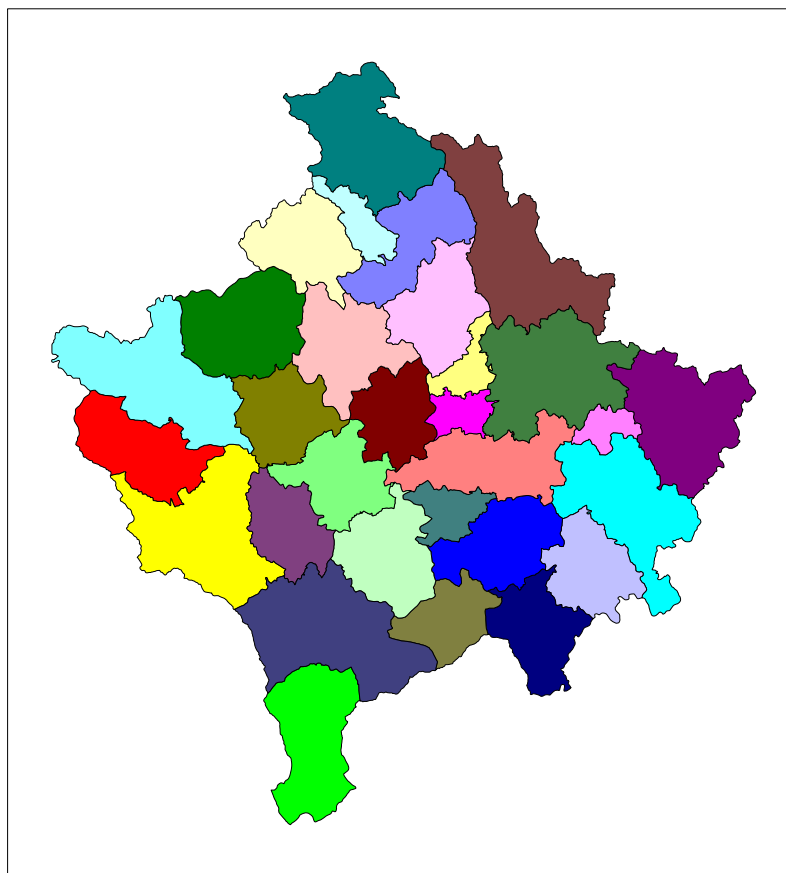




Institucionet e Përkohshme Vetëqeverisëse / Privremena Institucija Samouprave / Provisional Institutions of Self Government
Qeveria e Kosovës / Vlada Kosova / Government of Kosovo
Ministria e Shërbimeve Publike / Ministarstvo javnih službi / Ministry of Public Services

Series 5: Social Statistics

LABOUR MARKET STATISTICS 2005



Enti i Statistikës së Kosovës
Zavod za Statistiku Kosova
Statistical Office of Kosovo

Foreword

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

Statistical publication consists of data on the number of employment and unemployment according to: age, sex, employment status, activities, professions and other similar issues that have to do with labour market.

To implement this publication contributed:

Bashkim Bellaqa – Director of Department for Social Statistics,

Bujar Hajrizi - Head of Employment Statistics Sector, and

Bedrije Demaj - senior officer of employment statistics.

We invite all the users of the present publication for cooperation, and please send your comments and suggestions, if any, at: social@ks-gov.net and visit our

Web-site: www.ks-gov.net/esk

Acting Chief Executive Officer
at Statistical Office of Kosovo
Ramiz Ulaj

August, 2006

ABBREVIATIONS

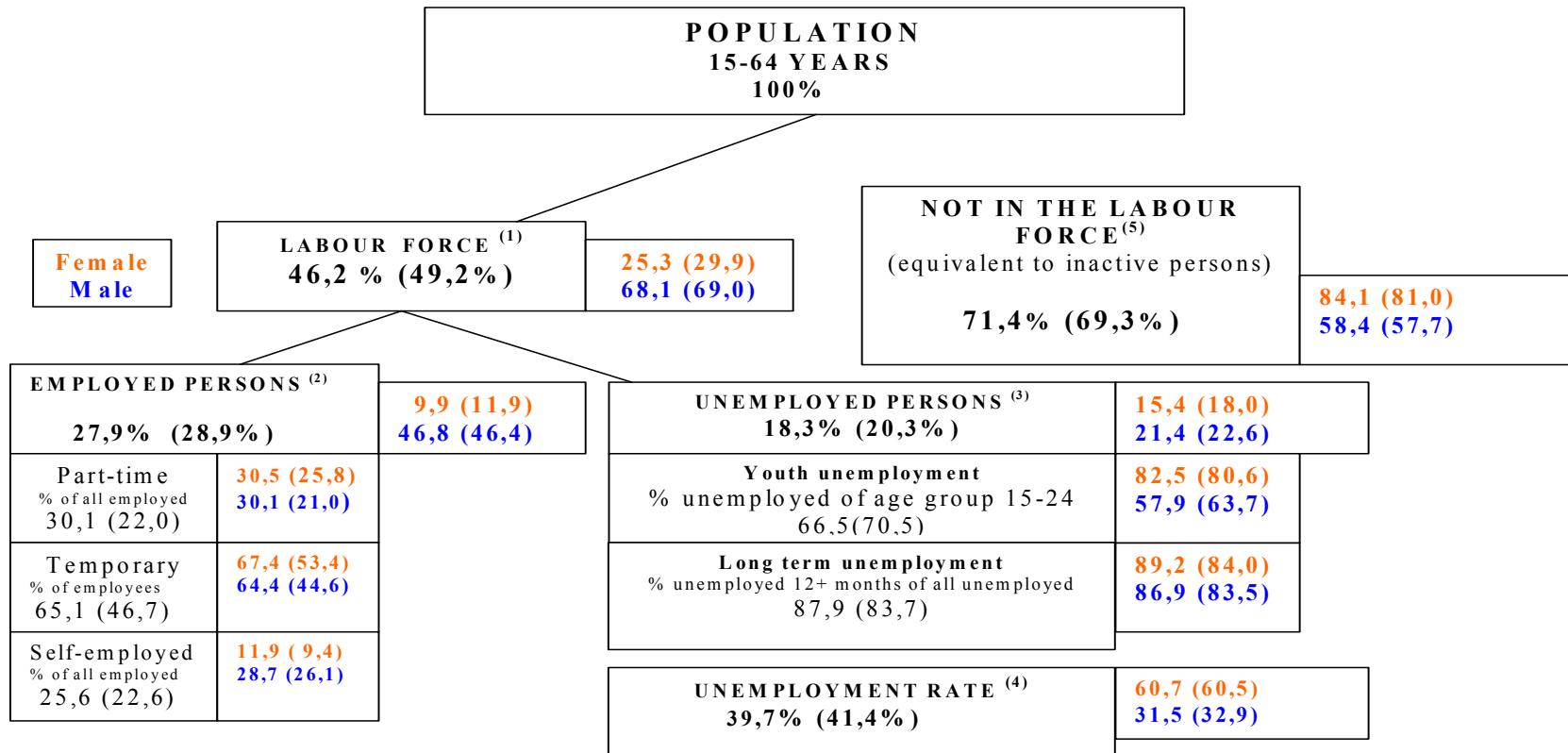
LFS	Labour Force Survey
ILO	International Labour Organization
LSMS	Living Standards Measurement Survey
EAR	European Agency for Reconstruction
SOK	Statistical Office of Kosovo
UE	European Union
ISCO	International Standard Classification of Occupation
NACE	Statistical Classification of Economic Activities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

CONTENTS

Table – Kosovo Labour Force Survey 2004 and 2005	7
1. Background.....	9
2. Methodological notes	10
3. Basic concepts and definition	12
4. Population	14
4.1. Age structure.....	14
4.2. Activity status	15
4.3. Education	17
5. Employment.....	18
5.1 Age groups	18
5.2. Education	19
5.3. Economic activity.....	20
5.4. Occupation	22
5.5. Professional status	23
5.6. Conditions of employment	24
5.7. Usual working hours.....	25
6. Unemployment.....	26
6.1. Age groups.....	26
6.2. Education.....	27
6.3. Duration.....	28
6.4. Methods of search.....	29
6.5. Previous work experience.....	30
6.6. Economic activity.....	31
6.7. Occupation.....	32
7. Inactive persons.....	33
7.1. Age groups.....	33
7.2. Education.....	34
Annex 1: Standard tabulation programme 2004-2005	35
Annex 2: Tabulation variables, SOK LFS 2005	39

KOSOVO LABOUR FORCE SURVEY 2004 and 2005

September 2004/September 2005 (LFS 2005 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) Inactive persons

Labour Force Survey 2005

1. Background

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

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

With technical assistance from an ILO expert and 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 for 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 was started in 2003 with funding from the European Agency for Reconstruction (EAR), the SOK LFS is being reviewed under the aspect of its compliance with EU LFS standards. The first major result of this process was the adoption of a new standard tabulation programme for the LFS 2003, which in turn 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 present report for the LFS 2005 is continuity of report LFS 2004, LFS 2003 and thus represents a new format of analysis which deviates from the reports for the years 2001 and 2002. In its data annex it also contains the new standard tabulation programme for the LFSs of 2004 and 2005.

After the SOK LFS finished complete revision of the survey questionnaire from the year 2004 other changes envisaged for the SOK LFS is ultimately the switch from an annual to a continuous survey with quarterly results once the planned census provides an appropriate sampling basis. At the same time it also should be attempted to improve the quality of LFS results by introducing additional organisational and methodological measures.

2. Methodological notes

Labour force surveys are done on a sample basis, i.e., the needed information is collected only for a limited number of respondents who should be representative for the population as a whole.

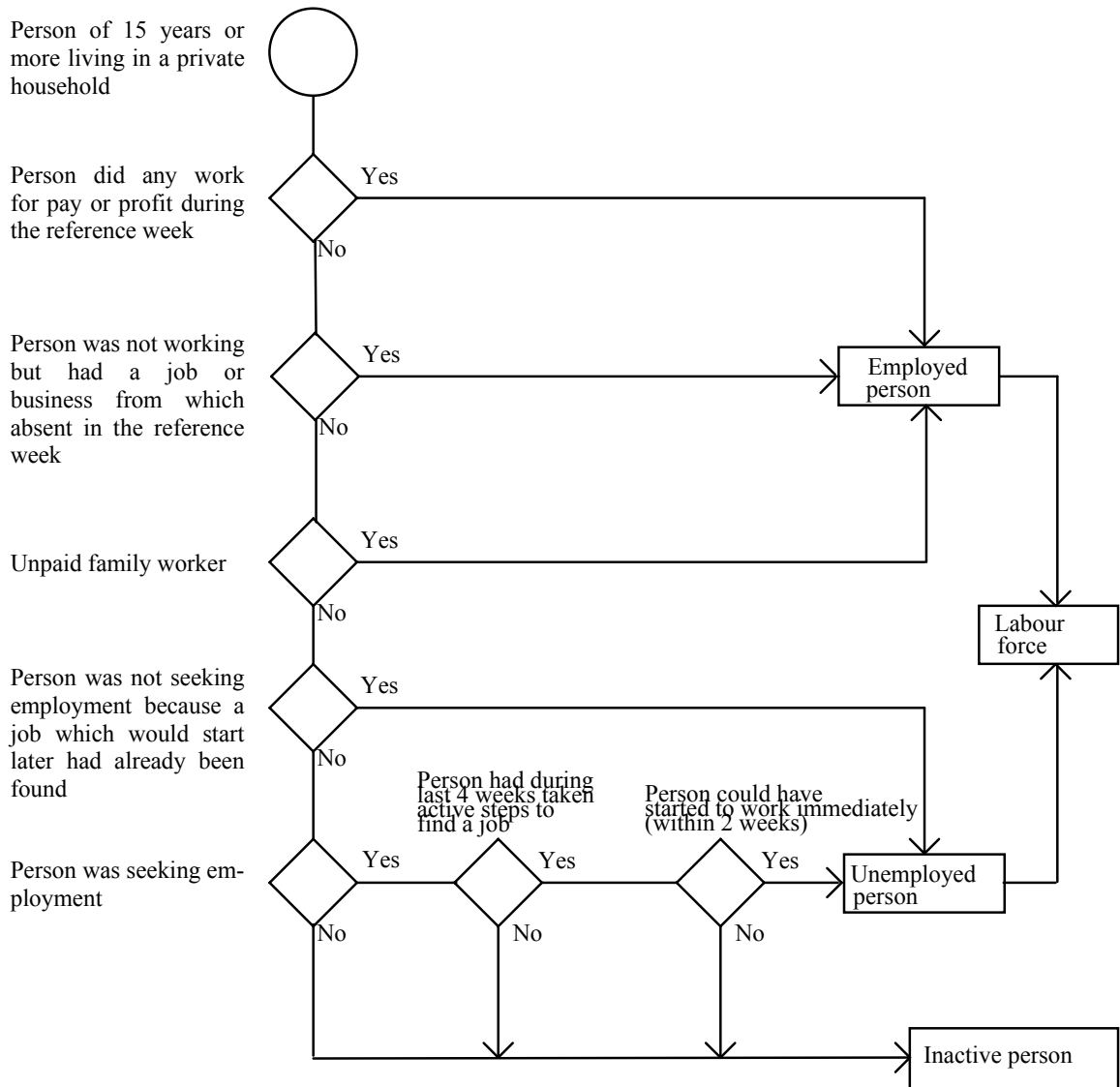
One of the problems in Kosovo was the lack of an established sampling frame normally provided by a census or an effective civil registration system. The SOK LFS therefore has been based on the World Bank's LSMS sample design of 2000. Each year the sampling involves the selection of 360-400 enumeration 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). The LFS then is administered to all members of the selected households. In 2004, the LFS eventually included 399 enumeration areas, 3191 households and 19904 persons, and the corresponding figures for 2005 were 400, 3200 and 19590, respectively.

According to European Union definitions, LFS covers only the civilian resident population living in private households and individual questionnaire filled for everyone aged 15 or more on the last day of the reference week, which in turn is specified as the week from Monday to Sunday prior to the interview date.

The validity and comparability of LFSs to 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 in middle of September until the end of September and also for year 2005 in middle of September until the end of September. The later in a year the interview period is, the greater also tends to be the probability that economic activities in some sectors (such as agriculture, construction or tourism) have reached a reduced level or come to a complete halt. The shift of the interviewing period to an earlier date by about one month each year thus can impede the comparability of results over time.

Finally, 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 LFS 2001 and above used this classification.

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



The results of the 2005 SOK LFS and major changes since 2004 will be discussed in the following under 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 was collected in the 2005 SOK LFS and which could be used for additional tabulations may be found in Annex 2.

3. Basic concepts and definition

While the LFS is intended to cover the whole resident population of a country, the results are compiled only for persons living in private households (but excluding 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 more 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 were temporarily absent.
- Family workers are 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 up to the year 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 who work on their own small agricultural farm, 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 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 their salary.

Persons who were not employed during the reference week but already had found a job starting later should be considered as unemployed only if the starting date for that job was within a period of at most 3 months and as inactive otherwise.

Based on age and labour status, a number of groups and rates are 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 are a number of concepts relating to specific conditions of employment, unemployment, or inactivity:

The permanency of a job only refers to employees. Temporary employment, work 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 a 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 hours usually worked per week in the LFS only refers to the usual number of hours in the main job, including paid or unpaid overtime, but excluding travelling time between home and workplace or time for the main meal break. 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 it by the 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 timetable because their working hours vary widely from one week or 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 a duration of 1 year or more.

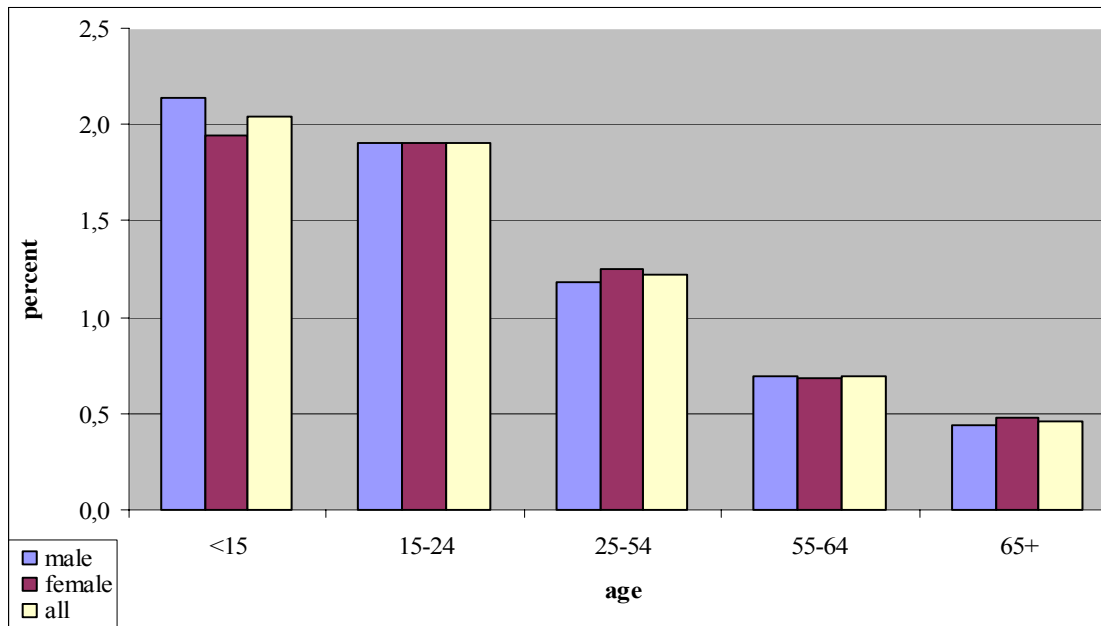
4. Population

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 shares and distributions are expressed here in terms of percentages in the respective reference group (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, i.e., the persons between the ages of 15 and 64, which roughly delimits the potential of available manpower. In Kosovo, this figure from the 2005 SOK LFS is comparatively low with just 62.5%. The reason for this becomes evident by looking at the age structure. Kosovo has a relatively “young” population, with almost one third less than 15 years old at the lower end of the scale, about 7% aged 65 or more 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 sex, 2005



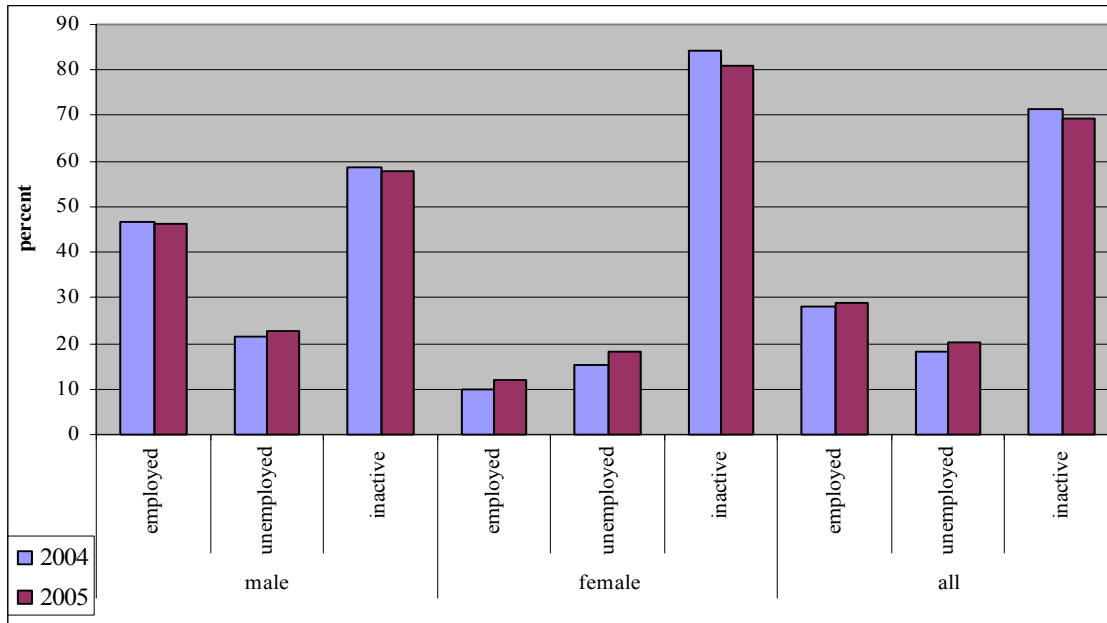
The same facts also are expressed by the youth and old age dependency rates, which describe how many persons under 15 and over 65, respectively, there are per 100 persons of working age. These comparisons show that for the young this relation in Kosovo is approximately 1:2, but for the old only 1:10.

Due to their higher sex 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 set of important labour market indicators refers to the actual activity of the population, distinguishing between 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 sex, 2004-2005

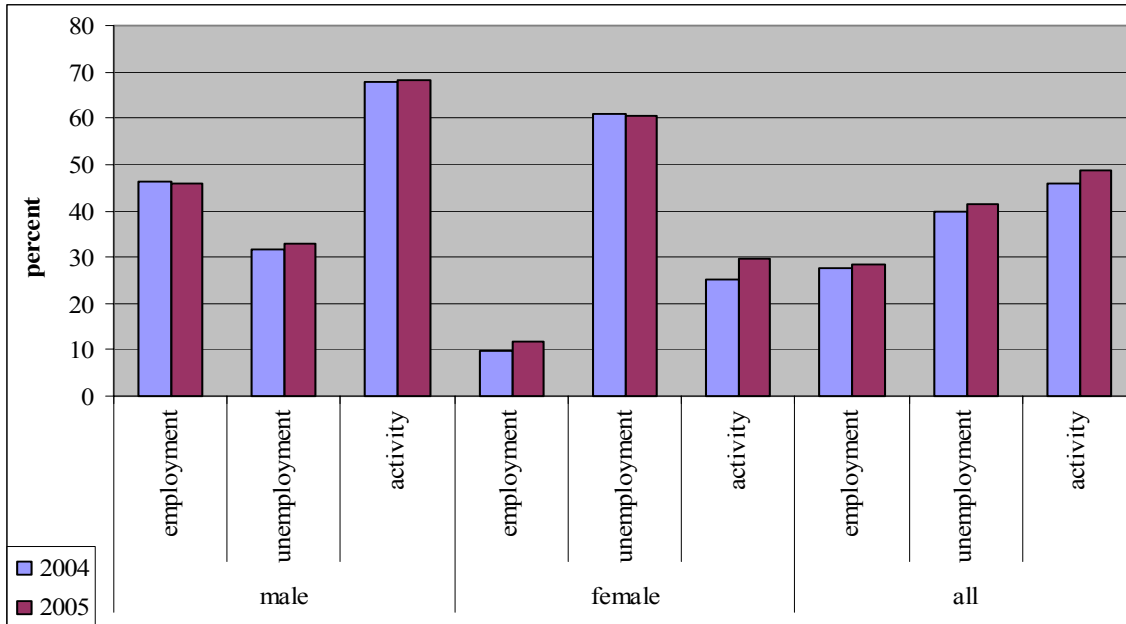


The graph shows that the inactive persons make up the largest group in the Kosovo population. Several factors contribute to this. Firstly, all persons under 15 are included here by definition and, secondly, many younger people still are in education, while, thirdly, a number of older persons leave the labour force before reaching the working age limit. Fourthly, many women take over family and household responsibilities rather than engaging in economic activity, and, lastly, some persons of either sex have given up looking for work because they think that none is available. To attach figures to these latter factors, however, would require additional analyses or data.

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

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

Graph 4: Labour market participation of working age population by sex, 2004-2005



While almost 46% of the Kosovo males of working age actually were employed in 2005, the corresponding figure for females about 12%, with the overall rate ranging in between at about 29%. Conversely, the overall unemployment rate for the working age population, i.e. the proportion of unemployed in the labour force, about 42%, but again the difference between males and females amounted about 28 percentage points (32.9 vs. 60.5%). The activity rate, finally, which represents the percentage of the labour force in the working age population, shows a complete reversal in the sex-specific figures: while the 2005 SOK LFS found about 69 percent of the men to be active, practically the same proportion of the women were inactive.

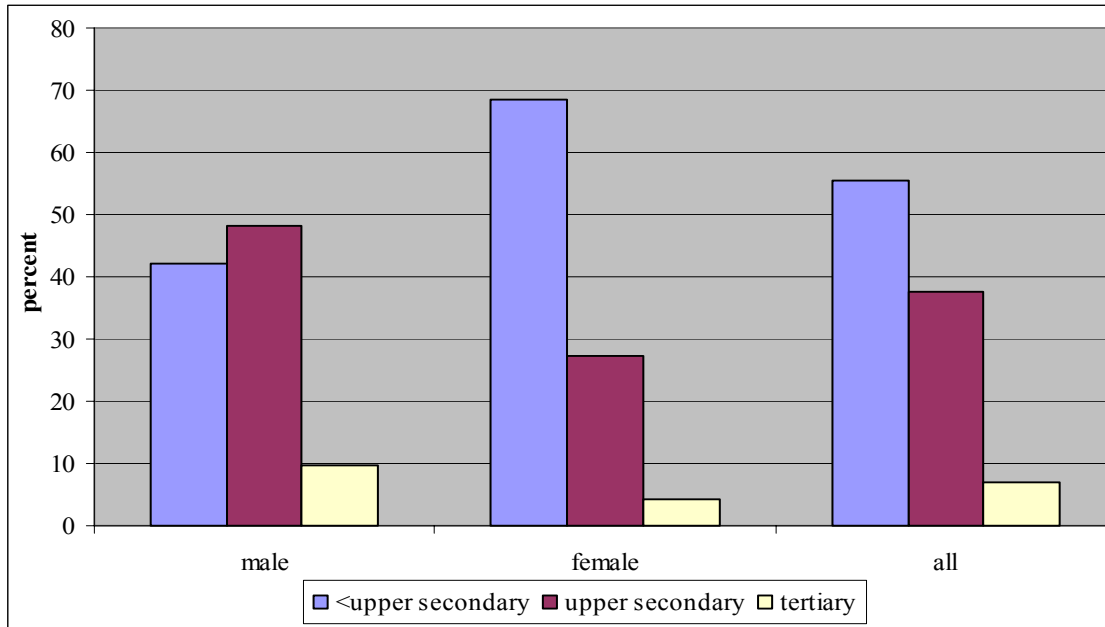
The most dramatic difference between male and female rates, however, occurs in the effective dependency rate. Similar to the age-related dependency rates, this rate expresses how many not working persons there are per 100 actually employed persons. Though the computation of this burden usually leaves out persons under 15 (because their working status is inactive by definition), the overall rate for 2005 shows that on the average 100 employed persons in Kosovo had to support 285 not working persons, but while this rate was less than half (139) 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, educational levels may be considered as general indicators of the quality of this potential in terms of persons' qualification.

In 2005, among all persons in Kosovo aged 15 or more, more than 42% of the men and about 69% women in Kosovo had not completed upper secondary education (see Graph 5).

Graph 5: Education levels of population (15+) by sex, 2005



Only about, every tenth men and every fortieth women 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, 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: no school, 1-4 grade of elementary school, 5-7 grade of elementary school, elementary school (completed);

upper secondary: secondary school;

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

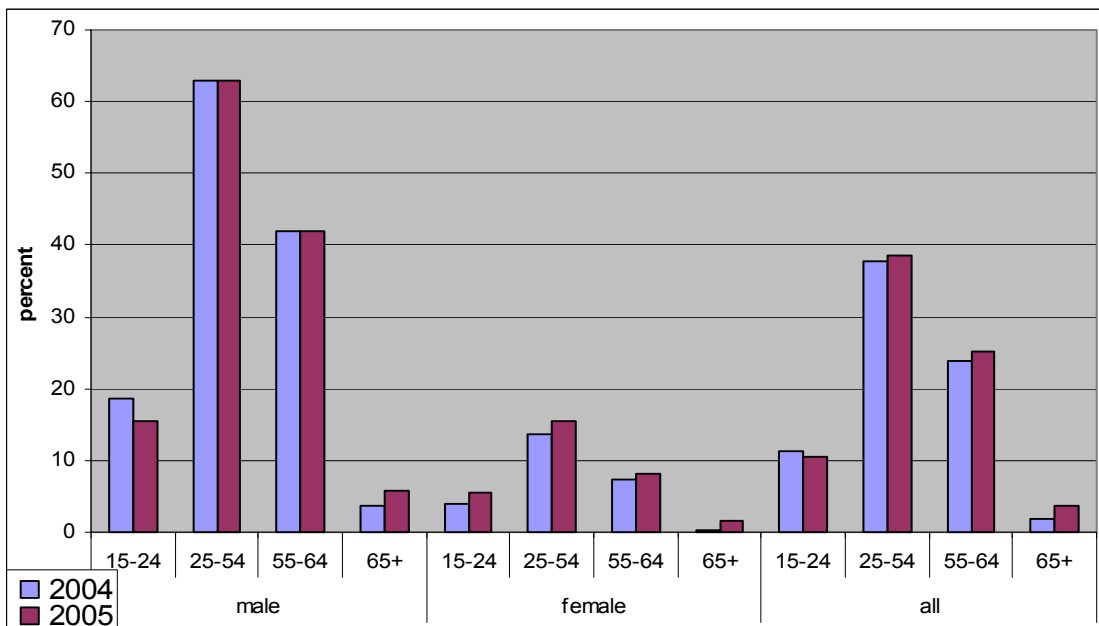
5. Employment

In this section the situation on the Kosovo labour market in 2005 and possible developments since the preceding year will be discussed in greater detail by looking at specific characteristics of persons in employment.

5.1 Age groups

The differentiation of the employment rate by age shows that the proportion of working people in the central age group (25-54) is about 48% higher than on the average for males as well as females (see Graph 6).

Graph 6: Employment rates by sex and age groups, 2004-2005

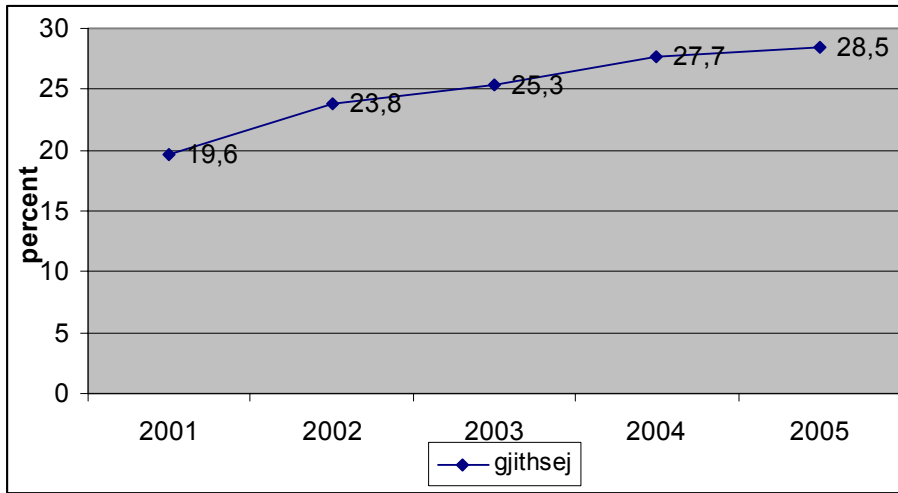


Also for both sexes, this rate drops to about 24% of the average in the age group 15-24, which in part can be traced back to continued education, but also may be due to difficulties of finding a first entry into the labour market. In the oldest age group (55-64), however, a wide gap opens between men and women. While the employment rate of males in this age group only sinks slightly below the average, that of females drops sharply to less than 20% of the average. The main cause for this discrepancy may be the greater tendency of women to go into earlier retirement.

In this graph you can see employment rate in group age more than 65 which is about 6% for male and 1.5% for female while corresponding figures for 2004 were about 4% for male and 0.4% for female.

Level of employment from year to year has small increase, where this average for five years is 1.8% (see Graph 7).

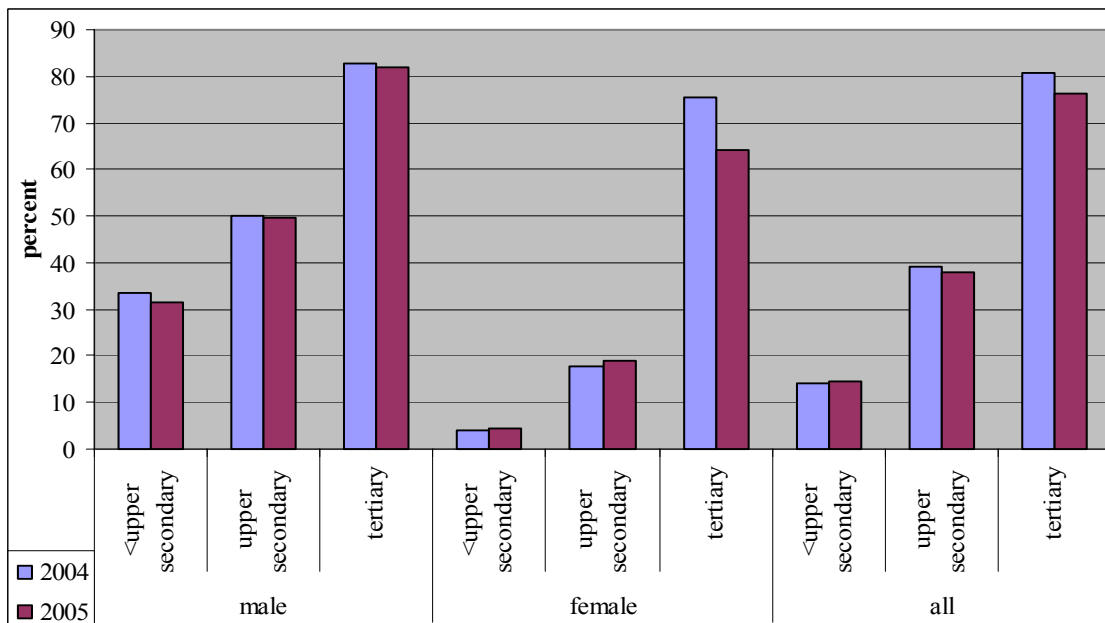
Graph 7: Level of employment, 2001-2005



5.2 Education

There also 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 sex, 2004-2005



Though still generally lower than for men, these differences between education levels are even more pronounced for women. In fact, on the tertiary level of education females almost reach the same employment rate as men. In other words, the qualification factor is of greater importance for women, because they are bound to suffer more under respective deficits and profit more from higher 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 time can indicate growing or diminishing employment chances. The classification used for this purpose is the 1-digit NACE with groupings of several smaller sectors at the beginning and the end of the scale (see Textbox 1).

Text Box 1

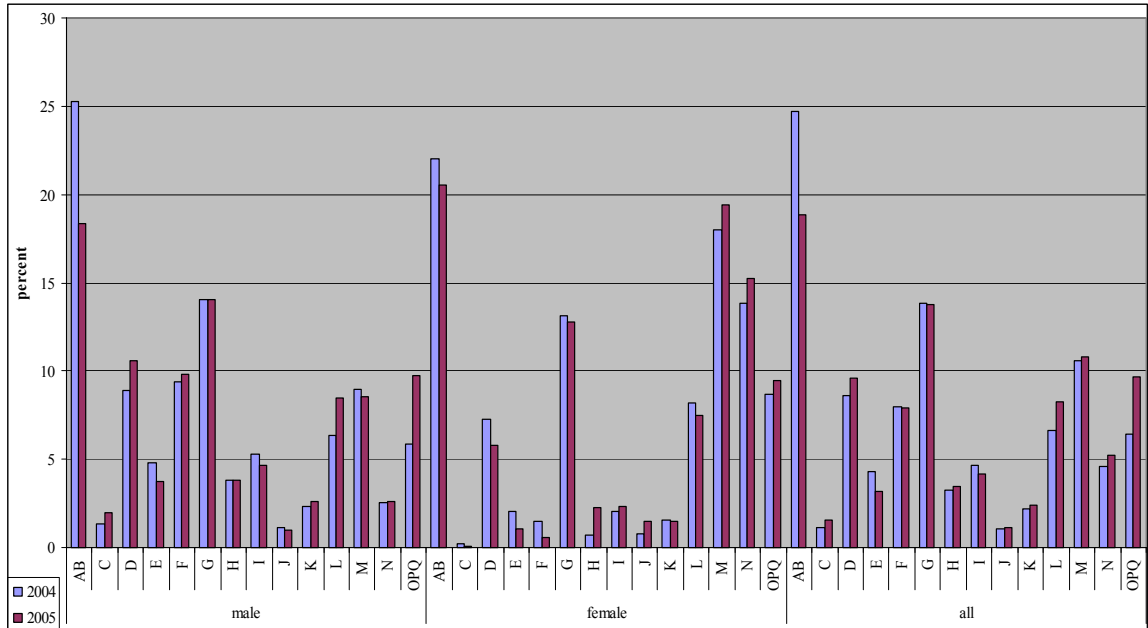
Classification of economic activities

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 2005, agriculture had become the most important branch of the Kosovo economy with an employment share of 18.8 %, followed by trade (13.8%), education (10.8%), other (9.7%) and manufacturing (9.6%). (see Graph 9).

Graph 9: Employment by economic activities and sex, 2004-2005



The ranking of the most important sectors of female employment gives agriculture with a share of almost one quarter (20.5%) on top, followed by education (19.4%), health (15.2%), trade (12.8%) and other branches being the only public administration being a sector with a share of more than 7% (9.5% and 7.5%, respectively).

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

In comparison with previous year the agriculture sector has decrease about 6% in the overall employment rate while other sectors some has increase and some has 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

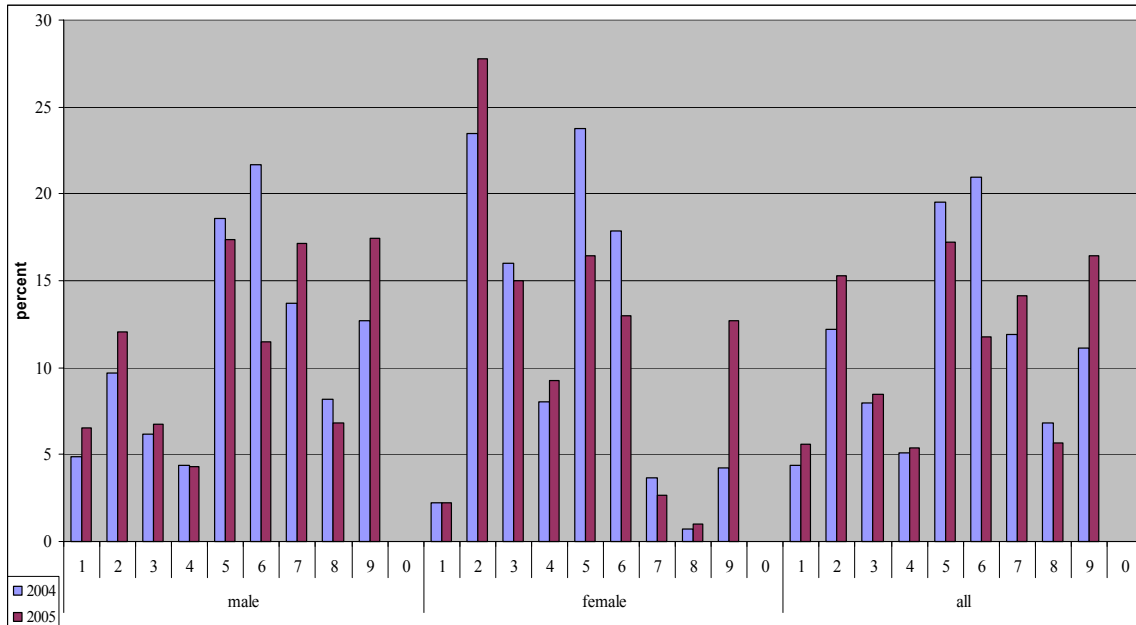
Classification of occupations

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 (17.2%) of the employed in Kosovo work in service and sales (see Graph 10), less than one sixth are elementary occupations and professionals (16.4 and 15.3%, respectively), and more than one eighth (14.2%) engage in crafts or related trades.

Graph 10: Employment by occupational groups (1-0) and sex, 2004-2005

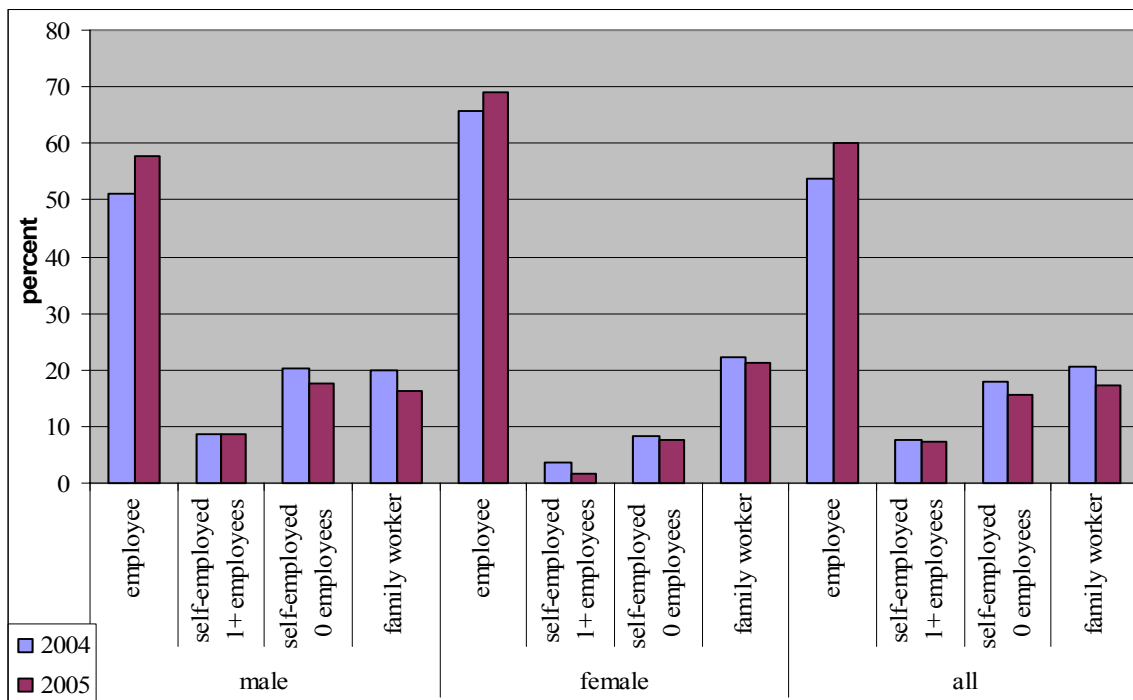


The differentiation by sex reveals about 71% of the women are found in service occupations with high (codes 1-3) or middle qualification (code 4-5). In these occupations men are represented more only among managers (code 1). Conversely, almost half of the males are found in occupations linked to handicraft 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 2005 this applied about 58% for males and about 70 % for female (see Graph 11).

Graph 11: Employment by professional status and sex, 2004-2005



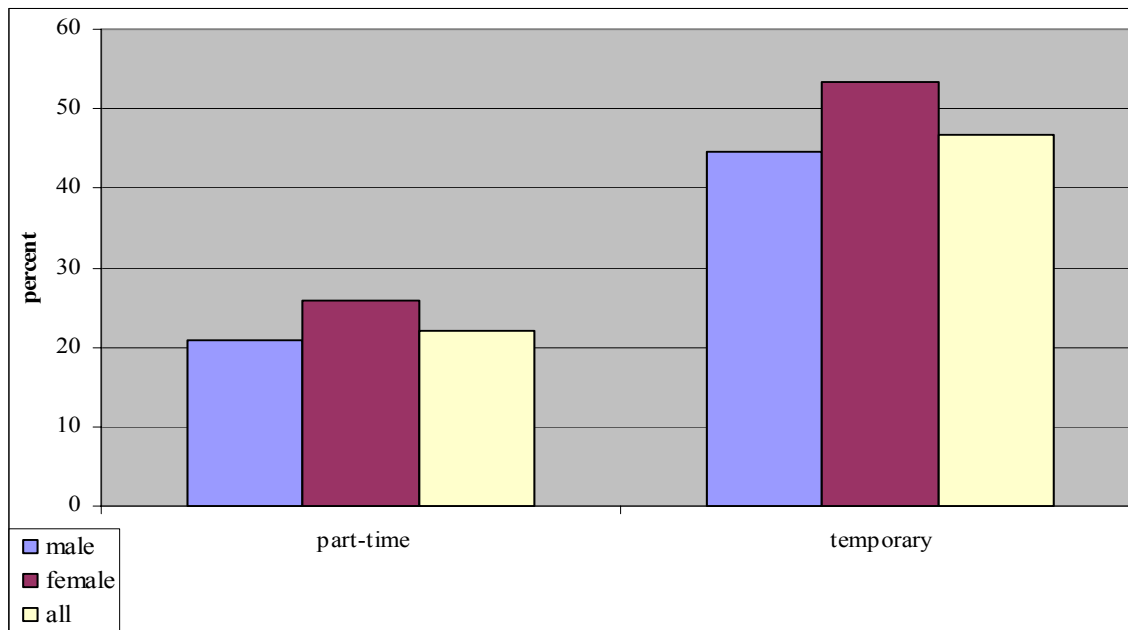
The status of self-employed indicates that employment is based on one's own capital resources and carried on at one's own risk. High shares of self-employment thus can either be an expression of a dynamic development in the modern sector of an economy or simply an expression of a large agricultural sector consisting mainly of small family holdings. In Kosovo, the latter seems to be the case, because only 7.1% of the employed persons classify themselves as employers (self-employed with one or more employees), while 15.5% report that they are own-account workers or free-lancers (which here are all coded as self-employed without employees). In both cases, the share of self-employment is much higher among men than among women.

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 activity or reduced hours, but it also can mean that not enough full-time jobs are available. Similarly, temporary jobs may be fitting for certain types of situations (training, seasonal or vacation jobs, probationary periods), but they also can represent a precarious type of employment especially in after war in Kosovo where almost all employees have temporary contracts.

Comparison with LFS 2004 we had decrease in LFS 2005 which were 8% of all employment in 2005 was carried on a part-time basis, with about 9% for males and about 5% for females. Also we can see decrease in temporary employment which was about 20%. (see Graph 12).

Graph 12: Shares of part-time work and temporary contracts (of employees) by sex, 2005

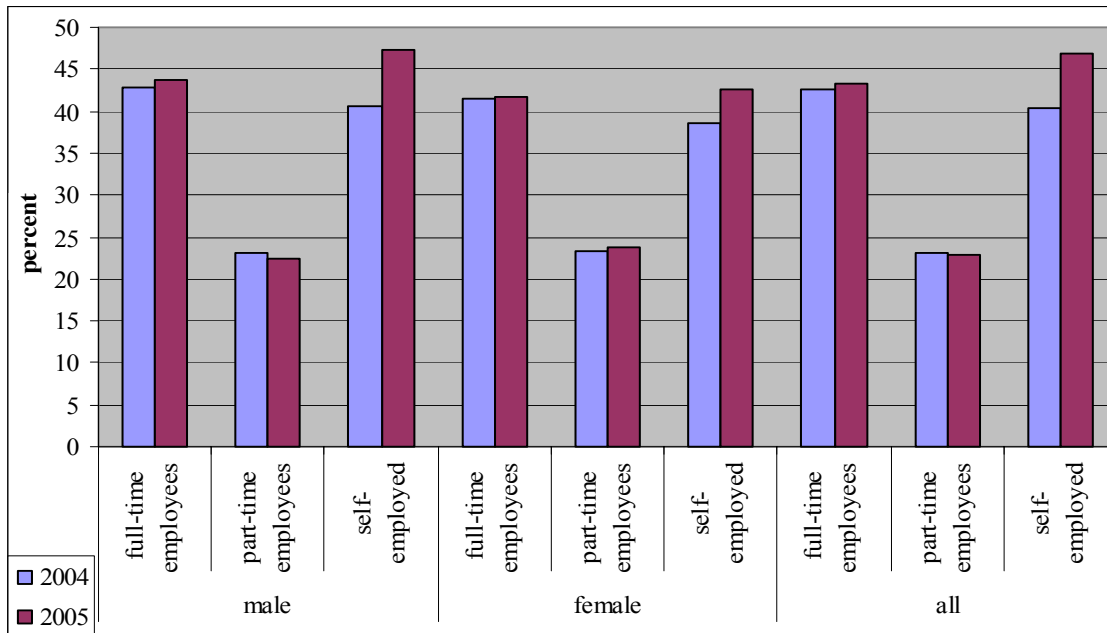


5.7 Usual working hours

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

Full-time employees in 2005 were found to work an average of 43.2 hours per week, part-time employees 22.9 hours, where had small increase in the full-time employees comparison with previous year, with men in first case working 1 hours more than woman but in part-time employees were found with less small decrease (see Graph 13).

Graph 13: Average number of usual working hours per week by professional status and sex, 2004-2005



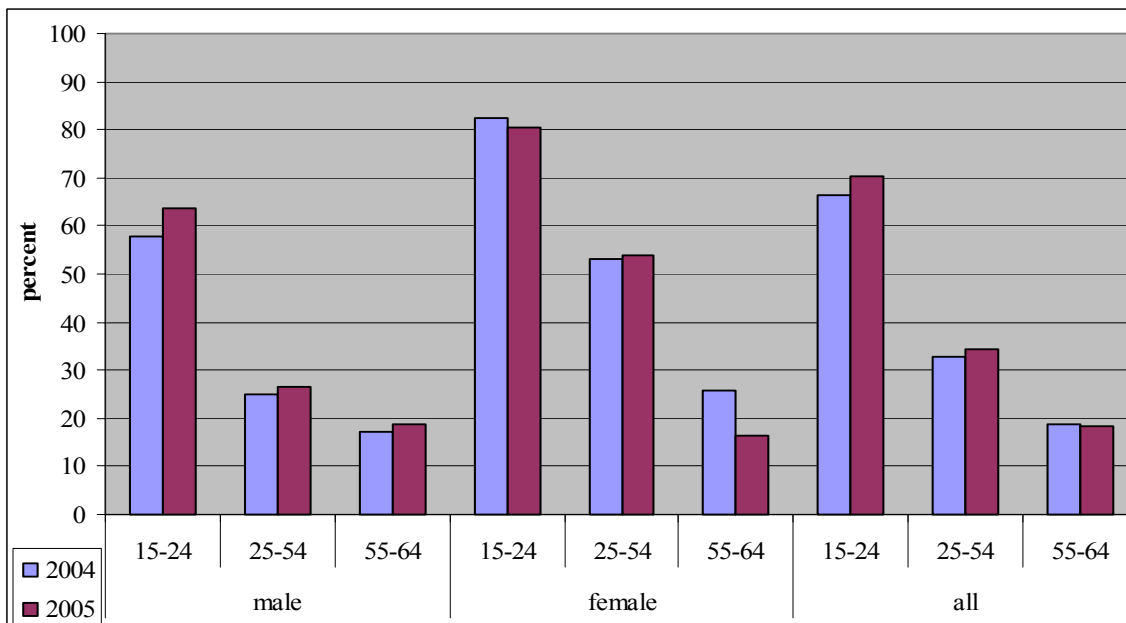
6. Unemployment

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

6.1 Age groups

The differentiation of the unemployment rate by age groups shows 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 sex and age groups, 2004-2005

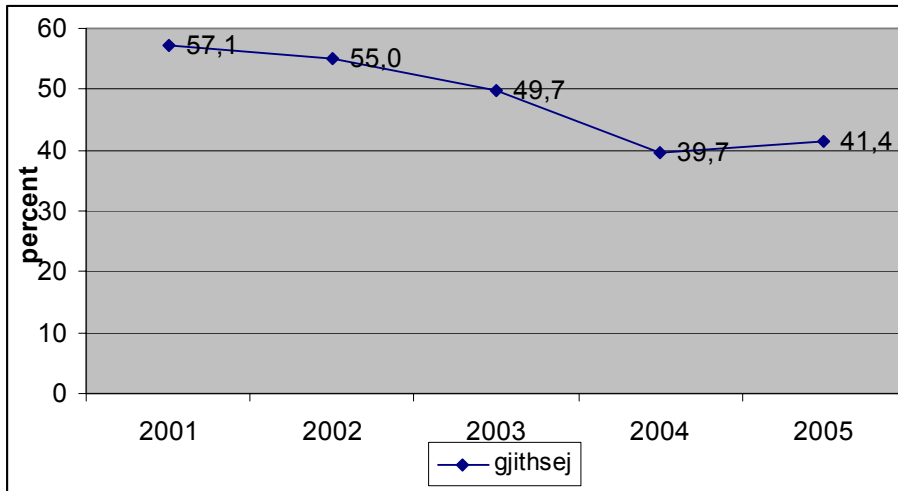


This does not mean, however, that most of the young people are unemployed. Since part of this age group still is in education and others are not looking for work (for example, many women who got married), actually less than one third of the young people are unemployed. The specific difficulties of young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

Unemployment consistently decreases with age, though it still amounts to 26.4% of the male and 54.1% of the 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 (18.7 vs. 16.6) should not be taken as an indication that this group enjoys the most favourable labour market position. A main reason for the lower 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 work is available.

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

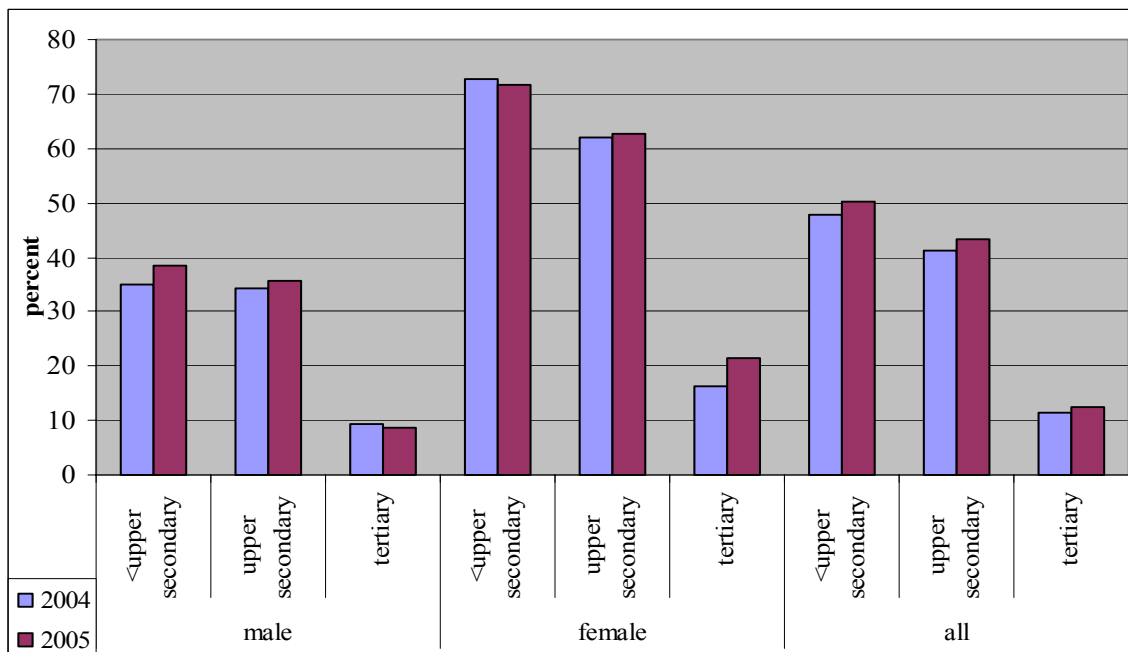
Graph 15: Level of unemployment, 2001-2005



6.2 Education

Complementary to employment, the unemployment rate correlates negatively with the level of education. With a rate of over 50% of the persons with the lowest qualification are most likely to become or remain unemployed, and these rate only decreases to over 43% on the middle level, while persons with college or university education only exhibit an unemployment rate of over 12% (see Graph 16).

Graph 16: Unemployment rates by sex and education, 2004-2005



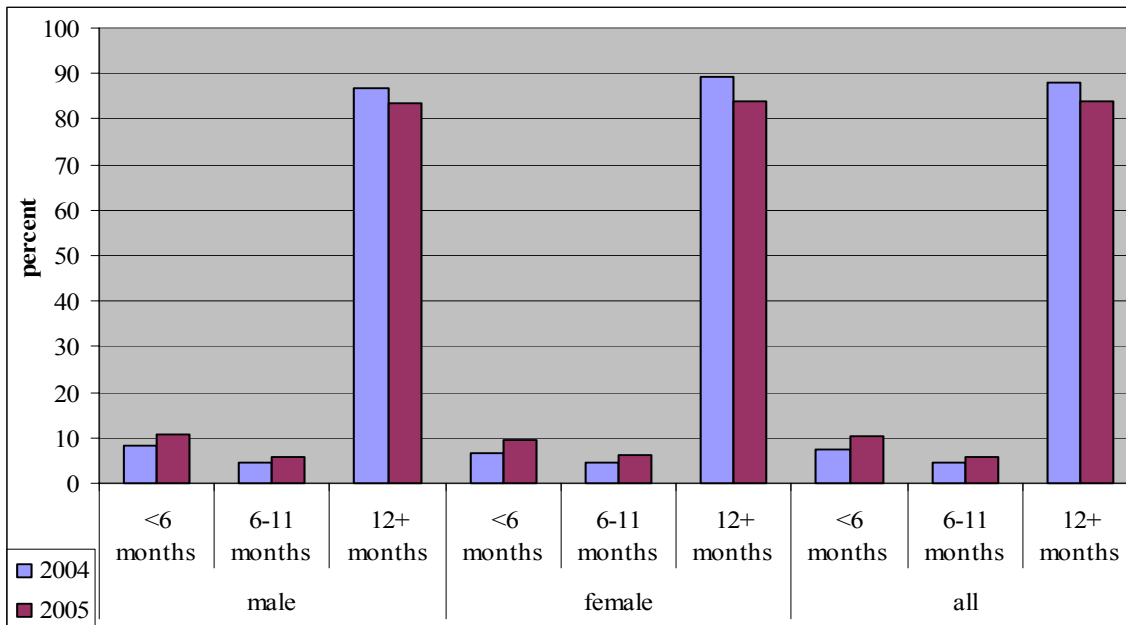
Again like in employment, women are in a worse position than men at all levels of education, but the differential decreases the higher the qualification gets.

6.3 Duration

While the lack or loss of a job already may be a negative experience, the situation can get even worse if all attempts of finding work 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 2005 SOK LFS, 6 out of 7 unemployed persons in Kosovo have been without a job for more than a year, no matter if male or female (see Graph 17).

Graph 17: Duration of unemployment by sex, 2004-2005



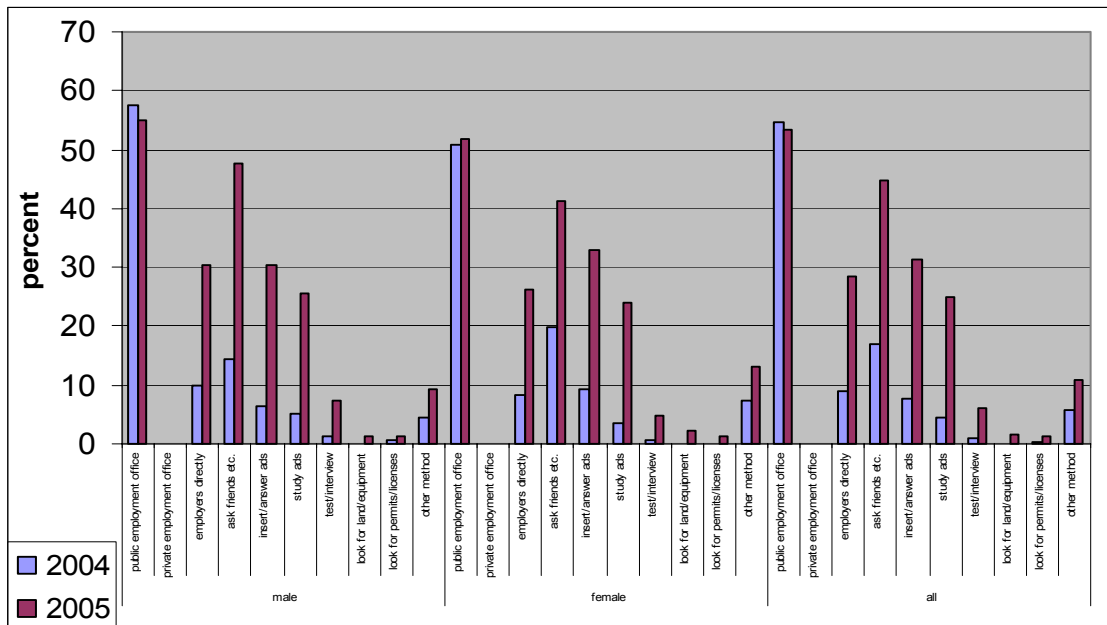
This is a very high incidence of long-term unemployment, which is defined by the duration of one year or more. Furthermore, since this indicator refers to the current rather than the completed duration of unemployment (the latter being defined as the time until work is actually found), the persons reporting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

The situation does not seem to have improved since 2004. Comparison with this year found an increase about 3% in first group until a second group again had increase about 1.5%, where these mean in Kosovo is it very difficult to found a job if he or she lose or search job.

6.4 Methods of search

Unemployed persons can use various methods in their search for work. Most of them will register with the public employment service, though in part this is done to receive unemployment or other social benefits. In 2005, about 55% of the unemployed men and about 52% of the unemployed women in Kosovo contacted these offices (see Graph 18).

Graph 18: Unemployed by methods of job search and sex, 2004-2005

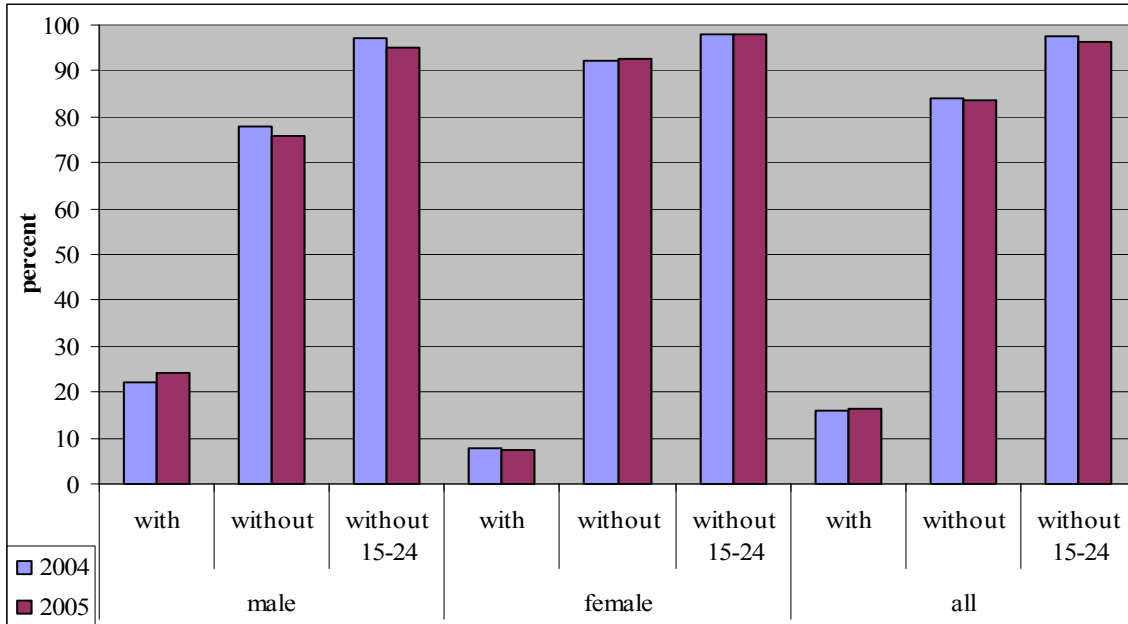


In this graph we can not say much for methods of search with previous year for reason because we had mistakes in collected question in programme for year 2004, which we included only one answer by methods. For methods of searching is possibility for some answers and no like our example only one answer by methods. And namely who everyone might searching more methods.

6.5 Previous work experience

By asking unemployed persons whether or not they worked before allows one to distinguish between those who lost or gave up a job and now are trying to re-enter working life and those who never held a job and face the difficulties of initial entry. According to the 2005 SOK LFS, most of the unemployed never worked before, 76% of the males and more than 92% of the females (see Graph 19).

Graph 19: Previous work experience of unemployed by sex and age, 2004-2005



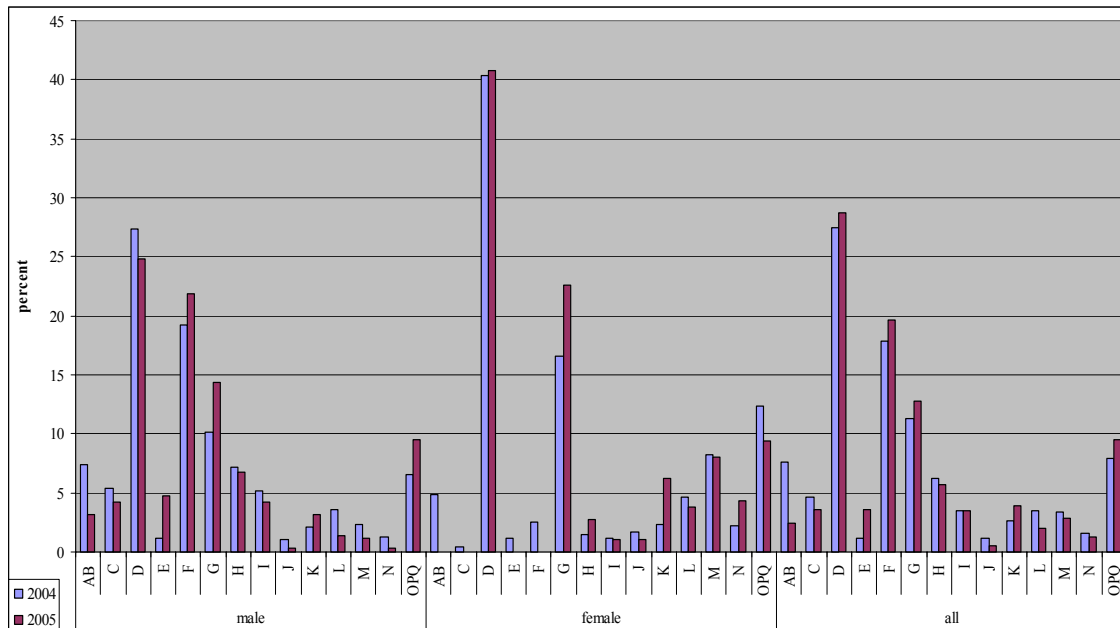
This problem is even more pronounced with regard to youth unemployment, because in the age group 15-24 almost everyone is looking to find his or her first job.

6.6 Economic activity

The distribution of the unemployed by economic activity of their last job can give an 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 women.

In the 2005 SOK LFS, the greatest share of the unemployed (28.8%) reported that their last job had been in manufacturing, with women being far more affected than men (see Graph 20).

Graph 20: Unemployed by economic activity of last job and sex, 2004-2005



The next bigger sectors of origin were construction with 19.7%, where unemployment overwhelmingly hit men, and trade with 12.8%, in which women again had a higher share. A substantial number of female unemployed (9.4%) also had last worked in other services. In contrast, relatively few of the unemployed came out of the agricultural sector which in 2005 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.

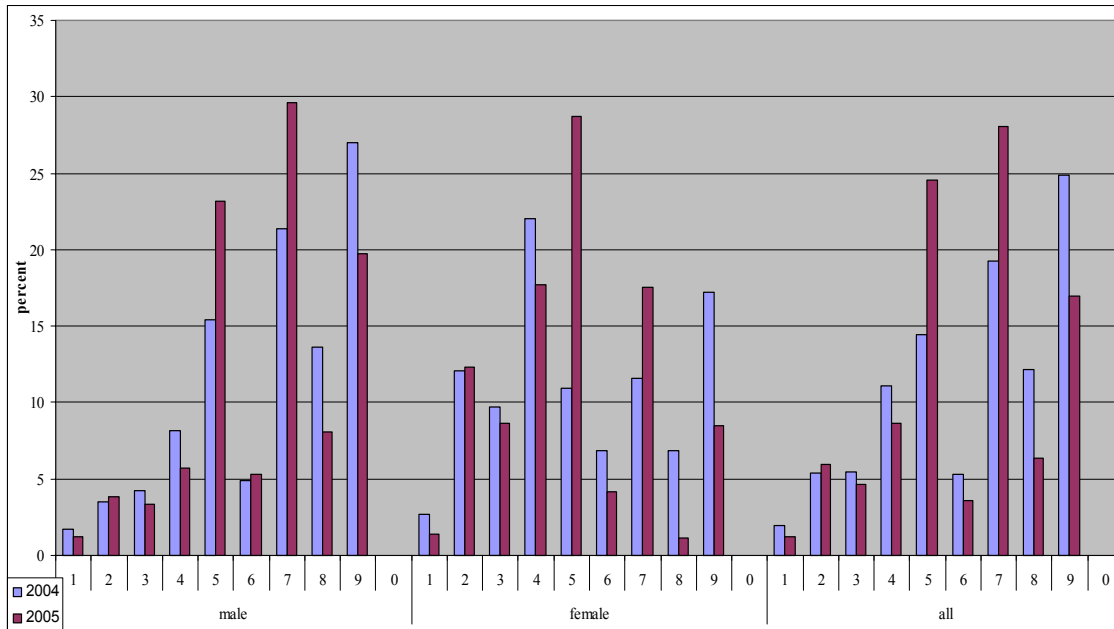
The comparison with 2004 shows a picture, however, there is no any difference. In that year, most unemployed reported to have last worked in manufacturing (27.5%), but already second most in construction (17.9%), also in this year reported to have last worked in the same activity(28.8%, respectively 19.7%).

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 there is in an economy. However, the reservations made with regard to the SOK LFS data made in the preceding section on economic activity also apply here.

In 2005, about 20-30% of the unemployed with previous work experience reported to have worked in crafts or related trades (28.1%), as service or sales workers (24.5%) and in elementary occupations (17.0%), (see Graph 21).

Graph 21: Unemployed by occupational group in last job and sex, 2004-2005



While the loss of jobs by occupations affected men especially in craft or related trades (29.6%), following service or sales (23.2%), continue with elementary occupations and machine operators (19.7 and 8.1%, respectively); women also were affected service or sales, clerks, craft or related trades and professionals (28.7%, 17.7%, 17.5% and 12.3%, respectively).

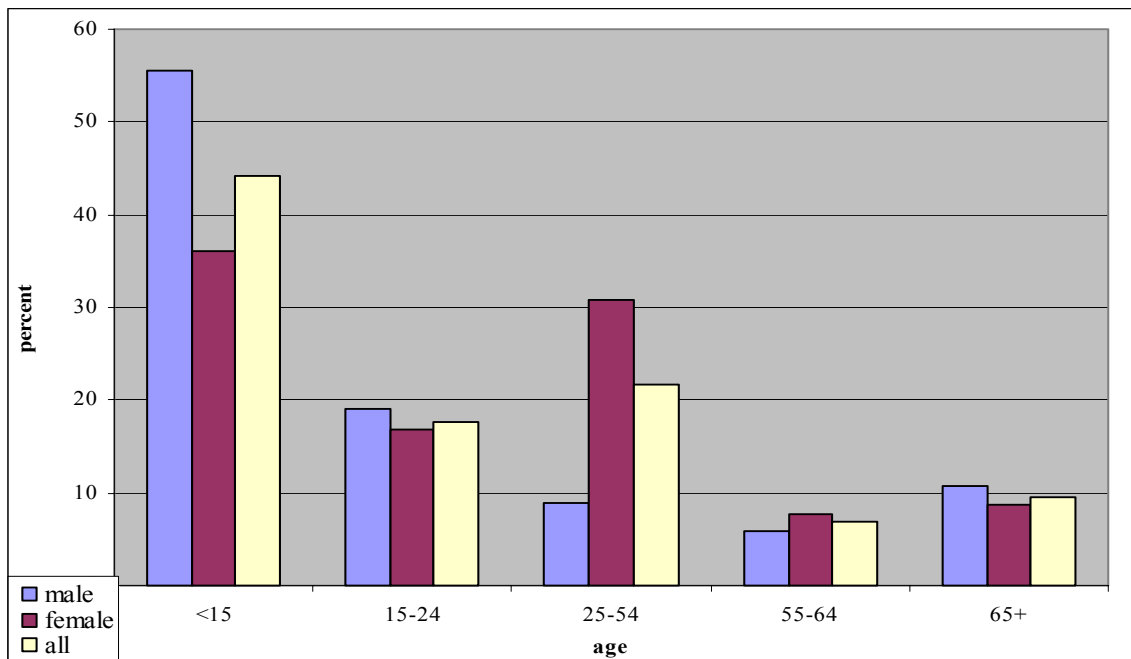
7. Inactive persons

The residual category of the labour force classification, the inactive population, will be portrayed here only from two aspects, age and education. Discussions about the causes or conditions of inactivity will have to be left to 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 45%, followed by the central working age group with almost 22% and the age group 15-24 with almost 18% (see Graph 22).

Graph 22: Inactive population by sex and age groups, 2005



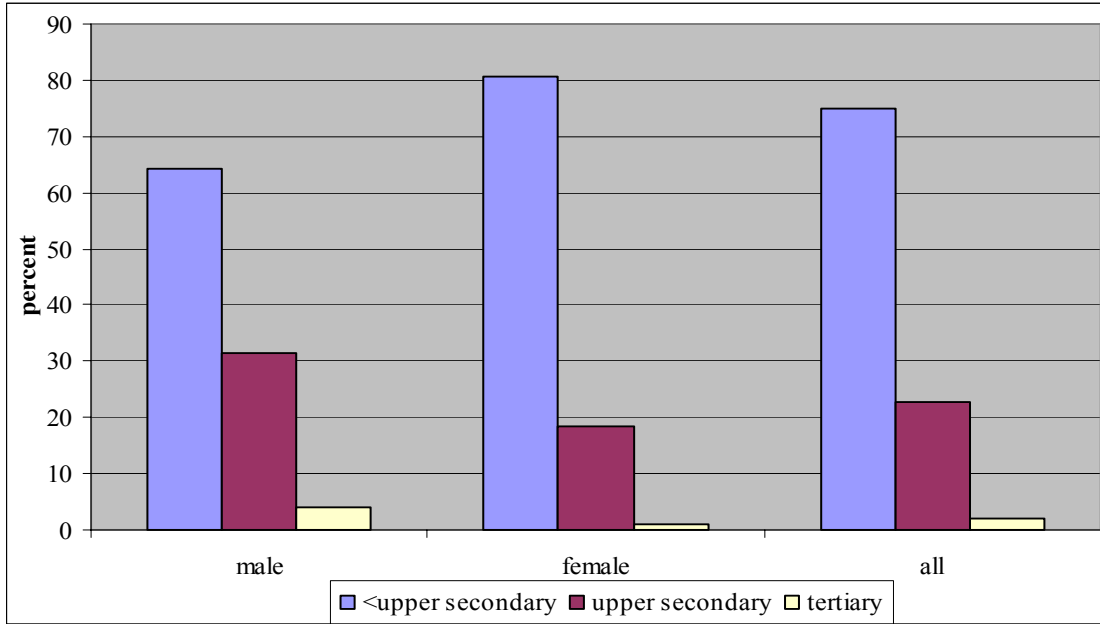
Because of their small size in the overall population, the groups just below and above the upper working age limit reach only small shares even though they are predominantly or completely (by definition) inactive.

The age distributions of inactive males and females differ greatly, however, reflecting two diametrically opposed facts: the relatively high employment rates of men and the relatively low employment rates of women in the central working age group, leading to inactivity shares of 8.9% and 30.8%, 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

Again as expected, this time on the basis of education-specific employment and unemployment rates, the inactive population is characterised by 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 the inactive males and more than 1% of their female counterparts have completed college or university (see Graph 23).

Graph 23: Inactive population (15+) by education and sex, 2005



Thus, even among the inactive population of Kosovo, men have a better education than women.

Annex 1: Standard tabulation programme 2004-2005

GROUP Classification	Unit	2004			2005		
		male	female	all	male	female	all
POPULATION							
total*	%	49,6	50,4	100,0	50,2	49,8	100,0
aged 15-64*	%	61,0	63,0	62,0	61,4	63,6	62,5
by age							
<15	%	33,3	30,6	31,9	32,0	29,2	30,6
15-24	%	19,9	20,1	20,0	19,0	19,1	19,1
25-54	%	34,9	36,2	35,6	35,4	37,6	36,5
55-64	%	6,3	6,6	6,5	7,0	6,9	6,9
65+	%	5,7	6,4	6,0	6,6	7,2	6,9
15-64	%	61,0	63,0	62,0	61,4	63,6	62,5
by education (15+)							
<upper secondary	%	62,6	82,0	72,4	42,1	68,5	55,5
upper secondary	%	31,5	15,8	23,6	48,3	27,3	37,6
tertiary	%	5,8	2,2	4,0	9,6	4,3	6,9
by employment status							
employed* (15-64)	%	46,8	9,9	27,9	46,4	11,9	28,9
unemployed* (15-64)	%	21,4	15,4	18,3	22,6	18,0	20,3
labour force* (15-64)	%	68,1	25,3	46,2	69,0	29,9	49,2
inactive*	%	58,4	84,1	71,4	57,7	81,0	69,3
dependency rates							
youth*	rate	54,6	48,5	51,5	52,2	45,9	49,0
old age*	rate	9,3	10,1	9,7	10,8	11,3	11,1
effective*	rate	250,4	1500,3	477,9	138,7	834,5	284,1
activity rates (15-64)							
employment*	rate	46,4	9,9	27,7	45,8	11,7	28,5
unemployment*	rate	31,5	60,7	39,7	32,9	60,5	41,4
activity*	rate	67,8	25,2	45,9	68,3	29,7	48,7

GROUP Classification	Unit	2004			2005		
		male	female	all	male	female	all
EMPLOYED							
by age							
15-24*	rate	18.7	4.1	11.3	15.4	5.6	10.5
25-54	rate	63.0	13.6	37.6	62.9	15.5	38.6
55-64	rate	41.9	7.3	23.9	41.8	8.2	25.2
65+	rate	3.7	0.4	1.9	5.8	1.5	3.5
15-64*	rate	42.8	9.0	25.4	41.3	10.5	25.7
by education (15-64)							
<upper secondary*	rate	33.6	3.9	14.2	31.5	4.6	14.4
upper secondary*	rate	50.1	18.0	39.1	49.5	19.1	38.1
tertiary*	rate	82.8	75.3	80.7	82.0	64.1	76.2
by economic activity (15-64)							
agriculture	%	25.3	22.0	24.7	18.4	20.5	18.8
mining	%	1.3	0.2	1.1	2.0	0.1	1.6
manufacturing	%	8.9	7.3	8.6	10.6	5.8	9.6
electricity	%	4.8	2.0	4.3	3.8	1.1	3.2
construction	%	9.4	1.5	8.0	9.8	0.6	7.9
trade	%	14.0	13.1	13.9	14.1	12.8	13.8
hotels	%	3.8	0.7	3.3	3.8	2.3	3.5
transport	%	5.3	2.0	4.7	4.7	2.4	4.2
finance	%	1.2	0.8	1.1	1.0	1.5	1.1
business	%	2.3	1.5	2.2	2.6	1.5	2.4
public administration	%	6.3	8.2	6.7	8.4	7.5	8.2
education	%	8.9	18.0	10.6	8.5	19.4	10.8
health	%	2.6	13.8	4.6	2.6	15.2	5.2
other	%	5.9	8.7	6.4	9.7	9.5	9.7
by occupation (15-64)							
managers	%	4.9	2.2	4.4	6.5	2.2	5.6
professionals	%	9.7	23.5	12.2	12.0	27.7	15.3
technicians	%	6.2	16.0	8.0	6.8	15.0	8.5
clerks	%	4.4	8.1	5.1	4.3	9.3	5.4
service and sales	%	18.6	23.8	19.5	17.4	16.4	17.2
agriculture	%	21.7	17.9	21.0	11.5	13.0	11.8
craft and related trades	%	13.7	3.7	11.9	17.2	2.7	14.2
machine operators	%	8.2	0.7	6.8	6.8	1.0	5.6
elementary occupations	%	12.7	4.2	11.1	17.4	12.7	16.4
armed forces	%	0.0	0.0	0.0	0.0	0.0	0.0
by professional status (15-64)							
employee	%	51.3	65.8	53.9	57.7	69.2	60.1
self-employed 1+ employees*	%	8.5	3.7	7.6	8.5	1.8	7.1
self-employed 0 employees*	%	20.2	8.2	18.0	17.6	7.6	15.5
family worker	%	20.0	22.4	20.4	16.2	21.4	17.3
by conditions (15-64)							
part-time*	%	30.1	30.5	30.1	21.0	25.8	22.0
temporary*	% of employees	64.4	67.4	65.1	44.6	53.4	46.7
by usual working hours (15-64)							
full-time employees*	average	42.8	41.6	42.5	43.7	41.7	43.2
part-time employees*	average	23.1	23.3	23.1	22.4	23.8	22.9
self-employed*	average	40.5	38.7	40.4	47.3	42.7	46.9

Labour Market Statistics 2005

GROUP Classification	Unit	2004			2005		
		male	female	all	male	female	all
UNEMPLOYED							
by age							
15-24*	rate	57,9	82,5	66,5	63,7	80,6	70,5
25-54	rate	25,1	53,3	32,6	26,4	54,1	34,5
55-64	rate	17,3	25,7	18,7	18,7	16,6	18,3
15-64*	rate	31,5	60,7	39,7	32,9	60,5	41,4
by education							
<upper secondary*	rate	34,9	72,8	47,9	38,4	71,5	50,2
upper secondary*	rate	34,4	62,0	41,1	35,8	62,6	43,4
tertiary*	rate	9,2	16,4	11,3	8,5	21,6	12,6
by duration							
<6 months	%	8,4	6,4	7,6	10,8	9,6	10,3
6-11 months	%	4,7	4,4	4,6	5,6	6,3	6,0
12+ months*	%	86,9	89,2	87,9	83,5	84,0	83,7
by methods of search							
public employment office	%	57,4	51,0	54,7	54,9	51,7	53,4
private employment office	%	-	-	-	-	-	-
employers directly	%	9,9	8,2	9,1	30,3	26,2	28,5
ask friends etc.	%	14,5	19,9	16,8	47,5	41,1	44,6
insert/answer advertisement	%	6,5	9,3	7,7	30,3	32,8	31,4
study advertisement	%	5,0	3,6	4,4	25,5	24,1	24,8
test/interview	%	1,3	0,5	1,0	7,2	4,9	6,2
look for land/equipment	%	0,1	0,0	0,1	1,4	2,1	1,7
look for permits/licenses	%	0,7	0,0	0,4	1,4	1,2	1,3
other method	%	4,5	7,5	5,8	9,2	13,1	11,0
by previous work experience							
with	%	22,1	8,0	16,0	24,0	7,6	16,6
without*	%	77,9	92,0	84,0	76,0	92,4	83,4
without 15-24*	% of 15-24	97,2	98,0	97,5	95,0	97,9	96,3
by economic activity (last job)							
agriculture	%	7,4	4,9	7,6	3,2	0,0	2,4
mining	%	5,4	0,4	4,6	4,2	0,0	3,6
manufacturing	%	27,4	40,3	27,5	24,9	40,8	28,8
electricity	%	1,2	1,2	1,2	4,8	0,0	3,6
construction	%	19,2	2,5	17,9	21,9	0,0	19,7
trade	%	10,1	16,6	11,3	14,3	22,6	12,8
hotels	%	7,2	1,5	6,2	6,7	2,7	5,8
transport	%	5,2	1,2	3,5	4,3	1,0	3,5
finance	%	1,1	1,7	1,2	0,3	1,1	0,5
businesses	%	2,1	2,3	2,6	3,1	6,3	3,9
public administration	%	3,6	4,6	3,5	1,4	3,8	2,0
education	%	2,3	8,2	3,4	1,1	8,1	2,8
health	%	1,3	2,2	1,6	0,3	4,3	1,3
other	%	6,5	12,4	7,9	9,5	9,4	9,5
by occupation (last job)							
managers	%	1,7	2,7	1,9	1,2	1,4	1,2
professionals	%	3,5	12,1	5,4	3,8	12,3	5,9
technicians	%	4,3	9,7	5,4	3,4	8,6	4,7
clerks	%	8,2	22,0	11,1	5,7	17,7	8,6
service and sales	%	15,4	10,9	14,5	23,2	28,7	24,5
agriculture	%	4,9	6,9	5,3	5,3	4,2	3,6
craft and related trades	%	21,3	11,6	19,3	29,6	17,5	28,1
machine operators	%	13,6	6,9	12,2	8,1	1,1	6,4
elementary occupations	%	27,0	17,2	24,9	19,7	8,5	17,0
armed forces	%	0,0	0,0	0,0	0,0	0,0	0,0

GROUP Classification	Unit	2004			2005		
		male	female	all	male	female	all
INACTIVE							
by age							
<15	%	57,0	36,4	44,8	55,5	36,1	44,2
15-24	%	18,9	18,4	18,6	19,0	16,7	17,7
25-54	%	9,4	30,6	22,0	8,9	30,8	21,7
55-64	%	5,3	7,1	6,4	5,9	7,6	6,9
65+	%	9,3	7,5	8,2	10,7	8,7	9,6
15-64	%	33,7	56,1	47,0	33,8	55,2	46,2
by education (15+)							
<upper secondary	%	65,8	83,9	78,2	64,3	80,5	75,1
upper secondary	%	31,4	15,6	20,6	31,6	18,3	22,7
tertiary	%	2,8	0,4	1,2	4,2	1,1	2,1

* employment/unemployment indicators

Annex 2: Tabulation variables, SOK LFS 2005

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