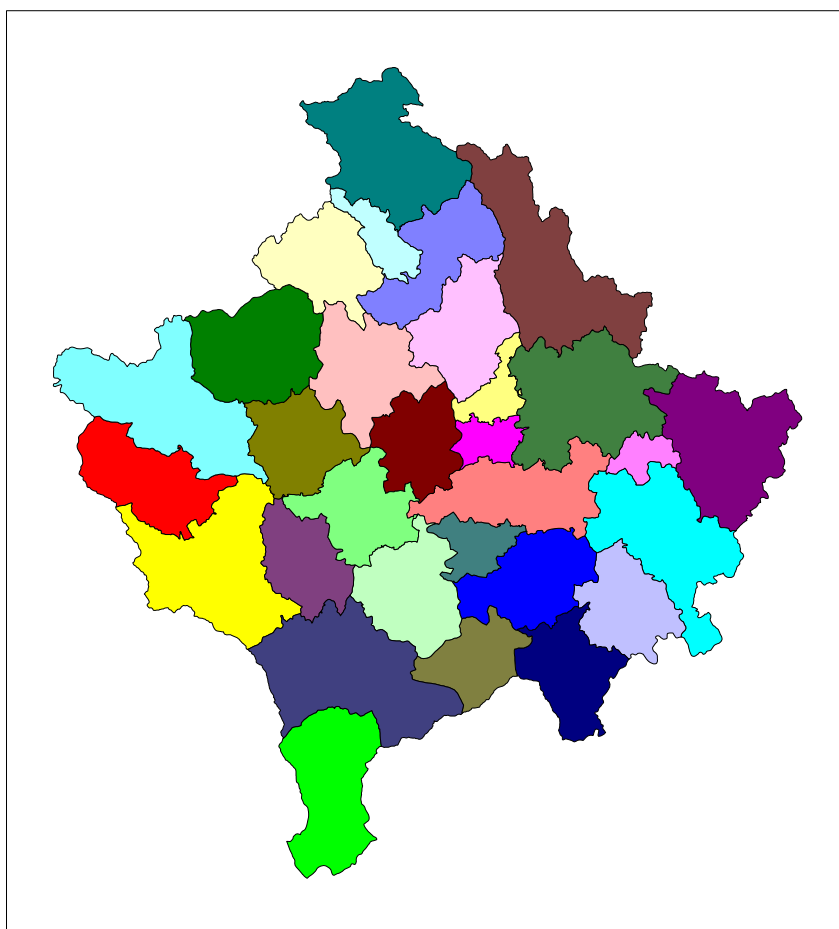




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Series 5: Social Statistics

Labour Market Statistics 2006



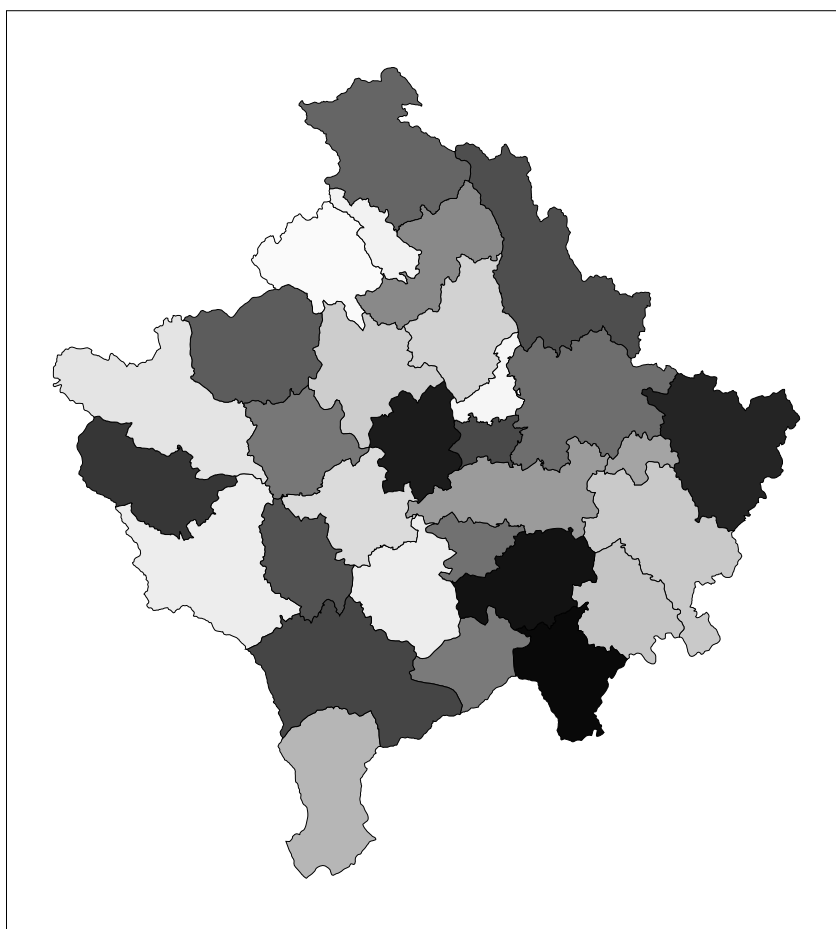
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Publisher: Statistical Office of Kosovo (SOK)

Publication date: September 2007

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Printed by: K.G.T, Pristine, Kosovo

A great deal of information is available on Internet,
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Foreword

The aim of the Labour Force Survey (LFS) is to collect statistical data on labour market and similar issues, and to estimate employment and unemployment indicators in Kosovo.

Statistical publication consists of data on the number of employment and unemployment according to age, gender, employment status, business activities, occupations and other similar issues related to labour market.

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We appreciate and welcome all users of this publication for further cooperation.

Please send your comments and/or suggestions at: social@ks-gov.net
or visit our web-site: www.ks-gov.net/esk

September, 2007

Chief Executive SOK
Mr. Avni Kastrati

Abbreviations

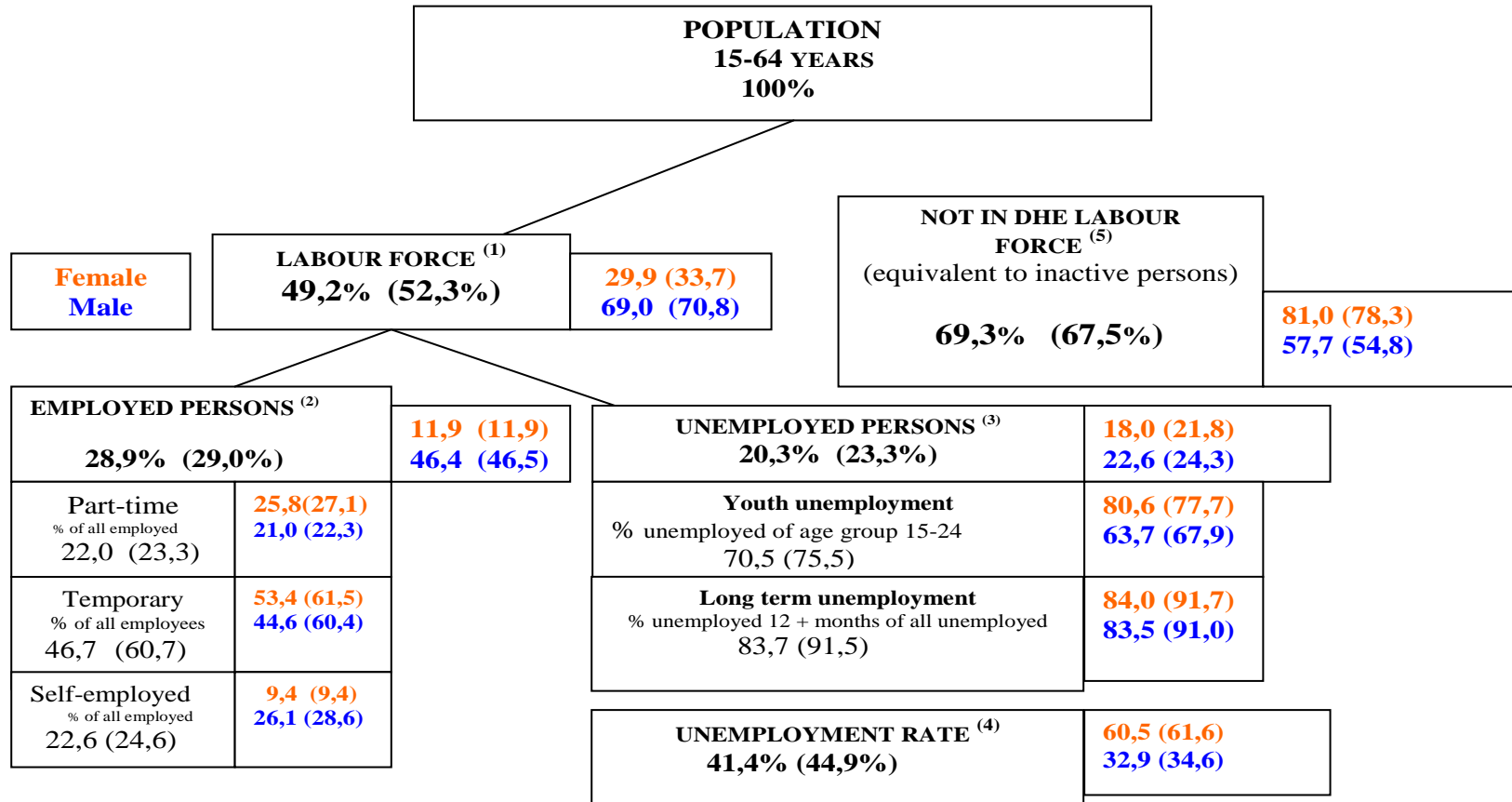
LFS	Labour Force Survey
ILO	International Labour Organization
LSMS	Living Standards Measurement Survey
EAR	European Agency for Reconstruction
SOK	Statistical Office of Kosovo
UE	European Union
ISCO	International Standard Classification of Occupations
NACE	Statistical Classification of Economic Activities
-	No occurrence of event

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KOSOVO LABOUR FORCE SURVEY 2005 and 2006

September 2005/ September 2006 (LFS 2006 in brackets)



Basic concepts:

- (1) Activity rates or labour force participation rates: percentage of the labour force in the working age population;
- (2) Employment rate: percentage of employed persons in the working age population;
- (3) Unemployment-population ratios: percentage of the unemployed persons in the working age population.
- (4) Unemployment rates: percentage of unemployed persons in the labour force.
- (5) Unactive persons

Labour Force Survey 2006

1. Background

The Labour Force Survey (LFS) has been introduced by the Statistical Office of Kosovo since 2001 in order to collect comparable information on employment and unemployment in the territory of Kosovo, and make them available to local and international institutions.

Being the first effort of this type of research in Kosovo, the survey, in many respects, leaned on the example of the Living Standards Measurement Survey (LSMS) which was conducted in cooperation with the World Bank during the previous year. At the same time, it attempted to implement relevant international recommendations on labour market statistics published by the International Labour Organisation (ILO) and Eurostat.

With technical assistance of an ILO expert, and with the financial support by a German grant, the field work of the LFS 2001 was carried out in December 2001 and the results were presented in the publication "Key Employment Indicators" in June 2002.

Since that time, the LFS has become an integral part of the SOK's work programme, with an annual survey being carried out in the fall of each year. Except for a few changes, the LFSs in 2002 and 2003 were the same as in 2001.

However, within the framework of the project "Support to the Statistical Office of Kosovo", which started in 2003 with the funding from the European Agency for Reconstruction (EAR), the SOK LFS has been reviewed under the aspect of its compliance with EU LFS standards. The first important result of this process has been the adoption of a new standard tabulation programme for the LFS 2003, which, as a consequence, made it necessary to develop a new format for the analysis of LFS results as well as to retroactively produce these tables for the LFSs 2001 and 2002.

The current report for the LFS 2006 is continuity of report LFS 2005, LFS 2004 and LFS 2003 of analysis which deviates from the reports for the years 2001 and 2002. In its data annex, contains the new standard tabulation programme for the LFSs 2005 and 2006.

Since SOK LFS included revision of the survey questionnaire from the year 2004 according to the EU definitions, the further changes of the SOK LFS include transition for an annual to a continuous survey with quarterly results, since the census plans to provide an appropriate sampling basis. At the same time, it also should be attempted to improve the quality of LFS results by undertaking additional organisational and methodological measures.

2. Methodological notes

Labor Force surveys are accomplished based on a sample, e.g. the necessary information's are collected only from the limited number of respondents who shall be the representatives for the population as a whole.

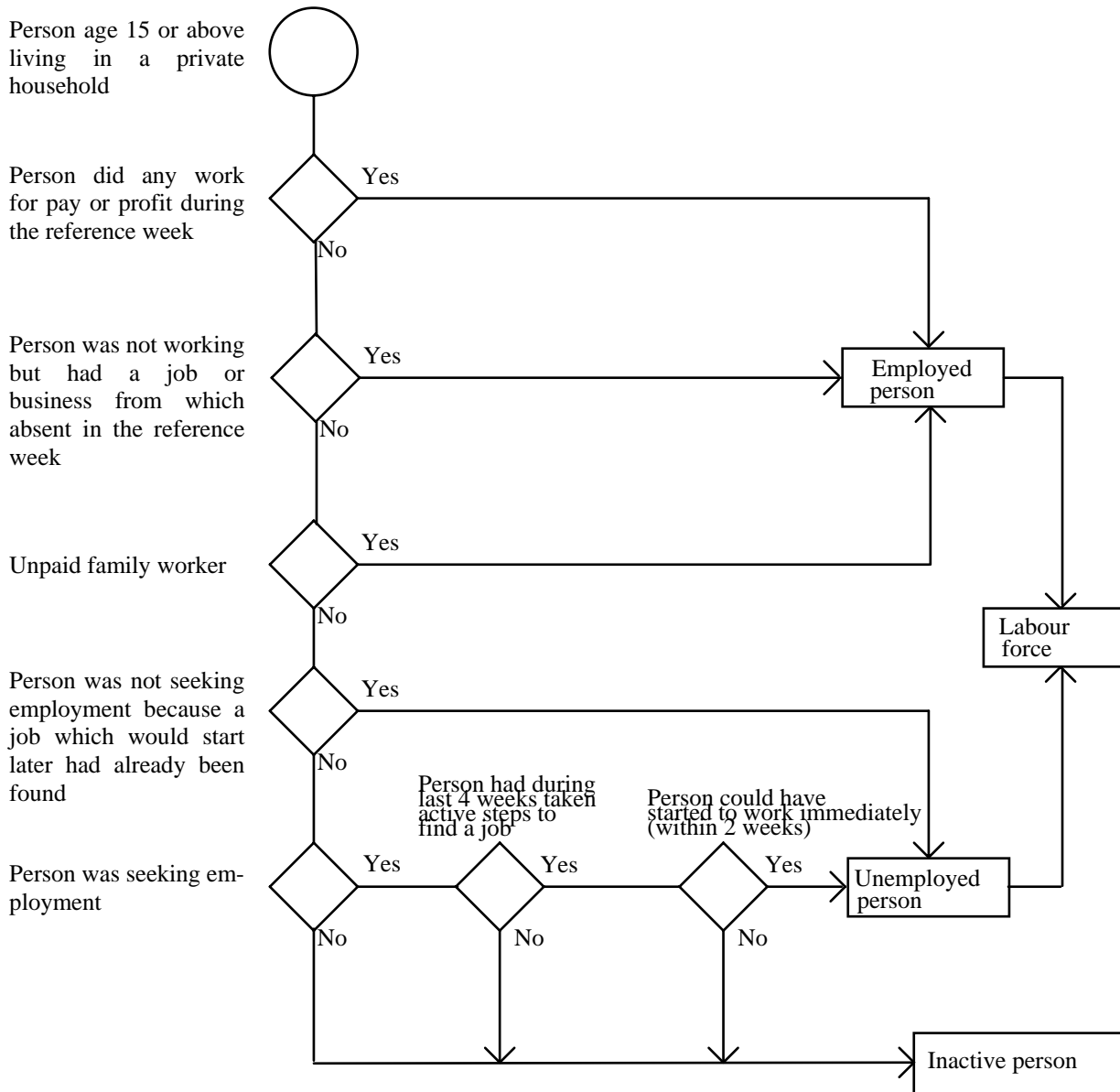
One of the problems in Kosovo has been the lack of an established sampling frame that normally is provided by a general census or an effective civil registration system. Therefore, the SOK LFS has been based on the World Bank LSMS sample design 2000. Every year, the sampling includes the selection of 360-400 enumeration areas in a first stage, and a fixed numbers of households (since 2002 usually 8) in a second stage, with a stratification by rural/urban and Albanian/Serbian (for more details see the Methodological Report, August 2002). Then, the LFS is conducted to all members of the selected households. In 2005, the LFS finally included 400 enumeration areas, 3200 households and 19590 persons, and corresponding figures for 2006 were; 400 enumeration areas, 3200 households and 19268 persons.

According to the European Union definitions, LFS covers only the civilian resident population living in the private households and the individual questionnaire filled for everyone aged 15 and above in the last day of the reference week, that has been specified as the week from Monday to Sunday prior to the interview date.

The validity and comparability of LFSs in a large extent depends on their timing. The interviews for the 2001 SOK LFS were mainly conducted in December 2002, in November 2003, in the latter part of October and the beginning of November 2004. After the full revision of the questionnaire 2004, the LFSs were conducted from the mid until the end of September by including the LFS 2006. The later in a year the interview period is, the greater the chance is that the economic activities in some sectors (such as agriculture, construction or tourism) were slowed down have or have reached a reduced level or even come to a complete halt. The shift of the interviewing period to an earlier date by about one month each year can impede the comparability of results over time.

Finally, the statistics and analyses of the labour market are fundamentally affected by the definition of each person's working status. Since 2002, the SOK LFS used the EU classification procedure represented in Graph 1, but also and time series of LFS 2001 and above use this classification.

Graph 1: Labour force classification in the European Union Labour Force Survey



The results of the 2006 SOK LFS and major changes since 2005 will be discussed in the following 4 sections defined by the working status: for the population as a whole, employed, unemployed and inactive persons.

Considering EU standards, the analysis is based on the data from the new standard tabulation programme, which for these two years is attached in Annex 1.

A complete list of all variables on which information has been collected in the 2006 SOK LFS, and which could be used for additional tabulations may be found in Annex 2.

3. Basic concepts and definition

Since the LFS is intended to cover the whole resident population of a country, the results are collected only for persons living in the private households by not including persons in compulsory military or community service surveyed in these households.

The central distinction in any LFS is the classification of persons aged 15 years or above by their labour status:

Employed are those who during the reference week:

- did any work for pay or profit, or
 - were not working but had jobs from which they are temporarily absent.
- Family workers were included.

Unemployed are those who:

- had no employment during the reference week, and
- had actively sought employment during the previous four weeks, and
- were available to start work within the next two weeks.

Persons who already had found a job which was to start later are also classified as unemployed.

Inactive are all those not classified as either employed or unemployed.

Graph 1 shows a flowchart for the classification of the population according to these definitions as prescribed since 2000. In this context, persons temporarily absent from work present certain difficulties. The accepted criterion for their classification as employed is a formal attachment to their job which in turn is defined by:

- the continued receipt of pay,
- the assurance of return to work, or
- the elapsed duration of absence.

For the 2001 LFS, the definition of the labour status has been further specified in a number of points:

Persons working in their own small agricultural farms but produce only for their own consumption should be considered as employed only if this production is included in national accounts.

Conscripts who performed some work for pay or profit during the reference week should not be considered as employed

- Persons on maternity leave should always be considered as employed.
- Others not at work during the reference week (seasonal workers during the on and off-season, persons on parental leave, unpaid family workers, lay-offs and persons on long-term absence except due to illness) should be considered as employed only if they have an assurance to return to work within a period of 3 months or continue to receive 50% or more of the salary.

Persons who were not employed during the reference week but already found a job thought to start later should be considered as unemployed unless the starting date for that job is within a period of at most 3 months; otherwise this is inactive.

Based on the age and labour status, a number of groups and rates were derived:

- **Working-age population:** 15–64
- **Youth dependency rate:** under 15/15–64
- **Old age dependency rate:** 65+/15–64
- **Effective dependency rate:** not working 15+/employed
- **Labour force:** employed + unemployed
- **Activity rate:** labour force 15–64/working age population
- **Employment rate:** employed 15–64/working age population
- **Unemployment rate:** unemployed/labour force

In addition, there is a number of concepts related to specific conditions of employment, unemployment, or inactivity:

The permanency of a job only refers to employees. Temporary employment, working contracts of limited duration or fixed-term contracts are characterized by the agreement between employer and employee on objective conditions under which a job ends, such as: specific date, the completion of a task or the return of another employee who has been temporarily replaced. In particular, this applies to:

- persons with seasonal employment,
- persons engaged by an agency or employment exchange and hired to a third party to perform a specific task (unless there is a written contract of unlimited duration with the agency or employment exchange),
- persons with specific training contracts.

If there are no objective criteria for the end of a job or work contract, then this is considered as permanent or of unlimited duration.

The distinction between full-time and part-time work is based on the subjective declaration of the respondent. A more precise, objective definition is not possible since working hours differ from country to country and from one branch of activity to the next.

Involuntary part-time work is assumed for persons who declare that they work part-time because they were unable to find a fulltime job.

The number of usual hours worked per week in the LFS refers only to the usual number of hours to accomplish the job, including paid or unpaid overtime but by excluding travelling time between home and workplace or time for the main meal break (lunch). Apprentices or trainees should exclude any time spent at college or in other special training centres. Persons unable to provide a figure for their usual working hours may replace them by average number of hours actually worked per week over the past four weeks. Some persons, particularly self-employed and family workers, may not have a usual working timetable because their working hours vary widely from one week or a month to the next.

The duration of unemployment is operationally defined by the shorter of the following two periods:

- the duration of search for work, or
- the length of time since last employment.

Youth unemployment refers to the unemployment of persons aged 15–24.

Long-term unemployment is defined by duration of 1 year or more.

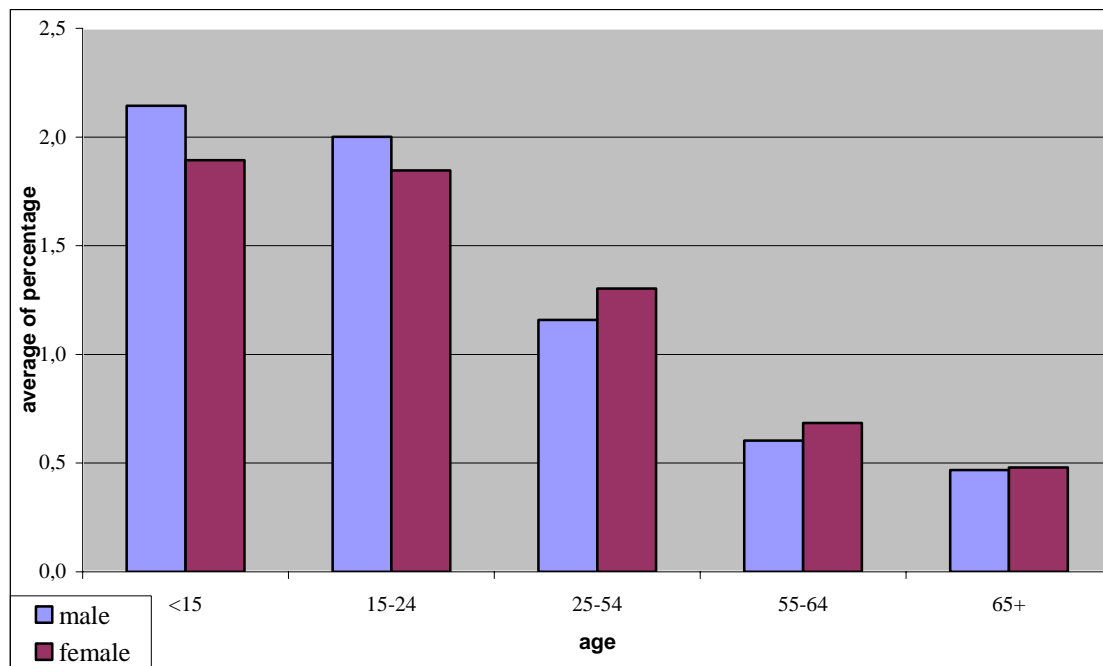
4. Population

Due to the events in its recent history and given the fact that no census has been conducted since 1981 and the civil registration system is not up-to-date, it is practically impossible to provide reliable absolute figures for the population as a whole or its constituent parts in terms of their working status. This applies even more to sample surveys such as the SOK LFS, which in addition had to be based on an unsatisfactory frame. Therefore, all parts/shares and distributions expressed here are in terms of percentages in the respective reference groups (male, female or all, which in some cases in turn are further specified by certain age limits).

4.1 Age structure

A first important labour market indicator is the relative size of the working age population, e.g., the persons between the ages of 15 and 64, which approximately defines the potential available manpower. In Kosovo, this figure from the 2006 SOK LFS is comparatively low with only 62.5%. The reason for this becomes apparent by looking at the age structure. Kosovo has a relatively “young” population, with almost one of the third of age 15 and under (at the end of the scale) and about 7% aged 65 or above (at the upper end). Such a structure is typical for the classical population pyramid. This also becomes visible if one computes the average size of the age groups used in labour market analysis for single years (see Graph 2).

Graph 2: Average 1-year size of age groups by gender, 2006



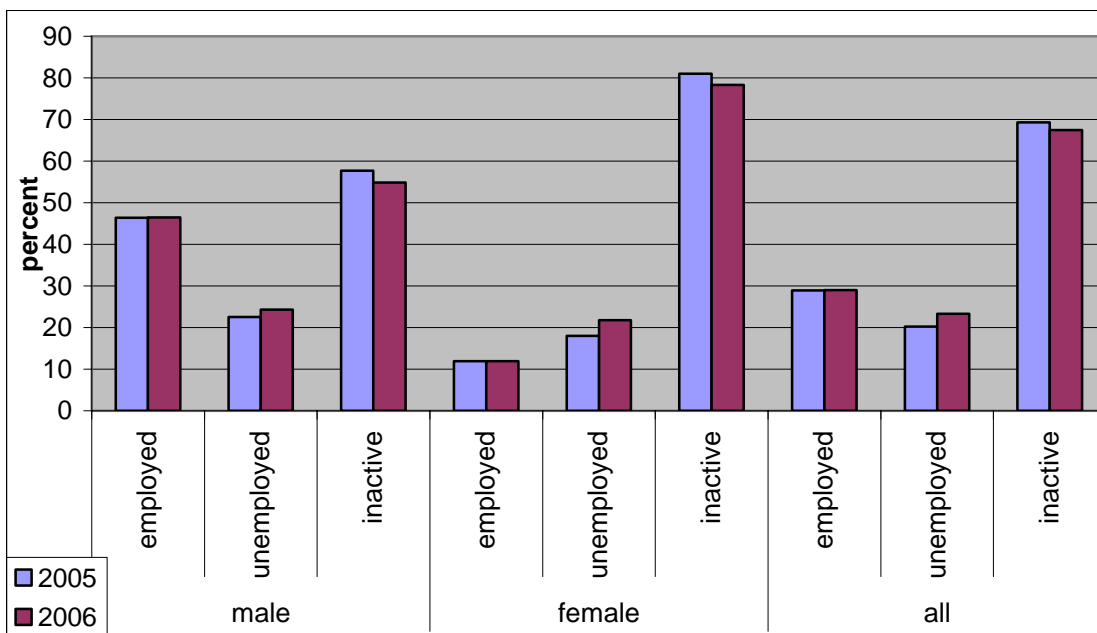
The same facts are expressed by the youth and old age dependency rates, describing how many persons under 15 and over 65, meaning that there are per 100 persons of working age. These comparisons show that, for the youngsters, this rapport in Kosovo is approximately 1:2, but for the old only 1:10.

Due to the higher gender ratio at birth all these figures tend to be higher for males in younger age groups, while they tend to be higher for females in older age groups because of their lower mortality.

4.2 Activity status

A second group of important labour market indicators refers to the actual activity of the population by distinguishing three statuses: employed, unemployed, and inactive (for the respective definitions see Graph 1 above). The distribution of males, females and the total population by their activity status is presented in Graph 3.

Graph 3: Population by employment status and gender, 2005-2006

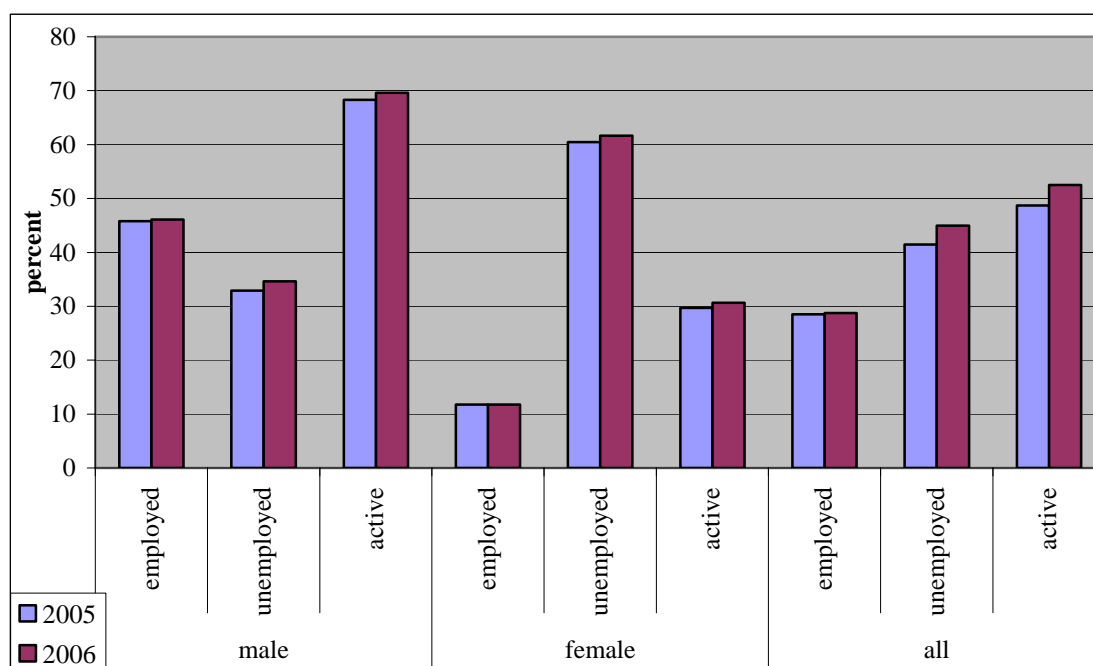


The graph shows that inactive persons make up the largest group in the Kosovo population. There are several factors contributing to this phenomenon. Firstly, all persons under 15 are included here by definition and, secondly, many younger people still are in the process of education, while, thirdly, a number of older persons leave the labour force before reaching the working age limit. Fourthly, many women take over the family and household responsibilities therefore they are not engaged in economic activities, and, lastly, some persons of both gender have given up searching for work position because they think none is available. To attach figures to these latter factors requires additional analyses or data.

There is a striking difference between males and females in the labour force, e.g., the sum of employed and unemployed persons.

These findings are substantiated by the employment, unemployment and activity rates, that generally, are computed only for the working age population (see Graph 4).

Graph 4: Labour market participation of working age population by gender, 2005-2006



While above 46% of the Kosovo males of working age actually were employed in 2006, the corresponding figure for females is approximately 12% with the overall rate ranging in between at about 29%. Conversely, the overall unemployment rate for the working age population, e.g., the proportion of unemployed in the labour force, has reached approximately 42%, but again the difference between males and females amounted about 27 percentage points (34.6 vs. 61.6%). The activity rate, finally, which represents the percentage of the labour force in the working age population, shows a complete reversal in the gender-specific figures: while the 2006 SOK LFS found about 72% of the men to be active, practically, the same proportion of the women were inactive.

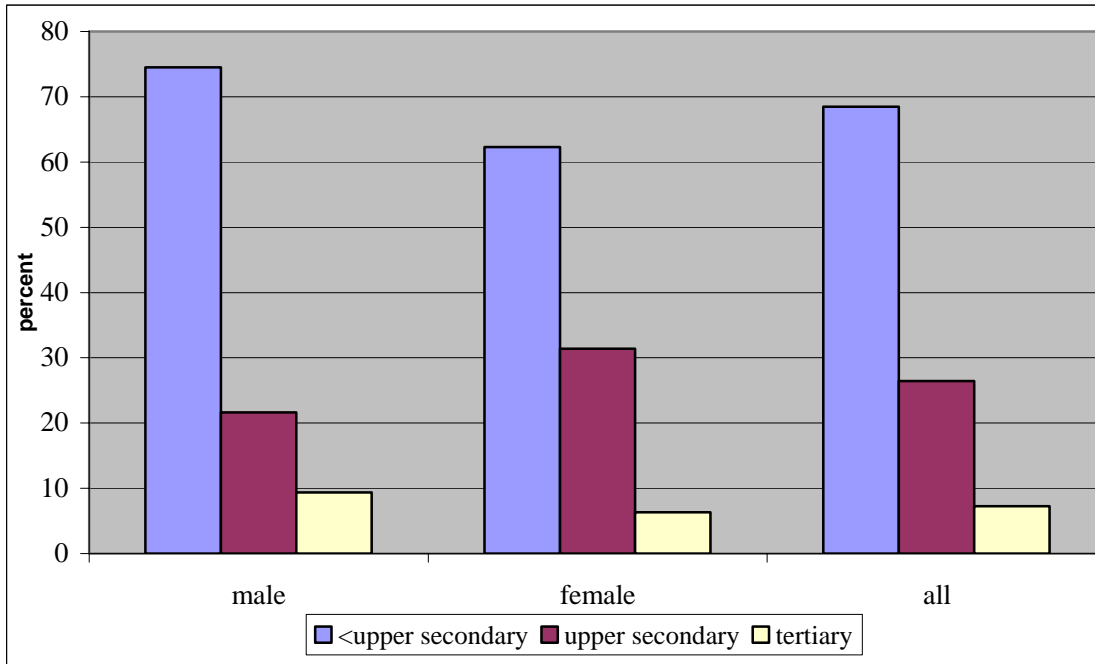
The most dramatic difference between male and female rates, however, occurs in the effective dependency rate. Similar to the age-related dependency rates, this rate expresses how many not working persons there are per 100 actually employed persons. Though the computation of this burden usually leaves out persons under 15 (because their working status is inactive by definition), the overall rate for 2006 shows that on the average 100 employed persons in Kosovo had to support 284 not working persons, but while this rate was less than half (140) among males, it reached an 6 times higher value (835) among females.

4.3 Education

While the working age population, in a way, represents the potential pool of manpower, in terms of sheer numbers the educational level may be considered as general indicator of the quality of this potential in terms of persons' qualification.

In 2006, among all persons in Kosovo aged 15 or more, more than 74% of the males and about 69% females in Kosovo had not completed upper secondary education (see Graph 5).

Graph 5: Education levels of population (15+) by gender, 2006



Only every sixteenth male and every twelve female had a college or university education.

Even if one takes into account that, on the one hand, some young people have not yet finished their education and, on the other hand, younger age groups generally tend to reach higher levels of education than their older counterparts, these figures must give reason for concern inasmuch as a person's qualification determines both his or her employment chances and the risk of unemployment. Both of these effects will be demonstrated in the following sections.

Note:

<upper secondary: without education, 1-4 grade of elementary education, 5-7 grade of elementary education, elementary education (completed);

upper secondary: secondary education;

high: high-school, university, academy, master and doctorate.

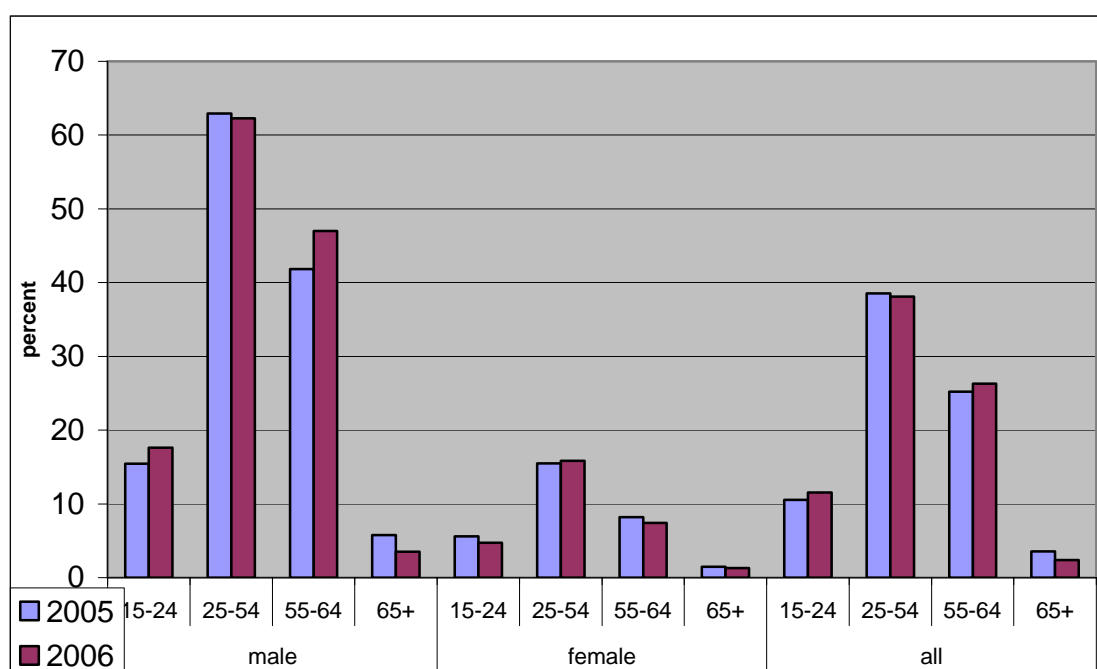
5. Employment

In this section, the situation on the Kosovo labour market in 2006 and possible developments since the preceding year will be discussed in a greater detail by looking at specific characteristics of employed persons.

5.1 Age groups

The differentiation of the employment rate by age shows that the proportion of working force/people of the central age group (25-54) is about 47% higher than on the average for males as well as females (see Graph 6).

Graph 6: Employment rates by gender and age groups, 2005-2006

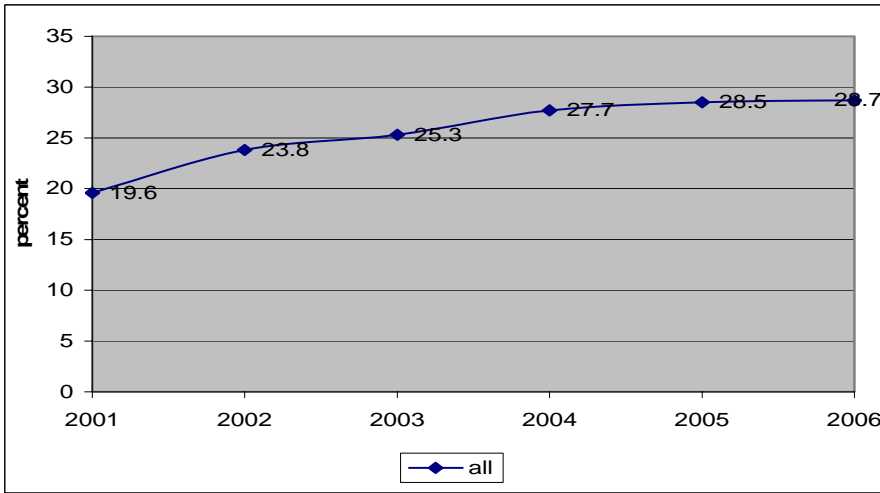


Also, for both genders this rate decreases to about 22% of the average for the age group 15-24 which partially can be seen as due to continued education, but also may be due to difficulties of finding a first entry into the labour market. In the oldest age group (55-64), however, a wide gap opens between males and females. While the employment rate of males in this age group drops slightly below the average, for females this drops sharply to under 20% of the average. The main cause of this situation may be the apparent tendency of women to go into earlier retirement.

In this graph you can see employment rate of group-age above 65 which is about 3.5% for male and 1.5% for female while corresponding figures for 2004 were about 6% for males and 0.4% for females.

The level of employment from year to year resulted in slight increase, while this average for last six years has been 1.5% (see Graph 7).

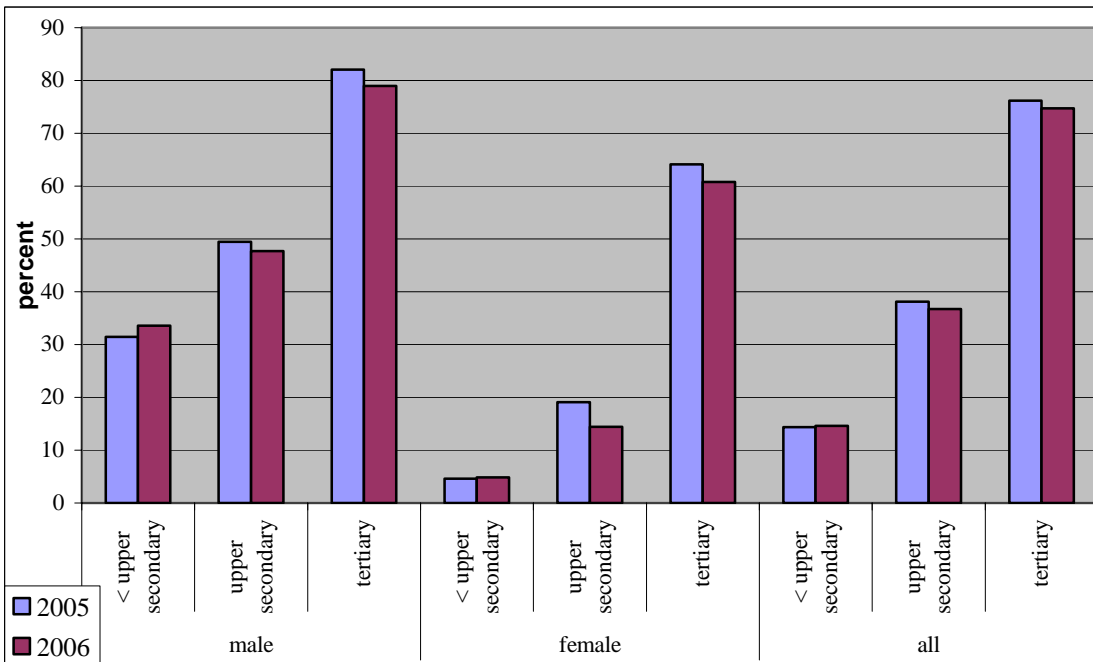
Graph 7: Level of employment, 2001-2006



5.2 Education

Also, there is a clear relationship between employment and education. The higher a person's level of education, the more likely it is that he/she is employed (see Graph 8).

Graph 8: Employment rates by education and gender 2005-2006



Even though, generally, lower than for males, these differences between education levels are even more apparent for females. In fact, on the tertiary level of education, females almost reach the same employment rate as males. In other words, the qualification factor plays an

important role for females because they are bound to suffer more under respective deficits and profit more from high investments in human capital.

5.3 Economic activity

The distribution of employed persons by economic activity characterizes the structure of the economy and its changes over the time. This distribution can indicate the growth or diminished employment chances. The classification used for this purpose is the 1-digit NACE by grouping several smaller sectors at the beginning and the end of the scale (see textbox 1).

Text Box 1

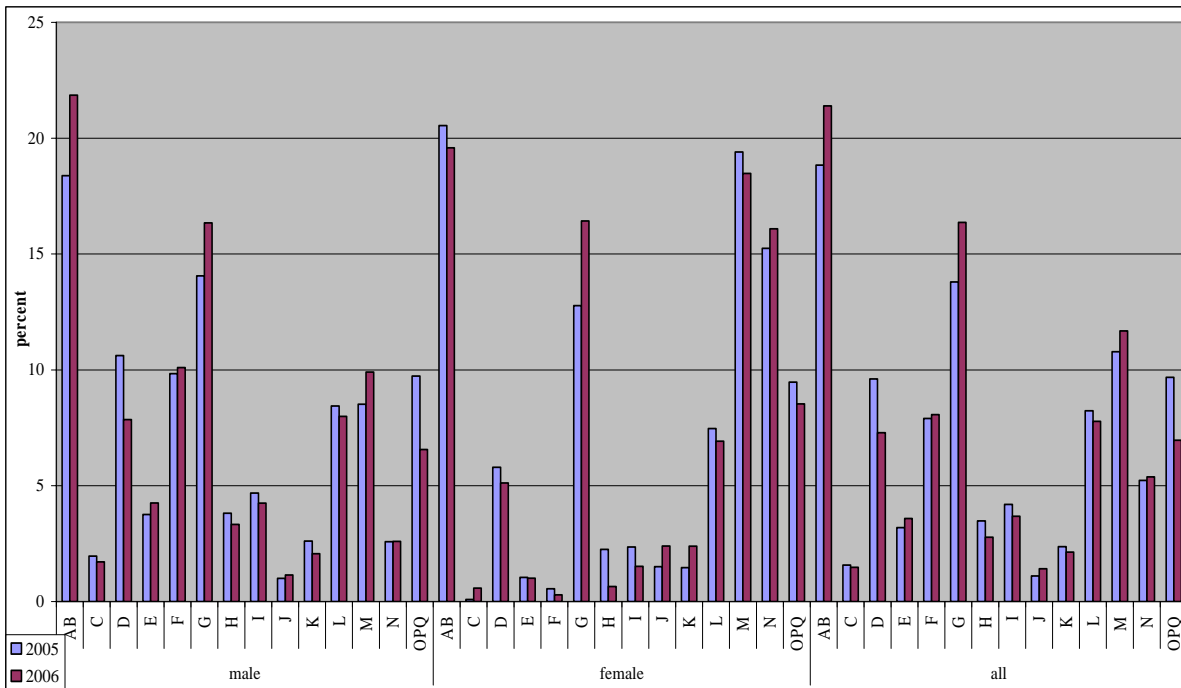
Classification of economic activities

NACE	Description
A	<u>Agriculture</u> , hunting and forestry
B	Fishing
C	<u>Mining</u> and quarrying
D	<u>Manufacturing</u>
E	<u>Electricity</u> , gas and water supply
F	<u>Construction</u>
G	Wholesale and retail <u>trade</u> , repair of motor vehicles, motorcycles and personal and household goods
H	<u>Hotels</u> and restaurants
I	<u>Transport</u> , storage and communication
J	<u>Financial</u> intermediation
K	Real estate, renting and <u>business</u> activities
L	<u>Public administration</u> and defence; compulsory social security
M	<u>Education</u>
N	<u>Health</u> and social work
O	<u>Other</u> community, social and personal service activities
P	Private households with employed persons
Q	Extra – territorial organizations and bodies

Underlining: short form used in text

In 2006, agriculture had become the most important pillar of the Kosovo economy with an employment share of 21.4 %, followed by trade (16.4%), education (11.7%), construction (8.1%), and administration (7.8%). (See Graph. 9.)

Graph 9: Employment by economic activities and gender, 2005-2006



The ranking of the most important sectors of female employment shows agriculture with a share of almost one quarter on top (19.6%), followed by education (18.5%), trade (16.4%), health (16.4%), other branches and public administration being a sector with a share of more than 7% (respectively, 8.5% and 6.9%).

The smallest sectors in Kosovo are finance & insurance, mining and business real estate services indicating that the territory still lags far behind in the development toward a modern service-oriented economy.

In comparison with the previous year, the agriculture sector has decreased approximately 3% in the overall employment rate while some other sectors resulted in increase and some other resulted in decrease with few overall employment rate.

5.4 Occupation

The occupational structure of an economy reflects the human capital which its members obtained through professional specialization and sector-specific activities. The classification used for this purpose is the 1-digit ISCO except for code 0 = armed forces, which are not covered in the SOK LFS (see Textbox 2).

Text Box 2

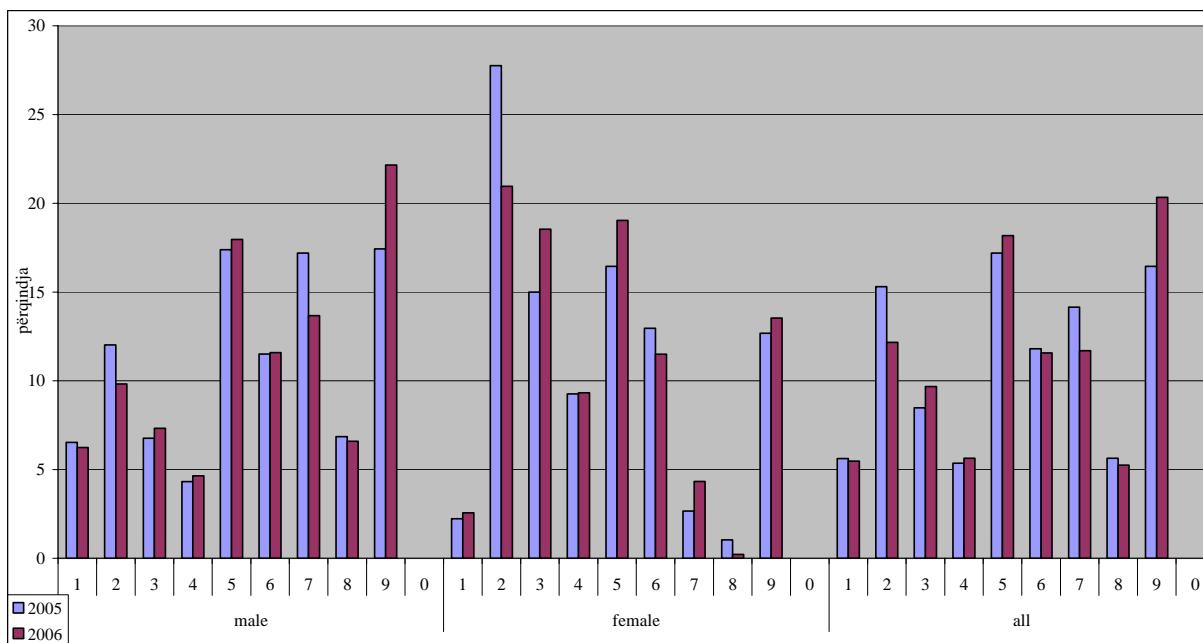
Classification of occupations

ISCO	Description
1	Legislators, senior officials and <u>managers</u>
2	<u>Professionals</u>
3	<u>Technicians</u> and associate professionals
4	<u>Clerks</u>
5	<u>Service</u> workers and shop <u>and</u> market <u>sales</u> workers
6	Skilled <u>agricultural</u> and fishery workers
7	<u>Craft and related trades</u> workers
8	Plant and <u>machine operators</u> and assemblers
9	<u>Elementary occupations</u>
0	<u>Armed forces</u>

Underlining: short form used in text

About one sixth (18.2%) of the employed in Kosovo works in services and sales (see Graph 10), less than one sixth are elementary occupations and professionals (respectively, 20.3 and 12.2%), and more than one eighth (11.7%) engage in crafts or related trades.

Graph 10: Employment by occupational groups (1-0) and gender, 2005-2006

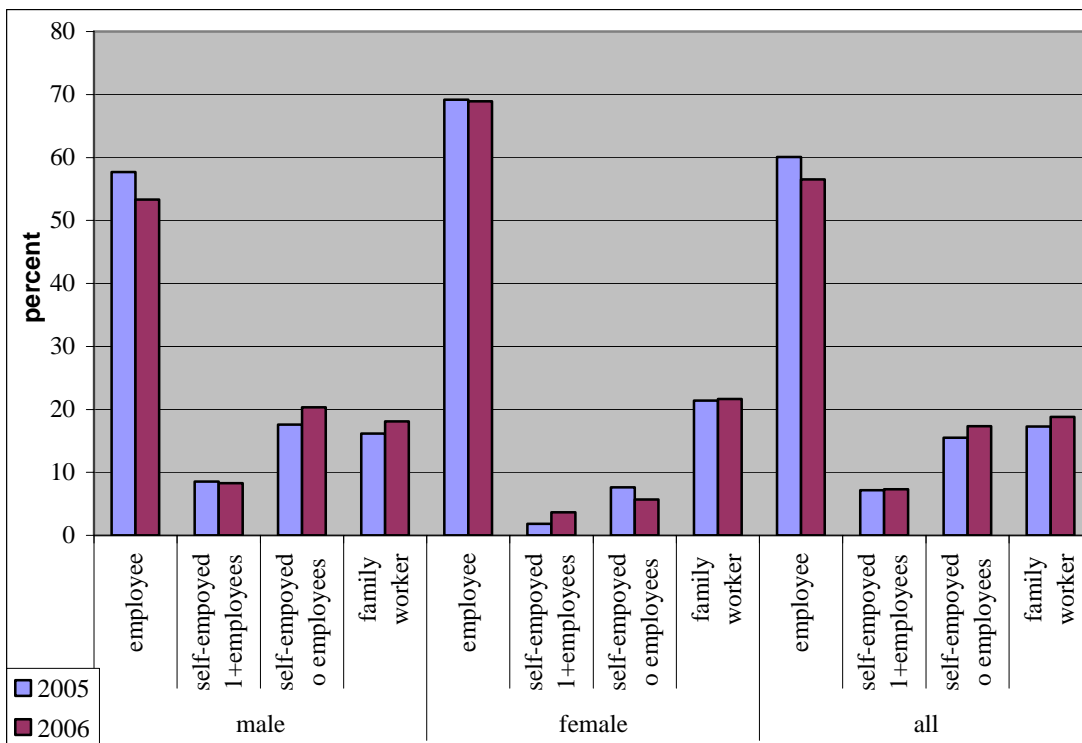


The differentiation by gender reveals about 71% of the females are found in service occupations with high (codes 1-3) or middle qualification (code 4-5). In these occupations, males are mostly represented more amongst managers (code 1). Conversely, almost half of the males are found in occupations linked to handicraft and industrial production (codes 7 and 8) and elementary activities (code 9).

5.5 Professional status

Generally, most employed persons have the status of employees. In 2006 this applied about 58% for males and about 70 % for females (see Graph 11).

Graph 11: Employment by professional status and gender, 2005-2006



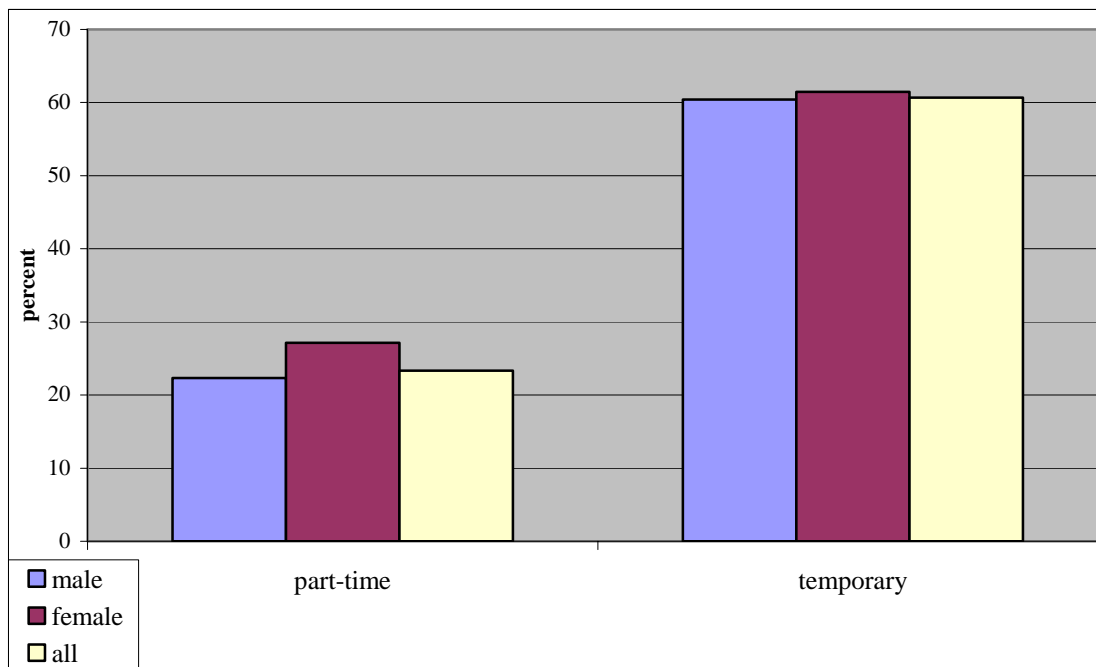
The status of self-employed indicates that employment is based on one’s own capital resources and carried on at one’s own risk. High shares of self-employment thus can either be an expression of a dynamic development in the modern sector of an economy or simply an expression of a large agricultural sector consisting mainly of small family holdings. In Kosovo, the latter seems to be the case because only 7.3% of the employed persons classify themselves as employers (self-employed with one or more employees), while 17.3% report that they are own-account workers or free-lancers (here are all coded as self-employed without employees). In both cases, the share of self-employment is much higher among males than among females.

5.6 Conditions of employment

The extent of part-time work and temporary jobs can be indicators of particular employment situations, especially if combined with the distinction voluntary/involuntary. Thus, part-time employment may offer interested persons the choice between full-time or part-time activity, but it can also mean that not enough full-time jobs are available. Similarly, temporary jobs may be fitting for certain types of situations (training, season or vacation jobs, probationary periods), but they also can represent a precarious type of employment especially in post-war period in Kosovo where almost all employees have temporary contracts.

Comparison with LFS 2005, we had decrease in LFS 2006 which were 3% of all employment in 2006 was carried on a part-time basis, with about 1% for males and about 1.3% for females. Also, we can see decrease in temporary employment which was about 13%. (See Graph. 12.)

Graph 12: Shares of part-time work and temporary contracts (of employees) by gender, 2006

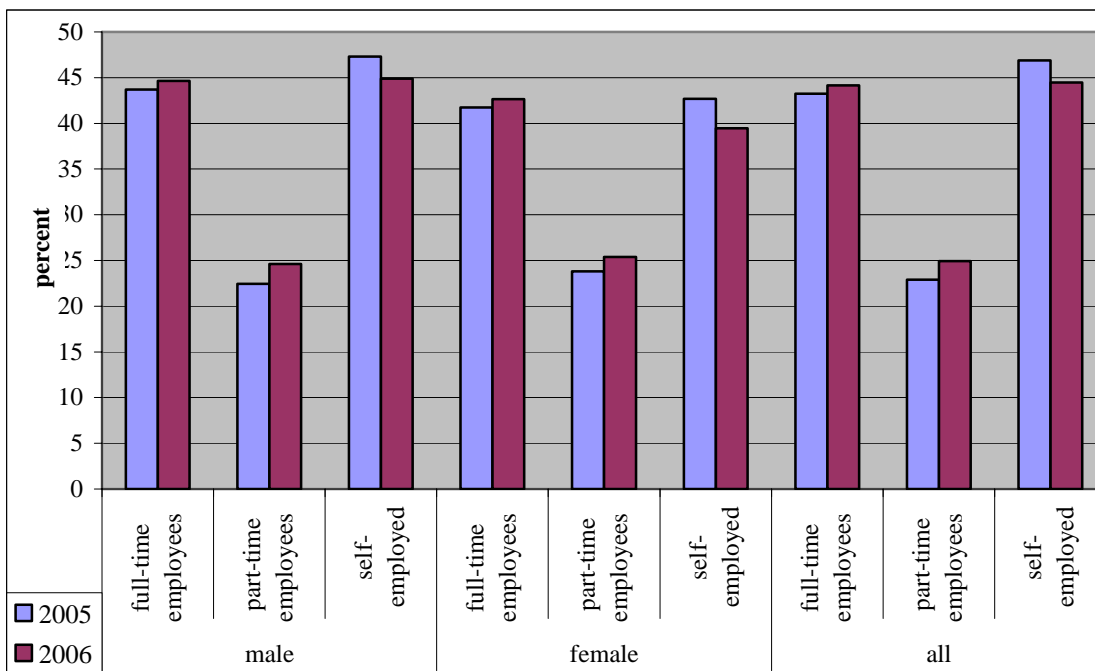


5.7 Usual working hours

The respective figures actually represent the average of employees who usually work 40 hours or more versus employees who usually work less than 40 hours.

Full-time employees in 2006 were found to work an average of 44.2 hours per week, part-time employees 24.9 hours; there had been a small increase in the full-time employees comparison with previous year – in the first case, males case working 1 hour more than females, but part-time employees were found with some small decrease (see Graph 13).

Graph 13: Average number of usual working hours per week by professional status and gender, 2005-2006



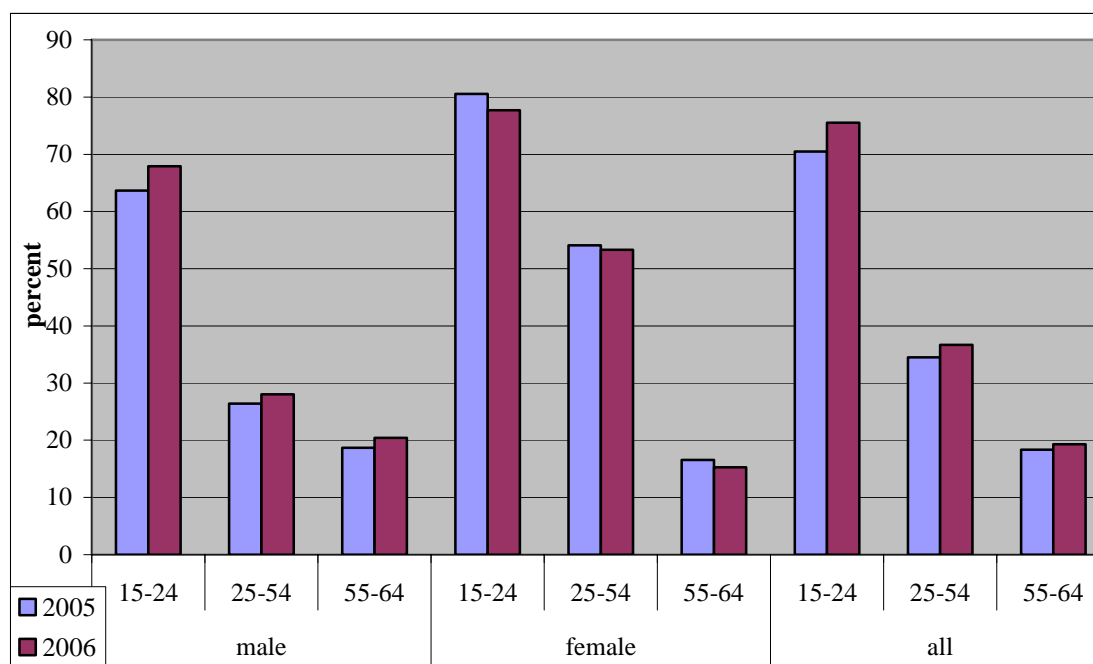
6. Unemployment

Similar to the analysis of employment, this section will discuss the situation of the unemployed situation in Kosovo for 2006 and possible developments since the preceding year (2005) in bigger details by looking at some of the same characteristics as well as at some factors and conditions specific to unemployment.

6.1 Age groups

The differentiation of the unemployment rate by age groups indicates that the highest incidence of unemployment occurs among young people, where more than two thirds of the males and 8 of 10 females in the labour force are without a job (see Graph 14).

Graph 14: Unemployment rates by gender and age groups, 2005-2006

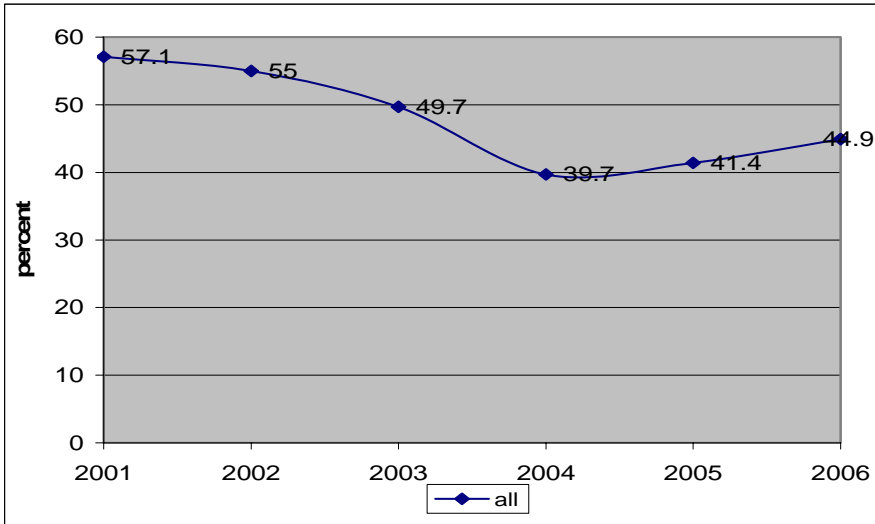


This does not mean, however, that most of the young people are unemployed. Since part of this age group is still under education process and the rest are not looking for a job (for example, many females who got married), actually, less than one third of the young people are unemployed. The specific difficulties of young people at the start of their working life have made youth unemployment an important labour market indicator and rose to many analyses subsumed under this issue.

The unemployment consistently decreases with age, though it still in values of to 28.1% of male and 53.3% for female labour force in the central age group. And the low unemployment rate in the highest working age group, together with the smallest difference between males and females (20.4 vs. 15.3), should not be taken as an indication that this group enjoys the most favourable labour market position. A main reason for the lowest unemployment here is that many persons of this age go into early retirement or simply do not look for a new job after becoming unemployed because they think that no job is available.

Unemployed rate from year to year starts to decrease while in the last two years employment starts to increase again. In year 2001 and 2002 subsistence farming and production for own-consumption were not counted as employment, while in 2003 were engaged in these activities if they worked for 15 hours or more during the reference week (see Graph 15).

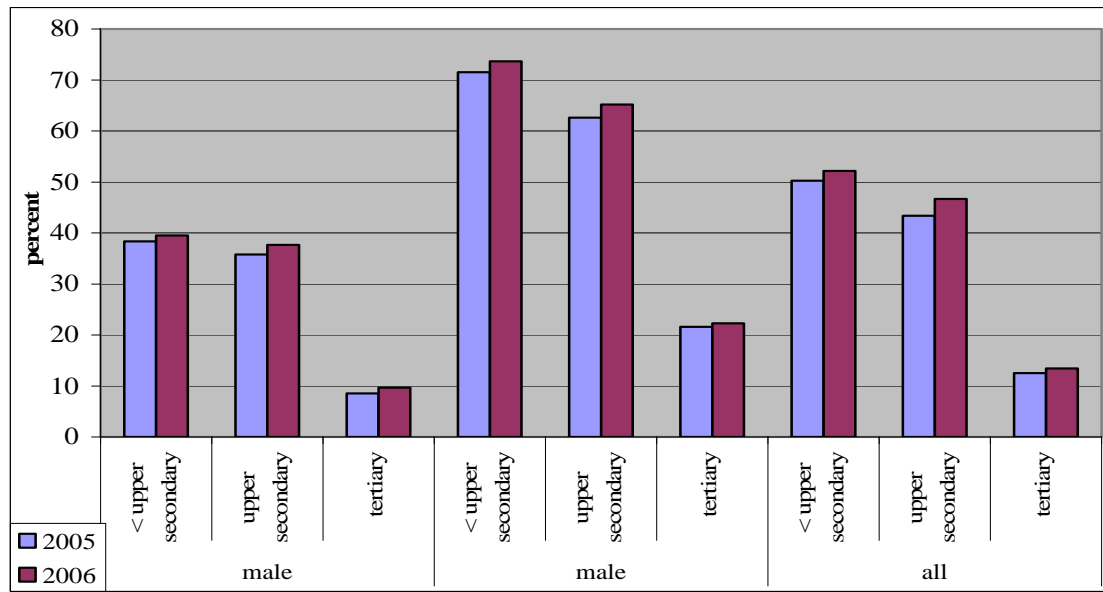
Graph 15: Level of unemployment, 2001-2006



6.2 Education

Complementary to employment, the unemployment rate correlates negatively with the level of education. With a rate of approximately 52% the persons with the lowest qualification are most likely to become or remain unemployed, and these rate decreases to approximately 47% on the middle level (secondary education), while persons with college or university education exhibit an unemployment rate of over 13% (see Graph 16).

Graph 16: Unemployment rates by gender and education, 2005-2006



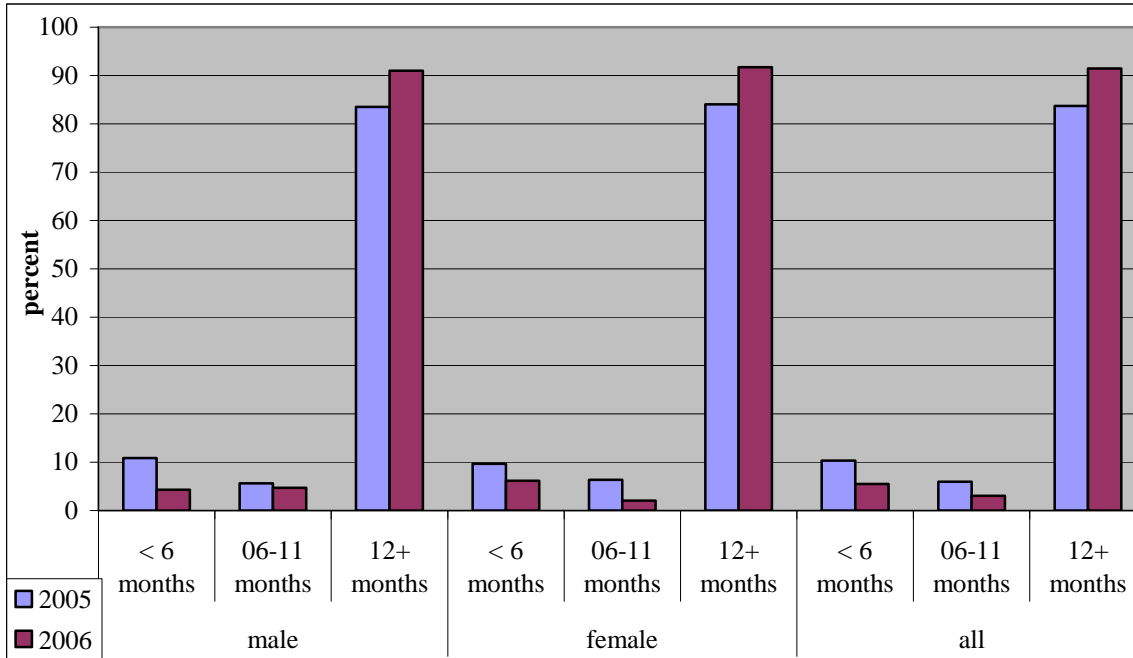
Again like in employment, females are in a negative position than males at all levels of education, but the differences decrease the higher the qualification gets.

6.3 Duration

While the lack or loss of a job may be a negative experience, the situation can get even worse if all attempts of finding a job continue to be unsuccessful. In labour market statistics, this aspect is documented by the duration of unemployment. By definition, this is the time since a person lost his last job or started to look for work, whichever of these periods is shorter.

According to the 2006 SOK LFS, 6 out of 7 unemployed persons in Kosovo have been without a job for more than a year, same for males or females (see Graph 17).

Graph 17: Duration of unemployment by gender, 2005-2006



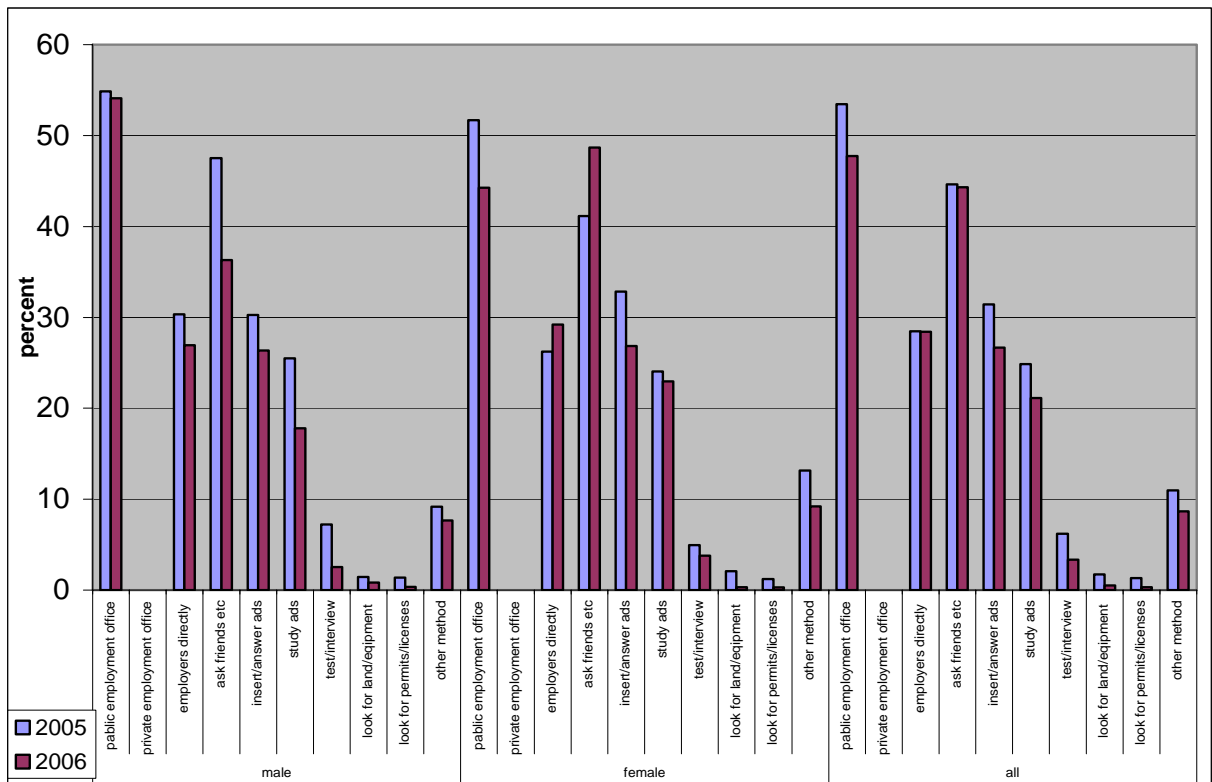
This is a very high incidence of long-term unemployment which is defined by the duration of one year or more. Furthermore, since this indicator refers to the current rather than the completed duration of unemployment (the latter being defined as the time until work is actually found), the persons reporting durations under 6 or between 6 and 11 months may also end up in the long-term category in due time. In other words, the chances of finding a job in Kosovo at present looks very bleak.

The situation does not seem to have improved since 2004. Comparison with the previous year, 2005, this year found a decrease of about 5% in first group while the second group again had decrease for about 9%, that means that is it very difficult to find a job in Kosovo if the person loses or searches for a job.

6.4 Searching methods

Unemployed persons can use various methods to search for work. Most of them will register with the public employment service (employment office), even though, partially, this is done to receive unemployment or other social benefits. In 2006, above 54% of the unemployed males and above 54% of the unemployed females in Kosovo has contacted these offices (see Graph 18).

Graph 18: Unemployed by methods of job search and gender, 2005-2006

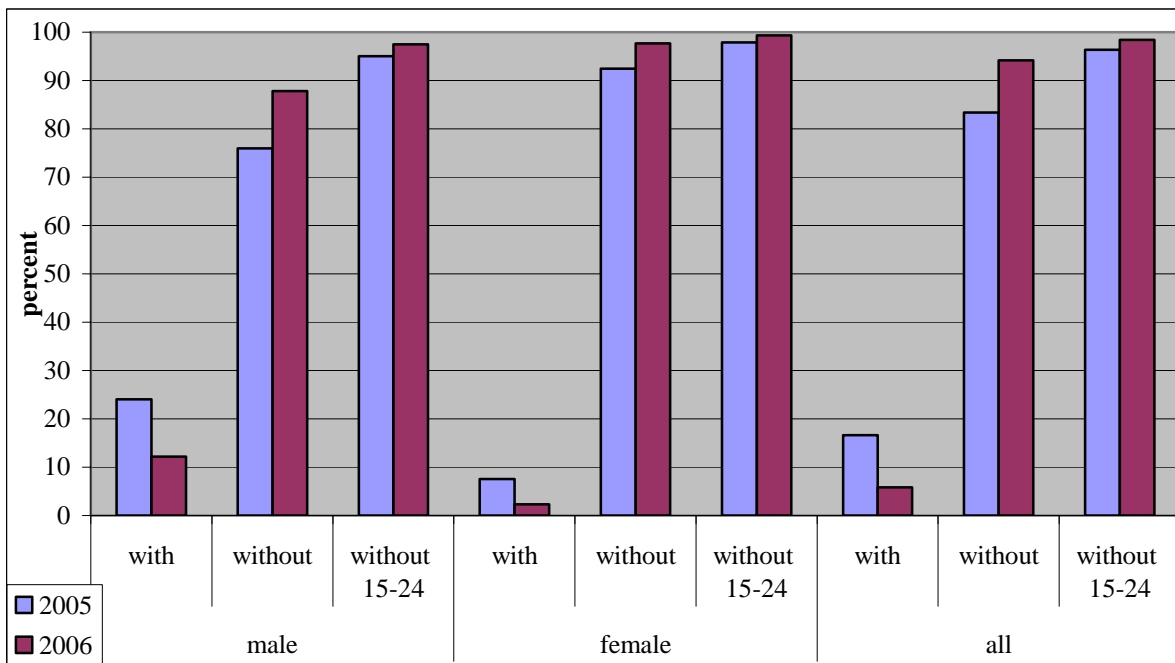


This graph shows that the methods of search in comparison with the previous year of 2005 are fallen.

6.5 Previous work experience

By asking unemployed persons if they worked before or not, allows one to distinguish between those who lost or gave up a job and now are trying to re-enter working life, with the ones who never held a job and face the difficulties of initial entry. According to the 2006 SOK LFS, most of the unemployed never worked before, approximately 88% of the males and more approximately 98% of the females (see Graph 19).

Graph 19: Previous work experience of unemployed by gender and age, 2005-2006



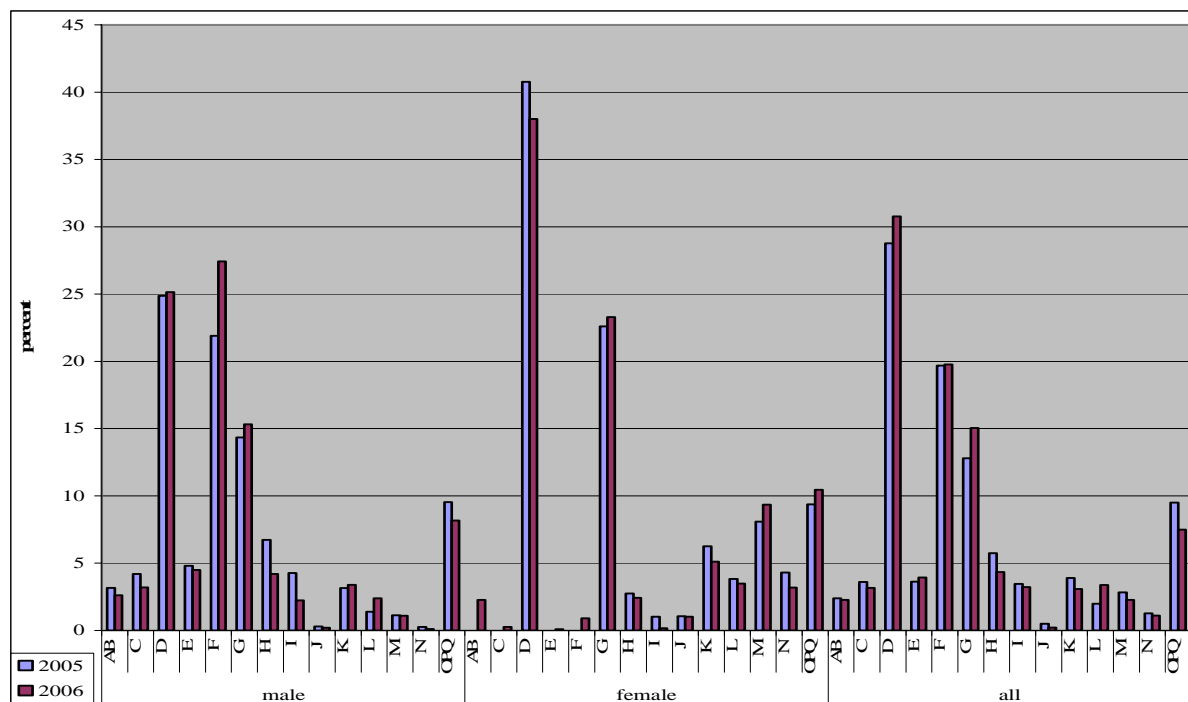
This problem is even more pronounced with regard to youth unemployment, because in the age-group of 15-24 almost everyone is looking to find a first job.

6.6 Economic activity

The distribution of the unemployed by economic activity of their last job can give a indication about the relative degree to which the individual sectors of an economy contribute to the unemployment situation. Unfortunately, the reliability of these figures for Kosovo is somewhat limited due to the low proportion of the unemployed with previous work experience, particularly of females.

In the 2006 SOK LFS, the greatest share of the unemployed (30.8%) reported that their last job had been in manufacturing, with females being far more affected than males (see Graph 20).

Graph 20: Unemployed by economic activity of last job and gender, 2005-2006



The next bigger sectors of origin were construction with 19.8%, where unemployment overwhelmingly hit males, and trade with 15.0%, in which females again had a higher share. A substantial number of female unemployed (10.5%) also had last worked in other services. In contrast, relatively few of the unemployed came out of the agricultural sector which in 2006 had employed the greatest number of people in the Kosovo economy, which is not surprising inasmuch as many persons working in agriculture normally are self-employed or unpaid family members and thus run a low risk of losing their job.

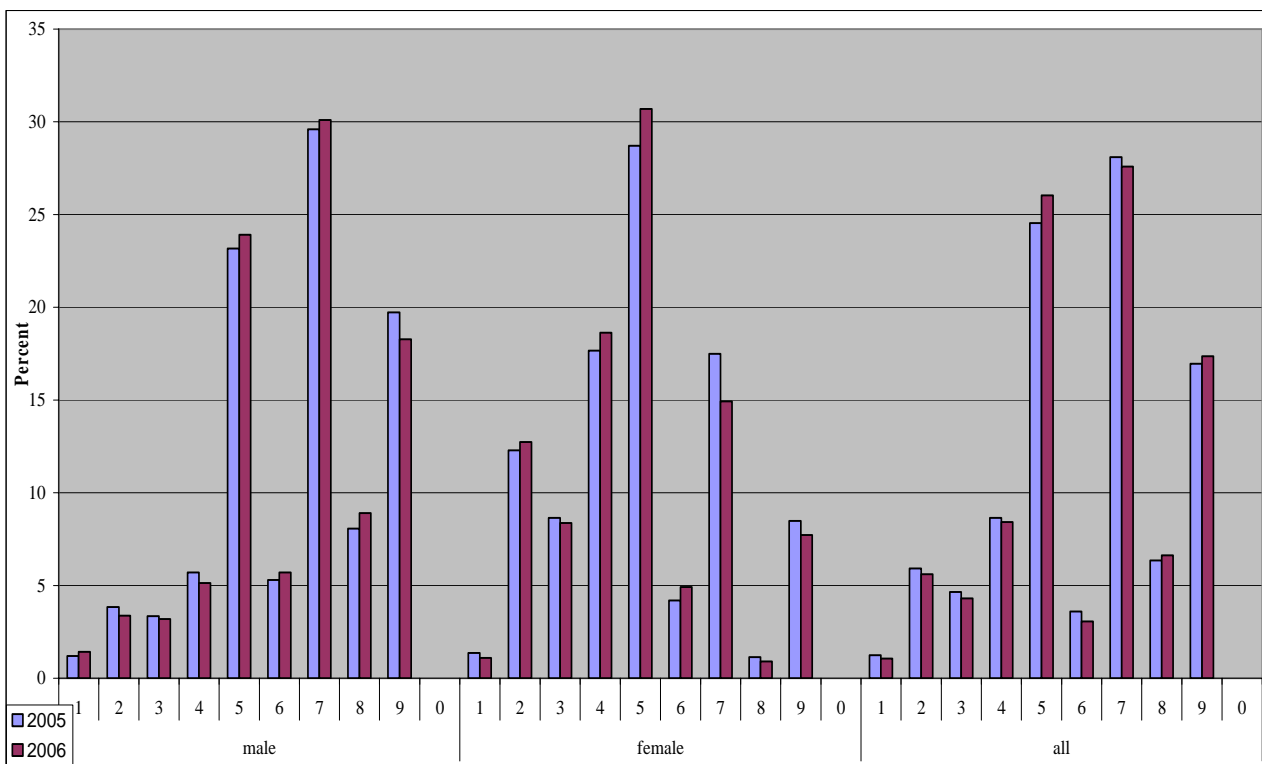
The comparison with 2004 shows a different reflection. In that year, most unemployed reported to have last worked in manufacturing (28.8%), but already second most in construction (19.7%), also in this year reported to have last worked in the same activity (30.8%, respectively 19.8%).

6.7 Occupation

The distribution of the unemployed by the occupation which they exercised in their last job can give an indication as to the demand for certain qualifications in economy. However, the reservations expressed with regard to the SOK LFS data made in the preceding section on economic activity apply here too.

In 2006, about 20-30% of the unemployed with previous work experience reported to have worked in crafts or related trades (27.6%), as service or sales workers (26.0%) and in elementary occupations (17.4%), (see Graph 21).

Graph 21: Unemployed by occupational group in last job and gender, 2005-2006



While the loss of jobs by occupations affected men especially in craft or related trades (30.1%), following service or sales (23.9%), continue with elementary occupations and machine operators (18.3 and 8.9%, respectively); females also were affected in service or sales, clerks, craft or related trades and professionals (30.7%, 18.6%, 14.9% and 12.7%, respectively).

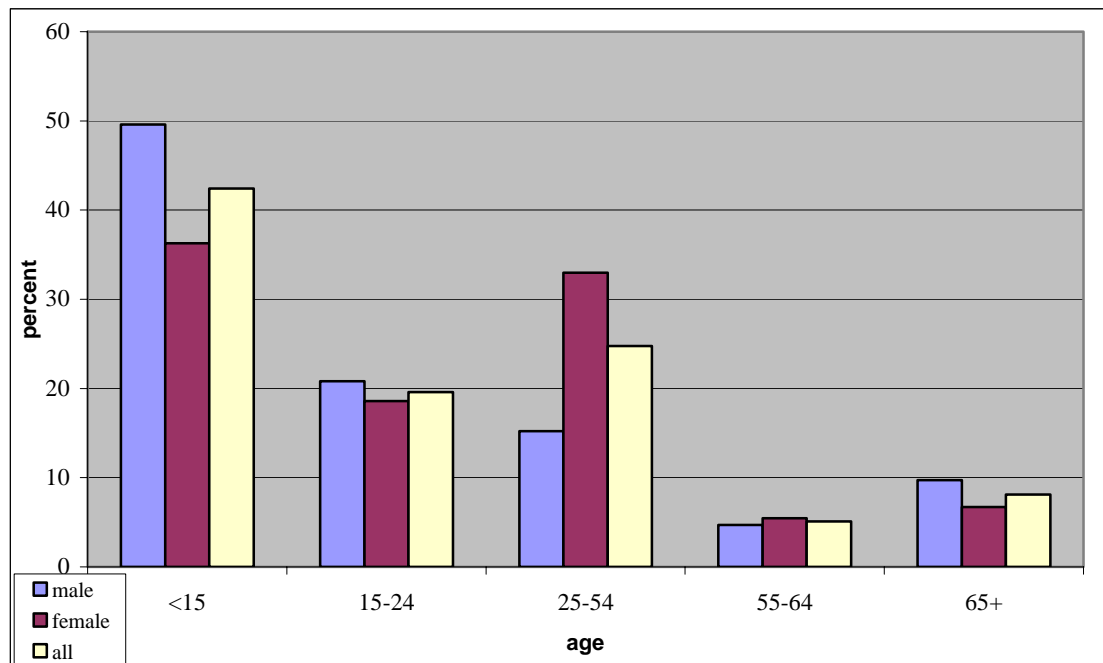
7. Inactive persons

The residual category of the labour force classification, the inactive population, will be portrayed only from two aspects: age and education. Discussions about the causes or conditions of inactivity will be discussed in a separate analyses.

7.1 Age groups

As expected, on the basis of the population age distribution and the lower working age limit, children under 15 constitute the largest group among the inactive with almost 43%, followed by the central working age group with around 25% and the age group 15-24 with around 20% (see Graph 22).

Graph 22: Inactive population by gender and age groups, 2006



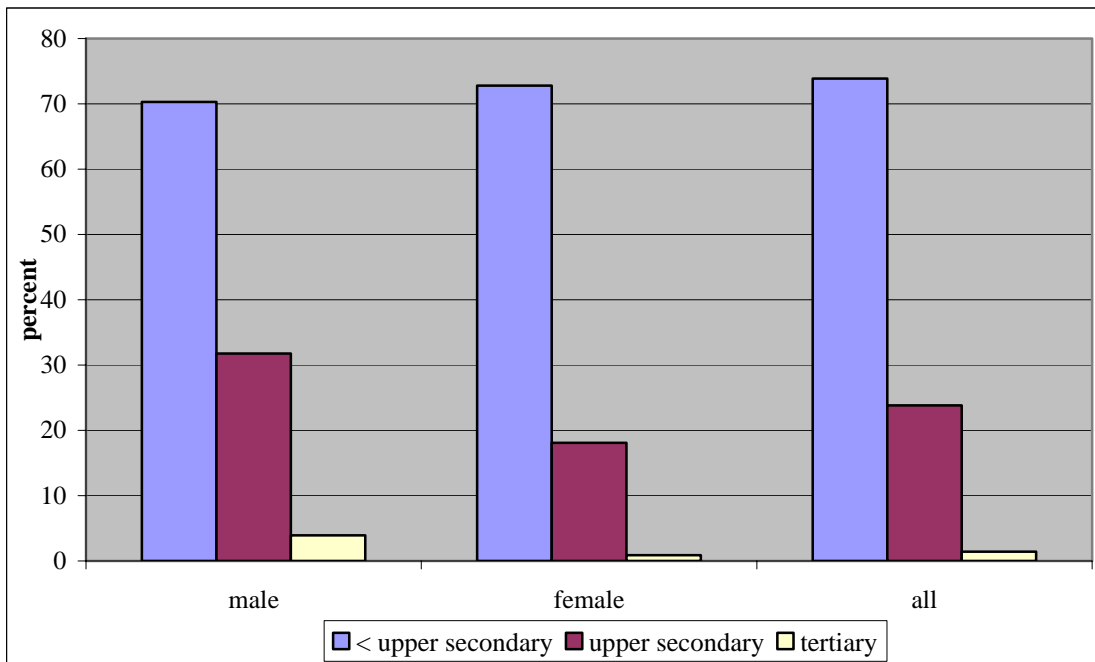
Due to their small size in the overall population, the groups just below and above the upper working age limit, reach only small shares even though they are predominantly or completely (by definition) inactive.

The age distributions of inactive males and females differ greatly. However, reflecting two diametrically opposed facts: the relatively high employment rates of males and the relatively low employment rates of females in the central working age group, leading to inactivity shares of 15.2% and 33.0%, respectively. More specifically, the latter value lowers the shares of inactive females in all other age groups although they surpass men in absolute numbers in all age groups except that of children.

7.2 Education

As expected, this time, on the basis of specific-employment by education and unemployment rates, the inactive population is characterised with lower education levels than the population as a whole. Two thirds of the inactive males over 15 and five sixths of their female counterparts have less than upper secondary education, while at the other end of the scale only more than 4% of inactive males and more than 1% of their female counterparts have completed high education or university (see Graph 23).

Graph 23: Inactive population (15+) by education and gender, 2006



Also among the inactive population of Kosovo, males have a better education than females.

Annex 1: Standard tabulation programme 2005-2006

GROUP Classification	Unit	2005			2006		
		males	females	all	males	females	all
POPULATION							
Total	%	50.2	49.8	100.0	50.9	49.1	100
age 15-64*	%	61.4	63.6	62.5	60.8	64.4	62.6
by age							
<15	%	32.0	29.2	30.6	32.2	28.4	30.3
15-24	%	19.0	19.1	19.1	20.0	18.5	19.2
25-54	%	35.4	37.6	36.5	34.8	39.1	36.9
55-64	%	7.0	6.9	6.9	6.0	6.8	6.4
65+	%	6.6	7.2	6.9	7.0	7.2	7.1
15-64	%	61.4	63.6	62.5	60.8	64.4	62.6
by education (15+)							
<upper secondary	%	42.1	68.5	55.5	74.5	62.3	68.5
upper secondary	%	48.3	27.3	37.6	21.6	31.4	26.4
tertiary	%	9.6	4.3	6.9	9.4	6.3	7.3
by employment status							
employed* (15-64)	%	46.4	11.9	28.9	46.5	11.9	29.0
unemployed* (15-64)	%	22.6	18.0	20.3	24.3	21.8	23.3
labour force* (15-64)	%	69.0	29.9	49.2	70.8	33.7	52.3
inactive*	%	57.7	81.0	69.3	54.8	78.3	67.5
dependency rates							
youth*	rate	52.2	45.9	49.0	52.9	44.1	48.4
old age*	rate	10.8	11.3	11.1	11.6	11.2	11.4
effective*	rate	138.7	834.5	284.1	140.0	834.4	284.0
activity rates (15-64)							
employed*	rate	45.8	11.7	28.5	46.1	11.8	28.7
unemployed*	rate	32.9	60.5	41.4	34.6	61.6	44.9
activity*	rate	68.3	29.7	48.7	69.6	30.6	52.5

GROUP Classification	Unit	2005			2006		
		males	females	all	males	females	all
EMPLOYED							
by age							
15-24*	rate	15.4	5.6	10.5	17.6	4.7	11.5
25-54	rate	62.9	15.5	38.6	62.3	15.8	38.1
55-64	rate	41.8	8.2	25.2	47.0	7.4	26.3
65+	rate	5.8	1.5	3.5	3.5	1.3	2.4
15-64*	rate	41.3	10.5	25.7	41.3	10.6	25.8
by education (15-64)							
<upper secondary*	rate	31.5	4.6	14.4	33.6	4.8	14.6
upper secondary*	rate	49.5	19.1	38.1	47.7	14.4	36.7
tertiary*	rate	82.0	64.1	76.2	79.0	60.8	74.7
by economic activity (15-64)							
agriculture	%	18.4	20.5	18.8	21.9	19.6	21.4
mining	%	2.0	0.1	1.6	1.7	0.6	1.5
manufacturing	%	10.6	5.8	9.6	7.9	5.1	7.3
electricity	%	3.8	1.1	3.2	4.3	1.0	3.6
construction	%	9.8	0.6	7.9	10.1	0.3	8.1
trade	%	14.1	12.8	13.8	16.3	16.4	16.4
hotels	%	3.8	2.3	3.5	3.3	0.7	2.8
transport	%	4.7	2.4	4.2	4.2	1.5	3.7
finance	%	1.0	1.5	1.1	1.2	2.4	1.4
bussines	%	2.6	1.5	2.4	2.1	2.4	2.1
public administration	%	8.4	7.5	8.2	8.0	6.9	7.8
education	%	8.5	19.4	10.8	9.9	18.5	11.7
health	%	2.6	15.2	5.2	2.6	16.1	5.4
other	%	9.7	9.5	9.7	6.6	8.5	7.0
by occupation (15-64)							
manager	%	6.5	2.2	5.6	6.2	2.6	5.5
professional	%	12.0	27.7	15.3	9.8	21.0	12.2
technician	%	6.8	15.0	8.5	7.3	18.5	9.7
clerk	%	4.3	9.3	5.4	4.6	9.3	5.6
service and sales	%	17.4	16.4	17.2	18.0	19.0	18.2
agriculture	%	11.5	13.0	11.8	11.6	11.5	11.6
crafts and related trade	%	17.2	2.7	14.2	13.7	4.3	11.7
machine operators	%	6.8	1.0	5.6	6.6	0.2	5.3
elementary occupations	%	17.4	12.7	16.4	22.2	13.5	20.3
armed forces	%	0.0	0.0	0.0	0.0	0.0	0.0
by professional status (15-64)							
employee	%	57.7	69.2	60.1	53.3	68.9	56.5
self-employed 1+ employ	%	8.5	1.8	7.1	8.3	3.7	7.3
self-employed 0 employ	%	17.6	7.6	15.5	20.3	5.7	17.3
family worker	%	16.2	21.4	17.3	18.1	21.7	18.8
by conditions (15-64)							
part time*	%	21.0	25.8	22.0	22.3	27.1	23.3
temporary*	punēsuarve	44.6	53.4	46.7	60.4	61.5	60.7
by full time (15-64)							
employed full time*	average	43.7	41.7	43.2	44.6	42.7	44.2
employed part ime	average	22.4	23.8	22.9	24.6	25.4	24.9
self-employed	average	47.3	42.7	46.9	44.9	39.5	44.5

GROUP Classification	Unit	2005			2006		
		males	females	all	males	females	all
UNEMPLOYED							
by age							
15-24*	rate	63.7	80.6	70.5	67.9	77.7	75.5
25-54	rate	26.4	54.1	34.5	28.1	53.3	36.7
55-64	rate	18.7	16.6	18.3	20.4	15.3	19.3
15-64*	rate	32.9	60.5	41.4	34.6	61.6	44.9
by education							
<upper secondary*	rate	38.4	71.5	50.2	39.5	73.6	52.1
upper secondary*	rate	35.8	62.6	43.4	37.7	65.2	46.7
tertiary*	rate	8.5	21.6	12.6	9.6	22.3	13.5
by duration							
<6 months	%	10.8	9.6	10.3	4.3	6.2	5.5
6-11 months	%	5.6	6.3	6.0	4.7	2.1	3.0
12+ months*	%	83.5	84.0	83.7	91.0	91.7	91.5
by methods of search							
public employment office	%	54.9	51.7	53.4	54.1	44.3	47.7
private employment office	%	-	-	-	-	-	-
employers directly	%	30.3	26.2	28.5	26.9	29.2	28.4
asked friends, etc.	%	47.5	41.1	44.6	36.3	48.7	44.3
insert/answer at advertisement	%	30.3	32.8	31.4	26.4	26.8	26.7
study advertisement	%	25.5	24.1	24.8	17.8	23.0	21.1
test/interview	%	7.2	4.9	6.2	2.5	3.8	3.3
look for land/equipment	%	1.4	2.1	1.7	0.8	0.3	0.5
permits/licenses	%	1.4	1.2	1.3	0.3	0.3	0.3
other method	%	9.2	13.1	11.0	7.7	9.2	8.7
by previous work experience							
with	%	24.0	7.6	16.6	12.2	2.3	5.8
without*	%	76.0	92.4	83.4	87.8	97.7	94.2
without 15-24*	% e 15-24	95.0	97.9	96.3	97.5	99.3	98.4
by economic activity (last job)							
agriculture	%	3.2	0.0	2.4	2.6	2.3	2.3
mining	%	4.2	0.0	3.6	3.2	0.3	3.2
manufacturing	%	24.9	40.8	28.8	25.1	38.0	30.8
electricity	%	4.8	0.0	3.6	4.5	0.1	3.9
construction	%	21.9	0.0	19.7	27.4	0.9	19.8
trade	%	14.3	22.6	12.8	15.3	23.3	15.0
hotels	%	6.7	2.7	5.8	4.2	2.4	4.3
transport	%	4.3	1.0	3.5	2.2	0.2	3.2
finance	%	0.3	1.1	0.5	0.2	1.0	0.2
business	%	3.1	6.3	3.9	3.4	5.1	3.1
public administration	%	1.4	3.8	2.0	2.4	3.5	3.4
education	%	1.1	8.1	2.8	1.1	9.4	2.3
health	%	0.3	4.3	1.3	0.1	3.2	1.1
other	%	9.5	9.4	9.5	8.2	10.5	7.5
by occupation (last job)							
manager	%	1.2	1.4	1.2	1.4	1.1	1.1
professional	%	3.8	12.3	5.9	3.4	12.7	5.6
technician	%	3.4	8.6	4.7	3.2	8.4	4.3
clerk	%	5.7	17.7	8.6	5.1	18.6	8.4
service and sales	%	23.2	28.7	24.5	23.9	30.7	26.0
agriculture	%	5.3	4.2	3.6	5.7	4.9	3.1
crafts and related trade	%	29.6	17.5	28.1	30.1	14.9	27.6
machine operators	%	8.1	1.1	6.4	8.9	0.9	6.6
elementary occupations	%	19.7	8.5	17.0	18.3	7.7	17.4
armed forces	%	0.0	0.0	0.0	0.0	0.0	0.0

GROUP Classification	Unit	2005			2006		
		males	females	all	males	females	all
INACTIVE							
by age							
<15	%	55.5	36.1	44.2	49.6	36.3	42.4
15-24	%	19.0	16.7	17.7	20.8	18.6	19.6
25-54	%	8.9	30.8	21.7	15.2	33.0	24.8
55-64	%	5.9	7.6	6.9	4.7	5.5	5.1
65+	%	10.7	8.7	9.6	9.7	6.7	8.1
15-64	%	33.8	55.2	46.2	40.7	57.0	49.5
by education (15+)							
<upper secondary*	%	64.3	80.5	75.1	70.3	72.8	73.9
upper secondary*	%	31.6	18.3	22.7	31.8	18.1	23.8
tertiary*	%	4.2	1.1	2.1	3.9	0.9	1.4

* employment/unemployment indicators

Annex 2: Tabulation variables, SOK LFS 2006

SURVEY SECTION

Item/Question No.: Variable

SURVEY DATA

Region
Urban/rural
A1. Municipality

HOUSEHOLD QUESTIONNAIRE

Q1 Relation to head of HH
Q5 Sex
Q7 Marital status
Q8 Residency
Q9a) Ethnicity
Q72 Education
Derived variable: age

INDIVIDUAL QUESTIONNAIRE

Work activity in the reference week

Derived variable: employment status

Characteristics of main job

Q18 economic activity
Q19a) No. of employed
Q20 Professional status
Q21 Limited duration
Q22 Reason limited duration
Q23 Duration
Q24 occupation

Working time

Q27 Start current job
Q30 Usual hours
Q31 Actual hours 1) main job
Q34 Reason actual hours less than usual hours

Characteristics of additional job

Q44 Additional job
Q45 Economic activity
Q46 Professional status

Persons without work

Q49 Ever worked before
Q50 Date of stopping
Q51 Reason for stopping work
Q52 economic activity last job
Q53 Professional status last job
Q54 occupation last job
Q56 Looking for a job
Q57 Reason for not looking for work
Q59 Kind of work wanted
Q60 Duration without work or looking for a job
Q62 Methods of job search
Q63 Availability
Q64 Reasons of non-availability
Derived variable: duration of unemployment

Statistical Office of Kosovo a brief description

The Statistical Office of Kosovo, Is a professional office operating since 1948, which passed through some of the historic phases; it has been structured by the state rule of that time. The Statistical Office of Kosovo restarted its work on August 2, 1999, as an independent and professional office in the frames of the Ministry of Public Services. The SOK is financed by the Kosovo Consolidated Budget and donors for various projects.

The Statistical Office of Kosovo acts pursuant the Regulation 2001/14, which entered into force on July 2, 2001. A medium-term Master Plan is being developed for the statistical system of Kosovo compatible with the European Statistics.

SOK Organization Structure; Composes of: four productive departments (Department of Economic Statistics and National Accounts, Department of Population Statistics, Department of Social Statistics and Department of Agricultural and Environment Statistics), seven Regional Offices (located in Gjakova, Gjilan, Mitrovica, Peja, Prizren, Pristina and Ferizaj), two support departments (Department of Methodology and Information Technology and Department of Administration), as well as the Office of the Census.

Total employees are 134, of them 96 (71.6%) within the SOK offices whilst 38 (28.4%) in regional offices.

There is also a support and cooperation with the international institutions.

Statistics Office of Kosovo covers Kosovo entirely. For implementation of the surveys in the field, the SOK uses appropriate sampling and methodology. During the collection of the reports from the reporting units, the SOK engages professionals, technicians, administrators and civilians from the local offices, and regional field registrations.

Recently, a team of national and international experts are working in the project of registration of the population.

SOK Mission; To fulfill the needs of the users with the reliable statistical data and with regular analyses in order to support government departments and to provide them with proper information for decision-making process; as well as for other users in Kosovo.

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