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LABOUR FORCE SURVEY 2002

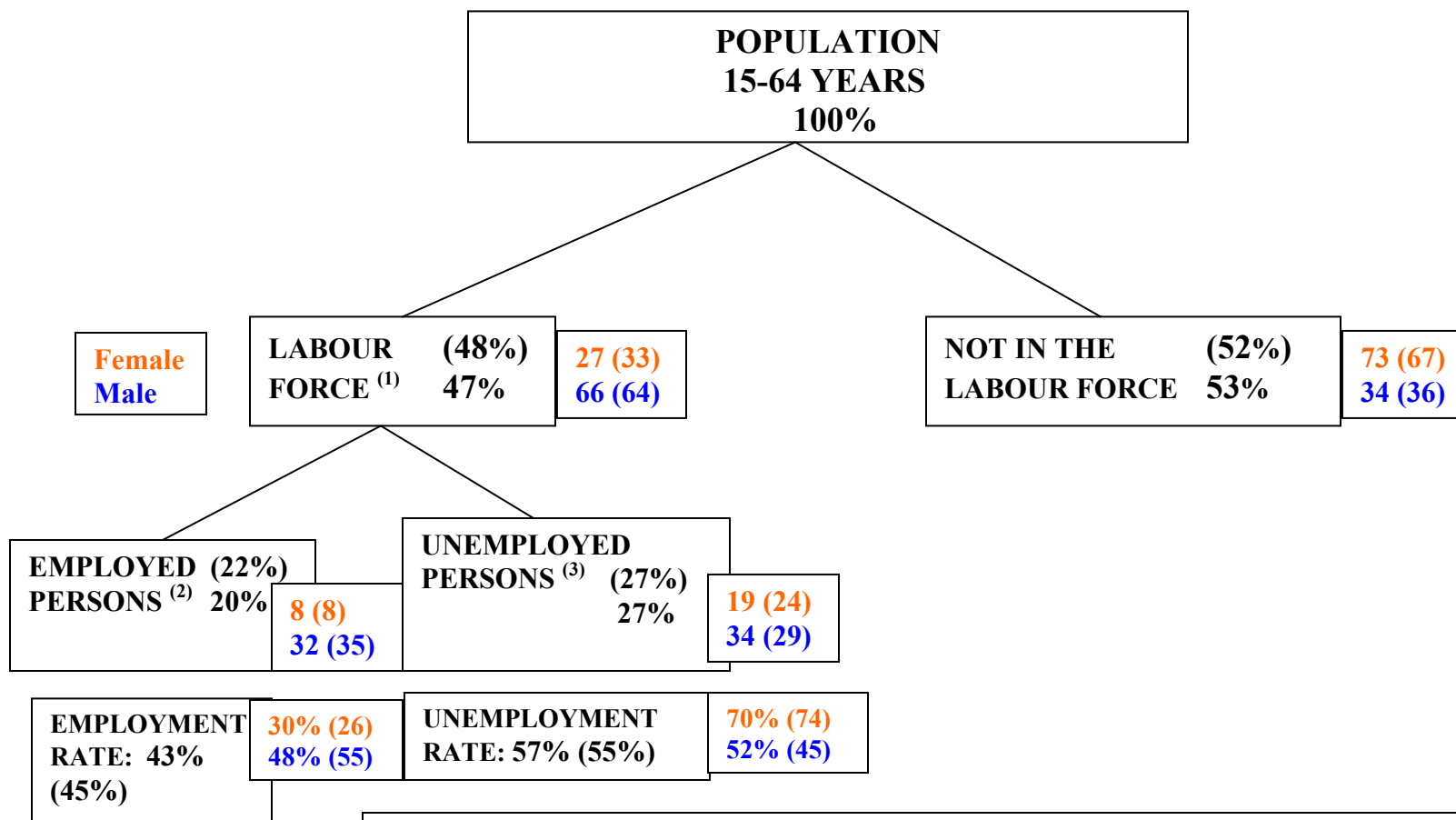
Key employment indicators

NOVEMBER 2002

26 March 2004

KOSOVO LABOUR FORCE SURVEY 2001 and 2002

December 2001/November 2002 (within brackets)



Basic concepts:

(1) Activity rates or labour force participation rates: percentage of the labour force in the working age population;

(2) Employment-population ratios: percentage of employed persons in the working age population;

(3) Unemployment-population ratios: percentage of the unemployed persons in the working age population.

NOTE: Employment and unemployment rates are calculated using the labour force:

(4) Employment rates: percentage of employed persons in the labour force;

(5) Unemployment rates: percentage of unemployed persons in the labour force.

NOTE: Subsistence farming for own household is not counted as employment in accordance with the ILO definition.

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Introduction:

The aim of the Kosovo LFS 2002 was to collect information on the Kosovo labour market and related issues, and to assess to employment and unemployment indicators. The Kosovo LFS 2002 is an operation of Statistical Office of Kosovo (SOK). It is the second LFS conducted by SOK. LFS 2001 was carried out in December 2001.

The survey fields activities were held in November 2002. A sample of about 3 100 households was interviewed, corresponding approximately to one per cent of total number of households. The sample comprises about 19 500 individuals, and among them 10 300 persons aged 15-64 completed years were interviewed on employment issues.

The survey non-response rate is very small, especially for the individual labour force questionnaire: only 1.1 per cent of active population were not interviewed with the individual questionnaire. But the LFS is a sample survey, which means that there is a measure of uncertainty (sampling error) in the estimates.

1. Population:

1.1. Population estimates by age, sex and ethnicity:

Estimates of the total population per three groups of ages (0-14, 15-64, 65 and more), sex, and the main ethnic groups. The working age population is 63.5% per cent of the total population

Table 1.1: Age and Sex Distribution (per cent)

	Male	Female	Total
0-14 years	31.3	29.5	30.4
15-64 years	63.2	63.8	63.5
65 years and more	5.5	6.7	6.1
Total	100	100	100

Source: Kosovo LFS 2002

In an aging Europe, the population of Kosovo is an exception. The population is very young, about one-third under 15 years of age. By contrast only about 6.1 per cent of the population is 65 years and older. The level of the “active” population (between 15 and 64 years of age) is about 63.5 per cent. The dependency ratio is high, largely because of the large proportion of people under 15

Table 1.2: Population by ethnic groups (per cent)

	Albanian	Serb	Bosnian	Turks	Rom	Others	Total
LFS 2002	88.1	6.9	2.5	1.1	0.6	0.8	100
LFS 2001	89.6	5.2	1.6	1.4	0.5	1.7	100
LSMS 2000	88.1	7.0	1.9	1.0	1.7	0.3	100

Source :Kosovo LFS 2002, SOK

Comparing with previous LFS and LSMS surveys the differences are small. LFS and LSMS are sample surveys, which means that there is a measure of uncertainty (sampling error) in the estimates.

Table 1.3: Population distributions by age and ethnic groups (per cent)

	Albanians	Serb	Others	Total
0-14 years	31.7	14.4	29.1	30.4
15-64 years	62.7	75.1	62.4	63.5
65 years and more	5.6	10.5	8.5	6.1
Total	100	100	100	100

Source: Kosovo LFS 2002, SOK

The Kosovo Serb population is older than the Kosovo Albanian population.

2. Employment in Kosovo:

2.1. Key indicators:

The population considered is the number of persons aged 15 to 64 completed years, referring to UNMIK regulations on labour and on pensions in Kosovo (UNMIK/REG/2001/27, Section 3, and UNMIK/REG/2001/35, Section 1 on “Pension Age” fixed at 65 years).

Basic concepts:

1. **Employed persons:** all persons of age 15-64 completed years who during the reference week, worked in a job or own enterprise/activity/business, from which they obtained an income in cash or in kind. Included are: regular/casual employees, employers, own-account workers (self-employed persons), farmers, members of producers’ cooperatives, unpaid family workers in a household/family owned enterprise or farm, military service/police-men. Included also are persons who during the reference week, did any paid or unpaid work (**excluding** housework and **production, e.g. subsistence farming, for own consumption**) for at least one hour, even if they are students, unemployed, housewives or retired persons and worked only part-time or occasionally. Include also persons who did not work during the reference week, but had a job or an enterprise/activity to which they can return.

2. **Unemployed persons** are persons of age 15-64 completed years who: (i) were without work and wanting to work, (ii) were currently available for work, i.e. would have been able and ready to start working during the reference week if there had been an opportunity for them to work, (iii) were looking for a job or trying to establish their own enterprise/activity, and during the last four week, they had taken one or more steps to find a job or establish their enterprise/activity. Included were those who, (iv) had already found a job or arranged for an own enterprise/ activity to start later.

3. **Labour force:** is the sum of employed persons and unemployed persons.

4. **Persons not in the labour force:** all persons who were neither employed nor unemployed during the reference week. Included are the following groups: (i) persons seeking work but not available for work, (ii) persons available for work but not seeking work, (iii) persons wanting to work but neither seeking work nor available for work, (iv) persons not at present wanting to work.

Groups of working age population (LFS specifications): employed, unemployed, labour force, and persons not in the labour force (non active).

Table 2.1 : Population of working age by activity status and sex (per cent)

Employment Status	Male	Female	Total
Employed	35.0	8.4	21.8
Unemployed	28.9	24.3	26.6
Labour Force	63.9	32.7	48.4
Non active	36.1	67.3	51.6
Total	100	100	100

Source: Kosovo LFS 2002, SOK

As it can be seen in the table above the gender differences are very large.

Employment and unemployment ratios and rates:

1. Employment-population ratio: percentage of the employed persons in the population of working age (15-64 completed years);
2. Unemployment-population ratio: percentage of the unemployed persons in the population of working age (15-64 completed years);
3. Activity rates or labour force participation rates: percentage of the labour force in the population of working age (15-64 completed years);
4. Employment rates: percentage of employed persons in the labour force;
5. Unemployment rates: percentage of unemployed persons in the labour force

Table 2.2 : Main labour market indicators by sex (per cent)

	Male	Female	Total
Employment-population ratio	35.0	8.4	21.8
Unemployment-population ratio	28.9	24.3	26.6
Activity rate	63.9	32.7	48.4
Employment rate	54.8	25.5	45.0
Unemployment Rate	45.2	74.5	55.0

Source: Kosovo LFS 2002

As it can be seen in the table above the gender differences are very large. The unemployment rate according to LFS 2001 was 57 per cent. All main labour market indicators are very consistent between LFS 2001 and LFS 2002.

Table 2.3: Employment status by ethnic groups (per cent)

	Albanian	Serb	Other
Employed	22.0	23.6	15.2
Unemployed	26.5	30.8	22.7
Labour force	48.5	54.3	38.0
Non active	51.5	45.7	62.0
Total	100	100	100

Source: Kosovo LFS 2002

There are some differences by ethnicity, but not very large.

Table 2.4 : Key labour market indicators by ethnic groups (per cent)

	Albanian	Serb	Others	Total
Employment-population ratio	22.0	23.6	15.2	21.8
Unemployment-population ratio	26.5	30.8	22.7	26.6
Activity rate	48.5	54.3	38.0	48.4
Employment rate	45.4	43.4	40.1	45.0
Unemployment rate	54.6	56.6	59.9	55.0

Source: Kosovo LFS 2002, SOK

Table 2.5: Main labour market indicators by attained level of education (per cent)

	Less than element.	Elementary	Secondary*	Tertiary	Total
Percentage in the working age population	12.3	42.9	38.5	6.3	100
Employment-population ratio	5.9	10.5	31.5	70.9	21.8
Unemployment-population ratio	14.9	24.3	35.1	13.6	26.6
Activity rate	20.9	34.9	66.5	84.5	48.4
Employment rate	28.5	30.2	47.3	83.9	45.0
Unemployment rate	71.5	69.8	52.7	16.1	55.0

Source: Kosovo LFS 2002, SOK

* Less than elementary level includes: non-completed elementary education.

* Elementary level includes: completed elementary education

* Secondary level includes: Upper secondary school; vocational school and gymnasium

* Tertiary level includes: high school/college and university education.

As expected there are large differences in all employment rates between various educational level, and the pattern of lower education-higher unemployment rate is emphasized.

The distribution by educational attainment found in LFS 2002 is similar to the results from LFS 2001 and also DHS 2003.

2.2. Main economic activity:

Main kind of economic activity undertaken by the firm, institution, organization, or business where the person was employed or exercised if own business; international classification.

Table 2.6: Employed persons per main economic activity (NACE) and sex (per cent)

Economic activities	Male	Female	Total
Agriculture	11.0	7.1	10.2
Fishing	0.0	0.0	0.0
Extractive industries	2.0	0.0	1.6
Manufacturing industries	11.4	7.7	10.7
Production of electricity, gas, and water	5.5	2.6	4.9
Construction	13.5	1.0	11.2
Trade	17.9	13.3	17.0
Hotels and restaurants	4.0	3.3	3.9
Transport	4.6	1.8	4.1
Financial intermediation	0.7	1.2	0.8
Business activities	0.5	1.3	0.7
Public administration	9.1	6.8	8.7
Education	9.5	18.5	11.2
Health	2.2	20.7	5.7
Other services	4.3	5.4	4.5
Households	0.2	0.1	0.1
International organisations	3.5	9.1	4.5
Total	100	100	100

Source: Kosovo LFS 2002, SOK

The three main economic activities in which Kosovars are employed are 1) the wholesale and retail trades, 2) education, and 3) manufacturing industries. One will note however that the survey field activities were held in November, and there is a seasonal effect on the results above, affecting certainly activities such as agriculture and construction. If the survey were held in another period of the year, those activities would certainly be among the first ones. This seasonal effect will be considered in choosing the period of future surveys. Please also note the subsistence farming for own consumption is not counted as employment in LFS 2002.

The gender pattern is traditional with women working in Education and Health, and men working in Manufacturing, Construction, and Trade.

Table 2.7 : Employed persons by sector and sex (per cent)

Sector	Male	Female	Total
Public	46.9	70.2	51.3
Private	53.1	29.8	48.7
Total	100	100	100

Source: Kosovo LFS 2002, SOK

Public sector dominates especially for females.

Table 2.8: Employed persons by working status and sex (per cent)

	Per cent of active population					
	Male	Female	Total	Male	Female	Total
Temporary absent from work	0.6	1.8	0.8	0.1	0.1	0.2
At work	99.4	98.2	99.2	17.6	4.1	21.7
Total	100	100	100	17.7	4.2	21.9

Source: Kosovo LFS 2002, SOK

2.3. Working hours:

Hours the employed persons did actually work during the week, both in the main and other jobs/activities.

Table 2.7: Employed persons by sex and hours actually worked per week (per cent)

Actual hours	Male	Female	Total
Up to 9	1.3	4.2	1.8
10-19	7.4	6.3	7.2
20-29	9.7	13.9	10.5
30-39	7.6	6.5	7.4
40-49	49.2	59.6	51.2
50-59	9.4	3.8	8.3
60 or more	15.4	5.7	13.6
Total	100	100	100

Source: Kosovo LFS 2002, SOK

On average Kosovars do actually work about 40.4 hours per week; 34.3 per cent work exactly 40 hours per week, and 38.8 per cent work more than 40 hours per week, while the appropriate regulations recommend not exceeding 40 hours (UNMIK/REG/2001/27, Section 16).

Table 2.8: Average hours actually worked per week by sex

	Male	Female	Total
Mean	41.3	36.8	40.4
Median	40	40	40
Minimum	2	4	2
Maximum	98	80	98

Source: Kosovo LFS 2002, SOK

Kosovars consider the usual working hours to be between 40 and 41 (37 for women and more than 42 for men). On average 1 hours per week was not worked and the overtime was minor.

Table 2.11: Working hours by sex (per cent)

	Male	Female	Total
Usual Working Hours	42.2	36.7	41.1
Hours Not Worked	1.4	1.0	1.3
Overtime Worked	0.3	0.2	0.3
Hours Actually Worked	41.3	36.8	40.4

2.4. Monthly earnings:

Net monthly earnings are those collected in November 2002 and presented in €.

Table 2.12: Employed persons by net monthly earnings and sex (per cent)

€	Male	Female	Total
1-50	4.7	5.0	4.7
51-100	8.1	8.4	8.2
101-150	18.4	27.6	20.2
151-200	13.4	7.8	12.4
201-250	6.0	3.7	5.6
251-300	7.5	2.2	6.5
301-400	3.6	5.7	4.0
401-500	2.9	2.8	2.9
501-700	2.0	1.4	1.9
701+	2.4	1.3	2.2
No earnings Do not want to report any earnings	30.9	34.1	31.3
Total	100	100	100

Source: Kosovo LFS 2002, SOK

On average Kosovars report earning around 200 € net per month, with a difference of about 20 € between women and men. Some 13% have a net monthly earnings below 100 €, and about 4% were earning than 500 €.

Table 2.13: Average net monthly earnings by sex

€	Male	Female	Total
Mean	202.9	180.2	198.7
Median	160	140	150
Minimum	20	25	20
Maximum	1500	700	1500

Source: Kosovo LFS 2002, SOK

There are no big differences by ethnic groups in monthly earnings as reported in LFS 2002: Albanians have 201€, Serbs about 184€ and other 202€, monthly earnings.

Table 2.14 Average of monthly personal earnings by ethnic groups

€	Albanian	Serb	Other	Total
Mean	201.0	183.5	202.4	198.7
Median	150	150	200	150
Minimum	30	20	30	20
Maximum	1500	600	800	1500

Source: Kosovo LFS 2002, SOK

2.5. Partial employment and employment in informal sector:

Number of referred working hours presented in the table below is 40 hours per week, considered as usual working hours (UNMIK /REG/2001/27, Section 16)

Persons with part time employment are included as following:

- (1) who actually working less than 40 hour per week, and
- (2) we are willing and able to work more than actual working hours, they can be classified as: with partial employment of part time etc.

Partial employees are the ones whose daily working less than 40 hours.

Partial employees are the ones working with less number of hours than the usual ones.

Persons in non adequate working positions are the ones willing to change their working places (change occupation/activity); usually are included but not strictly) those who are working part time.

Operators in informal sector (total number of employees in informal sector) are collected from:

- (i) Persons working in enterprises, institutions, organizations businesses with less than 10 employees;
- (ii) Self employed persons (self employed includes independent persons);
- (iii) Sole ownership (one owner) or usual partnership (with two or more partners) in business/activity; and lastly
- (iv) still have not registered their businesses/ activities.

Table 2.15: Persons partially employed in informal sector by sex (per cent)

	Male	Female	Total	Employment in per cent
Persons in partial employment	82.6	17.4	100	18.4
Employed with partial hours	78.4	21.6	100	26.7
Part time employees	90.9	9.1	100	5.5
Employees in non adequate working places	84.3	15.7	100	52.0
Operators in businesses in informal sector	90.4	9.6	100	11.8

Source: Kosovo LFS 2002, SOK

3. Unemployment:

3.1. Duration in unemployment:

The **duration in unemployment** is defined as the shorter period between the duration of search for work, and the length of time since the last employment (since when the unemployed person stopped working in the last job/activity).

Remarks:

i) The duration in unemployment above calculated concerns only the persons who did some work/employment during the last 3 years (the time since the last employment was not asked to the people who never worked during that period), and who represent only 11.5% of the actually unemployed persons, as indicated in the Table 3.2 below.

Table 3.1: Unemployment persons by duration in unemployment and sex (per cent)

Month	Male	Female	Total
0	2.5	0.1	1.4
1-12	21.0	17.3	19.3
13-24	12.6	19.0	15.5
25-36	24.3	25.1	24.7
37-48	16.5	15.3	16.0
49-60	5.0	6.3	5.6
61-120	11.8	11.1	11.5
121-180	4.7	3.8	4.2
181 or more	1.1	1.3	1.2
Non response	0.5	0.7	0.6
Total	100	100	100

Source: Kosovo LFS 2002, SOK

Table 3.2: Unemployed persons who ever worked during the last 3 years

	Male	Female	Total
Yes	19.1	2.2	11.5
No	80.9	97.8	88.5
Total	100	100	100

Source: Kosovo LFS 2002, SOK

From the tables below one sees that the unemployed Kosovo's who did some work during the last 3 years have stayed in unemployment on average for 36, however remember that, as indicated above, 88.5% of the unemployed persons never worked during the last 3 years

Table 3.3: Average duration in unemployment by sex

Months	Male	Female	Total
Mean	44.1	44.2	44.1
Medium	36	36	36
Minimum	0	0	0
Maximum	300	720	720

Source Kosovo LFS 2002, SOK

Table 3.4: Average duration in unemployment by ethnic groups

Month	Albanian	Serb	Other	Total
Mean	43.2	56.1	36.2	44.1
Medium	36	40	30	36
Minimum	0	0	0	0
Maximum	720	300	216	720

Source: Kosovo LSF 2002, SOK

Table 3.5: Why did the unemployment persons stop working (per cent)

	Male	Female	Total
1. Normal retirement	0.9	0.0	0.8
2. Early retirement	0.0	0.0	0.0
3. Health-related reasons, disability	0.3	2.5	0.5
4. Household/family responsibilities	0.5	0.0	0.5
5. Further education or training	0.1	1.7	0.3
6. Resigned by own will for other reasons	1.1	11.6	2.0
7. End of military service/mobilisation	0.2	0.0	0.1
8. Return to Kosovo	6.0	3.5	5.8
9. End of temporary or seasonal employment	63.9	3.0	58.5
10. Dismissed or laid-off for economic reasons	13.1	65.9	17.7
11. Dismissed or laid-off for war reasons	1.6	0.3	1.5
12. Dismissed for other reasons	9.8	9.7	9.8
13. Own or family business was not successful.	2.5	1.8	2.5
Total	100.0	100.0	100.0

Source: Kosovo LFS 2002, SOK

4. Persons not in the labour force:

Groups of persons not in the labour force, by sex, in per cent of the total working age population.

Table 4.1: Non active persons by sex, work seeking and opportunities (per cent)

	Percentage of active population					
	Male	Female	Total	Male	Female	Total
Persons who seeking work but not able to work	0.9	1.8	1.4	0.2	0.6	0.7
Persons not seeking for work	99.1	98.2	98.6	18.1	32.7	50.8
Total	100	100	100	18.2	33.3	51.6

Source: Kosovo LFS 2002, SOK

Table 4.2: Non active persons by ethnic groups, work seeking and opportunities (per cent)

	Albanian	Serb	Other	Total
Persons seeking for work but not able to work	1.2	5.7	0.0	1.4
Persons not seeking for work	98.8	94.3	100.0	98.6
Total	100	100	100	100

Source: Kosovo LFS 2002, SOK

4.1. Persons not seeking for work by sex, ethnic groups and reasons:

From the tables 4.1 and 4.2 one can also see a significant number of persons available or wanting to work, but not seeking for work, about 29% of the persons not in the labour force (more than 15% of the working age population).

Below are presented the reasons why those persons are not seeking for work, per sex and per the main ethnic groups. The main reason is the household/family responsibilities.

Table 4.3: Persons not seeking for work by sex and reasons (per cent)

	Male	Female	Total
1. Household/family responsibilities	6.9	65.0	50.2
2. Attending school/training	46.1	13.5	22.1
3. Health-related reasons, disability	1.6	0.1	0.5
4. Awaiting retirement	0.5	0.1	0.2
5. Already found a job/arranged own business to start later	0.0	0.1	0.0
6. Expecting to return to former job	16.4	2.2	5.8
7. Awaiting the season for working	4.5	0.5	1.5
8. Applied for jobs and waiting replies from employers	6.8	1.1	2.5
9. Looked for work before and got tired of seeking	4.8	3.0	3.4
10. Has not looked for work, believes she/he is unemployable	1.6	1.8	1.7
11. Has not looked for work, believes no work is available	4.1	4.7	4.5
12. Does not know how/where to look for job/open own business	6.7	7.9	7.6
Total	100	100	100

Source: Kosovo LFS 2002, SOK

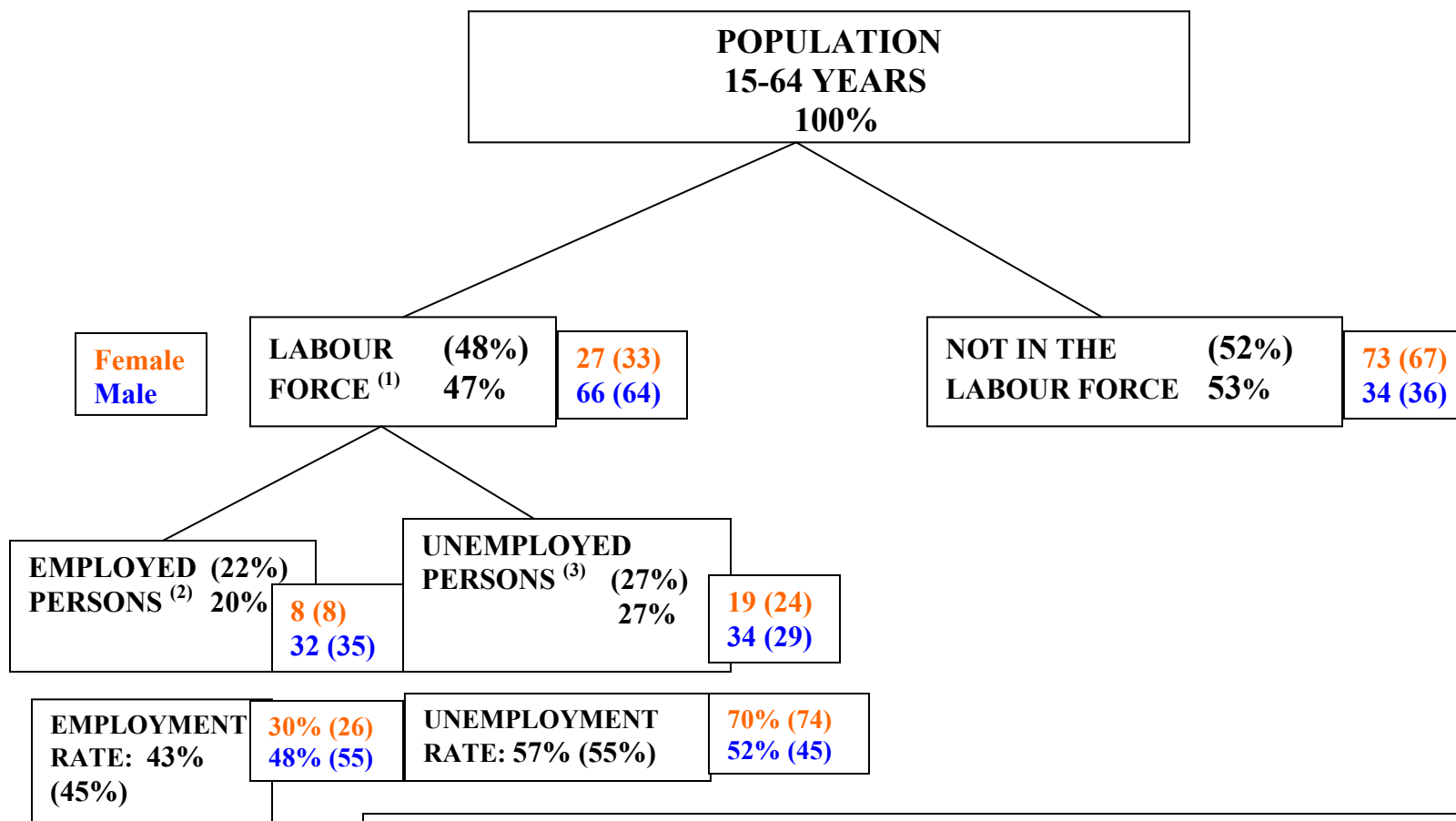
Table 4.4: Persons not seeking for work by ethnic groups and reasons (per cent)

	Albanian	Serb	Other	Total
1. Household/family responsibilities	52.2	34.4	44.1	50.2
2. Attending school/training	23.3	12.6	5.7	21.8
3. Health-related reasons, disability	0.1	3.3	2.5	0.5
4. Awaiting retirement	0.2	0.2	0.0	0.2
5. Already found a job/arranged own business to start later	0.1	0.0	0.0	0.0
6. Expecting to return to former job	2.2	39.4	4.5	5.8
7. Awaiting the season for working	1.6	1.3	0.0	1.5
8. Applied for jobs and waiting replies from employers	2.8	0.1	2.1	2.5
9. Looked for work before and got tired of seeking	3.7	1.7	1.5	3.4
10. Has not looked for work, believes she/he is unemployable	1.7	1.9	2.7	1.7
11. Has not looked for work, believes no work is available	4.3	4.7	11.6	4.5
12. Does not know how/where to look for job/open own business	7.8	0.4	25.3	7.9
Total	100	100	100	100

Source: Kosovo LFS 2002, SOK

KOSOVO LABOUR FORCE SURVEY 2001 and 2002

December 2001/November 2002 (within brackets)



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NOTE: Employment and unemployment rates are calculated using the labour force:

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