A New Path to a New “Normal”: Beyond Coronavirus

Arjana Kadiu¹
Saimira Tivari²

¹Universiteti “Aleksander Moisiu”,
Durres, Albania
²Nene Tereza High School,
Durres, Albania

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Abstract

Beyond causing a health crisis, the Pandemic is “forcing” a new, inevitable global economic order. What will happen next, in the new reality? A restructuring of the economic and social order is beginning to happen. This makes us wonder about how the next normal will be? Especially in developing countries like Albania, the path may be more difficult and may require more time. The purpose of this paper is to highlight the importance of establishing the key elements of the new right path. A green approach, according to global standards will help Albania toward sustainable economic development. Based on current theoretical research and following descriptive and explanatory research, the study aims to design the steps for a stable development path and analyze issues related to green growth processes in Albania. A stable economic development requires a lot of engagement from all actors and all leaders. Based on current studies, about other countries around the world, and adapted path for Albania, as a country of the Western Balkans will be proposed. Like all countries around the world, Albania is also engaging in the Covid battle. At the end of the study, it is aimed to design a structure, explaining the necessary steps to the “next normal”.

Keywords: Sustainable Economic Development, Western Balkans, the next “Normal”

1. Introduction

The economy and operations in different industries have slowed down, educational institutions have been moving online. In almost all countries, crisis-response efforts are in full motion. (McKinsey, 2020)

Today, at the state and business level, it looks like most organizations are not in lockdown anymore, but active and working. However, the risks of a health crisis turning into an economic crisis are present and very high. The financial system and citizens’ economic well-being are actually jeopardized, because of the economic pullback, necessary for the health system. Decreased numbers in employment and GDP compromise overall confidence in the economy. (McKinsey, May 2020)

According to a McKinsey Global Institute analysis, based on multiple sources, the shock to our livelihoods from the economic impact of virus suppression efforts could be the biggest in a century. In Europe and the United States, this is likely to lead to a decline in economic activity in a single quarter that may prove greater than the loss of income experienced during the Great Depression. (McKinsey, May 2020)

In front of these conditions, countries are not sure, which path is the right path to follow. But there are some main
steps, which, if followed carefully may contribute to the general economic and social stability of all countries.

Especially leaders are actors that may play a very crucial role in this situation. As always, their influence is important and makes a difference, but especially in situations of emergency, they may contribute to easing the situation. The new path requires people, who are flexible and prepared with different scenarios for unexpected changes.

2. Literature Review

Previously established structures in different industries are in danger, therefore businesses in the world and in Albania need to act on broad Resilience plans. Leaders of public and private institutions, as well as leaders of the social sector, should make economic decisions thinking parallelly about social responsibility.

Among resilience, the next vital step to facing the issues should be Recovery. A reinstatement to operational normality of institutions, especially in stabilizing the supply chain, which as we all are aware has faced severe disruption.

Innovative approach as a next step. Studies in different countries show that expectations of individuals as well as their desires have shifted to different levels. (Journal PLOS One, Psychological factors and consumer behavior during the COVID-19 pandemic, August 2021). The pandemic changed the consumption patterns, for instance reducing sales for some product categories (e.g., clothes), and improving sales for other categories like entertainment products. (Degli Esposti P, Mortara A, Roberti G. Sharing and Sustainable Consumption in the Era of COVID-19. Sustainability. 2021;13: 1903).

2.1 What is the Right Path?

This time may be a great opportunity for a developing country like Albania. But the country has to be careful and choose wisely how to develop.

Develop fast and think only on economic terms or develop slowly but have a stable and long-lasting development. The long-lasting development would require a well-thought strategy that balances economic growth, nature protection, and human wellbeing.

Growing economically is a challenge for all countries. But there is always a hidden cost society should care about. In this case, the cost may be environmental degradation, as well as threatening to human wellbeing.

Developed countries are already engaging in this matter. Referring to current world trends in travel and tourism, countries are very focused on growing green. It is becoming quite clear that this initiative, sooner or later will be a must for many countries. Travel companies, like Booking, have evaluated and marketed properties that are “green”. Customers, who care about the environment and are very interested and informed about this new trend show a high interest in lodges that are planet friendly. The same initiatives take place among other important tourism and travel companies. It is no wonder that sustainability is a keyword of tourism today. A survey conducted by Statista.com in 2018, reveals that 60 % of participants want to travel sustainably due to experiencing powerful impressions of natural sights during their own travels.

These and similar engagements are not very easy for developing countries like Albania. The state has to overcome many economic challenges at the same time, like poverty, informality, limited linkages with external markets, and so on, challenges that need high attention. The country’s real development began only after the 1990s, by the end of the long dictatorship period.

After the 90s, year after year, tourism is increasingly crystallizing as one of the main engines of the country’s economic development. According to the Economic Impact Report of 2018 of the World Travel and Tourism Council1 (WTTC). In 2017, the tourism sector recorded a direct contribution of $ 1.12bn, accounting for about 8.5% of the Gross Domestic Product (GDP) while including indirect multiplier effects, the total contribution is almost three times higher than $ 3.47 billion, accounting for about 26.2% of the GDP, positioning this sector as one of the main contributors to the development of the national economy.

Tourism development in Albania has fast become a main industry that contributes to economic development.
Referring to the table, which is based on the national strategy for sustainable tourism development 2019-2023, the impact of tourism in Albania's development is obvious. Meanwhile, the sector's contribution to the economy is projected to grow significantly over the next 10 years, with the tourism sector expected to account for only 8.8% of the GDP in the next 2-3 years, while by 2028, the sector may reach 9.3% of the GDP. Thus, taking into account this upward trend, it is projected that by 2028 the direct and indirect effect of the tourism sector will reach approximately 1/3 of Albania's total GDP. (National Tourism Strategy 2019-2023)

Another thing Albanian people seem to agree upon is that protecting the environment is a matter of the same importance because it depends on the future of tourism, as well as the future of the economy. At the same time, human wellbeing is at stake. This statement is very important and meaningful in the times we live. This is a reinforcement of a good environmental perception and behavior of the society.

2.2 A new normality

The pandemic hit the world in 2019 and its effects will continue for some more years. All industries have slowed down and have been forced to adapt to a new reality.

It is true that decisions in times of crisis create the real identity of an organization. Although teams have a great potential to make good decisions, teams also exhibit decision biases (Sunstein and Hastie, 2015); especially under time pressure, when the common good requires accepting short-term individual losses, and when normative pressures arise. All these handicaps are present during crises, calling for new models of team decisions in a crisis. (Thürmer, Wieber, Gollwitzer, 2020)

How should managers act in this new normality? Should they draw back or should they engage even more? Both ways to act are decisions different managers take in different ways.

Even if they are convinced that engagement is the better way, there are two ways of engagement:

a. Engage like a leader
b. Engage like a follower

3. Methodology

Through primary research and interviews with public and private leaders the study aims to analyze the actual situation in Albania and the level of engagement of stakeholders while trying to recover. Finding out problematics, would help to better determine a right and adapted path for future development.

To make recovery and effective production possible, administrators must first reevaluate their systems and plan for possible and necessary actions. Improving the weakest point of the chain will result in better rehiring and productivity. Public and private sector representatives will be interviewed to understand the level of acceptance and the will to engage in innovative initiatives and reimagining. It is true that times of crisis bring a lot of difficulties as it is true that opportunities may be found in these times, which may improve overall performance. During our analysis, we will try to find the important elements related to the public, private and social sectors in Albania. Focusing on this, administrators and managers may evaluate fixed and variable costs and decide what products or services are necessary after all. The requirement to flex actions, without compromising efficiency may also be the focus of leaders. This study tested if Albanians agree to follow a common road and be a part of an integrated destination of the Western Balkans.

A questionnaire related to the future of sustainable tourism was distributed to more than 100 people, mainly with a high level of education, and results were gathered. The questionnaire was mainly distributed in the cities of Durres and Tirana, which is the capital city.
4. Results and Discussions

Citizens agree to the fact that other challenges that the country faces, influence the engagement toward sustainable tourism and economic development. Challenges like unemployment, inequality, macro-economic instability and others similar to these are very present in the country.

![Graph 1: Diverse economic challenges are very present in Albania](image1)

**Source:** Authors (Likert Scale from strongly disagree (on the left) to strongly agree (on the right)

To the next main question regarding a single, common investment region and how much people believe in this collaboration gives explanation the following graph. Most of the participants agree or strongly agree that this is a great opportunity for the economic development of all countries of the Western Balkans.

![Graph 2: A common space of the Western Balkans will boost the economy of all countries](image2)

**Source:** Authors (Likert Scale from strongly disagree (on the left) to strongly agree (on the right)

Integration of WB countries will surely contribute in the engagement toward economic development. Collaboration would increase stability and as a result would attract the attention of investors in the near future.

International agreements are part of previous successful collaborations, therefore more will be needed, in order to have easier trade between countries in Western Balkans.

It is an important step to understand the psychological factors that influence consumer choices. This kind of analysis will make clearer the post-Covid-19 changes and at the same time, this would be helpful to create new marketing strategies that fulfill consumers’ desires and expectations.

The better the knowledge regarding customer behavior, the higher the sales of the future, but not only. A similar analysis may be helpful to be more prepared, in case other emergencies may occur. Public and private institutions that will react sooner and in a positive way toward new customer preferences will have higher chances to succeed.

While aiming for efficiency companies improve and “feed” resilience. A new “online world” is developing and all
countries should embrace it, in order to develop economically. Albania has a noticeable improvement in the private sector in this direction, but it remains a lot to do in the public sector.

The absence of a labor force during the Pandemic has incited even more opportunities of technology adoption and online activity in order to increase productivity. From learning from home to working from home to further large-scale surveillance. These experiments may not only have been useful during the Pandemic but may result even more helpful in the future. Similar innovations might contribute in better economic and social well-being and may be adopted permanently.

It is very important for people to understand clearly and deeply what sustainable development means and how important it is for us, for human well-being, and for the future of the next generations.

Another challenge for Albania, as we approach an increasingly mobile world, will probably be the ability to react fast in terms of global coordination.

The analysis of psychological factors needs to be further explored in order to better understand the future behavior of customers.

If there is one good thing that comes from the Pandemic, it is the awakened initiative to anticipate changes to different regulations or policies, in order to be prepared for future unexpected events. This refers to business leaders, as well as administrators in public institutions.

All systems, including health, education, transport, and others will have to reflect on how to respond to future unexpected changes and this may be considered a good approach. It is crucial to look carefully at priorities and adapt and analyze progress.

Many stakeholders believe that a single investment space in the Western Balkans, with harmonizing legislation would be beneficial for the future economy of all WB countries. Integration of Western Balkan countries will enhance engagements toward sustainability.

Strengthening systems in order to better face unexpected impacts is a good thing the Pandemic has learned to us all. A sustainable new beginning of the global economic order seems to be a must, considering current developments.

Following summarized stages may offer navigation for administrators and managers toward a new normal world.

Figure 1. Stages to a new normality.

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