

2016

# Annual Review of Labour Relations and Social Dialogue Kosovo

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- The government of Kosovo has made some progress in implementing the provisions of the Stabilization and Association Agreement (SAA) with the European Union (EU), however, there are delays in some areas. The area that needs most immediate attention is that of establishing and operating standardization and accreditation agencies and other quality infrastructure that is a pre-condition for meaningful competition under open-market rules.
- Several basic laws in the field of social dialogue and labour-related fields have undergone amendments. Civil society organizations (CSOs) supported some of the amendment processes; however, in the case of revision of the pension system, strong opposition to the initiative has been shown by CSOs.
- Macro-economic stability has also been evidenced across indicators of performance, with the economy showing constant growth. However, the average 3% growth rate is considered insufficient to absorb the influx of new entrants in the labour market each year.
- Social dialogue and collective bargaining have been of increasing importance in the view of the general public and the government. Amendments to several labour-related laws that affect the entire society have attracted significant media coverage.
- Failure of the only trade union confederation in Kosovo, Bashkimi i Sindikatave të Pavarura të Kosovës (BSPK), to organize an anticipated Election Congress, which was planned for November, is considered a significant blow to trade union activism in Kosovo and social dialogue and workers representation in general.



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- Industrial relations
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- Collective bargaining, social dialogue, social security, education & vocational training, employment, wages
- Trade unions and employer organizations



## 1. SOCIO ECONOMIC DEVELOPMENTS

Kosovo showed stability and maintained a positive growth rate in 2016. It is believed that partly due to the strengthened demand for the Euro, the Western Balkan countries reacted with positive performance in the first six months of 2016, which were also characterized by an increase in investments and exports. Economic activity growth in Kosovo is primarily being attributed to an increase in domestic demand, specifically due to an increase in consumption and investments. The forecasts for the second half of the year are also promising, with an annual projected economic growth rate of 3.6 per cent. In 2016, the economy has also shown signs of slight deflationary pressures. Despite the positive inflation rate of 0.1 per cent marked in the first quarter of 2016, the second quarter was characterized with a deflation rate of 0.2 per cent<sup>1</sup>.

Until June 2016, Kosovo's government budget recorded a surplus of around €20.3 million, compared to the budget deficit of around €21.1 million marked in the same period of the previous year<sup>2</sup>. The balance of payments in Kosovo marked an increase of the current and capital account deficit in the first six months of 2016, mainly as a consequence of the decline in goods exported<sup>3</sup> (5.6 per cent) and the increase of imports (8.3 per cent). The fiscal sector was characterized with an increase of budget revenues and expenditures. For 2017, the government has submitted a budget bill of approximately €2 billion. While it remains unclear from what sources this revenue will be generated, the opposition has argued that this is an inflated electoral budget with no sound growth plan.

Prices recorded a deflation rate of 0.2 per cent in the second quarter of 2016, contrary to the performance of prices during the first quarter, which showed some initial signs of an increase of the consumption price level (expressed through the Consumer Price Index (CPI)),

when it recorded an inflation rate of 0.1 per cent. The most notable price increases in the second quarter were in the prices of alcoholic beverages and tobacco (10.2 per cent increase) and health services (3.1 per cent increase) while price declines occurred in transport services (4.5 per cent decline), electricity, gas and other fuels (4.0 per cent decline) and food prices (1.3 per cent decline) with the last category representing around 33.9 per cent of the Kosovar consumer basket<sup>4</sup>.

Gross Fixed Capital Formation (GFCF) in Kosovo marked a total of €1.49 billion in 2015 from €1.29 billion in 2014. The GFCF in Kosovo has averaged €1.08 billion from 2004 until 2015, with the last year in the period also recording the all-time highest value and all-time lowest value of €583.6 million in 2004.<sup>5</sup> The GFCF in Kosovo is reported by the Kosovo Agency of Statistics.

The first half of 2016 indicated growth in consumption at an annual rate of 4.5 per cent. This has been primarily attributed to the considerable increase of imported consumer goods, which marked a growth of 9.8 per cent. The consumption growth occurred despite the decrease in remittances, which are an important financing source. Remittances declined compared to previous year by 2.7 per cent.<sup>6</sup> GDP per capita for 2015 is estimated at €3,785.<sup>7</sup>

Total investment in 2016 is expected to record an increase compared to 2015, with the annual growth rate reaching 9.7 per cent (9.1 per cent in 2015). Increased public investment that is expected to be at 11.7 per cent and the growth rate of private investments that is expected to be around 9.0 per cent are the primary factors behind the increased total investment<sup>8</sup>. In 2015, the balance of Foreign Direct Investment (FDI) was €287.3 million, which represents a large increase compared to the

<sup>1</sup> CBK Quarterly Assessment of Economy, 15, Quarter II/2016. [http://bqk-kos.org/repository/docs/2015/CBK\\_Q2\\_2016..pdf](http://bqk-kos.org/repository/docs/2015/CBK_Q2_2016..pdf)

<sup>2</sup> Ibid.

<sup>3</sup> Goods account marked a decline, while services account recorded an improvement

<sup>4</sup> CBK Annual Report: 2015. [http://bqk-kos.org/repository/docs/2015/CBK\\_AR\\_2015.pdf](http://bqk-kos.org/repository/docs/2015/CBK_AR_2015.pdf)

<sup>5</sup> Source: Trading Economics & World Bank.

<http://www.tradingeconomics.com/kosovo/gross-fixed-capital-formation>

<sup>6</sup> Ibid.

<sup>7</sup> Source: Trading Economics & World Bank

<http://www.tradingeconomics.com/kosovo/gdp-per-capita>

<sup>8</sup> CBK Quarterly Assessment of Economy, 15, Quarter II/2016. [http://bqk-kos.org/repository/docs/2015/CBK\\_Q2\\_2016..pdf](http://bqk-kos.org/repository/docs/2015/CBK_Q2_2016..pdf)



value of €123.8 million in the previous year. Foreign Direct Investment received in Kosovo during 2015 amount to €324.4 million (€151.2 million in 2014)<sup>9</sup>.

Unemployment remains the most urgent challenge. The Ministry of Labour and Social Welfare (MLSW) during 2015 recorded an all-time high of 11,506 job vacancies, which represents an increase of 75.2 per cent compared to 2014. In addition to job openings, MLSW also reported to have serviced a total of 10,754 unemployed persons, of which 6,174 were mediated in regular employment and serviced through active labour market measures, which marks an increase of 32.3 per cent compared to previous year<sup>10</sup>. The current economic growth rates are considered to be by far insufficient to absorb newcomers in the labour market, an estimated inflow of 29,000 persons every year.

According to the results derived from the Labour Force Survey Q2 2016, two thirds of the population in Kosovo are in the working age population 15-64. According to the same publication, the participation rate in the workforce is 37.8 per cent. The employment rate for the second quarter (Q2) 2016 is estimated at 27.9 per cent. Employment is higher for men (42.9 per cent) while employment of women is estimated at a mere 12.6 per cent. The sectors employing the largest number of women include education, trade and health care, accounting for about 52 per cent.<sup>11</sup>

The fiscal sector was characterized with an increase of budget revenues and expenditures. As mentioned above, until June 2016, Kosovo's budget recorded a surplus of around €20.3 million, compared to a budget deficit of around €21.1 million marked in the same period of the previous year<sup>12</sup>. Budget revenues until June 2016 reached the gross value of

€756.2 million, representing an annual increase of 14 per cent. Budget expenditures reached a value of €716.4 million, representing an annual increase of 7.4 per cent.<sup>13</sup>

Public debt in June 2016 reached €821.9 million, marking a 26.6 per cent increase in public debt compared to June 2015. This represents around 13.8 per cent of GDP compared to 11.2 per cent in the same period of the previous year. This increase resulted from a 37.6 per cent increase in domestic debt (€438.3 million) and a 16 per cent increase in external debt (€383.6 million). In June 2016, domestic borrowing had a larger share than external borrowing, with 53.3 per cent of total public debt.<sup>14</sup>

The trade balance in Kosovo for the first half of 2016 showed deterioration compared to the same period of the previous year. This was a consequence of the decline in goods exported (5.6 per cent) and the increase in imports (8.3 per cent). The value of imports for first six months of 2016 reached €1.3 billion while the value of exports for the same period reached €152.4 million, representing an annual decline of 5.6 per cent.

There have been slightly positive developments in terms of average wages and minimum wage policies and both are slightly higher compared to the previous year. Average wages in Kosovo increased to €465/month in September from €462/month in August 2016. Wages in Kosovo averaged €304.78/month from 2005 until 2016, reaching an all-time high of €471.00/month in June 2016 and a record low of €168.00/month in November 2006.

The overall public budget for wages and salaries increased by 5.4 per cent and reached a value of €272.4 million.

<sup>9</sup> CBK Annual Report: 2015. [http://bqk-kos.org/repository/docs/2015/CBK\\_AR\\_2015.pdf](http://bqk-kos.org/repository/docs/2015/CBK_AR_2015.pdf)

<sup>10</sup> Ministry of Labor and Social Welfare. Annual Report 2015: Labor and Employment. [https://mpms.rks-gov.net/Portals/0/ShpalljePublikime/raporti\\_anlisht\\_20.12.2016.pdf](https://mpms.rks-gov.net/Portals/0/ShpalljePublikime/raporti_anlisht_20.12.2016.pdf)

<sup>11</sup> 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>.

<sup>12</sup> CBK Quarterly Assessment of Economy, 15, Quarter II/2016. [http://bqk-kos.org/repository/docs/2015/CBK\\_Q2\\_2016..pdf](http://bqk-kos.org/repository/docs/2015/CBK_Q2_2016..pdf)

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.



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 <sup>15</sup>	170
2014	450-460	170
2015	450-460	170
2016	449 - 471	170

According to the Kosovo Statistics Agency the net salary of most Kosovo employees is €300-400 per month.<sup>16</sup> While in the last meeting of the Social Economic Council (SEC), the minimum wage was discussed, no concrete recommendation to change it has been made public by this body. So until there is a new decision, it can be assumed that the Ministry of Labour and Social Welfare (MLSW) will decide to extend the same level of minimum monthly pay (€130 for youth and €170 for persons over age 24). 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 the (reference) minimum wage; hence, any increase in the minimum wage also impacts other schemes' budget (i.e. social assistance, some pensions, etc.).

The poverty rate in Kosovo is assessed as high, with around 29.7 per cent of the total population of 1.85 million living below the national poverty line of €1.00 per day.<sup>17</sup> Extreme poverty is also assessed to be quite high, at around 10.2 per cent of the population.<sup>18</sup>

## 2. STATE POLICIES AND LEGISLATION

Kosovo's government and specifically the Ministry of Labour Social Welfare (MLSW) has had a busy legislative agenda, with several basic laws being amended in 2016. Several additional pieces of legislation have been initiated, aimed at regulation of fields that cur-

rently remain either unaddressed or improperly or partially addressed with existing legislation. Most of these initiatives remained within the MLSW and have not been advanced to either the government level for approval or to parliament for an official vote. With regards to major developments in labour and social legislation, the most notable processes include the Amendments to the Labour Law and the Law on the Social Economic Council (SEC), as well as the Law on Basic Pension Schemes. The Law on Social Enterprises, the Law on Qualification and Employment of Persons with Special Needs, and the Law on Unemployed, Job-seekers and Employers were also initiated. Given the slow legislative agenda during 2016, due to opposition boycotts and blockages, these laws are not expected to pass parliament anytime soon.

Regarding maternity leave provisions, which have been the primary reason for the amendment of the Labour Law, the last publicly known position of the MLWS has been that the leave should be shortened from the current twelve months to nine months, with half of the period paid by the employer and half by the public budget.<sup>19</sup> Civil society has also made several recommendations, including renaming it to parental leave, hence also making it available to fathers and completely removing the burden from employers, as the most viable solution to protecting women's rights. Given that most of the objections and difficulties coming from the private sector relate to the economy's structure (micro-sized enterprises), such as

<sup>15</sup> National Average income as per Trading Economics Open Data Portal. <http://www.tradingeconomics.com/kosovo/wages>

<sup>16</sup> Kosovo Statistics Agency. Labour Force Survey 2014. June 2015. <file:///C:/Users/kushtrim.shaipi/Downloads/RE-ZULTATE%20E%20ANKETES%20SE%20FUQISE%20PU-NETORE%202014%20NE%20KOSOVE.pdf>

<sup>17</sup> UNDP Kosovo portal <http://www.ks.undp.org/content/kosovo/en/home/countryinfo.html>

<sup>18</sup> The World Bank Group in Kosovo. Country Snapshot. April 2015.

<http://www.worldbank.org/content/dam/Worldbank/document/eca/Kosovo-Snapshot.pdf>

<sup>19</sup> IKS Policy Paper on maternity



the firms' ability to pay the lengthy period foreseen by the existing legislation, the recommendations to find alternative solutions to financing instead of reducing the length should be considered as the most reasonable means to achieve the objective – protection of women in the labour market.

Other laws amending labour-related policies are the Law on the SEC, initiated by the MLSW upon the request of the SEC itself. The outcome is not known at this point but the process has advanced significantly and during the first quarter of 2017 the amendment is expected to be sent to the government and then go to parliament for adoption.

In December 2015, Kosovo formally joined the European Qualification Framework, regulating professions in the labour market. In addition, adoption of the Law on Ratification of the Stabilization and Association Agreement (SAA) with the EU also impacts labour market policies. Under this law, the Acquis of the EU towards third-country nationals will be applied for Kosovo citizens. On the other hand, Kosovo will also grant nationals of EU member states reciprocal rights to work in Kosovo equal to those for Kosovars to work in the EU.<sup>20</sup>

### 3. INDUSTRIAL RELATIONS

There is only one trade union confederation in Kosovo, the Union of Independent Trade Unions of Kosovo (BSPK), which celebrated its 25th anniversary in 2015. It is the only employee organization represented in the SEC, 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. The trade union movement in Kosovo, which according to an ILO publication on the background of social dialogue in Kosovo<sup>21</sup> had shown a decline in the period 2000-2014, had a revival of sorts in 2016. The Election Congress at the confederation level, paired with

statutory changes expected, spurred some dialogue between the Confederation and the branches currently not paying fees to it. The failure to organize the election at the Congress in November 2016, as initially announced, has been largely criticized and is considered a step back in the progress made so far in reaching a unified trade union front.

The criteria for recognition of trade unions are regulated by Law No. 04/L-011 on Trade Unions. According to this law (Article 12), workers' organizations (associations, federations and confederation unions) must apply to be recognized/registered at the Ministry of Labour and Social Welfare so they are considered 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 associations with 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 can be 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 but two new initiatives (one in banking and one in the arts sector) have been undertaken in 2016 for establishing trade unions that also cover the private sector. The lack of presence of trade unions in the private sector is also seen as one of the most prominent obstacles to meaningful social dialogue and collective bargaining by the ILO<sup>22</sup>, which noted a complete absence of representation at the company level. Trade union organizational structures are outdated, which together with ineffective leadership, are the primary cause behind their inability to

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<sup>20</sup> Law # 05/L -069 On Ratification of the Stabilization Association Agreement between the Republic of Kosovo and the European Union and the European Atomic Energy Community  
<http://www.kuvendikosoves.org/common/docs/ligjet/05-L-069%20sh.pdf>

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<sup>21</sup> International Labour Organization. Background Document on Social Dialogue and Trade Union Development. Prishtina. K. Shaipi. July 10, 2015.

<sup>22</sup> International Labour Organization. Collective Bargaining Law and Implementation Gap: Analysis of possible gaps in the existing legal, institutional and practical frameworks of collective bargaining at various levels, in particular national and sectoral levels. K. Shaipi. Prishtina, March, 2016.



effectively represent the interests of wage earners.

Trade union coverage of workers in the public sector is relatively good but two of the biggest federations (Healthcare and Education) are formally disengaged from the confederation, also creating 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 employers' level, where aside from the Kosovo Chamber of Commerce there are no other formal employers' organizations at the national level. The presence of Kosovo Business Alliance at the level of 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, in which aside from a handful of active sectoral associations, most branches of the economy remain unrepresented at the national level bargaining.

Representation at the workplace level (except for isolated cases such as the Wave 1 privatization enterprises) is totally absent in Kosovo. This situation is a reflection of the altogether dismissive attitude and perception by the private sector regarding collective bargaining, trade unions and social dialogue.

#### **4. TRIPARTITE SOCIAL DIALOGUE**

Tripartite social dialogue in Kosovo is organized through the Social Economic Council, which is an independent three-party institution 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 overall functioning. It also determines the terms and conditions of social partners represented in this three-party institution.<sup>23</sup> 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 the most problematic needed revisions regard the representation gap, which has also been recommended in

consecutive EU Progress Reports, has remained unchanged.

The composition of the SEC changed in 2015. The institution's membership is comprised of several government ministries (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 bargaining and annual work plans, which have been monitored and self-assessed for measuring progress. This revival has been largely due to the support of civil society projects, of which Friedrich-Ebert-Stiftung Pristina has also been an active partner.

#### **5. 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 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, which was expected to be put to a vote and approved as the official strategy of the confederation in a Congress foreseen for November 2016. It remains unknown when the Congress will be actually held.

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<sup>23</sup> EuroFound. Industrial Relations in SEE. Kosovo Report. 2011.



## ANNEX OF DATA

- **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 general collective agreement signed in 2014, before the last national election, continues to be ignored by the government and private sector alike. The signatories of the Collective Agreement including the current President (former Prime Minister), current head of BSPK and Employer Organizations.

- **System of tripartite social dialogue**

The Social Economic Council is the body responsible for 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 security is covered through three pension pillars: i) the basic pension scheme;<sup>24</sup> ii) compulsory pension savings; and iii) supplementary personal savings. The second pillar of the pension 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 paid by

the employer and employee).

Kosovo is yet to functionalize its health insurance scheme but citizens can receive healthcare services on three levels of 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 is yet to be functionalized.

- **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, with results published in 2016, placed the Kosovar students in the third worse position from all seventy-two places where the test was administered.

The public vocational education system has been established with large support from donors but it has not yet been consolidated. The National Qualifications Authority, the body responsible for vocational qualifications, is operational and has fully aligned the National Framework with the European Qualification Framework. The Vocational and Educational Training (VET) system is still under reform and has started strengthening its position in the educational system. This component of education is foreseen in an Adult Learning Strategy and the amended Law on Adult Education noted above.<sup>25</sup> The vocational training system is comprised of two types of institutions, namely formal and non-formal education. The formal VET system includes all professional/vocational high schools that are part of the public school network and targets students that have completed elementary school (regular enrolment procedures after 9<sup>th</sup> grade). The non-formal VET system is comprised of 11 VET centres that are administered by MLSW and target job seekers registered with Centres for Unemployment. While the former offers 3 to 4 years of formal education, the latter offers only short-term vocational courses that can last up to three months.

<sup>24</sup> Basic pension scheme distinguishes between contributing and non-contributing pensioners.

<sup>25</sup> Law on Adult Education and Training #.02/L-24, 07 September 2005. [www.kuvendikosoves.org](http://www.kuvendikosoves.org)



## • Employment rate

Description	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total employment rate</b>	n/a	25.2% <sup>26</sup>	26.9% <sup>27</sup>	28.4% <sup>28</sup>	25.5% <sup>29</sup>	22.4% <sup>30</sup>	n/a	26.1%	24.1%	26.1%	28.7%
<b>Female employment rate (15-64) (%)</b>	n/a	11.5% <sup>31</sup>	12.5% <sup>32</sup>	12.9% <sup>33</sup>	10.7% <sup>34</sup>	5.2% <sup>35</sup>	n/a	12.5%	10.5%	12.7%	11.8%
<b>Male employment rate (15-64) (%)</b>	n/a	38.7% <sup>36</sup>	41.3% <sup>37</sup>	44% <sup>38</sup>	39.9% <sup>39</sup>	n/a	n/a	39.7%	37.7%	40.1%	46.1%
<b>Employment rate of older workers (55-64): share of population aged 55-64 that is in employment (%)</b>	n/a	n/a <sup>40</sup>	n/a	n/a	n/a	n/a	n/a	27.9%	23.8%	24.6%	26.3%

## • Unemployment rate

Description	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total unemployment rate</b>	n/a	32.9% <sup>41</sup>	35.3% <sup>42</sup>	30% <sup>43</sup>	30.9%	44.8%	n/a	45.4%	47.5%	43.6%	44.9%
<b>Female</b>	n/a	36.5% <sup>44</sup>	n/a	39% <sup>45</sup>	40%	36% <sup>46</sup>	n/a	56.4%	59.6%	55.2%	61.6%
<b>Male</b>	n/a	31.8% <sup>47</sup>	n/a	26% <sup>48</sup>	28.1%	n/a	n/a	40.7%	42.7%	38.5%	34.6%
<b>Unemployment rate of persons &lt; 25 years:</b>	n/a	57.7% <sup>49</sup>	~55% <sup>50</sup>	55%	55.3%	n/a	n/a	73.0%	73.0%	70.0%	75.5%
<b>Long-term unemployment rate:</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	37.1%	38.9%	37.1%	41.1%

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> 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>

<sup>29</sup> Labour force Survey 2, 2012.

<sup>30</sup> Census data available at: [http://esk.rks-gov.net/rekos2011/repository/docs/Final%20Results\\_ENG.pdf](http://esk.rks-gov.net/rekos2011/repository/docs/Final%20Results_ENG.pdf)

<sup>31</sup> [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](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)

<sup>32</sup> Ibid.

<sup>33</sup> 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>

<sup>34</sup> Labour force Survey 2, 2012.

<sup>35</sup> Census data available at: [http://esk.rks-gov.net/rekos2011/repository/docs/Final%20Results\\_ENG.pdf](http://esk.rks-gov.net/rekos2011/repository/docs/Final%20Results_ENG.pdf)

<sup>36</sup> [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](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)

<sup>37</sup> Ibid.

<sup>38</sup> 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>

<sup>39</sup> Labour force Survey 2, 2012.

<sup>40</sup> Ibid.

<sup>41</sup> Ibid.

<sup>42</sup> National Unemployment rate as per Trading Economics Open Data Portal. <http://www.tradingeconomics.com/kosovo/unemployment-rate>

<sup>43</sup> National Unemployment rate as per Trading Economics Open Data Portal. <http://www.tradingeconomics.com/kosovo/unemployment-rate>

<sup>44</sup> [http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata\\_\\_Labour%20mark](http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata__Labour%20mark)

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<sup>45</sup> The World Bank Group in Kosovo. Country Snapshot. April 2015.

<http://www.worldbank.org/content/dam/Worldbank/document/eca/Kosovo-Snapshot.pdf>

<sup>46</sup> % of female among the unemployed.

<sup>47</sup> [http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata\\_\\_Labour%20mark](http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata__Labour%20mark)

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<sup>48</sup> The World Bank Group in Kosovo. Country Snapshot. April 2015.

<http://www.worldbank.org/content/dam/Worldbank/document/eca/Kosovo-Snapshot.pdf>

<sup>49</sup> [http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata\\_\\_Labour%20mark](http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata__Labour%20mark)

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<sup>50</sup> The World Bank Group in Kosovo. Country Snapshot. April 2015.

<http://www.worldbank.org/content/dam/Worldbank/document/eca/Kosovo-Snapshot.pdf>

- **Average monthly salaries**

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

- **Gender pay gap**

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

- **Monthly minimum wage**

The minimum wage in Kosovo has been set at €130/month for youth and €170/month for those older than age 24.

- **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, with 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 large 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 to a higher level compared to the labour law have not been implemented to date. In the private sector, employees are completely unprotected, as employers also 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 to assess in Kosovo. Most former socially-owned enterprises where trade union presence had been the highest do not exist anymore; hence, their active membership is unlikely. However, the trade unions continue to consider these persons as part of their membership, thereby reporting higher presence/density than exists 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<sup>51</sup>. 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.

- **Trade unions**

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 have sought higher salaries. Leaders of trade unions usually blame one another for continuing failures to organize employees. In the last decade, the 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 with trade union presence in the private sector as over 90 per cent of Kosovo companies are micro enterprises with less than 10 employees.

Name of Trade Union Confederation	International Affiliation
Bashkimi i Sindikatave të Pavarura të Kosovës (BSPK) / The Union of Independent Trade Unions of Kosovo	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 Energjistikës 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 Banesore 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

<sup>51</sup> American Chamber of Commerce in Kosovo. Horizon Newsletter. <http://www.amchamksv.org/horizon/>



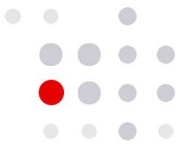
Sindikata e Pavarur e Agrokompleksit të Kosovës / Independent Agrocomplex Trade Union of Kosovo	EFFAT
Sindikata e Pavarur e Ndërtimtarisë / Independent Trade Union of Construction Workers	
Sindikata e Pavarur Ekonomia e Vogël dhe Zejtaria / Independent Trade Union of Small Enterprises and Craftsmanship	
Sindikata e Pensionistëve dhe Punëtorëve Invalidor të Kosovës / Trade Union of Pensioners and Invalid Workers 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 <sup>52</sup>	
Oda Amerikane e Tregtisë në Kosovë / American Chamber of Commerce in Kosovo	167 <sup>53</sup>	Accredited by the US Chamber of Commerce
Aleanca Kosovare e Bizneseve / Alliance of Kosovar Businesses	9,500 <sup>54</sup>	

<sup>52</sup> Source: <http://www.itg-rks.com/sq/Oda-Ekonomike-e-Kosoves>. It is estimated that it has about 10% paying members.

<sup>53</sup> Source: <http://www.amchamksv.org/horizon/>

<sup>54</sup> 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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