Food for thought: Suggestions for the upcoming employment strategy
Food for thought: Suggestions for the upcoming employment strategy

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Paper prepared by:
Democracy for Development Institute

Prishtina, April 2022.

This report is published by Democracy for Development (D4D) Institute under the "Untapping Development: Increasing women’s access to employment” Project, supported by the Royal Norwegian Embassy in Prishtina. The content of the document is the sole responsibility of the Democracy for Development Institute and does not necessarily reflect the views of the Royal Norwegian Embassy.
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Introduction

Although women account for half of the Kosovo population, their position in the labour market is significantly disadvantageous. In 2020, only 20.8% of women were active in the labour market compared to 56% of male counterparts. Only 14.1% of working age population women are employed as opposed to 42.8% of men in the same age group. Amidst low activity rate (hence fewer women in absolute numbers to account for unemployment rate) in 2020 unemployment rate of women was 32.5% compared to 23.5% of men. Whilst gender equality is strongly enforced in Kosovo legislation and in recent years also targeted in strategic documents, the situation is not improving. An in-depth analysis for gender imbalances in labour market has been provided in the 2020-2024 Kosovo Program for Gender Equality (KPGE) approved in 2020. The KPGE analysis emphasised that main factors influencing the poor labour market situation of women in Kosovo are:

- the lack of gender mainstreaming in strategies and development policies;
- failure to implement gender responsive budgeting;
- employment discrimination;
- low level of education of women of working age (15-64);
- occupational gender segregation;
- unequal sharing of child an elderly care responsibilities;
- low participation of women in resource management;
- lack of childcare institutions;
- persistence of gender norms whereby women remain the main barrier of household chores and childcare, and
- limited access to property and finance.

As per Law No. 05/L -02 on Gender Equality (Article 5- General measures to prevent gender discrimination and ensure gender equality) requires that in order to prevent and eliminate gender discrimination and achieve gender equality, all Institutions which include bodies at all levels of legislative, executive, judicial and other public institutions shall be responsible to:

- analyse the status of women and men in the respective organization and field;
- adopt strategies and action plans for the promotion and establishment of gender equality in accordance with the Kosovo Program for Gender Equality;
- gender mainstream all policies, documents and legislation;
- carry out gender budgeting in all areas, as a necessary tool to guarantee that the principle of gender equality is respected in collecting, distribution and allocation of resources;
- allocate adequate human and financial resources to programs, projects and initiatives for the achievement of gender equality and women’s empowerment.

In 2018, the Ministry of Labour and Social Welfare approved the 5 year Sectoral Strategy covering years 2018-2022. The Strategy included interventions that were under the mandate of the MLSW i.e. it was not a cross sectoral strategy. As such, expected impact on labour market indicators is limited.
This Policy brief is a continuation of D4D engagement in promoting and supporting gender balance in Kosovo. D4D has published numerous studies, organised several activities and events to discuss and raise awareness about the gender imbalances in the labour market and also has supported economic empowerment in Kosovo. D4D has focused its work also in some marginalised women such as middle aged women and single mothers, domestic violence survivors etc., which have been largely left unsupported by the government and other organisations.

Below some of D4D contributions to evidence, awareness raising and direct support to women are listed.

**Research studies**

- Women’s inactivity in the labor market – Factors hindering women’s participation in the labor market;¹
- Shifting paradigms – Equity through parental leave;²
- Increasing Women’s Access to Employment;³
- Who pays the highest price? The impact of COVID-19 on women’s employment in Kosovo;⁴
- Potential gender implications of COVID-19 in Kosovo;⁵
- Social Security Fund: Financial Coverage of Parental Leave;⁶

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Parental Rights In Kosovo: Legal analysis regarding the proposed amendments to maternity and parental leave; 7

Events/activities

Regional Open Forum - Employment and Vocational training policies in Kosovo and Albania; 8

First 9, Second 10 and Third 11 Regional Forum on Enhancing Women’s Access to Employment;

Programs supporting economic empowerment of women

Four Rounds of Small Grants Scheme for local organizations advocating on women’s employment; 12 13 14

Small Grants for Women-Led Businesses; 15

This policy brief is organised as follows. Section 2 provides an overview of macroeconomic context of Kosovo, including labour market situation. Section 3 focuses on labour market situation in Kosovo, from a gender perspective. Section 4 presents analysis the integration of gender perspective in the

10 https://d4d-ks.org/en/activities/second-regional-meeting-increase-womens-access-employment/
Sectoral Strategy. Policy brief ends with recommendations on aspects that could be integrated in the upcoming Strategy for Employment and Labor Market.
Macroeconomic context

Pre-pandemic, Kosovo’s economic growth has been steady and generally around 4% per year over the last five years (see Table 1). Most economic development has taken place in the trade, retail and construction sectors. Although GDP growth is steadily positive, poverty remains high. Based on the 2017 Household Budget Survey (HBS), it is estimated that 18% of Kosovo's population lives below the national poverty line, with 5.1% living below the extreme poverty line. According to the 2018 Survey of Income and Living Conditions (SILC), 47.3% of households would not be able to cope with an unexpected expense of EUR 100 using their own resources (KAS, 2020). Based on preliminary assessments by World Bank (2021), poverty rate set at less than 4.74 Eur per person increased from 20% in 2019 to 25% in 2020.

Kosovo’s labour market is characterised by poor labour market conditions. In 2020, the activity rate of working age population in 2020 was as low as 38.3%, only 28.4% of the working-age population was in employment, and the unemployment rate was 25.9%. The situation in the labour market is particularly disadvantageous for women and youth, who have seen only very slight improvements over time: only 20.8% of women were active in the labour market, only 14.1% were employed and 32.3% were unemployed.
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<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GDP (real annual growth)</strong></td>
<td>4.1</td>
<td>4.1</td>
<td>4.2</td>
<td>3.8</td>
<td>4.0</td>
<td>-5.3</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>Poverty rate (based on household consumption)</strong></td>
<td>17.6</td>
<td>16.8</td>
<td>18.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: GDP growth from ERP 2022-2024; retrieved from https://mf.rks-gov.net/page.aspx?id=2,28; poverty rate, the most recent published figures pertain to 2017:

Table 1: Macroeconomic and labour market indicators, 2015–2020

Kosovo’s firms in the formal sector are small and dominated by micro enterprises, which account for 91% of firms and only 36% of formal jobs (World Bank, 2019). Firms in Kosovo are not well integrated into the global economy, which leads to a constraint on job creation. Only 4% of firms are exporters and less than 1% have any foreign direct investment. Given the small size of Kosovo’s economy, the lack of access to international markets means that few firms are able to significantly expand their production or workforce (World Bank, 2019).

The Kosovo steady positive economic growth prior to COVID-19 has not been accompanied with improvements in the labour market. Referring to the working age population (15-64 years), in 2020, only 38.3% were active in the labour market, only 25.9 were employed and among labour force 25.9% were unemployed. Labour force participation remained stable at about 41% in 2018 and 2019 but it declined in 2020 by 2 percentage points. Compared to 2019, employment declined by 1.7 percentages in 2020 while unemployment remained unchanged.
<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labour force participation rate, % population 15+</strong></td>
<td>38.7</td>
<td>42.8</td>
<td>40.9</td>
<td>40.5</td>
<td>38.3</td>
</tr>
<tr>
<td><strong>Inactivity rate, % population 15+</strong></td>
<td>61.3</td>
<td>57.2</td>
<td>59.1</td>
<td>59.5</td>
<td>61.7</td>
</tr>
<tr>
<td><strong>Employment-to-population ratio (employment rate), % population 15+</strong></td>
<td>28.0</td>
<td>29.8</td>
<td>28.8</td>
<td>30.1</td>
<td>28.4</td>
</tr>
<tr>
<td><strong>Unemployment rate, % labour force 15+</strong></td>
<td>27.5</td>
<td>30.5</td>
<td>29.6</td>
<td>25.7</td>
<td>25.9</td>
</tr>
<tr>
<td><strong>Vulnerable employment (self-employed without employees and unpaid family workers)</strong></td>
<td>22.9</td>
<td>23.1</td>
<td>19.6</td>
<td>18.8</td>
<td>17.0</td>
</tr>
<tr>
<td><strong>Informal employment (without employment contract), %</strong></td>
<td>26.3</td>
<td>21.5</td>
<td>14.0</td>
<td>13.4</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>Temporary employment, % of total employees</strong></td>
<td>70.5</td>
<td>70.6</td>
<td>74.5</td>
<td>54.7</td>
<td>57.7</td>
</tr>
</tbody>
</table>

Source: KAS, LFS 2016-2020

Table 2. Key labour market data: Kosovo
Labour market situation: a gender perspective

Gender disparities in the labour market remains substantial. In 2020, only 21.3% of women aged 20-64 years old were active in the labour market, as opposed to 63% of men. The gender activity gap of this age group declined by about 10 percentage points from 2018 to 2020 (from 52% to 41.7%, respectively). However, the gap remains high, and far from the EU average of 12.1%. In 2020, about 1.5 women aged 20-64 were employed compared to 5 in ten men of the same age group. This leads to a gender employment gap of 32.8, 3 times higher than the gap recorded in EU (11.1). While the number of women active in the labour market is significantly lower than of men, they are more likely to be unemployed: in 2020, unemployment rate of women aged 15-74 was 32.2% (as opposed to 23.4% of men) which compared poorly with EU average of 7.1%. Since 2018, unemployment rate among women remained largely unchanged (declined by 4 percentage points among men) while employment increased only by two percentage points (it declined for men for about 4 percentage points). Historical low level of education among women, family responsibilities, discrimination in the recruitment process (mainly due to financial burden on employers due to maternity leave), limited access to and affordable childcare facilities are considered as key barriers to women engagement in the labour market.
Gender gap in labour force participation rate is also found in a recent survey with 1,965 commissioned by the D4D. Results have found that 60.9% of men were employed compared to 34% of women. Employment rate from the survey are significantly larger than those from KAS LFS but this may due to definition of employment—which in the D4D survey is considered ‘any activity in which a person carries
out specific tasks, for which he/she is financially remunerated’. Unemployed individuals were asked if they were looking for a job and search for a job was more prevalent among unemployed men (19.1%) compared to 14.6% of women. Looking after children and elderly is the reason for not looking for a job for 43% of women compared to 9.7% among men. Lack of interest for a job is mentioned for 30% of women compared to 25.3% of men. 16

Women tend to hold the status of employee and less so as self-employed. In 2020, 85% of women had the status of employee compared to 69.6% of women (Table 5). Only 10.3% of employed women were self-employed with or without employees as opposed to 25% of men. These figures are also consistent with data on enterprise ownership for 2019 (Table 4) whereby women owned only 13.% of micro, only 4% of small and only 2.6% of enterprises with 50 or more employees. The low ownership by women is also found among new registered enterprises in the first quarter of 2022-only 21.9% of newly registered enterprises were owned by women, 5% were joint ownership between women and men and remaining ones were male owned (KAS, 2022).

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16 The measurement of the public opinion was conducted in March 2022, by UBO Consulting, with a sample of 1066 participants nationwide.
### Category of no. of employees

<table>
<thead>
<tr>
<th></th>
<th>1-9 M</th>
<th>1-9 W</th>
<th>10-49 M</th>
<th>10-49 W</th>
<th>50+ M</th>
<th>50+ W</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11.1</td>
<td>88.9</td>
<td>4.2</td>
<td>95.8</td>
<td>3.1</td>
<td>96.9</td>
</tr>
<tr>
<td>2015</td>
<td>10.9</td>
<td>89.1</td>
<td>4.3</td>
<td>95.7</td>
<td>4.4</td>
<td>95.6</td>
</tr>
<tr>
<td>2016</td>
<td>11.3</td>
<td>88.7</td>
<td>4.5</td>
<td>95.5</td>
<td>3.5</td>
<td>96.5</td>
</tr>
<tr>
<td>2017</td>
<td>11.6</td>
<td>88.4</td>
<td>4.7</td>
<td>95.3</td>
<td>2.9</td>
<td>97.1</td>
</tr>
<tr>
<td>2018</td>
<td>10.5</td>
<td>89.5</td>
<td>5.7</td>
<td>94.3</td>
<td>2.4</td>
<td>97.6</td>
</tr>
<tr>
<td>2019</td>
<td>13.5</td>
<td>86.5</td>
<td>5.0</td>
<td>95.0</td>
<td>2.7</td>
<td>97.4</td>
</tr>
</tbody>
</table>

Data source: Statistical Business Register 2014-2019, KAS

Table 4. Ownership of active enterprises, by gender

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>70.5</td>
<td>80.6</td>
<td>70.8</td>
<td>85.1</td>
<td>69.6</td>
<td>84.8</td>
</tr>
<tr>
<td>Self-employed with employees</td>
<td>9.3</td>
<td>2.2</td>
<td>7.6</td>
<td>2.2</td>
<td>11.4</td>
<td>4.2</td>
</tr>
<tr>
<td>Self-employed without employees (own-account worker or free-lancer)</td>
<td>14.5</td>
<td>11.5</td>
<td>17.0</td>
<td>6.6</td>
<td>14.6</td>
<td>6.1</td>
</tr>
<tr>
<td>Unpaid family worker</td>
<td>5.7</td>
<td>5.6</td>
<td>4.5</td>
<td>6.2</td>
<td>4.4</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Source: LFS 2018-2020

Table 5. Type of employment, by gender

Kosovo lacks data official estimates related to the gender pay gap. According to the LFS results for 2012-2020, small differences have been observed, with a slight tendency that men receive higher wages. The only available evidence for the gender pay gap estimated using the conventional methodology are provided by (Gashi and Adnett, 2020). Estimates are derived by using data from the 2017 large-scale
Labour Force and Time Use Survey (commissioned by the Millennium Challenge Corporation). The study found that compared to men, women with the same observed labour market characteristics (such as education, work experience, etc.) earn 6.1% less per hour than their male counterparts, and this gap is due to differences in unmeasured characteristics or discriminatory behaviour. Article 55 of the Labour Law opts for equal gender pay, stating that the employer should pay men and women an equal remuneration for work of equal value covering base salary and any other allowances. However, implementation of Article 55, has not been subject of labour inspections and also there are no oversight instruments in place.
Sectoral Strategy 2018-2022: a gender perspective analysis

Sectoral Strategy of the Ministry and Social Welfare 2018-2022 was approved in 2018. The Strategy covered areas under the MLSW mandate and its overall aim was to improve employment policies and services and welfare, as preconditions for inclusive development and integration of Kosovo in European Union.

In area of employment the Strategy aims to increase employment in Kosovo by addressing the challenges of workforce skills and the discrepancy between market and supply demands through two strategic objectives and accompanying specific objectives

1. Reduce inactivity, increase employment, and develop skills in line with labour market demand and better administration of labour market;

**Specific objective:**

- Strengthening the capacities of Public Employment Services;
- Enhancing employment services and ALMMs, and increasing their efficiency and quality;
- Providing quality vocational training services in compliance with labour market demands.

2. Improve working conditions and reduce informal employment by strengthening supervisory mechanisms and social dialogue
Specific objective:

- Improve the rights of employees and ensure the minimum standards of occupational safety and health, in accordance with international standards through the advancement of the legal framework.

Gender perspective in situation analysis

Gender perspective and gender statistics were included in the situation analysis, indicating the stark gender divide in the labour market. Challenges faced by women were discussed including the discrimination of women in recruitment process due to unbalanced division of childcare responsibilities between parents (women having the right up to 1 year of maternity leave and fathers maximum 2 days paid leave and the right to take 2 weeks as unpaid leave). However, gender analysis may not performed with regards to the health and safety at work, which may be due to lack of data for this area as it is also indicated in the situation analysis of the Strategy. Data were neither disaggregated by gender with regards to undeclared work, although this information is available from the Kosovo Labour Force Survey.

Gender analysis was not carried out within the Social Dialogue Pillar, which again may be due to lack of data.

Gender perspective across indicators for employment increase and improving working conditions

- Within strategic objective to enhancing employment services and ALMMs, and increasing their efficiency and quality indicators for employment rates were not disaggregated by gender, due to the fact that the Strategy only covered measures implemented by the MLSW and was not cross sectoral. However, number of Active
Labour Market Measures and employment intermediation were disaggregated by gender. The number of vocational training beneficiaries were not disaggregated by gender.

- Within the strategic objective improve working conditions and reduce informal employment by strengthening supervisory mechanisms and social dialogue, the reduction of informal employment indicator was not disaggregated by gender.

**Gender perspective across activities for employment increase and improving working conditions**

The Action Plan includes one activity which directly is targeted to addressing gender imbalances, that is ‘Implementation of promotion activities about work of the VTCs and Employment Offices, to address inclusion of women and occupational gender segregation’. However, lack of specific activities targeting women is due to the fact that the Strategy was prepared by the MLSW only, and the only instruments to support employment are ALMP and employment supporting services.
Aspects to be considered within the Employment Strategy: one size does not fit all women

The new Employment Strategy is cross-sectoral, which is a great opportunity to design measures to support employability of women in Kosovo. It is of utmost importance to analyse the position of women, their needs and challenges for most vulnerable women, such as single mothers, women subject to domestic violence, women in their mid-age, women that are low-educated, etc.

In addition to aspects covered in the MLSW Sectoral Strategy i.e. increased coverage of women within Active Labour Market Measures, addressing occupational gender segregation through provision of trainings in demanded occupations and motivating women to become trained in traditional ‘male occupations’ and increased quality of public employment services, the support of the upcoming Employment Strategy can be directed in areas discussed below.

Support to women in agriculture sector

Women in rural areas are less likely to be employed. In a 2022 survey with 1,065 respondents (survey commissioned by D4D), 20% of women in rural area were employed compared to 38.6% of their urban counterparts. These suggests that a specific focus should be directed towards women from rural areas.

In 2020, agriculture and forestry in Kosovo for 7.4% of GDP and it employed only 16,900 individuals, out of which only 2,700 were women (Table 6). However, these data should be considered with caution as they are likely to be
underestimated due to inability to capture the unpaid family work and informal work. The sector accounts for 5.4% of employed women and 3.1% of employed men.

However, these numbers are likely to be underestimated. According to the 2019 Agriculture household survey (KAS, 2020), 279,181 individuals worked in agriculture, which accounts to 82,657 Annual Work Units (AWU) i.e. full time employees (Table 7). Majority of individuals engaged in agriculture work were household members, from which women accounted for 49%. Number of seasonal workers was 21,030, but neither the 2019 survey nor the Agriculture Census of 2014 disclose gender composition of seasonal workers. A higher number of employment in agriculture was also found with the 2017 large scale survey of the MCC. The MCC LFTUS survey with 8,554 households revealed that women are an important agriculture workforce. Whilst according to LFS of KAS in 2017, agriculture employed only 15.9% of employed individuals, the MCC LFTUS survey found that the agriculture accounted for 21.7% of jobs, making it the sector with highest share of jobs. Agriculture was particularly important for employment of women—as it employed 33% compared to 17.6% of men. According to the same study, the proportion of unpaid family workers in rural areas was 27.8%, compared to only 6.1% in urban areas. Data suggest that individuals engaged in the agriculture sector are mainly categorized as unpaid family workers, i.e. they do not have employment contracts but are engaged in the sector-of all unpaid family workers, 72.2% were employed in Agriculture, Forestry and Fishing sector.
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<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contribution to GDP (in %)</strong></td>
<td>8.2</td>
<td>7.4</td>
<td>6.5</td>
<td>7.2</td>
<td>7.4</td>
</tr>
<tr>
<td><strong>Contribution to employment (in %) among women</strong></td>
<td>1.7</td>
<td>2.5</td>
<td>0.7</td>
<td>2.4</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Contribution to employment (in %) among men</strong></td>
<td>12.5</td>
<td>13.4</td>
<td>11.6</td>
<td>16.8</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Source: KAS, National Accounts and LFS 2017-2021

Table 6: Contribution of Agriculture to GDP (in %) and employment (in 000)

<table>
<thead>
<tr>
<th>Labour force</th>
<th>No. of persons</th>
<th>AWU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household members working in the agricultural holding</td>
<td>Carriers</td>
<td>130,333</td>
</tr>
<tr>
<td></td>
<td>Other holding members</td>
<td>115,265</td>
</tr>
<tr>
<td>Other employees (holding)</td>
<td>Regular employees</td>
<td>3,553</td>
</tr>
<tr>
<td></td>
<td>No. of seasonal workers</td>
<td>21,030</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>270,181</strong></td>
<td><strong>82,657</strong></td>
</tr>
</tbody>
</table>


Table 7. Labour force in agriculture

Women in Kosovo are under-represented also as owners of agriculture enterprises. Data outlined in Table 8 show that share of agriculture enterprises owned by women has increased over time. In 2014, only 7.3% of enterprises in the agriculture sector are women, which increased to 19.8% in 2018.
<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Women</strong></td>
<td>7.3%</td>
<td>11.1%</td>
<td>15.6%</td>
<td>19.8%</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td>92.7%</td>
<td>88.9%</td>
<td>84.4%</td>
<td>80.2%</td>
</tr>
</tbody>
</table>

Source: Women and men in Kosovo, 2016-2017

Table 8. Enterprise ownership in agriculture sector

Whilst women account for nearly half of the agriculture labour force, only 5.4% of holders of Farm Identification Numbers are women (NIF)-Table 9. Possession of the NIF is important since it is a precondition to apply for agriculture subsidies, reflected into only 4% of beneficiaries of subsidies being women (Table 10). Underrepresentation of women as NIF holders is also reflected into few women participating in agriculture advisory services provided by municipalities. This is a lost opportunity for half of agriculture labour force to expand their knowledge and skills in productivity enhancement and improved working conditions (agriculture is a sector with high health and safety risks).

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Identification Number</td>
<td>3,890</td>
<td>68,559</td>
<td>72,449</td>
</tr>
<tr>
<td>Share of farm identification number</td>
<td>5.4%</td>
<td>94.6%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: MAFRD 2020

Table 9. Holders of Farm Identification Number, by gender, 2019
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<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>Share of women</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of beneficiaries</strong></td>
<td>1,573</td>
<td>41,949</td>
<td>43,522</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total subsidies</strong></td>
<td>1,192,939</td>
<td>26,961,450</td>
<td>28,154,389</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: MAFRD 2020

Table 10. Agriculture subsidy beneficiaries, by gender, 2019

Therefore, the new Strategy should analyse women in rural areas, their profile and needs and plan activities that increase women access to subsidies, advisory services and their engagement as agriculture entrepreneurs. Supporting women for organisation in agriculture cooperatives should also be considered.

**Entrepreneurship promotion**

There is a very low engagement of women in entrepreneurship. This is shown in Table 3 and 4. Among others, the low representation is related to low access to finance- a consequence of low access to property. According to the 2019 report of the KAS on Women and Men in Kosovo (2020), in 2014 only 12% of women owned a house/apartment and only 4.9% of the land was owned by women while women account for only 12% of real estate property. It is also important to underline that female enterprises are mainly focused on services (such as beauty salons, cooking, etc.), characterised by low value-added and limited opportunities for job creation and sustainable income. It is utmost important to support women engagement in entrepreneurship and the support should be tailored for the needs of women. Experience has shown that in addition to entrepreneurship basic trainings and grant support, women start-ups should be provided with follow-up
business development support (mentoring/coaching; B2B meetings, support in marketing (including digital marketing), networking activities and other aspects as per needs and sector specific needs.

**Addressing gender occupational segregation**

Women in Kosovo tend to work in sectors of education and health-accounting for 34% (in 2020) of total employment while men are more engaged in manufacturing and construction 31% (in 2020)-Table 11. Education data also suggest that there is a gender occupational segregation which needs to be addressed. In 2021 Government has taken some important interventions by providing scholarship to women enrolling in STEM fields of study. Similar practices should be carefully studied and incorporated in the forthcoming Employment Strategy.
**Food for thought: Suggestions for the upcoming employment strategy**

<table>
<thead>
<tr>
<th>Sector</th>
<th>2019 M</th>
<th>2019 W</th>
<th>2020 M</th>
<th>2020 W</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - Agriculture, forestry, and fishing</td>
<td>5.9</td>
<td>2.8</td>
<td>5.4</td>
<td>3.1</td>
</tr>
<tr>
<td>B - Mining and quarrying</td>
<td>0.8</td>
<td>0.0</td>
<td>1.3</td>
<td>0.3</td>
</tr>
<tr>
<td>C - Manufacturing</td>
<td>13.9</td>
<td>5.3</td>
<td>13.2</td>
<td>7.6</td>
</tr>
<tr>
<td>D - Electricity, gas, steam and air conditioning supply</td>
<td>1.8</td>
<td>0.4</td>
<td>2.7</td>
<td>0.7</td>
</tr>
<tr>
<td>E - Water supply, sewerage, waste management and remediation activities</td>
<td>1.3</td>
<td>0.4</td>
<td>1.4</td>
<td>0.4</td>
</tr>
<tr>
<td>F - Construction</td>
<td>15.9</td>
<td>1.2</td>
<td>14.5</td>
<td>0.7</td>
</tr>
<tr>
<td>G - Wholesale and retail trade; repair of motor vehicles and motorcycles</td>
<td>16.5</td>
<td>18.7</td>
<td>16.4</td>
<td>18.8</td>
</tr>
<tr>
<td>I - Accommodation and food service activities</td>
<td>7.0</td>
<td>4.6</td>
<td>6.7</td>
<td>4.6</td>
</tr>
<tr>
<td>H - Transportation and storage</td>
<td>4.4</td>
<td>1.1</td>
<td>4.3</td>
<td>1.1</td>
</tr>
<tr>
<td>J - Information and communication</td>
<td>3.5</td>
<td>4.7</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>K - Financial and insurance activities</td>
<td>1.6</td>
<td>2.2</td>
<td>1.7</td>
<td>2.0</td>
</tr>
<tr>
<td>L - Real estate activities</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>M - Professional, scientific and technical activities</td>
<td>2.5</td>
<td>3.4</td>
<td>2.8</td>
<td>3.9</td>
</tr>
<tr>
<td>N - Administrative and support service activities</td>
<td>4.0</td>
<td>3.7</td>
<td>4.0</td>
<td>5.1</td>
</tr>
</tbody>
</table>
Access to career guidance from early ages and promotion of role models in non-traditional female occupations should be organised. Organisation of Girls’ Day by the MESTI should be expanded across Kosovo.

**Reducing gender discrimination and access to affordable childcare facilities**

Women in Kosovo remain at a disadvantage in the labour market. Existing studies indicate that unequal distribution of family responsibilities is one of the key factors for the disadvantaged position of women in the labour market. According to the 2017 LFS, family responsibilities was the most common reason for women’s detachment from the
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labour market (for 38%), whilst this is a reason for only 3.8% of men. The unequal division of family responsibilities is also fostered with the existing Labour Law, where women have access to 9 months of paid maternity leave and 3 months of the unpaid, and men have access to 2 days of holiday and the possibility for 2 weeks unpaid.

The current maternity leave is considered long where the financial burden is borne largely by the employer. Table 12 shows the number of beneficiaries between 2011 and 2020 and includes government compensation of 50% of the average national wage for 3 months.

<table>
<thead>
<tr>
<th>Year</th>
<th>Civil Servants</th>
<th>Public Sector</th>
<th>Private Sector</th>
<th>Total</th>
<th>Total government expenditure in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>364</td>
<td>256</td>
<td>128</td>
<td>748</td>
<td>256,833</td>
</tr>
<tr>
<td>2012</td>
<td>203</td>
<td>560</td>
<td>363</td>
<td>1,126</td>
<td>506,319</td>
</tr>
<tr>
<td>2013</td>
<td>238</td>
<td>570</td>
<td>462</td>
<td>1,270</td>
<td>523,212</td>
</tr>
<tr>
<td>2014</td>
<td>204</td>
<td>531</td>
<td>624</td>
<td>1,359</td>
<td>592,711</td>
</tr>
<tr>
<td>2015</td>
<td>185</td>
<td>519</td>
<td>729</td>
<td>1,433</td>
<td>958,372</td>
</tr>
<tr>
<td>2016</td>
<td>265</td>
<td>570</td>
<td>940</td>
<td>1,775</td>
<td>1,155,320</td>
</tr>
<tr>
<td>2017</td>
<td>248</td>
<td>548</td>
<td>1,083</td>
<td>1,879</td>
<td>1,260,842</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td>2,152</td>
<td>1,432,547</td>
</tr>
<tr>
<td>2019</td>
<td>1,098</td>
<td>1,390</td>
<td></td>
<td>2,488</td>
<td>1,642,699</td>
</tr>
<tr>
<td>2020</td>
<td>992</td>
<td>1,694</td>
<td></td>
<td>2,686</td>
<td>1,819,031</td>
</tr>
</tbody>
</table>

Source: Employment Agency (2021)

Table 12. Number of beneficiaries who received paid maternity leave from the government by sector, 2011-2019
Lack of access to affordable childcare facilities is another contributing factor to poor labour market outcomes of women and lead to career interruptions: in 2019/20 in Kosovo, 11 municipalities out of 38 (29% of municipalities) had no public kindergartens (MESTI, 2019). Moreover, childcare institutions are mainly concentrated in urban areas, except for the municipality of Prishtina that has established one such institution in one rural location. In addition to 44 public kindergartens, there are additionally nearly 150 private ones, which are expensive and not affordable based on the average wage rate in Kosovo. Lack of childcare facilities is also reported in the Evaluation of the Implementation Report of the Kosovo Education Strategic Plan (Bajrami, 2021).

To support women employment the upcoming Strategy should foresee the amendment of the Labour Law with the aim to protect children’s well-being but also to promote more equal division of responsibilities of parents, which will also contribute to the alleviation of discrimination in recruitment process. Construction of childcare facilities has been incorporated into the 2022 Budget, however there is a large gap between existing offer and needs therefore construction of childcare facilities are of existential role for women employment.

**Reduction of informal employment**

Undeclared work remains a chronic feature of Kosovo labour market. As it can be noted from Table 13, in 2020, 8% of workers had no employment contract, which dropped significantly when compared to previous years. This decline is unexpected and unexplained given that no major reforms or interventions took place in the course of 2018. This is more likely to be related to the quality of data collection, rather than a real decline of this phenomenon. Related to this, it is important to note that the prevalence of vulnerable employment and undeclared work was found to be
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significantly higher from the Millennium Challenge Corporation Survey in 2017 (34.7% and 40.8%, respectively). Although the Labour Law in the definition of employees includes individuals who carry out work or services against a payment for the employer and have employment relations with the employer, as specified by the MLSW representative, employers sometimes interpret only the declared ones as employees; hence undeclared workers do not enjoy the rights set by the Law. To redress this issue, in the drafted Labour Law, the term ‘dependent work’ is added, referring to ‘work carried out in a relationship where the employer is superior and the employee is subordinate, and in which the employee carries out work personally for the employer, according to the employer’s instructions, in the employer’s name and for a salary or another kind of remuneration.’ In the frame of the European Union (EU) funded project “Support to Labour Inspectorate for fighting against undeclared work”, an assessment of undeclared work has been undertaken, which also covered assessment of best practices and propose feasible measures to incentives formalisation and to preventing undeclared work. The assessment has been completed and includes recommendations for immediate government actions to support formalization. The assessment suggests specific measures that would increase the costs of operating informally and benefits for workers and employers from formalisation. Good international and regional practices are proposed, which can be easily transferable and provide results in Kosovo.

17 The survey was large scale, having 8,533 respondents, and utilised the same methodology as deployed by the Kosovo Agency of Statistics.
<table>
<thead>
<tr>
<th>Source</th>
<th>Employed without contracts (%)</th>
<th>Employed without contracts (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KAS</td>
<td>Millennium Challenge Corporation Survey</td>
</tr>
<tr>
<td>2012</td>
<td>16.6</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>15.5</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>15.5</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>26.3</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>21.5</td>
<td>40.8</td>
</tr>
<tr>
<td>2018</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>13.3</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>8.5</td>
<td></td>
</tr>
</tbody>
</table>

Source: KAS, LFS 2012-2020 and MCC LFTUS 2017

Table 13. Undeclared work in Kosovo

Formalisation of the economy has been declared as one of the primary focus of the new government on strengthening the role of women and youth in the economy. The Economic Recovery Package approved in June 2021 consists of specific measure for employment, specifically targeting youth, women and informal workers, with planned budget of Eur 50 million. From the Package, Eur 10 million are planned for those who return to work for all those who lost their jobs during the period March 2020- April 2021, and who are currently unemployed-for each of the re-employed, government will subsidise the wage for 3 months in the amount of Eur 170 per month; Eur 10 million to support every new employee, who has not been employed in the last 3 months, and who declares to Kosovo Tax Administration- the government will be paid pension contributions amounted to
10% of the wage for up to 12 consecutive months; Eur 5 million to support employment of women who has not been employed in the last 3 months, and who is employed, the government will subsidize 50% of the wage for the first 3 months, up to a maximum of 150 euros per month and then pay the pension contributions for following 9 months. It is of importance to assess the impact of these schemes and also introduce similar schemes in the upcoming Employment Strategy.

Utilisation of affirmative measures to support employment of women

The Law for Gender Equality allows institutions to use special/affirmative measures to achieved gender balance. This is particularly of relevance to increasing access to public funds, which would contribute to women economic empowerment. The need to use the opportunity of affirmative measures has been proposed by the Evaluation Report of the Kosovo program for Gender Equality (KPGE) 2008-2013 and the 2020-2024 KPGE. Therefore, it is of utmost importance that during the preparation of Employment Strategy, all ministries to carry out an analysis of utilisation of public funds by gender and to propose feasible affirmative measures that could be used to increase women access to public funds. In addition, ministries (such as MAFRD) which already add two additional points for grants, should critically assess the impact of used measure and consider revisions if the applicable measures have not produced aimed results.

Overseeing the gender pay gap

Kosovo lacks data official estimates related to the gender pay gap. According to the LFS results for 2012-2020, small differences have been observed, with a slight tendency that men receive higher wages. The only available evidence for the
gender pay gap estimated using the conventional methodology are provided by (Gashi and Adnett, 2020). Estimates are derived by using data from the 2017 large-scale Labour Force and Time Use Survey (commissioned by the Millennium Challenge Corporation). The study found that compared to men, women with the same observed labour market characteristics (such as education, work experience, etc.) earn 6.1% less per hour than their male counterparts, and this gap is due to differences in unmeasured characteristics or discriminatory behaviour. Article 55 of the Labour Law obliges the equal gender pay, stating that the employer should pay men and women an equal remuneration for work of equal value covering base salary and any other allowances. The same obligation also derives from the Article 17 of the Law No. 05/L-02 on Gender Equality Obligations of employer in employment relationships stating that employers are obliged to offer equal payment for a work of equal value. However, so far, implementation of these articles has not been subject of labour inspections and also there are no oversight instruments in place. However, to date the pay gap has not been overseeing by Labour Inspectorate or other institutions. Practices such as those utilised in the Swiss Federal Office for Gender Equality should be proposed within the new Strategy. Awareness raising activities should be organised to inform women and employers about legal obligation for equal pay.

Implementation of measures through Agency for Gender Equality

Some good initiatives have taken place to support women affected by COVID-19 crisis. Kosovo government has designed two specific measures within the Economic Recovery Program. The first one was implemented through Agency for Gender Equality, with planned budget of Eur 2 million, Eur 1 million were used to support 115 private
kindergartens which were hit by pandemic crisis and Eur 1 million were allocated to support activities for empowerment of women in economy. With one million Eur, the Agency directly supported 24 NGOs were supported to implement projects targeting support to socio-economic position of women and financial support to 273 businesses.

In addition, Eur 470,000 were allocated to the then Ministry of Trade and Industry (MTI) for supporting women owned businesses. The measure was implemented by the Kosovo Investment and Enterprise Support Agency that operates within the Ministry of Trade and Industry. In early December 2020, 32 subsidies were disbursed to women owned businesses. To address difficulties of women in accessing finance, budget has been allocated for the Credit Guarantee Fund, with specific window to support is women owned businesses. The credit guarantee of up to 80% of the collateral will act as important support for women owned businesses, who, due to lack of ownership face difficulties to accessing finance. Support to women through Agency for Gender Equality should be considered in the Employment Agency.

Finally, it is important to note that AGE has developed a Kosovo Program for Gender Equality for period 2020-2024, in which in depth analysis has been carried out and interventions to redress gender imbalances are foreseen. The upcoming Employment Strategy should include relevant activities foreseen in the Kosovo Program for Gender Equality, which are cross sectoral and cover aspects in policy areas, awareness raising, direct support to women to support their economic empowerment.
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331:396 (496.51)(047)


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