

2017

KOSOVO

By Kushtrim Shaipi

Socio-economic developments

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Annual Review of Labour Relations and Social Dialogue

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Annual Review 2017

of Labour Relations and Social Dialogue

Kosovo / By Kushtrim Shaipi


- 2017 was an election year for Kosovo. An early national election in June followed by local election in October led to a year where most processes halted and all efforts and energies were oriented towards the political races. In December, the government signed a contract for construction of a new coal-fired power plant that will produce 500 MW of energy. The government has made some progress in implementing the provisions of the Stabilisation and Security Agreement (SAA); however, there are significant delays and drawbacks in implementation in some areas.
- The future of law amendments commenced before the change in government in June remains unclear. The election process and the political stalemate, in general, have seriously delayed the legislative agenda in the six months before then.
- In terms of political developments, the first six months of the year were dominated by two major topics – the demarcation of the border with Montenegro and the dialogue with Belgrade, which are also the two issues that led to the early election in June. The opposition parties have paralysed parliamentary life with a boycott and they even threw teargas during parliamentary proceedings. Several opposition leaders were indicted for these actions.
- Numerous protests, both from opposition parties and independent citizen initiatives, led to the collapse of the previous government coalition comprised of PDK-LDK and minority parties, to open the path for creation of a broad coalition of dozens of parties that currently has only a one-vote majority in the Kosovo Assembly.
- The second half of 2017 was characterized by rapid growth of government, which has so far grown to 70 deputy ministers and hundreds of advisors. Several new ministries (largely without portfolio) have been established to cater to the large number of political parties and their interests. In December the government introduced a salary rise for all government levels, in some cases doubling the amount. The decision was highly criticized by civil society and media.
- In November, the Constitutional Court issued a temporary order on distribution of network losses into the electricity bills of citizens. The electricity spending of Kosovo's Serbian population, which has refused to pay their bills, have been linearly distributed into the bills of the paying population. The order leaves the energy sector with a shortage of €40 million and it remains to be seen how the sector will be compensated.



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Socio-economic developments

Kosovo showed stability and maintained a positive growth rate in 2017. Economic activity in the euro area has continued to be characterized with a sustainable increase also during Q3 2017.¹ The strengthened demand for the euro, stemming from the eased financing conditions and other measures of the ECB positively reflected on the Western Balkan countries, which marked an increase in investments, consumption and exports. According to the Central Bank of Kosovo (CBK) economic activity growth in Kosovo in the first half of 2017 was supported by increased investment and growth in the export of goods and services. The estimates for the first half of 2017 indicate real growth of 4.3 per cent of GDP, while the positive trend was also foreseen for the second half of the year.² Price increases in international markets paired with the influences from increased economic activity are believed to be the primary reasons for the inflation rate to reach an average rate of 1.7 per cent up till September.³

Kosovo's budget revenues until September 2017 reached a net value of €1.23 billion, representing an annual increase around 3.8 per cent. At the same time, budget expenditures reached a value of €1.17 billion, representing an annual increase of around 7.2 per cent. Consequently, Kosovo's budget recorded a positive primary budget balance of €60.8 million, compared to the budget balance of €95.1 million in the same period until June 2016.⁴ The current and capital account deficit reached the value of €154.2 million until September compared with the deficit of €323.2 million in the same period of the previous year. This has been largely caused by the increase in the deficit in the goods account. Contrary to this trend, services, primary and secondary income accounts were marked by an increase mainly as a consequence of the decline in goods exported (5.6 per cent) and the increase of imports (8.3 per cent). The fiscal sector was characterized by an increase of budget revenues and expenditures. For 2018, the government is expected to pass a budget bill of approximately €1.83 billion⁵ in revenues and €2.07 billion in expenditures, thus foreseeing a deficit of 1.7 per cent.

Consumer prices have been marked by moderate inflation of 1.4 per cent while import prices recorded a 3.3 per cent increase in the period January-June 2017. The most notable price increases that were reflected in the overall rise are for international commodity prices, which led to a rise of import prices for non-alcoholic beverages and food.

In nominal terms, gross fixed capital formation by private investments in 2018 is expected to be €80 million higher than 2017. On the other hand, the public investments financed from the budget revenues, under a conservative realization of 90 per cent, are expected to increase by 10 per cent, thus bringing over €50 million additional investments to the base of 2017. Without considering public investments with external financing (concessional credit or liquidation funds), gross fixed capital formation is expected to increase by €130 million above the 2017 level.⁶ The Gross Domestic Product per capita in Kosovo was last recorded at \$3,890.07 in 2016. The GDP per capita in Kosovo is equivalent to 31 per cent of the world's average. GDP per capita in Kosovo averaged \$3,060.36 from 2000 until 2016, reaching an all-time high of \$3,890.07 in 2016 and a record low of \$1,919.84 in 2000.⁷

Investments in the first half of 2017 recorded an increase of 15.8 per cent as compared to the previous year during the same periods. The public investment increase is expected to be at 18.7 per cent while FDI also recorded an increase of 64.2 per cent.

Unemployment remains the most pressing problem that the Kosovo government and society face. Youth unemployment is particularly concerning as the percentage of those not employed or in education or training (NEET) are 27.1 per cent of persons aged 16-25 and the level has risen over the years.⁸ The Kosovo Employment Agency, formally established a few years ago remains to become functional and serve for streamlining efforts between relevant state agencies responsible for employment, vocational training and active labour market measures. The economic growth rates recorded by Kosovo are considered insufficient to absorb the newcomers in the labour market, which represent an estimated inflow of 29,000 persons every year. Thus, youth unemployment is expected to rise in the coming years.

According to the results derived from the Labour Force Survey Q2 2017, in the second quarter of 2017, the employment rate was at 29.9 percent, the unemployment rate was at 30.6 per cent and the inactivity rate was 57.0 per cent.⁹ Overall participation in the labour force was 43.0 per cent; the percentage of women in the labour force was 20.0 per cent; and for men it was 65.7 per cent. The sectors employing the largest number of women included education, trade and health care, with about 52 per cent.¹⁰

¹ CBK Quarterly Assessment of Economy, 20, Quarter III/2017. https://bqk-kos.org/repository/docs/2017/CBK_Q3_2017_Engl.pdf

² Ibid. / ³ Ibid. / ⁴ Ibid.

⁵ Draft Law on the Budget of the Republic of Kosovo for Year 2018. <https://mf.rks-gov.net/desk/inc/media/3932BD96-51C1-4861-AEAD-398FC7745E52.pdf>

⁶ Ibid.

⁷ Trending Economics. <https://tradingeconomics.com/kosovo/gdp-per-capita>.

⁸ Kosovo Statistics Agency. Series 5: Social Statistics Labour Force Survey Q2 – 2017. <http://ask.rks-gov.net/media/3631/labour-force-survey-q2-2017.pdf>

⁹ Kosovo Statistics Agency. Series 5: Social Statistics Labour Force Survey Q2 – 2017. <http://ask.rks-gov.net/media/3631/labour-force-survey-q2-2017.pdf>

¹⁰ Results of the Labor Force Survey, Q2 2016. Kosovo Agency for Statistics and the World Bank. <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/results-of-labour-force-survey-in-kosovo-q2-2016>.

On the basis of careful planning, the total planned revenues for the 2018 budget amount to €1,829 million, which is higher than the 2017 budget by about 6.0 per cent (€104 million), including here also the collection of tax debts.¹¹

Public debt reached €965.4 million in September 2017, representing an increase of 14.6 per cent compared to the same period of the previous year. As a percentage of GDP, public debt reached around 15.8 per cent from the 14.3 per cent it was in September 2016. This increase resulted from a 15.6 per cent increase in external debt (€426 million) and a 13.9 per cent increase in domestic debt (€539.4 million).

The trade balance in Kosovo for the first half of 2017 deteriorated compared to the same period of previous year primarily due to price rises in international commodity markets. The increase in service exports did not cover the price fluctuations in international markets. The deficit in trade of goods recorded an annual increase of 6.4 per cent until September 2017. Export of goods reached the value of

€284.4 million, corresponding to an annual increase of 25.9 per cent (figure 11).¹² In September 2017, the coverage rate of imports to exports stood at 12.8 per cent (11.1 per cent in September 2016).¹³

There have been slight positive developments in terms of wages and minimum wage policies and both are slightly higher in comparison with the previous year. Wages in Kosovo increased to €465/month in September from €462/month in August 2016. Average wages in Kosovo decreased to €450/month in September from €455/month in August of 2017. Wages in Kosovo averaged €316.18/month from 2005 until 2017, reaching an all-time high of €471.00/month in June 2016 and a record low of €168/month in November 2006.¹⁴

The overall public budget for wages and salaries increased compared to the previous year from €566 million to €589 million.¹⁵

| Year | Public Administration Average Salary (€) | National Level Minimum Wage (€) |
|------|---|------------------------------------|
| 2008 | 189 | ----- |
| 2009 | 222 | ----- |
| 2010 | 254 | Draft Proposal |
| 2011 | 309 | 170 |
| 2012 | 372 | 170 |
| 2013 | 450-460 ¹⁶ | 170 |
| 2014 | 450-460 | 170 |
| 2015 | 450-460 | 170 |
| 2016 | 450-460 | 170 |
| 2017 | 450-460 | 170 |

According to the Kosovo Statistics Agency, the net salary of most Kosovo employees is €300-400/month. There were very small differences based on gender.¹⁷ The Social Economic Council discussed the minimum wage in its last meeting but no concrete recommendations to change it have been made publicly by this body. The minimum wage has remained the same; the only difference was that the €40 lower minimum salary for persons under the age of 24 was eliminated. It should be noted that the primary reason why the minimum wage has remained unchanged in Kosovo is because many public benefit schemes are tied to (referenced to) the minimum wage; hence, any increase

in the minimum wage also impacts other the budget of other schemes (i.e. social assistance, some pensions, etc.).

The poverty rate in Kosovo is high, at around 29.7 per cent of the total population of 1.85 million living below the national poverty line of €1.00 per day.¹⁸ Extreme poverty is also quite high, at around 10.2 per cent of the population.¹⁹

¹¹ Draft Law on the Budget of the Republic of Kosovo for Year 2018. <https://mf.rks-gov.net/desk/inc/media/3932BD96-51C1-4861-AEAD-398FC7745E52.pdf>

¹² CBK Quarterly Assessment of Economy, 20, Quarter III/2017. https://bqk-kos.org/repository/docs/2017/CBK_Q3_2017_Engl.pdf

¹³ CBK Quarterly Assessment of Economy, 20, Quarter III/2017. https://bqk-kos.org/repository/docs/2017/CBK_Q3_2017_Engl.pdf

¹⁴ Trending Economics. Kosovo Average Monthly Wages 2005 -2017. <https://tradingeconomics.com/kosovo/wages>

¹⁵ Draft Law on the Budget of the Republic of Kosovo for Year 2018. <https://mf.rks-gov.net/desk/inc/media/3932BD96-51C1-4861-AEAD-398FC7745E52.pdf>

¹⁶ National Average income as per Trading Economics Open Data Portal. <http://www.tradingeconomics.com/kosovo/wages>

¹⁷ Results of the Labor Force Survey, Q2 2016. Kosovo Agency for Statistics and the World Bank. <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news-results-of-labour-force-survey-in-kosovo-q2-2016>

¹⁸ UNDP Kosovo portal <http://www.ks.undp.org/content/kosovo/en/home/countryinfo.html>

¹⁹ The World Bank Group in Kosovo. Country Snapshot. April 2015. <http://www.worldbank.org/content/dam/Worldbank/document/eca/Kosovo-Snapshot.pdf>

State policies

The busy legislative agenda initiated in 2016 ended with the early national election and the following local elections completely stalled efforts to complete, modify, or re-design policies on labour and social welfare. Most of these initiatives remained within the Ministry of Labour and Social Welfare (MLSW) and did not proceed either to the government level for approval or to parliament for an official vote. Those that have completed some of the steps will most likely be revoked. Regarding major developments in labour and social legislation, the most notable processes include the Amendment to the Labour Law and the Law on the Social Economic Council (SEC). The Law on Social Enterprises, the Law on Requalification and Employment of Persons with Special Needs, and the Law on Unemployed, Jobseekers and Employers were also initiated. Given the slow legislative agenda during 2017 due to opposition boycotts and blockages during the first half and because of the post-election situation in the second half, the tempo of advancing them to Parliament could be expected.

Regarding maternity leave provisions, which had been the primary reason for amendment of the Labour Law, the last publicly known position of the MLSW has been that the leave should be shortened from the current twelve months to nine months, of which half the period would be paid by the employer and half by the public budget.²⁰ Civil society has also made several recommendations, including renaming it as parental leave and hence also making it available to fathers and completely removing the burden from employers as the most viable solution to protecting women's rights. Because most of the objections coming from the private sector related to economic structure (micro-sized enterprises) and the ability to pay the lengthy period foreseen by the legislation, the recommendation to find alternative solutions for financing the leave, instead of reducing its length, should be considered as the most reasonable means to achieve the objective – protecting women in the labour market.

Industrial Relations

There is only one trade union confederation in Kosovo, the Union of Independent Trade Unions of Kosovo (BSPK) that celebrated its 27th anniversary in 2017. It is the only employee organization represented in the Socio-Economic Council, the tripartite body designated to facilitate social dialogue at the central level. At the regional level, there are 18 trade unions registered with the appropriate authorities. In October, BSPK organized its Congress, developed its new structures, and elected leadership. The biggest federation – Healthcare also formally returned to BSPK during this congress, pending statutory changes on membership dues and their distribution that were not voted in the Congress. The Congress at the confederation level, paired with the expected statutory changes spurred some dialogue between the Confederation and the branches currently not paying fees to it.

Law No. 04/L-011 on Trade Unions regulates the criteria for recognition of trade unions. According to this law (Article 12), workers' organizations (associations, federations and confederation unions) must apply for recognition at the Ministry of Labour and Social Welfare so that they are a legal entity:

- a. One criterion for registration of a trade union is that it should have at least 10 members;
- b. A federation of unions can be registered if it has at least two trade union associations with a membership at the same or similar level, which is at least 10 per cent of the employees working in a certain sector;

- c. A confederation of unions is registered if it is composed of at least two federations of unions, the membership of which is at least 10 per cent of employees at the country level.

The overall presence of trade unions in the private sector remains marginal and no new initiatives have been undertaken in 2017 to establish trade unions that also cover the private sector. Lack of trade union presence in the private sector is one of the most notable obstacles to meaningful social dialogue and collective bargaining due to the absence of representation at workplaces. It remains to be seen how effective the new trade union organizational structures and its newly elected leadership will be to improve effectiveness in representing the interests of workers. Trade union coverage of workers in the public sector is relatively good. While the Education trade union has formally returned to BSPK, the Healthcare trade union remains disengaged from the confederation, creating also a serious representation gap at the central level. Consequently, private sector workers, although representing the majority of the employed in Kosovo, do not have direct representation in social dialogue. The representation gap is also present at the level of employers, where aside from the Kosovo Chamber of Commerce there are no other formal employers' organizations at the national level. The presence of the Kosovo Business Alliance at the level of the SEC is due to legal ambiguity, as its formal registration comes in the form of a non-governmental organization, organized in the form of a business association. Lack of effective employer representation is also noted at the branch/sector level where aside from

²⁰ IKS Policy Paper on maternity

a handful of active sectoral associations most branches of the economy remain unrepresented at national level bargaining.

Representation at private workplaces (except for isolated cases such as the privatized former social enterprises)

is totally absent in Kosovo. This situation testifies to the dismissive attitude on the part of private sector regarding collective bargaining, trade unions and social dialogue altogether.

Tripartite social dialogue

Tripartite social dialogue in Kosovo is organized through the Social Economic Council, which is an independent three-party entity, that undertakes consultation at the national level. The Law on Social Economic Council No 04/L-008 regulates and defines its organization, scope, forms of work and the overall functioning of the Social Economic Council. It also determines the terms and conditions of social partners represented in this three-party entity.²¹ According to the Law on Social Economic Council, the SEC is the leading body for tripartite social dialogue in Kosovo. The Law on SEC is in the process of being amended but most problematic revisions needed regarding the representation gap that have also been recommended in consecutive EU Progress Reports have remained intact.

The composition of the SEC changed in 2015 for the last time. The institution's membership is comprised of ministries of the Kosovo government (the Ministries of Labour and Social Welfare; Economy and Finance; Education, Science and Technology; and Health), trade unions (five representatives from BSPK) and employer associations (the Kosovo Chamber of Commerce, with three members, and the Kosovo Business Alliance, with two members). In the past two years the SEC has shown signs of revival and intensification of its work, with concrete policy and bargaining annual work plans, which have been monitored and self-assessed for measuring progress. This revival has been largely due to the support of various civil society projects. The change in the ministry leadership has been accompanied by a slow-down of the tempo of SEC work.

Forecasts

Several new laws can be expected in the near future regarding social security and protection, as well as labour relations in Kosovo. Some of the laws foreseen to be promulgated in the near future include: a new Labour Law, the Law on the SEC, and all those laws listed in the section above as being in the process of amendment/re-writing/drafting.

The BSPK, as the only confederation of trade unions in Kosovo, with the support of local and international organizations has successfully developed its five-year strategic plan in the first quarter of 2016 but it remains to be seen whether it will be followed through by the new leadership.

²¹ EuroFound. Industrial Relations in SEE. Kosovo Report. 2011.



Annex - Information About:

- Collective Bargaining System

A collective bargaining system exists in Kosovo but has not been very successful in generating implementable collective agreements and contracts. The most recent collective

agreement signed in 2014, before the last national election, continues to be ignored by the government and the private sector alike.

- System of tripartite social dialogue

The Social Economic Council is the body in charge of facilitating tripartite dialogue. It comprises ministries of the Kosovo government (the ministries of Labour and Social Welfare; Economy and Finance; Education, Science and Technology; and Health), trade unions (five representatives from BSPK) and employer organizations (the Kosovo

Chamber of Commerce, with three members, and the Kosovo Business Alliance, with two members). As stated above, the tripartite Social and Economic Council has introduced and developed policy suggestions and policy recommendations. Its recommendations and suggestions are often disregarded by the government.

- Social security systems

The only social risks covered by the social security system in Kosovo are old age and as of 1 January 2011 maternity. Old age is covered through three pension pillars: i) the basic pension scheme²², ii) compulsory pension savings, and iii) supplementary personal savings. The second pillar of the pensions system is administered by the Kosovo Pension Savings Trust, which is an independent institution that reports directly to the Kosovo Parliament and is monitored by the Central Banking Authority of Kosovo. Contributions to the compulsory pension scheme are equally paid by employers and employees (5 per cent of gross salary each paid by the employer and employee).

Kosovo is yet to functionalize its health insurance scheme but citizens can receive healthcare services on three levels from the public healthcare system. Co-payment for services is applied for all services from the public health service providers but exemptions from co-payment are made for a broad range of social categories. The health Insurance fund foreseen to be enacted in 2014 has yet to become functional.

- Education and vocational training

The education system in Kosovo is still characterized by insufficient resources and relatively low-quality education. The 2015 Pisa test, which was conducted for the first time in Kosovo and the results of which were published in 2016, placed Kosovar students in the third worse position from among all seventy-two places where the test was conducted. A public vocational education system has been established with large support from donors but remains largely unconsolidated.

The formal VET system includes all professional/vocational high schools that are part of the public schools' network and targets students that have completed elementary school (regular enrolment procedures after 9th grade). The non-formal VET system is comprised of 11 VET centres that are administered by the Ministry of Labour and Social Welfare and targets job seekers registered with Centres for Unemployment. While the former offers 3 to 4-year formal education, the latter offers only short vocational courses that can last up to three months.

²² The basic pension scheme distinguishes between contributing and non-contributing pensioners.

- Employment rate

| Description | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|--------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|------|-------|-------|-------|
| Total employment rate | 29.9 ²³ | 28% ²⁴ | 25.2% | 26.9% ²⁵ | 28.4% ²⁶ | 25.5% ²⁷ | 22.4% ²⁸ | n/a | 26.1% | 24.1% | 26.1% |
| Female employment rate (15-64) (%) | n/a | n/a | 11.5% | 12.5% ²⁹ | 12.9% ³⁰ | 10.7% ³¹ | 5.2% ³² | n/a | 12.5% | 10.5% | 12.7% |
| Male employment rate (15-64) (%) | n/a | n/a | 38.7% | 41.3% | 44% ³³ | 39.9% ³⁴ | n/a | n/a | 39.7% | 37.7% | 40.1% |
| Employment rate of older workers (55-64): share of population aged 55-64 that is in employment (%) | n/a | n/a | n/a ³⁵ | n/a | n/a | n/a | n/a | n/a | 27.9% | 23.8% | 24.6% |

- Unemployment rate

| Description | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|-------|-------|---------------------|--------------------|---------------------|-------|-------------------|------|-------|-------|-------|
| Total unemployment rate | 30.6% | 27.5% | 32.9% | 35.3% | 30.0% | 30.9% | 44.8% | n/a | 45.4% | 47.5% | 43.6% |
| Female | n/a | n/a | 36.5% ³⁶ | n/a | 39.0% ³⁷ | 40% | 36% ³⁸ | n/a | 56.4% | 59.6% | 55.2% |
| Male | n/a | n/a | 31.8% ³⁹ | n/a | 26.0% | 28.1% | n/a | n/a | 40.7% | 42.7% | 38.5% |
| Unemployment rate of persons < 25 years: | n/a | n/a | 57.7% ⁴¹ | ~55% ⁴² | 55.0% | 55.3% | n/a | n/a | 73.0% | 73.0% | 70.0% |
| Long-term unemployment rate: | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 37.1% | 38.9% | 37.1% |

- Average monthly salaries

The average monthly salary in Kosovo is believed to be around €400.

²³ https://bqk-kos.org/repository/docs/2017/CBK_Q3_2017_Engl.pdf

²⁴ Ibid

²⁵ Ibid.

²⁶ Ministry of Labour and Social Welfare. Annual Report 2014: Labour and Employment. <https://mpms.rks-gov.net/Portals/0/ShpalljePublikime/Raporti%20Vjetor%202014%20-%20Shqip.pdf>

²⁷ Labour Force Survey 2, 2012.

²⁸ Census data available at: http://esk.rks-gov.net/rekos2011/repository/docs/Final%20Results_ENG.pdf

²⁹ Ibid.

³⁰ Ministry of Labour and Social Welfare. Annual Report 2014: Labour and Employment. <https://mpms.rks-gov.net/Portals/0/ShpalljePublikime/Raporti%20Vjetor%202014%20-%20Shqip.pdf>

³¹ Labour Force Survey 2, 2012.

³² Census data available at: http://esk.rks-gov.net/rekos2011/repository/docs/Final%20Results_ENG.pdf

³³ Ministry of Labour and Social Welfare. Annual Report 2014: Labour and Employment. <https://mpms.rks-gov.net/Portals/0/ShpalljePublikime/Raporti%20Vjetor%202014%20-%20Shqip.pdf>

³⁴ Labour force Survey 2, 2012.

³⁵ Ibid.

³⁶ http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata__Labour%20market__Annual%20labour%20market/lfs01.px/table/tableViewLayout1/?rxid=eac7fcee-001a-45cd-b94a-e61c7f0c376c

³⁷ The World Bank Group in Kosovo. Country Snapshot. April 2015. <http://www.worldbank.org/content/dam/Worldbank/document/eca/Kosovo-Snapshot.pdf>

³⁸ % of female among the unemployed.

³⁹ http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata__Labour%20market__Annual%20labour%20market/lfs01.px/table/tableViewLayout1/?rxid=eac7fcee-001a-45cd-b94a-e61c7f0c376c

⁴⁰ The World Bank Group in Kosovo. Country Snapshot. April 2015. <http://www.worldbank.org/content/dam/Worldbank/document/eca/Kosovo-Snapshot.pdf>

⁴¹ http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata__Labour%20market__Annual%20labour%20market/lfs01.px/table/tableViewLayout1/?rxid=eac7fcee-001a-45cd-b94a-e61c7f0c376c

⁴² The World Bank Group in Kosovo. Country Snapshot. April 2015. <http://www.worldbank.org/content/dam/Worldbank/document/eca/Kosovo-Snapshot.pdf>

• Gender pay gap

The gender pay gap has not been a priority issue in Kosovo as it is not a common phenomenon that is encountered. However, the more pressing issue remains the representation of women in high-level positions both in the public and non-public sectors as a significant challenge to be dealt with. The new Law on Gender Equality aspires achievement of full equality of 50%-50% across all levels of

public administration but it is far from being the case. While at the lower levels of administration this quota is generally observed, at the higher levels (i.e. Chief Executive Officers in Ministries or Permanent Secretaries), there is very little to no representation of women. The situation is similar in the private sector as well where only a handful of women are employed in top managerial positions.

• Actual weekly working hours

As in many other countries in the region, the working week in Kosovo is defined as 40 hours per week distributed into five working days. The working hours of the public sector are from 08:00 to 16:00 while in the private sector and

other organizations working hours are usually from 09:00 to 17:00 on weekdays. The 40 hours/week standard is also stipulated in the Labour Law.

• Normal work / atypical work

There is no accurate or reliable information regarding the percentage of atypical employment in terms of working hours or type of employment in Kosovo.

• Monthly minimum wage

The minimum wage in Kosovo had been set at €130/month for youth and 170 €/month for others, whereas that differential was eliminated in 2017.

• Migration

Migration is very problematic to measure for Kosovo as the Ministry of Interior does not keep track of migration trends. The Kosovo diaspora in Western Europe is believed to be around 700,000 persons, with most in Switzerland and Germany at around 300,000 each. The trend of illegal migration was of significant concern in 2014 when an estimated 50,000 Kosovars illegally entered the EU. A big part of this outflow of illegal migration has been repatriated to Kosovo.

• HDI

Data not available.

• Gini-coefficient

Data not available.



- Collective agreement coverage

While the public sector is covered by the collective agreement in its entirety, the implementation of this agreement has been problematic. Some provisions (including the payment additions for years in service) are being implemented but the most important provisions

that upgrade the protection at a higher level compared to the labour law have not been implemented to date. In the private sector, employees are completely unprotected, as employers largely violate the labour law as well as the collective agreement.

- Ongoing important collective bargaining agreements

None.

- Trade union density

Trade union density expressed in terms of real active membership has been problematic in Kosovo. Most former socially-owned enterprises where trade union presence had been the highest do not exist anymore and trade union membership no longer exists. The trade unions, however, continue to consider these persons as part of their membership, hence reporting higher presence/density than

in practice. It is estimated that the total number of trade union members is around 60,000. If it is accepted that the total number of public servants is 70,000 (excluding teachers and doctors) coverage in the public sector is around 80 per cent. The coverage of trade unions in the private sector is estimated at less than 1 per cent as there is very little trade union activity in the private sector.

- Employer's organizations density

There are over 80,000 registered businesses in Kosovo, of which around 35,000 are considered to be active. The American Chamber of Commerce has 167 member companies.⁴³ While the Kosovo Chamber of Commerce claims to have around 9,000 members, it is estimated that

only a small percentage of these companies actually pay membership fees to the chamber. A similar situation also exists in the Kosovo Business Alliance that states it has 15,000 members.

- Workplace representation

Trade unions in Kosovo are in poor shape. The economic crisis has lasted for several years already and trade unions have not made any progress with regards to workplace representation and have been limited to organizing sporadic protests through which they sought higher salaries. Leaders of trade unions usually blame one another for continuing failures to organize employees. In the last decade, trade unions seem to have concentrated their efforts extensively on the public sector and the privatization process. As a result, private sector employees, who make up a significant part of the overall base of the employed, were left out of the already-limited social dialogue in Kosovo. It is arguable whether the Law on Trade Union Organization will improve the situation of trade union presence in the private sector as over 90 per cent of Kosovo companies are micro enterprises with less than 10 employees.



⁴³ American Chamber of Commerce in Kosovo. Horizon Newsletter. <http://www.amchamksv.org/horizon/>

- Trade unions

| Name of Trade Union Confederations | International Affiliation |
|---|---------------------------|
| Bashkimi i Sindikatave të Pavarura të Kosovës / The Union of Independent Trade Unions of Kosovo (BSPK) | ITUC |

| Name of Trade Union Federations | International Affiliation |
|---|----------------------------------|
| Sindikata e Bashkuar e Arsimit, Shkencës dhe Kulturës / United Trade Unions of Education, Science and Culture | |
| Federata e Sindikatave të Shëndetësisë së Kosovës / Federation of Healthcare Trade Unions of Kosovo | EPSU |
| Sindikata e Shërbimit Policor të Kosovës/ Police Trade Union of Kosovo | EURCOP, CESP |
| Sindikata e Pavarur e Energjitikës e Kosovës / Independent Energy Trade Union of Kosovo | |
| Sindikata e Pavarur e Judikaturës e Kosovës / Independent Judiciary Trade Union of Kosovo | |
| Sindikata e Pavarur e Administratës së Kosovës / Independent Administration Trade Union of Kosovo | |
| Sindikata e Pavarur e Veprimtarive Komunale Banësore të Kosovës Independent Municipal Housing Trade Union of Kosovo | |
| Sindikata e Pavarur e Metalistëve të Kosovës Independent Metal Workers Trade Union of Kosovo | IndustriAll-European Trade Union |
| Sindikata e Pavarur e Agrokompleksit të Kosovës / Independent Agrocomplex Trade Union of Kosovo | EFFAT |
| Sindikata e Pavarur e Ndërtimtarisë / Independent Trade Union of Construction Workers | |
| Sindikata e Pavarur Ekonomia e Vogël dhe Zejtaria / Independent Trade Union of Small Enterprises and Craftsmanship | |
| Sindikata e Pensionistëve dhe Punëtorëve Invalidor të Kosovës / Pensioners and Invalid Workers Trade Union of Kosovo | |
| Sindikata e Pavarur Kombinati "Trepça" / "Trepça" Factory Independent Trade Union | |
| Sindikata e Pavarur Tregti & Hotelieri dhe Turizëm / Independent Trade Union of Trade & Hotel and Tourism Management | |
| Sindikata e Pavarur Minatorët/ Independent Trade Union of Miners | |
| Sindikata e Pavarur e Pylltarisë / Independent Trade Union of Forestry | |
| Rrjeti i Gruas Sindikaliste të BSPK / Trade Union Woman Network of BSPK | |
| Rrjeti i të Rinjve Sindikalistë të BSPK / Trade Unionist Youth Network of BSPK | |

| Name of Employers' Organization | # of Members | International Affiliation |
|--|----------------------|--|
| Oda Ekonomike e Kosovës / Kosovo Economic Chamber | 15,000 ⁴⁴ | |
| Oda Amerikane e Tregtisë në Kosovë / American Chamber of Commerce in Kosovo | 167 ⁴⁵ | Accredited by the US Chamber of Commerce |
| Aleanca Kosovare e Bizneseve / Alliance of Kosovar Businesses | 9,500 ⁴⁶ | |

⁴³ Source: <http://www.itg-rks.com/sq/Oda-Ekonomike-e-Kosoves>. It is estimated that it has about 10% paying members.

⁴⁴ Source: <http://www.amchamksv.org/horizon/>

⁴⁵ Source: <http://www.itg-rks.com/sq/Aleanca-Kosovare-e-Biznesit->. It is estimated that around 1,500 are active members.



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