workers, after the legal frame work would be set in place.

Findings From Group 2:

- For both sectors the existing registration system of Esig-27 can be used. It is less costly to impenet and on the other hand deviations or other improvements to acomodate the needs for registering the seasonal workers can be easily made. The system on the other hand is very well interlinked with all other institutional platforms.

- Regarding the restrictions, for the agriculture and tourism sector a restriction in the number of days it is necessary though it is not sure wheth er it has to be 90/120 days. But in order to also implement an adequate inspections, restrictions in the type of jobs should be introduced as well. The only issue with restrictions remains the restricior for the 4 month period in tourism. lthough it is the main touristic season, there are other touristic activities thorough the whole year thatrequire the engagement of seasonal workers.

- Paying beforehand the contribution it is not feaseble at all, so the proper way would be paying the cntribution at the end of the months, only for those days that you have registered a seasonal worker. At least this is the existing procedure for employers right now

- It is diffcult to make statements regardng the taxation, but if the daily taxation/contribution can

not be reduced, than subsidies from the government in a piloting phase of implementing the reform should be undertaken.

- The introduction of such reforms requires a huge campaign on increasing awareness for both parties employer and seasonal workers.

After the presentation of the puzzle structures by both groups, Mrs. Milica Andjelkovic Đoković, seasonal employment expert from NALED Team, made a summary on the findings and identified the Policy Option that can be adopted for reforming the seasonal system in Albania.

The following elements were highlighted for the refomation to take place :

1. Regarding the registration system, the existing e-filling system could be adapted for egistering seasonal workers

2. Restriction in number of days that one employee can work for one employer introduced and restrictions related to the type of jobs, should be for both sectors.

3. Taxes and contributions should be paid by the end of the months by the employers, and the Serbian model could be used as reference.

4. During a piloting phase, employers can be supported by subsidy schemes from the Government.



Implemented by:



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