

THE DIGITAL ECONOMY PART OF THE INTERNATIONALIZATION OF THE LABOR MARKET. THE CASE OF ALBANIA

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Abstract: *This study aims to analyze the impact of the digital economy on strengthening the labor market and its growth in Albania. In this analysis, we focus on the growth of the Information and Communication Technology (ICT) sector as a result of technological advancements and innovation in the country. Using official data from Albanian state sources, we identify the changes and challenges of the labor market in this context of digital transformation. Also, we research the policies and strategies undertaken by state institutions to improve the adaptation of the workforce to the demands of the digital economy sector. Through our analysis, we assess the role of training and skills development as well as their impact on increasing employment and innovation in Albania. Based on the results of the study, we conclude with concrete recommendations to improve existing strategies and policies in accordance with the needs of the digital economy sector and the workforce in Albania. In conclusion, we examine the future opportunities for the growth of the digital economy and the labor market in the country. The intercommunalization of digitalization is a trend for global economic development, a necessary part of the high-quality development of any business. The internationalization of digitization suggests that the principles of sustainability and digitization can and should be combined with each other to ensure business longevity.*

Artificial intelligence, quantum computing, brain-computer interface, digital transformation of enterprises, digital technology and digitization are gaining ground in global economic development.

Keywords: *Digital Economy, Workforce Adaptation, Labor Market Transformation, Modernization, Digitalization, Internationalization, Career Development, etc.*

1. Introduction

The digital economy is a concept that includes the use of digital and information technology to transform economic processes efficiently and innovatively. This includes using the Internet, information and communication technology to increase productivity, expand impact and create new value for the economy at large. The importance of the digital economy is highlighted, becoming an important engine for innovation, economic growth and the creation of new job opportunities.

The article aims to analyze the impact of the digital economy in Albania, evaluating the use of technology and innovation as an important source for the growth of the labor market. The focus will be on identifying special challenges and opportunities for the Albanian economy in

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accordance with current developments in the field of technology and digitization. Our approach will include the analysis of economic policies, the necessary investments in digital infrastructure, as well as raising awareness of the importance of this transition in key sectors of the Albanian economy. The aim is to present a clear vision for the future path of Albania's economy, emphasizing the role of the digital economy in increasing competitiveness, creating new jobs and promoting innovation, where through the process of internationalization it will bring more modernized standards. , more sophisticated.

2. Labor market, internationalization and some indicators.

The data published by INSTAT speak of a constant increase in the working-age population over the last few years. Projections show that this growth has already reached its peak and it is expected that the following years will mark a gradual decline in the working-age population. It is the first time that our country encounters such a demographic development, hitherto unknown by our economy. Its ramifications will soon begin to be felt in all areas of human activity in the country, ranging from the various levels of education to the most important economic implications related to domestic production, productivity, consumption, social security schemes, the standard of living, etc. The figures speak of employment difficulties encountered mainly among young people, so a significant part have left the country for employment. In the age group of 15-29 years, more frequent fluctuations are observed between unemployment and employment, which indicates difficulties in keeping a job. This age group is more prone to emigration.

2.1 Human resource Management.

Human resources are the most important asset of a business that should be invested in its development. When it comes to internationalizing a business, human resources can be that business's biggest challenge. A business that considers market growth in regional European or world countries must carefully analyze the opportunities and capacities for business expansion. Usually the training, management and staff travel required for the international market is a very large and sometimes unaffordable cost for a business. It is important to carefully evaluate the country in which you are thinking of extending that business by analyzing the average age of that country, the unemployment rate, the professional education of that country that if the company were to recruit employees from that country it would be a higher cost small (Bach and Edwards, 2013).

3. Digital economy. Analysis of the impact of the Information and Communication Technology (ICT) sector in Albania.

The first concepts, as well as the concept of the modern digital economy, appeared at the end of the last century. In 1995, the American computer scientist Nicholas Negroponte presented it in the form of a transition from the motion of atoms to the motion of orbits. N. Negroponte said that material substances, considered in the form of raw materials and products, have their

drawbacks, such as: the physical size of the product, the need for resources for its production, the use of space for its storage, logistics costs, as well as problems related to the transportation of goods. According to computer scientists, the advantages of the digital economy as a type of "new" economy can be: the lack of physical weight of products replaced by the volume of information, lower cost of resources for the production of electronic goods, the area occupied several times smaller. By products (usually electronic media), as well as the immediate global movement of goods via the Internet.

In 1995, the American computer scientist Nicholas Negroponte (University of Massachusetts) coined the term "digital economy". Now this term is used worldwide, it has come into use by politicians, entrepreneurs and journalists. Last year, one of the main reports of the World Bank contained a report on the state of the digital economy in the world (the report was published under the title "Digital Dividends").

However, so far the content of this concept remains unclear and there is no clear definition in the WB report. This article from RIA Nauka contains the most general ideas of what the digital economy is.

To begin with, it is worth recalling the definition of the usual "analog" economy – this is the economic activity of society, as well as the totality of relations that develop in the system of production, distribution, exchange and consumption. The use of the computer, the Internet, mobile phones can now be considered "consumption". The digital economy can be represented as that part of economic relations, which is mediated by the Internet, mobile communication, ICT. The Information and Communication Technology (ICT) sector has shown significant growth and contributed significantly to the labor market in recent years. According to the official data of the Ministry of Economic Development, Trade and Entrepreneurship, the ICT sector has recorded an average annual growth of 8-10% in recent years, making it one of the fastest growing sectors in the Albanian economy.

In recent years, there have been a number of major investments in digital infrastructure in Albania, including projects to connect to high-speed Internet, improve telecommunications infrastructure, and drive innovation in the ICT sector. This has influenced the growth of firms and companies specialized in information technology in the country, as well as the creation of new jobs for ICT specialists.

Moreover, the growth of the ICT sector has influenced the increase in demand for qualified specialists in the fields of software engineering, web application development, data analysis and others. These occupations have seen a significant increase in wages and have created a strong job market for young people and specialists with technological skills.

However, challenges still exist, including the need to provide a stronger foundation of ICT education and training, as well as to adapt education to the demands of the labor market. To continue to benefit from the growth of the ICT sector, it is important that the government and the private sector continue to invest in the development of digital infrastructure and in improving the technological skills of ICT specialists.

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Evaluation of policies and strategies undertaken by state institutions.

Albanian state institutions have undertaken several important policies and strategies to develop the digital economy, including efforts for training and development of technological skills. Some of these policies include:

- a. Investments in digital infrastructure: The government has invested in improving digital infrastructures, ensuring high Internet access throughout the country. This has encouraged the increased adoption of information and communication technology in all sectors of the economy.
- b. Development of training programs: The government has taken measures to improve the education system and professional training in the field of information technology. This has included the creation of updated curricula and specialized training programs in the areas of software engineering, information security, and web application development.
- c. Encouraging innovation and start-ups: The government has taken steps to encourage innovation and the creation of start-ups in the ICT sector. This has included the provision of fiscal and financial incentives for new innovative firms, as well as the creation of innovative workspaces for start-ups in various innovation centers in the country..

These policies have had a significant impact on the improvement of the labor market and the growth of the ICT sector in Albania. The increase in investments in digital infrastructure has facilitated the access of businesses and individuals to modern technology, creating new opportunities for business development and the creation of new jobs. Meanwhile, investments in the training of ICT specialists have increased the number of qualified professionals in the ICT sector, making Albania an attractive destination for foreign investors in this sector. In addition, the encouragement of innovation and the creation of start-ups has fostered the growth of innovation and the development of new products and services based on information technology.

4. Identification of challenges and steps towards improving the situation.

In Albania, the growth of the digital economy has brought with it some challenges for the labor market, requiring adaptation of the workforce to the demands of the ICT sector and related fields. Some of the main challenges are:

4.1 Lack of specialized knowledge: Strengthening the technological skills of ICT specialists and professionals in related fields is a major challenge. In many cases, the education system is not able to provide the necessary knowledge to adapt to the rapid technological changes in the ICT industry.

4.2 International competition: The job market in the ICT sector is open to international competition, making it challenging for local ICT specialists. The need to improve foreign languages and keep up with international developments in the field of technology is a challenge that must be addressed.

4.3 Matching skills to market demands: To ensure that ICT specialists are suitable to the demands of the labor market, there should be a regular adaptation of educational curricula and training programs to the current demands and trends of the ICT industry. -ut.

To address these challenges, some possible steps and recommendations could be:

- a. Improving educational curricula: The educational system should be improved by including more specialized programs in the field of ICT, adapting it better to the demands of the labor market and encouraging innovation and creativity among students.
- b. Investments in training and skilling of employees: Government and the private sector should invest in training and skilling programs to increase the knowledge and skills of ICT sector workers. This will ensure that they are able to meet the demands of the sector and be competitive in the labor market.
- c. Promotion of innovation and industry-education cooperation: Close cooperation between the ICT industry and educational institutions would enable a better adaptation of curricula and training programs to the demands of the labor market, encouraging innovation and development of products and services new technologies.

5. Digitization and internationalization.

Digitization, investments in digital transformations of institutions and businesses and embracing the latest trends such as Artificial Intelligence seem to be in the focus of European institutions. Recently, the European Commission announced a financing program from which Albania can also benefit, in the total financing cake of 122 million euros. The European Commission opened the first set of calls for proposals under the 2023-2024 Major Work Program of the Digital Europe Program to strengthen digital technologies and competences across the EU. In addition, €31 million will support projects in the field of data, with investments in the 'Genome for Europe' project to create a reference European genome database that will drive major advances in research, innovation, prevention of diseases and the provision of health care.

Projects in the field of cloud infrastructure will receive €25 million in grants to support the Exploitation Office of Important Projects of Common European Interest (IPCEI), which will support the development of a secure collaboration platform for the aeronautics industry and safety.

There will also be 18 million euros for projects in the field of Artificial Intelligence and 16 million euros for the promotion of advanced digital skills, with funding for increasing the digital skills of young students, with a focus on young girls.

6. Conclusions and recommendations.

The article aimed to examine the impact of the growth of the digital economy in Albania, with a focus on the growth of the labor market and the contribution of the Information and Communication Technology (ICT) sector as part of internationalization. Two elements that are seen as the key to economic recovery are digital transformation and international cooperation.

With increased investments in digital infrastructure, development of training programs and encouragement of innovation and start-ups, Albania has experienced excellent growth in the ICT sector, creating new opportunities for young people and improving the labor market in the

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country. The higher the rate of computer use in an economy, the more digitized and closer to overall economic progress that country is.

However, there are some challenges that need to be addressed to improve the adaptation of the workforce to the demands of the ICT sector. To achieve this, it is necessary to improve the education system, invest in training and skills of employees, as well as promote close cooperation between industry and educational institutions.

In order to improve the current strategies and policies related to the development of the digital economy and the labor market, it is important that the government fulfills the above recommendations. Continuous investments in digital infrastructure and innovation, improving the education system and creating specialized training programs are essential to ensure a sustainable development of the digital economy and improve Albania's competitiveness in the international arena. The close cooperation of different actors in these fields would strengthen the country's capacities and would make it possible to benefit maximally from the advantages offered by the digital economy.

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