

# RECOVERY, INCLUSIVENESS, SUSTAINABILITY

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**RECOVERY**

**ECONOMY**

**COORDINATION**

**ORGANIZATION**

**VARIETY**

**EQUALITY**

**RESPONSIBILITY**

**YOUTH**

# Fast Edition



## About the Newsletter

The “Recovery, Inclusiveness, Sustainability” newsletter is part of the project “Recovery4Sustainability”. Through monitoring and research, we aim to improve the level of transparency and accurate information of citizens regarding the Economic Revival Package. In addition to informing citizens about economic revival measures, this bulletin aims to showcase the level of implementation of the measures, while encouraging stakeholders to monitor their implementation. The “Recovery, Inclusiveness, Sustainability” newsletter is implemented within the project “Recovery4Sustainability”, supported by the Balkan Trust for Democracy (BTD) and USAID.

The third edition of the newsletter contains information and data about the first three sub-measures under the first measure. These sub-measures are under the supervision and responsibility of the Tax Administration of Kosovo (TAK), since they are directly related to the services provided by this institution. By conducting

interviews with competent actors on the topic covered in the bulletin, we aim to bring their views and opinions about the measures integrated in the Economic Revival Package, which is the fourth assistance package to overcome the consequences of the COVID-19 pandemic. INDEP conducted an interview with the representative of the Tax Administration of Kosovo, respectively the Director of the Department for Registration and Taxpayer Service, Mr. Sami Salihu, through which we received data and other details about sub-measures 1.1, 1.2 and 1.3.

# → WHAT ARE THE FIRST THREE SUB-MEASURES UNDER THE FIRST MEASURE?

The damage caused by the COVID-19 pandemic has affected most sectors of economic development. Financial and health care consequences are just a few of the consequences, since as a result of the pandemic, many citizens have lost their jobs. Therefore, the first measure in the Economic Revival Package, called Employment Support, is introduced as a priority for assistance to be provided to the affected citizens. In total, this measure includes seven sub-measures, of which the Tax Administration of Kosovo has oversight for the first three. These sub-measures are:

- 1.1. Reinstatement to work of those who lost their jobs during the pandemic - 10 mil EUR
- 1.2. Support for formalized employees - 10 mil EUR
- 1.3. Support of women's employment - 5 mil EUR

Similar to the development of prior packages, aiming to abate the damages brought on by the pandemic, the Tax Administration of Kosovo was deeply involved in this package as well. As a supervisory authority, TAK has developed electronic systems, which facilitate the application of citizens for support from the measures under the Economic Revival Package. These sub-measures involve groups that were largely affected, therefore their operationalization was among the first.

## WHAT IS SUB-MEASURE 1.1, → AND WHO BENEFITS FROM THIS SUB-MEASURE?

Sub-measure 1.1, dubbed Reinstatement to work of those who lost their jobs during the pandemic, provides assistance to people who lost their jobs due to the pandemic, and which are found to be employed in the tax period December 2019 - February 2020. In total, this sub-measure has been allocated **10 million Euros**. This sub-measure is already operational, and citizens who meet the necessary requirements can apply through the EDI system, the website of the Tax Administration of Kosovo.

**An employer can apply through the electronic EDI system of the Tax Administration of Kosovo, through a special form that is accessible in EDI. The application link for this sub-measure is: <https://apps.atk-ks.org/Subvencionim>.**

Employees may apply through the website of the Tax Administration of Kosovo. The application link for this sub-measure is:

<https://www.atk-ks.org/services/>

**Registered companies, employers and employees** under the Kosovo legislation of Kosovo are eligible to apply. Employers apply for subsidies through the EDI system, while employees through the website of the Tax Administration of Kosovo. Consequently, beneficiaries of this sub-measure are both employers and employees.

## What are the requirements and benefits of the first sub-measure of the Employment Support measure?

Requirements to be met to benefit from sub-measure 1.1: Reinstatement to work of those who lost their jobs during the pandemic:

**Employees must be declared as employed in the tax period December 2019 – February 2020, and were declared unemployed in the tax period April 2021 – June 2021.**

Employers may benefit for three (3) months in a row, from the beginning of the subsidy, 50% of the gross salary, which may be maximally one hundred and seventy (170) Euros. The applications for employers were open on August 12, 2021, and will be open until **October 15, 2021, at 24:00 hrs.**

Employees may benefit for three (3) months in a row, from the beginning of the subsidy, an amount of one hundred (100) Euros. The applications for employees were open on September 23, 2021 and will be open until **October 15, 2021, at 24:00 hrs.**

## WHAT IS SUB-MEASURE 1.2, AND WHAT DOES THIS SUB-MEASURE PROVIDE?

Support for formalized employees, or the second sub-measure of the Employment Support Measure, provides support to people who are recorded as such and regularly perform their tax duties. Given the importance of declaring oneself as an employee, and the inputs this brings to the state, by such declarations, the aim is to encourage further formalization. This is achieved since only formalized employees can benefit from the support provided by the Government of the Republic of Kosovo, through its Economic Revival Package.

### But what is formalized labor?

Formalized labor refers to work in which a company employs an employee, under a defined employment contract, which includes wages or salaries, health benefits, and defined working hours and working days.

Similar to the previous sub-measures, this sub-measure is already operational, while beneficiaries may apply through the electronic EDI system, and the website of the Tax Administration of Kosovo. Employers who formalize their employees, as well as employees who are part of this category may benefit from this sub-measure. The total amount allocated for this sub-measure is **10 Million Euros**.

**An employer may apply through the electronic EDI system of the Tax Administration of Kosovo, using a special form that is accessible in EDI. The application link for this sub-measure is:**  
<https://apps.atk-ks.org/Subvencionim>.

**Employees may apply through the website of the Tax Administration of Kosovo. The application link for this sub-measure is**  
<https://www.atk-ks.org/services/>

## What are the requirements and benefits of the second sub-measure of the Employment Support measure?

**A requirement that must be met for a subsidy application to be successful is:  
The employee must not be recorded as an employee before the tax period June 2021 or earlier, and is further declared to the Tax Administration of Kosovo**

Under this sub-measure, if the application is successful, employers may benefit twelve (12) months in a row, 10% of the pension contributions, an amount that cannot be greater than one hundred (100) Euros. The applications for employers were open on August 12, 2021, and will be open until **October 15, 2021, at 24:00 hrs.**

Employees may benefit for three months in a row, from the beginning of the subsidy, an amount of fifty (50) Euros. The applications for employees were open on September 23, 2021 and will be open until **October 15, 2021, at 24:00 hrs.**



## **SUB-MEASURE 1.3.** **SUPPORT TO THE EMPLOYMENT OF WOMEN**

Women make up almost half of the population of the Republic of Kosovo. In terms of employment, women are less represented than men. In an effort to ensure equal rights and equal representation in every sphere of life, it is deemed reasonable to integrate the sub-measure into the Economic Revival Package, to directly support the employment of women. The total amount allocated to this sub-measure is **5 Million Euros**. This sub-measure has also begun its implementation or operationalization, and applications are open to persons who meet the requirements set by the Government of the Republic of Kosovo.

Freedom to work in one's choice, in terms of dignity, security and fairness, is an integral part of human well-being. Ensuring that women have access to this right is an important goal in itself. From an economic perspective, reducing gender gaps in labor force participation could significantly increase GDP. Regions with the largest gender gap, including our own country, would largely benefit if they apply conditions for employment equality.

**An employer may apply through the electronic EDI system of the Tax Administration of Kosovo, using a special form that is accessible in EDI. The application link for this sub-measure is:**  
<https://apps.atk-ks.org/Subvencionim>.

**An employee may apply through the website of the Tax Administration of Kosovo. The application link for this sub-measure is**  
<https://www.atk-ks.org/services/>

## What are the requirements and benefits of the third sub-measure of the Employment Support measure?

**A requirement that must be met for a subsidy application under this sub-measure to be successful is:**

**The female employee must not be recorded as an employee before the tax period June 2021 or earlier, and is further declared to the Tax Administration of Kosovo.**

This sub-measure provides that an employer shall benefit for three (3) months with 50% of the gross salary, an amount that cannot be greater than one hundred and fifty (150) Euros, and for nine (9) more months, they would receive 10% of the pension contribution, an amount that may not exceed one hundred (100) Euros. The applications for employers were open on August 12, 2021, and will be open until **October 15, 2021, at 24:00 hrs.**

Employees may benefit for three (3) months in a row, an amount of fifty (50) Euros. The applications for employees were open on September 23, 2021 and will be open until **October 15, 2021, at 24:00 hrs.**



## INFORMATION ON APPLICATIONS FOR THE FIRST THREE SUB-MEASURES

The following table represents the applications made by employers for the first three sub-measures under the first Measure. The data show that the largest interest or most applications were filed for the third sub-measure under the first measure, or the sub-measure called Women’s Employment Support, where a total of 845 applications were received, for 1590 employees.

Employer					
Measure 1.1.		Measure 1.2.		Measure 1.3.	
Applications	Employee	Applications	Employee	Applications	Employee
232	539	320	929	845	1590

The following table represents the applications made by employees for the first three sub-measures under the first Measure. The data show that the largest interest or most applications were filed for the second sub-measure under the first measure, or the sub-measure called Support for formalized employees, where a total of 565 applications were received.<sup>1</sup>

Employees					
Measure 1.1.		Measure 1.2.		Measure 1.3.	
Applications	Employee	Applications	Employee	Applications	Employee
169	169	565	565	217	217

<sup>1</sup> The data for the compilation of this bulletin were compiled under a desk research method, and an interview conducted by INDEP with the representative of the Tax Administration of Kosovo, the Director of the Department for Registration and Service of Taxpayers, Mr. Sami Salihi, on 28 September 2021.

## RECOMMENDATIONS

1. The Government of Kosovo, in cooperation with the Tax Administration and the Kosovo Agency of Statistics, must identify the number of employees reinstated to work as a result of this measure. This number, together with statistics on the number of people who have lost their jobs, should be presented in comparative terms and on a regular basis.
2. Institutions must accompany the second measure of formalization of businesses with more monitoring efforts. In particular, it should be made clear whether the formalization is causing a reduction in the salaries of the current employees who will be declared, or a salary decrease in the equivalent amount to be awarded to the employees as an incentive.
3. In the future, more funds to the measure 1.3 “Support for women’s employment”. Initial data show a larger number of applications for this sub-measure compared to other sub-measures, although the allocated budget is half as small. Taking into account the historical inequalities in the number of female employees compared to male workers, there is considerable need to increase support for this category.
4. Target women with awareness campaigns. The data show that although applications from employers are higher for measure 1.3 - “Supporting women’s employment”, applications from women employees are almost twice as small compared to sub-measure 1.2. This means that although the need for women for support is great, their reluctance to apply is also clear.



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