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KOSOVO

By Kushtrim Shaipi

Socio-economic developments

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Forecasts

Annual Review

of Labour Relations and Social Dialogue

State policies

Tripartite social dialogue



Annual Review 2018

of Labour Relations and Social Dialogue

Kosovo / By Kushtrim Shaipi


- 2018 will be remembered in Kosovo as the year of tensions and abrupt decisions that have caused overall major political uncertainty. It began with the gunning down of the Kosovo Serb opposition leader Oliver Ivanovic in January in North Mitrovica. On the Kosovo Albanian political spectrum, following the demonstrative departures of some of the key figures within Vetevendosje! leadership and them forming a new parliamentary group with twelve MPs under the flag of the Kosovo Social-Democratic Party, political forces had been redistributed. The fragmented government relying on the Belgrade-backed Lista Srpska to create a fragile parliamentary majority has thus been able to maintain power, though often with clear divisions on major issues within the government coalition.
- The largely ineffective 100+ government of Ramush Haradinaj faced a really challenging task of attending to ongoing processes and responding to emergencies. The government spending has been labelled reckless and civil society criticism has been on the rise. The government committed Kosovo society to long-term contractual arrangements and debt while spending millions to pay for its increased staff and payroll. The government signed a contract with Contourglobal - a US based company that is to construct the new 500 MW coal-based power plant. Additionally, the Prime Minister gave additional funding to Bechtel-Enka for the construction of the Prishtina-Skopje highway that cost Kosovo taxpayers an extra 63 million EUR.
- In the international front, Kosovo's statehood faced significant challenges during 2018. Remaining one of the last countries in Europe outside the 'so-called' White-Schengen list (despite the European Commission's and the EU Parliament's positive evaluation of standards set forth for Kosovo) has led to major public and political disappointment. Kosovo efforts to join Interpol have also lacked success due to an aggressive Serbian campaign against it. The aggressive campaign of the latter to convince countries that have recognized Kosovo to withdraw their recognitions (successful in the some peripheral countries), angered the Kosovo Government, which imposed a 100 per cent import tax on all Serbian and Bosnian products, announcing an all-out trade war. PM Haradinaj has pledged to maintain this broadly-endorsed enacted decision until Serbia and Bosnia recognize Kosovo. Both countries have written letters to EU institutions and the CEFTA secretariat and received their sympathy but have been unsuccessful in reversing the Kosovo government's decision, which remains in place. While such actions were considered a dialogue-breaker, in December US president Trump sent a letter to President Hashim Thaqi, and President Aleksandar Vucic of Serbia to intensify efforts and reach an overarching agreement in the near future. The biggest successes of Kosovo internationally came from sports, by both individual Kosovar athletes (i.e. judo, karate) and team sports (soccer and basketball) as well as artists.
- In terms of labour relations, 2018 was one of the bloodiest, particularly for the construction sector in which twenty-two persons lost their lives at the workplace. With the political support of the Minister of Labour and Social Welfare, Mr. Skender Recica, the Labour Inspectorate visited construction sites in Prishtina and closed down over one hundred of them due to the lack health and safety standards. Several deaths have also been recorded among the Kosovo Police members, who to date remain without life and invalidity insurance. Another major process/matter related to social protection schemes regards the lists of war veterans, for which there is already a criminal case involving twelve high-level officials involved in the verification process, as a result of which over 60,000 persons have obtained veteran status.
- December brought about threats of a strike by the Education Trade Union over the law for their contribution during the parallel system in the 1990s. The Healthcare Trade Union already engaged in a strike demanding higher pay.



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Socio-economic developments

Kosovo showed stability and maintained a positive growth rate in 2018. According to the Quarterly Assessment (QA) by the Kosovo Agency of Statistics (KAS), real GDP growth rate “marked an annual increase of 4.7 per cent in Q2 2018, which basically was supported by the increase of consumption and investments”. The Eurozone economy lost traction in the third quarter, growing at the slowest pace since Q2 2014¹, which may also be attributed to the reported decrease in exports recorded in Kosovo. This can be also identified as one of the principal causes of the slowdown of economic activity, which according to the CBK “only in September 2018 was marked by a decline of 1.0 per cent of goods export to the euro area”.² During 2018, Kosovo also experienced a decline in FDI with only around EUR 120 million, marking a 43 per cent decline as compared to the previous year. The latest Western Balkans Regular Economic Report of the World Bank estimates growth for the Western Balkan region at 3.5 per cent for 2018. With growth rates varying from 2.5-4 per cent, the Balkan countries have reported “higher but fragile growth”. The same source forecasts the annual growth rate for Kosovo at 4.2 per cent³, marking one of the highest rates in the region.

The Ministry of Finance forecast the Kosovo budget revenues for 2018 at EUR 1.83 billion and annual expenditures at EUR 2.09 billion.⁴ However the actual budget revenues at EUR 1.3 billion (a 5.7% annual increase) and expenditures at EUR 1.29 billion (annual increase of 10.4%). According to the CBK, “Despite the fact that the increased rate of expenditures was higher compared to the increase of revenues, Kosovo’s budget marked a primary budgetary surplus of EUR 9.2 million (a surplus of EUR 60.8 million in the same period of 2017)”.⁵ The same source reported that public debt increased by around 3.8 per cent, reaching a total of EUR 1.08 billion in Q3 2018. This brings the level of public debt in Kosovo at 16.9 per cent of GDP by the end of the third quarter of 2018, as compared to 15.7 per cent as it was in the same quarter of 2017.

Similarly to 2017, consumer prices recorded an inflation rate of 1.4 per cent, with the Consumer Price Index reaching the rate of 0.7 per cent by September 2018. Import prices also recorded an increase during 2018, with the Imports Price Index reaching 0.9 per cent. The Kosovo Statistics Agency, in its Harmonized Index of Consumer Prices identifies the following subgroups of

commodities to have contributed to the overall increase: bread and cereal (4.2%); milk, cheese and eggs (0.6%); oils and fat (1.1%); vegetables (3.5%); sugar, marmalade, honey, chocolate and cakes (1.1%); firewood for heating (3.6%); audio-visual, photographic information processing equipment (1.4%), with a common impact of these subgroups by 0.8 percent in the HICP.⁶

By the end of the third quarter, The Gross Domestic Product in Kosovo increased by 3.4 per cent, following 4.7 per cent growth in the previous quarter. On the other hand, both household consumption (8.4% from 4.4% in Q2) and fixed investment (24.6% from 12.2%) advanced faster. Similarly to previous years, trade has negatively affected growth, as exports fell and imports grew as compared to previous quarters: 4,068.21 US dollars in 2017. According to Trending Economics, the GDP per capita in Kosovo represents 32 per cent of the world’s average. The GDP per capita average in the period 2000-2017 for Kosovo is calculated by the same source to be 3,120.72 USD, with 2017 representing the all-time highest rate at 4,068.21 USD in 2017.⁷

Unemployment is universally considered to be among the most pressing problems that the country faces. The population is young and about two-thirds of the population are within labour market entry age (16-25 years) where the participation rate is estimated at around 40 per cent for the second quarter of 2018. The percentage of NEET youth is recorded at 32 per cent by the KSA Labour Force Survey for the third quarter. The same publication reported the workforce participation rate at 42.0 per cent. Within this generally low participation, the third quarter recorded an employment rate of 29.1 per cent.⁸ The inactive workforce is particularly problematic (especially among women, where the inactive work-age population comprises 80.7 per cent). Women tend to find employment primarily in education, retail and healthcare, while men mostly find employment in trade, production and construction. The services sector as well as employment in the public sector represent a significant portion of employment for both men and women. The least employed age-group are youth (15-24), 55.0 per cent of whom are unemployed.

The International Trade Statistics of KSA⁹ up until November 2018 evidenced a higher deficit as compared to the same period of previous year, or a net difference of

¹ Focus Economics. Eurozone: Growth falls to over four-year low in Q3. Available at: <https://www.focus-economics.com/countries/eurozone/news/gdp/growth-falls-to-over-four-year-low-in-q3>

² Kosovo Central Bank. Quarterly Assessment of Macroeconomic Developments No. 24, Q III/2018. Available at: https://bqk-kos.org/repository/docs/2018/CBK_Q3_2018_Macroeconomic%20developments.pdf

³ The World Bank. Press Release: Growth in Kosovo Maintains a Positive Momentum, Says World Bank. October 4, 2018. Available at: <http://www.worldbank.org/en/news/press-release/2018/10/04/growth-in-kosovo-maintains-positive-momentum-says-world-bank>

⁴ Ministry of Finance, GIZ, Information for Citizens. Kosovo Budget 2018. Available at: <https://mf.rks-gov.net/desk/inc/media/8DC57ADD-E3B2-4C8E-96A6-0804D58B181D.pdf>

⁵ Kosovo Central Bank. Quarterly Assessment of Macroeconomic Developments No. 24, Q III/2018. Available at: https://bqk-kos.org/repository/docs/2018/CBK_Q3_2018_Macroeconomic%20developments.pdf

⁶ Kosovo Statistics Agency. Harmonized Index of Consumer Prices. Available at: <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/harmonized-index-of-consumer-prices-november-2018>

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

⁸ Kosovo Statistics Agency. Series 5: Social Statistics Labour Force Survey Q3 – 2018. <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/labour-force-survey-in-kosovo-q3-2018>

⁹ Kosovo Statistics Agency. International Trade Statistics, November 2018. Available at: <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/international-trade-statistics-november-2018>

EUR 9.7 million (4.2% difference), with only 12.6 percent of imports being covered by exports. Both imports (5.5%) and exports (15.4%) experienced growth in November 2018 as compared to the previous year, with net worth of EUR 274.9 million and EUR 34.7 million respectively.

Wages have experience positive growth during the past year, reaching an all-time average peak of EUR 526/month during June 2018. The average wage in Kosovo for the

period 2005-2018 has slightly increased reaching EUR 325.06/month for the entire period. The historic low level of wages remains that of November 2006 when the average was only EUR 168/month.¹⁰ The overall public budget for wages and salaries increased as compared to previous year from EUR 566 million to EUR 589 million.¹¹ The table below shows the official statistics from the Kosovo Agency of Statistics regarding gross and net wages for all sectors since 2012.¹²

Net and Gross Wages according to Sector for the period 2012- 2017, in EUR.

Year	Average Wage		Public Sector		Private Sector		POEs		Public Sector and POE	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2013	444	393	415	356	367	333	549	491	446	403
2014	482	430	465	408	358	326	624	556	511	459
2015	510	451	511	441	367	333	651	578	542	486
2016	519	457	525	449	371	337	660	586	549	492
2017	528	471	532	474	384	348	667	592	551	493

According to the Kosovo Statistics Agency the net wage of most Kosovo employees is EUR 300-500/month. There are no visible differences in pay between men and women. There were no changes regarding the minimum wage policy and its application and it remains at the level of EUR 170. One of the most frequent arguments presented in favour of maintaining the current minimum wage has been its linkage to social protection and pension schemes, implying that any increase in the minimum wage would exponentially reflect across all other schemes (i.e. social assistance, some pensions, etc).

The poverty rate in Kosovo is assessed to be high and historic data indicate that it has continuously dropped in the period 2012-2015 at the national level, starting from 22.9 per cent to finish with 17.6 per cent at end of this period.¹³ The same source indicates that the extreme poverty has also been shrinking in the period 2012-2015 from the initial 8.1 per cent to 5.2 per cent of the population.¹⁴ No recent data on the poverty and extreme poverty rate has been available at the time of drafting this report.

¹⁰ Trending Economics. Kosovo Average Monthly Wages 2005 -2017. <https://tradingeconomics.com/kosovo/wages>

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 Kosovo Statistics Agency. Wage Levels in Kosovo 2012 – 2017. Available at: <http://ask.rks-gov.net/media/4368/niveli-i-pagave-n%C3%AB-kosov%C3%AB-2012-2017.pdf>

¹³ The World Bank Group, UK Aid, and ASK. Consumption Poverty in the Republic of Kosovo in the period 2012-2015. Available at: <http://ask.rks-gov.net/media/3186/stat-e-varferise-2012-2015.pdf>

¹⁴ Ibid.

State policies

The legislative agenda during 2018 has been marked by a relatively slow pace. Both the fragmented executive and the dysfunctional parliament, that rarely was able to have a quorum to convene its actions, were the reason behind the slow pace. Lack of inter-ministerial cooperation and coordination, particularly regarding policies involving more than one sector, have been particularly challenging. Most of the legislative change initiatives initiated in previous periods have remained in place and the past proposal of reforming the pension schemes financed by the state has been recycled by the MSLS. With regards to major developments to labour and social legislation, the most notable processes include the Amendment to the Labour Law and the Law on the Social Economic Council (SEC) to which no progress has been made. During 2018 the parliament ratified two

agreements on social security benefits with Switzerland and Belgium. It is believed that the issue of social security coordination (similar to that with Switzerland and Belgium), affects around 30,000 Kosovars.

Another policy axis where progress has been made regards the transposition of EU legislation (directives) on labour and employment and health and safety at workplace, which by the end of 2018, were all transposed into Kosovo legislation. Their implementation however remains pending and ineffective. The lenient implementation of new administrative instructions that transposed the EC directives is also evidenced in the EC progress report which states, "On health and safety at work there have been new regulations issued but the implementation is ineffective".¹⁵

Industrial Relations

The situation at the Union of Independent Trade Unions of Kosovo (BSPK) remains similar to the previous year. The change in BSPK leadership following the congress and the election process during the congress, did not bring about major change. BSPK remains the only employee organization represented in the Socio-Economic Council, the tripartite body designated to facilitate social dialogue at central level. At the regional level, there are 18 trade unions registered with the appropriate authorities. Public sector trade union federations have in several occasions threatened with or engaged in short-term strikes. Federations in public administration, healthcare and education were among the federations that engaged in such actions during 2018. It remains unclear how the disagreements between BSPK and federations regarding the statute of the confederation will be resolved and it remains unclear whether dues are being paid by all federations.

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 Labor and Social Welfare in order to be 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.

Representation at the workplace remains marginal. This is largely due to the minimal presence of trade unions in the private sector. No concrete steps have been taken to establish trade union presence (even in high-risk sectors such as construction) despite the numerous reported violations of the rights. The violations also included a death toll of 23 persons reported for 2018. Lack of social justice, a collective bargaining system, employee representation, and selectively functional judiciary and rule of law in general, are among the most notable reasons why trade unions have not been able to establish a presence in the private sector. The employers where the employees have died at their workplaces were fined between EUR 2,000 and EUR 10,000, thus causing further leniency of companies to invest in health and safety and provide decent and dignified conditions of work.

Civil society organizations organized a civic protest bringing attention to the high number of deaths at the workplace and despite media coverage little action has been seen from the authorities. High unemployment and readiness to work for low salaries motivated by widespread poverty also represents a serious challenge to implementation of the law and achieving European standards of dignified labour. About 30 percent of workers in Kosovo¹⁶ do not have any rights, while those employed through formal contracts find it immensely difficult to realize in practice any of their rights to dignified work. The Inspectorate was the only one to take action and under public pressure carried out inspections of

¹⁵ 2018 EU Progress Report for Kosovo. Available at: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-kosovo-report.pdf>

¹⁶ Estimated size of the informal economy.

construction grounds and revoked the operations of over 100 companies for failure to comply with safety standards. The European Commission through its 2018 Progress Report for Kosovo, recommended similar measures, clearly stating its recommendation for this course of action: “In 2017, there was an increase in workplace accidents, of which 14 out of 50 were fatal, mainly in the construction and services sector. The Labour Inspectorate needs to target the informal part of the construction sector more effectively and to be given adequate resources to fulfil its mandate without further delay”.¹⁷

In addition to the construction industry, transportation and hospitality have also frequently reported employee rights violations. Working without contracts, lengthy hours and denial of holiday and leave days are among the most common violations. The only segments of the private sector with trade union coverage remain the former social or public enterprises where previous structures have maintained a presence. This situation testifies to the dismissive attitude on the part of the private sector regarding collective bargaining, trade unions and social dialogue.

Public sector coverage of trade unions is relatively good. Branch federations have now formally returned to BSPK but the future functioning of the current arrangements remain

to be seen. The lack of representation of private sector workers in the tripartite social dialogue at the central level creates a serious distortion and representation gap. A similar situation is encountered also at the employers' side, where representation gaps have been noted on multiple occasions. The BSPK, with the support of local and international organizations, successfully developed its five-year strategic plan in 2016, which according to what is visible from the outside is not being implemented according to its planned time frame.

The Kosovo Chamber of Commerce is the only formal employers' organization at the national level defined as such by law. It has gone through election of its structures during 2018 and elected new management and board for a five-year term. The Kosovo Business Alliance is also member at the level of SEC but it is legally registered as a non-governmental organization, organized in the form of a business association. Effective employer representation can also be reported at the branch/sector level, and sectoral associations in most sectors have failed to rally broad sectoral support and membership. The exception have been a handful of active sectoral associations, such as in wood processing, ICT, and apparel that have been more effective in representing sectoral interests and attracting a broad membership base.

Tripartite social dialogue

The Social Economic Council (SEC) is an independent tripartite entity that undertakes consultation at the national level and is the only body mandated to facilitate tripartite social dialogue in Kosovo. 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 describes the mandates and representation terms for social partners represented in this body. The Law on the council is in the process of being amended but the most problematic needed revisions concern the representation gap, which have also been recommended in consecutive EU Progress Reports. These gaps remain intact.

The last time that the SEC membership changed was in 2015. The only members that have changed are those representing the government ministries (the Ministries of Labour and Social Welfare, Finance, Education, Science and Technology, and Health), while trade unions (five representatives from the BSPK) and employer associations (the Kosovo Chamber of Commerce, with three members, and the Kosovo Business Alliance, with two members) have remained the same. The last recorded meeting of the SEC was in June 2018 and the general tempo of work at the SEC has dropped significantly due to the general political situation in the country and the broad government coalition.

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: the Labour Law, where the most problematic aspect remains the regulation of maternity leave where civil society and women groups have demanded that a six-month paid leave at the level

of 70 per cent of the average wage is to be paid by the government; the Law on SEC where the most notable issues arise in terms of re-defining the membership criteria and re-organization of this body; and the Law on Pensions about which civil society has publicly objected to the recycling of the old proposals (old concept document) on reform of the pension schemes.

¹⁷ 2018 EU Progress Report for Kosovo. Available at: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-kosovo-report.pdf>

Annex - Information About:

- Collective Bargaining System

A collective bargaining system exists in Kosovo but it 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 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; 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 disregarded by the government.

- Social security systems

The only social risks covered by the social security system in Kosovo are old age and maternity. Old age is covered through the three pension pillars: i) the basic pension scheme¹⁸, ii) compulsory pension savings, and iii) supplementary personal savings. Contributions for pensions for those who have contributed to the previous system have been established by the government as a temporary buffer. 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 Bank of the Republic of Kosovo. Contributions to the compulsory pension scheme are equally paid by employers and employees (5 per cent of gross salary paid by both the employer and employee).

During 2018, the Haradinaj Government formally established the Health Insurance Fund and appointed Fatmir Plakiqi as its chairman. However, being that no announcements have been made regarding the collection of health insurance contributions, it remains to be seen when and how the health insurance fund will be functionalized. Citizens continue to receive healthcare services on three levels of the public healthcare system. Co-payment for services is applied for all services in the public health service providers, but exemptions from co-payment are made for a broad range of social categories.

- Education and vocational training

The education system in Kosovo is still characterized by insufficient resources and relatively low quality education. In 2018 the PISA testing took place for the second time in Kosovo but its results have not been published. The first ever such test completed in 2015 placed the Kosovar students in the third worst position from all 72 places where the test was conducted. The World Bank Human Capital Index recorded that Kosovo students up to the age of 18 are deprived on average of 5.1 years of education, namely receiving only 7.7 effective years of education. The public vocational education system (VET) 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 Ministry of Labour and Social Welfare and target jobseekers registered with the Centres for Unemployment. While the former offers 3-4 years of formal education, the latter offers only short vocational courses that can last up to three months. There is a national Qualification Framework in place, which is completely compliant to the European Qualification Framework and is applicable to all public and private training providers in order to have recognizable/accredited training.

¹⁸ Basic pension scheme distinguishes between contributing and non-contributing pensioners.

- Employment rate

Description	2018	2017	2016	2015	2014
Total employment rate	29.1% ¹⁹	29.9% ²⁰	28% ²¹	25.2%	26.9% ²²
Female employment rate (15-64) (%)	12.6% ²³	n/a	n/a	11.5%	12.5% ²⁴
Male employment rate (15-64) (%)	45.6 % ²⁵	n/a	n/a	38.7%	41.3%
Employment rate of older workers (55-64):	n/a	n/a	n/a	n/a ²⁶	n/a

- Unemployment rate

Description	2018	2017	2016	2015	2014
Total unemployment rate	30.7% ²⁷	30.6%	27.5%	32.9%	35.3%
Female	34.8 % ²⁸	n/a	n/a	36.5% ²⁹	n/a
Male	29.5 % ³⁰	n/a	n/a	31.8% ³¹	n/a
Unemployment rate of persons < 25 years:		n/a	n/a	57.7% ³²	~55% ³³

- Average monthly salaries

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

¹⁹ Kosovo Statistics Agency. Series 5: Social Statistics Labour Force Survey Q3 – 2018. <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/labour-force-survey-in-kosovo-q3-2018>

²⁰ https://bqk-kos.org/repository/docs/2017/CBK_Q3_2017_Engl.pdf

²¹ Ibid.

²² Ibid.

²³ Kosovo Statistics Agency. Series 5: Social Statistics Labour Force Survey Q3 – 2018. <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/labour-force-survey-in-kosovo-q3-2018>

²⁴ Census data available at: http://esr.rks-gov.net/rekos2011/repository/docs/Final%20Results_ENG.pdf

²⁵ Kosovo Statistics Agency. Series 5: Social Statistics Labour Force Survey Q3 – 2018. <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/labour-force-survey-in-kosovo-q3-2018>

²⁶ Ibid.

²⁷ Kosovo Statistics Agency. Series 5: Social Statistics Labour Force Survey Q3 – 2018. <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/labour-force-survey-in-kosovo-q3-2018>

²⁸ Ibid.

²⁹ http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata__Labour%20market__Annual%20labour%20market/ifs01.px/table/tableViewLayout1/?rxid=eac7fcee-001a-45cd-b94a-e61c7f0c376c

³⁰ Kosovo Statistics Agency. Series 5: Social Statistics Labour Force Survey Q3 – 2018. <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/labour-force-survey-in-kosovo-q3-2018>

³¹ http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata__Labour%20market__Annual%20labour%20market/ifs01.px/table/tableViewLayout1/?rxid=eac7fcee-001a-45cd-b94a-e61c7f0c376c

³² http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata__Labour%20market__Annual%20labour%20market/ifs01.px/table/tableViewLayout1/?rxid=eac7fcee-001a-45cd-b94a-e61c7f0c376c

³³ 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 to be encountered. However, a more pressing issue remains the lack of representation of women in high-level positions both in the public and non-public sectors and it is a significant challenge to be dealt with. The new Law on Gender Equality aspires to achieve 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 employment in terms of working hours or type of employment in Kosovo.

• Monthly minimum wage

The minimum wage in Kosovo has been set at € 170/month.

• Migration

Migration is a very problematic to measure for Kosovo as the Ministry of Interior does not published the data on 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 illegal Kosovars entered

the EU. A big part of this outflow of illegal migration has been repatriated to Kosovo. However, there continues to be a steady outflow of Kosovars (thousands per year) that leave Kosovo with immigration visas either through work or marriage. Their destinations are primarily the countries of EU and Switzerland.

• HDI

Data not available.

• Gini-coefficient

Year	2012	2013	2014	2015
GINI-coefficient	26.1	23.2	24.1	23.2

Data not available for more recent years.

- 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 higher level as 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 in Kosovo. In most of the former socially-owned enterprises where a trade union presence had been the highest unions do not exist anymore, hence making their membership obsolete. The trade unions, however, continue to consider this as part of their membership, thus reporting higher presence/density than actually 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.³⁴ 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 the trade union presence in the private sector as over 90 per cent of Kosovo companies are micro enterprises with less than 10 employees.



³⁴ 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 ³⁵	
Oda Amerikane e Tregtisë në Kosovë / American Chamber of Commerce in Kosovo	167 ³⁶	Accredited by the US Chamber of Commerce
Aleanca Kosovare e Bizneseve / Alliance of Kosovar Businesses	9,500 ³⁷	

³⁵ Source: <http://www.itg-rks.com/sq/Oda-Ekonomike-e-Kosoves>. It is estimated that it has about 10% paying members.

³⁶ Source: <http://www.amchamksv.org/horizon/>

³⁷ 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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