
Foreword

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

This publication is made with the assistance of the EU project “Support to the Statistical Office of Kosovo” financed by European Agency for Reconstruction (EAR), implementing agency is ICON-INSTITUT.

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

To implement this publication contributed: ICON-INSTITUT expert **Heinrich Tegtmeier**, Statistical Office of Kosovo- **Bujar Hajrizi**- head of Employment Statistics Sector, **Bedrije Demaj**- Senior officer of employment statistics and **Bashkim Bellaqa**– Director of Departament for Social Statistics.

We invite all the users of the present publication for cooperation, and please send your comments and suggestions, if any, at: stat_inst_kos@yahoo.com and visit our Web-site: www.sok-kosovo.org

Hysni Thaçi
Chief Executive Officer
at Statistical Office of Kosovo

ABBREVIATIONS

LFS - Labour Force Survey

ILO - International Labour Organization

LSMS - Living Standards Measurement Survey

EAR - European Agency for Reconstruction

SOK - Statistical Office of Kosovo

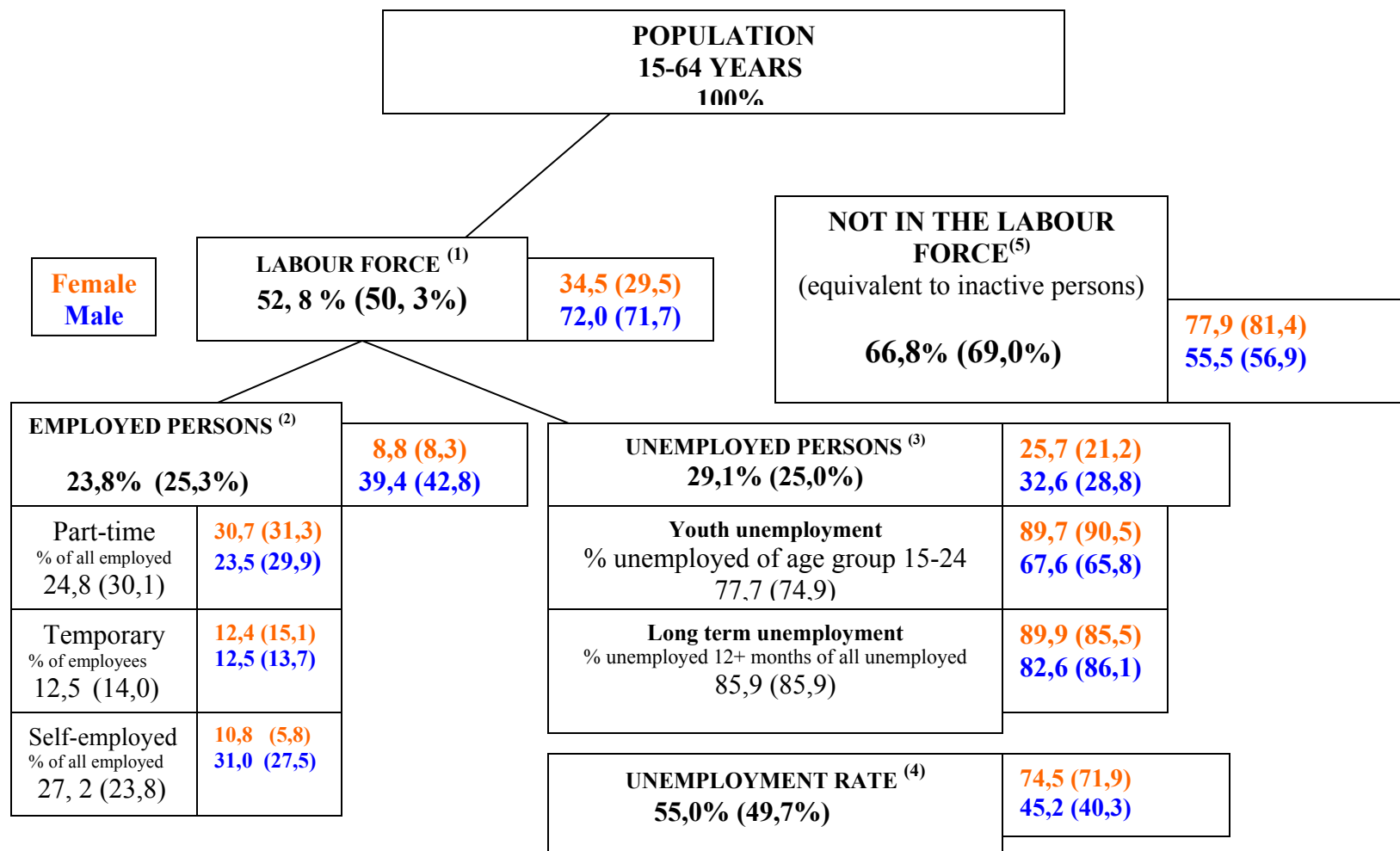
BE - European Union

ISCO - International Standard Classification of Occupation

NACE - Statistical Classification of Economic Activities

KOSOVO LABOUR FORCE SURVEY 2002 and 2003

November 2002/October 2003 (LFS 2003 in brackets)



Basic concepts:

- (1) Activity rates or labour force participation rates: percentage of the labour force in the working age population;
- (2) Employment rate: percentage of employed persons in the working age population;
- (3) Unemployment-population ratios: percentage of the unemployed persons in the working age population.
- (4) Unemployment rates: percentage of unemployed persons in the labour force.
- (5) Inactive persons

NOTE: In the LFS 2002, subsistence farming and production for own consumption were not counted as employment, in the LFS 2003, persons were counted as employed if they were engaged in these activities for 15 hours or more during the reference week.

Labour Force Survey 2003

1. Background

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

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

With technical assistance from an ILO expert and financial support by a German grant the field work of the LFS 2001 was carried out in December 2001 and the results were presented in the publication "Key Employment Indicators" in June 2002. In addition, a detailed "Methodological Report" was produced in August 2002.

Since that time the LFS has become an integral part for the SOK's work programme, with an annual survey being carried out in the fall of each year. Except for a few changes, the LFSs in 2002 and 2003 were the same as in 2001.

However, within the framework of the project "Support to the Statistical Office of Kosovo" which was started in 2003 with funding from the European Agency for Reconstruction (EAR), the SOK LFS is being reviewed under the aspect of its compliance with EU LFS standards. The first major result of this process was the adoption of a new standard tabulation programme for the LFS 2003, which in turn made it necessary to develop a new format for the analysis of LFS results as well as to retroactively produce these tables for the LFSs 2001 and 2002.

The present report for the LFS 2003 thus represents a new format of analysis which deviates from the reports for the years 2001 and 2002. In its data annex it also contains the new standard tabulation programme for the LFSs of 2003 and 2002. The corresponding data from the LFS 2001 will be included in a time series which should become available on the SOK website in the near future.

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

2. Methodological notes

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

One of the problems in Kosovo was the lack of an established sampling frame normally provided by a census or an effective civil registration system. The SOK LFS therefore has been based on the World Bank's LSMS sample design of 2000. Each year the sampling involves the selection of 360-400 enumeration areas in a first stage and a fixed numbers of households (since 2002 usually 8) in a second stage, with a stratification by rural/urban and Albanian/Serbian (for more details see the Methodological Report, August 2002). The LFS then is administered to all members of the selected households. In 2002, the LFS eventually included 388 enumeration areas, 3112 households and 19361 persons, and the corresponding figures for 2003 were 400, 3175 and 19510, respectively.

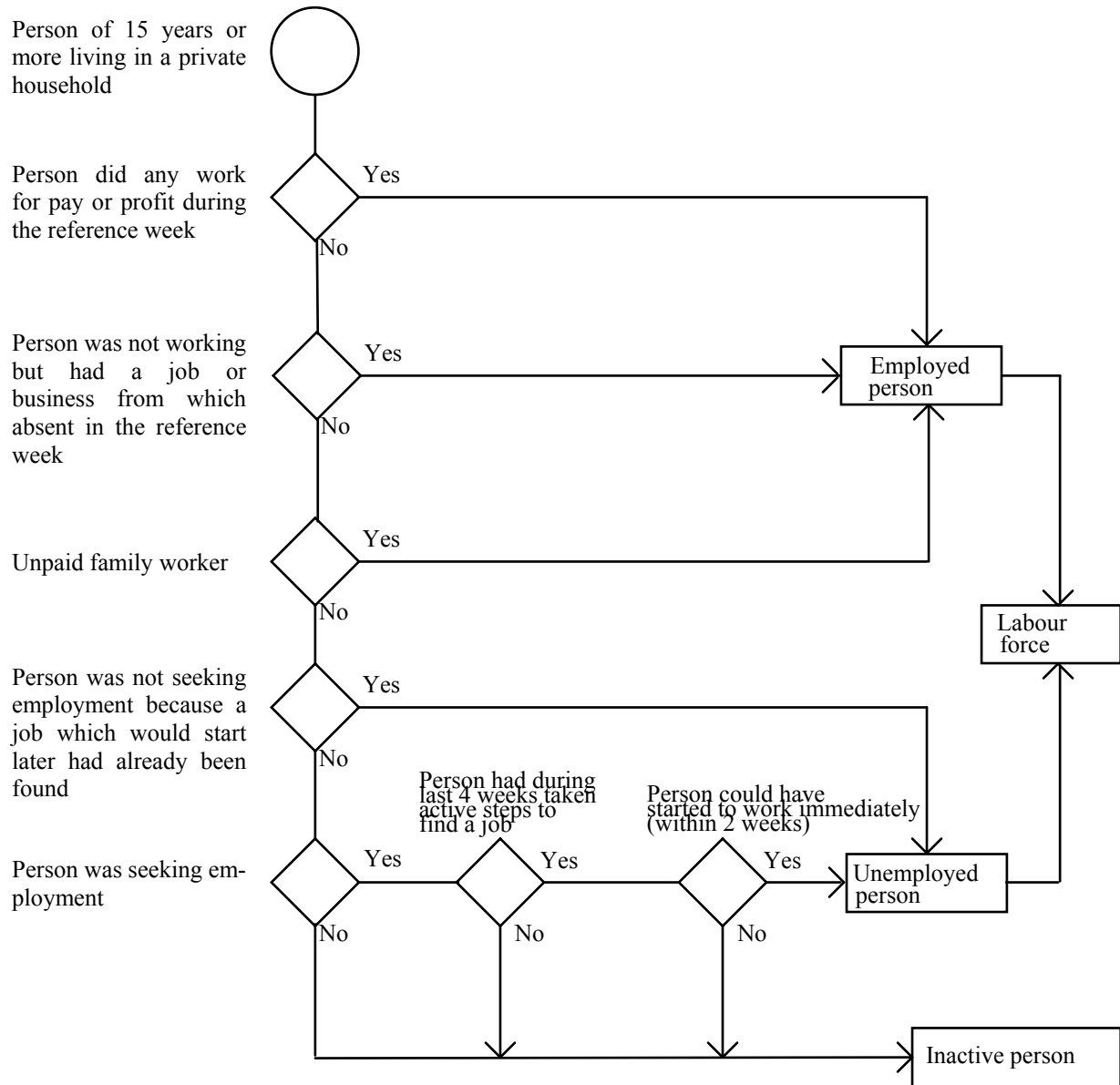
Normally a LFS covers only the civilian resident population living in private households. Up to now the SOK LFS also has excluded foreigners temporarily living in Kosovo, though this group is not explicitly defined (thus, for example, there is some doubt whether persons from the successor states of previous Yugoslavia or from Albania are in each case identified and treated accordingly). In contrast, the results published for the 2001 and 2002 SOK LFSs still included non-residents in the total population, though no information was collected on their employment/unemployment record by means of an individual questionnaire. Moreover, the criterion used for residency status was changed from 6 months in the 2001 and 2002 LFSs to 1 year in the 2003 LFS.

Another problem area in the SOK LFS is the administration of the individual questionnaire according to the persons' age. Generally this questionnaire should be filled for everyone aged 15 or more on the last day of the reference week, which in turn is specified as the week from Monday to Sunday prior to the interview date. In 2001 and 2002 the SOK LFS seems to have used the interview date for the computation of a person's age and the subsequent decision about the application of the individual questionnaire. However, in both years the individual questionnaire was limited to respondents aged 15-64. While using the same age limits, the 2003 SOK LFS specified the coverage of the individual questionnaire by referring to an explicit range of birth dates from September 1, 1938, to August 31, 1988. As a consequence, the same period was used to calculate a person's age for any year of birth.

The validity and comparability of LFSs to a large extent depends on their timing. The interviews for the 2001 SOK LFS were mainly conducted in December, 2002 in November, and 2003 in the latter part of October and the beginning of November. The later in a year the interview period is, the greater also tends to be the probability that economic activities in some sectors (such as agriculture, construction or tourism) have reached a reduced level or come to a complete halt. The shift of the interviewing period to an earlier date by about one month each year thus can impede the comparability of results over time.

Finally, statistics and analyses of the labour market are fundamentally affected by the definition of each person's working status. Up to 2002, the SOK LFS used the EU classification procedure represented in Graph 1.

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



A critical point in this classification is the treatment of subsistence farming and the production of other goods for own consumption. Again up to 2002, these activities were explicitly excluded in the definition of employment of the SOK LFS. According to both ILO and EU standards, however, such activities can be considered as employment if their contribution is counted towards national accounts. As a consequence, it was decided that persons engaged in subsistence farming or the production of other goods for own consumption for at least 15 hours during the reference week should be classified as employed in the 2003 SOK LFS. A slight deviation from the EU standard also occurred in the classification of unemployed persons up to 2002, as the reference period for availability was the last week rather than the next two weeks.

The results of the 2003 SOK LFS and major changes since 2002 will be discussed in the following under 4 sections defined by the working status: for the population as a whole, employed unemployed and inactive persons. The analysis is based on the data from the new standard tabulation programme, which for these two years is attached in Annex 1.

A complete list of all variables on which information was collected in the 2003 SOK LFS and which could be used for additional tabulations may be found in Annex 2.

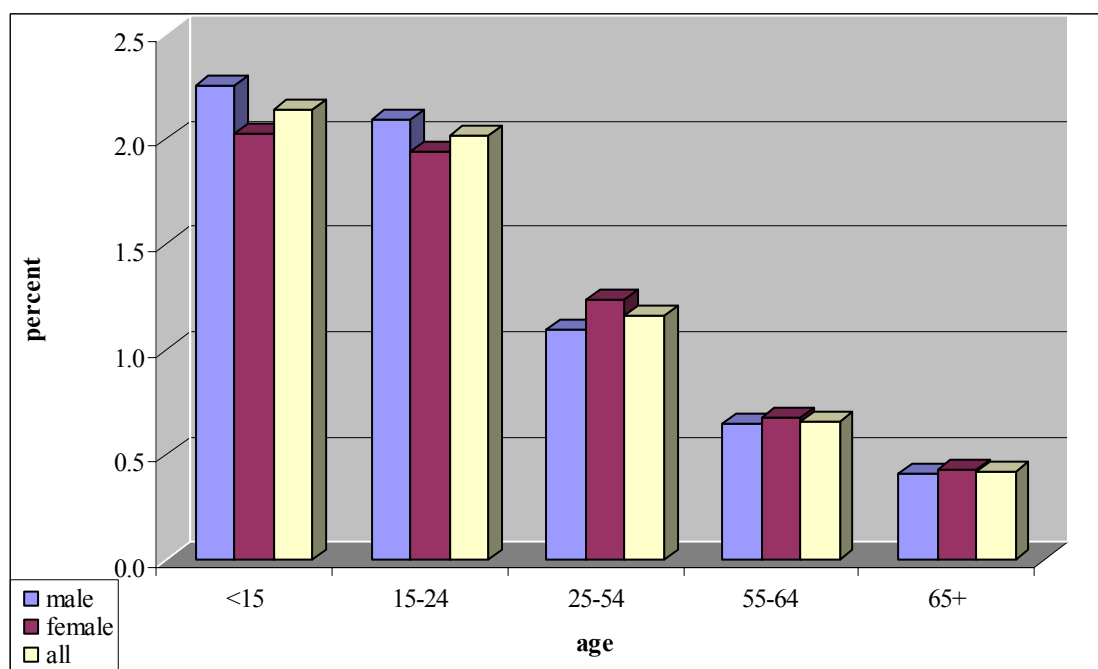
3. Population

Due to the events in its recent history and given the fact that no census has been conducted since and the civil registration system is not up-to-date, it is practically impossible to provide reliable absolute figures for the population as a whole or its constituent parts in terms of their working status. This applies even more to sample surveys such as the SOK LFS, which in addition had to be based on an unsatisfactory frame. Therefore all shares and distributions are expressed here in terms of percentages in the respective reference group (male, female or all, which in some cases in turn are further specified by certain age limits). At this point it also should be noted again that the coverage of the SOK LFS up to now has been restricted to the civilian, resident, non-foreign and non-institutional population, restrictions which are not applied or even taken into account in other statistics and hence produce differences in absolute figures or even relative shares.

Age structure

A first important labour market indicator is the relative size of the working age population, i.e., the persons between the ages of 15 and 64, which roughly delimits the potential of available manpower. In Kosovo, this figure from the 2003 SOK LFS is comparatively low with just 61.6%. The reason for this becomes evident by looking at the age structure. Kosovo has a relatively “young” population, with almost one third less than 15 years old at the lower end of the scale, yet only slightly more than 6% aged 65 or more at the upper end. Such a structure is typical for the classical population pyramid. This also becomes visible if one computes the average size of the age groups used in labour market analysis for single years (see Graph 2).

Graph 2: Average 1-year size of age groups by sex, 2003



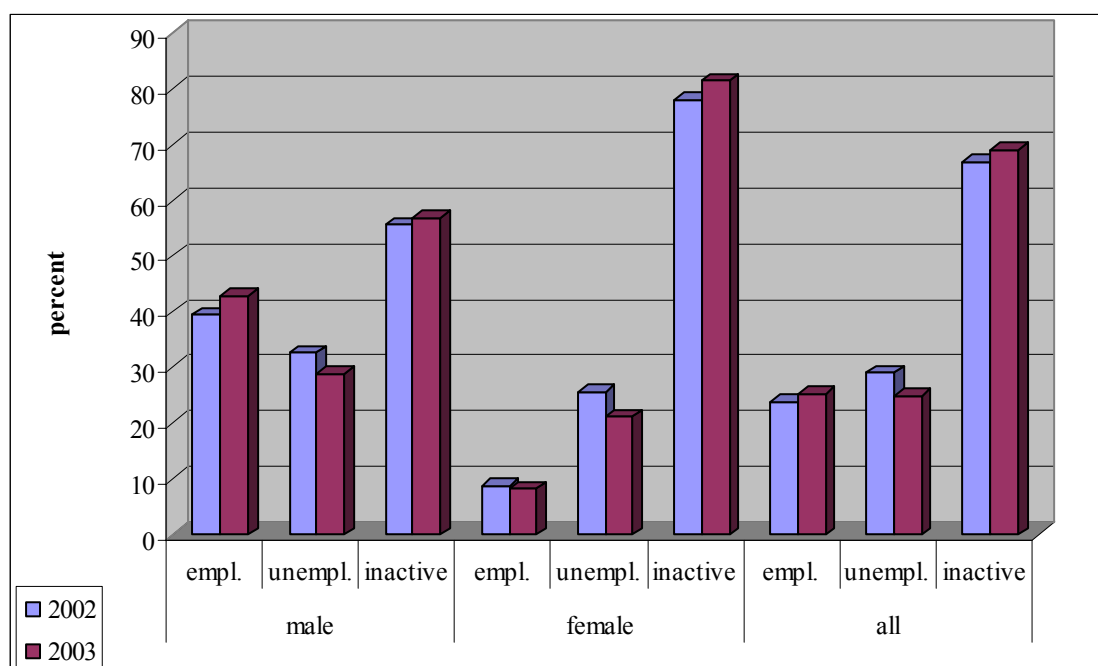
The same facts also are expressed by the youth and old age dependency rates, which describe how many persons under 15 and over 65, respectively, there are per 100 persons of working age. These comparisons show that for the young this relation in Kosovo is approximately 1:2, but for the old only 1:10.

Due to their higher sex ratio at birth all these figures tend to be higher for males in younger age groups, while they tend to be higher for females in older age groups because of their lower mortality. And since changes in the age structure of a population normally occur only over longer periods of time, differences between two successive years probably have to be ascribed to sampling errors or changes in coverage, for example the redefinition of residence in 2003.

Activity status

A second set of important labour market indicators refers to the actual activity of the population, distinguishing between three statuses: employed, unemployed, and inactive (for the respective definitions see Graph 1 above). The distribution of males, females and the total population by their activity status is presented in Graph 3.

Graph 3: Population by employment status and sex, 2002-2003

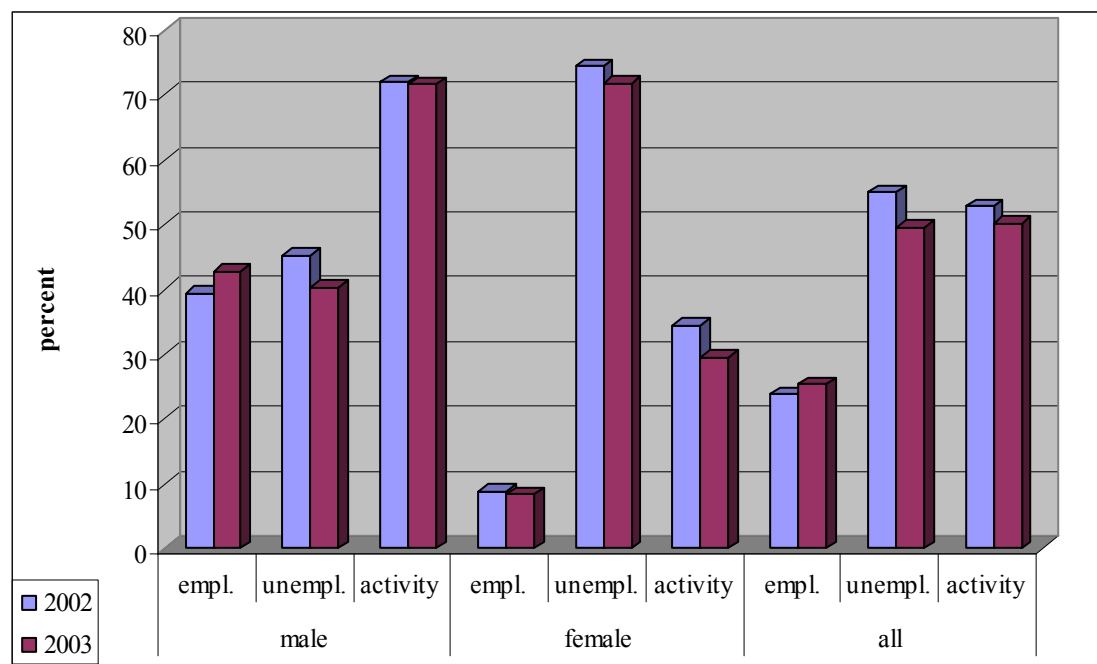


The graph shows that the inactive persons make up the largest group in the Kosovo population. Several factors contribute to this. Firstly, all persons under 15 are included here by definition and, secondly, all persons over 65 by their non-coverage through the individual questionnaire, together accounting for 70% of the inactive males and 45% of the inactive females in 2003. Thirdly, many younger people still are in education, while, fourthly, a number of older persons leave the labour force before reaching the working age limit. Fifthly, many women take over family and household responsibilities rather than engaging in economic activity, and, lastly, some persons of either sex have given up looking for work because they think that none is available. To attach figures to these latter factors, however, would require additional analyses or data.

There is a striking difference between males and females in the labour force, i.e., the sum of employed and unemployed persons. According to the 2003 SOK LFS, most active men (25.7% of all males) were employed, while most active women (13.4% of all females) were unemployed. While the overall level of employment was very low and the overall level of unemployment very high, females in both cases fared much worse than their male counterparts.

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

Graph 4: Labour market participation of working age population by sex, 2002-2003



While almost 43% of the Kosovo males of working age actually were employed in 2003, the corresponding figure for females lay just over 8%, with the overall rate ranging in between at about 25%. Conversely, the overall unemployment rate for the working age population, i.e. the proportion of unemployed in the labour force, almost reached 50%, but again the difference between males and females amounted to more than 30 percentage points (40.3 vs. 71.9%). The activity rate, finally, which represents the percentage of the labour force in the working age population, shows a complete reversal in the sex-specific figures: while the 2003 SOK LFS found more than 70 percent of the men to be active, practically the same proportion of the women were inactive.

The most dramatic difference between male and female rates, however, occurs in the effective dependency rate. Similar to the age-related dependency rates, this rate expresses how many not working persons there are per 100 actually employed persons. Though the computation of this burden usually leaves out persons under 15 (because their working status is inactive by definition), and in SOK LFSs up to 2003 also the persons over 65 have to left out (because their working status was not determined in the surveys), the overall rate for 2003 shows that on the average 100 employed persons in Kosovo had to support 336 not working persons, but while this rate was less than half (157) among males, it reached an almost 8 times higher value (1228) among females.

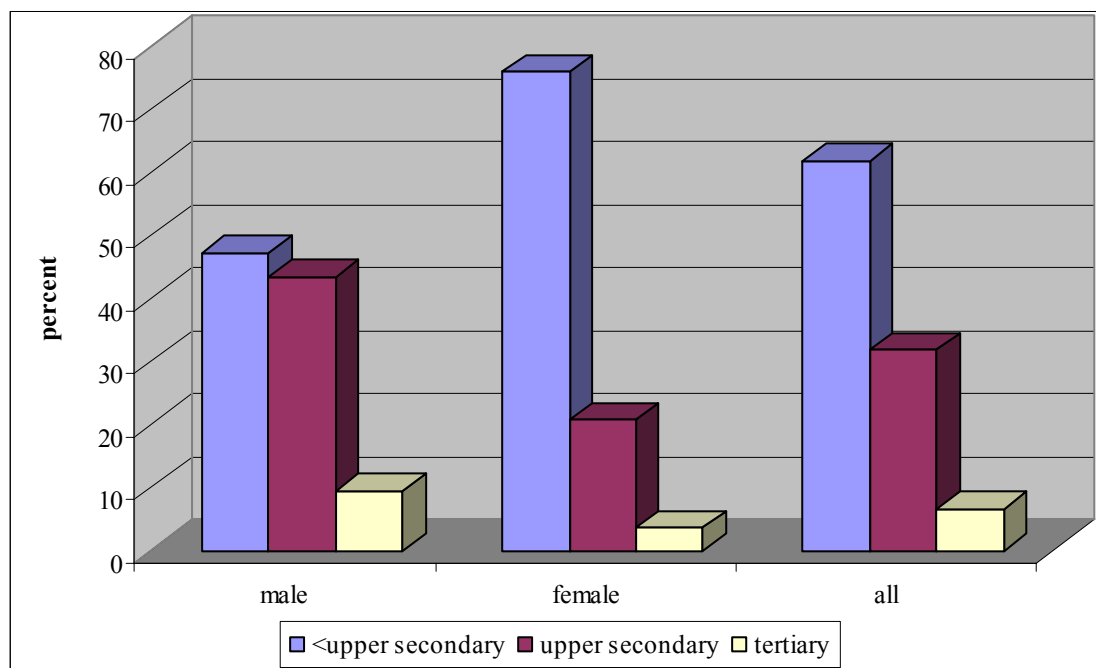
In general, the situation on the Kosovo labour market seems to have improved somewhat between 2002 and 2003. Compared to the preceding year, employment has increased, unemployment decreased, though in both cases this trend was carried only or mainly by men. However, instead of representing a real turn in development, these changes may at least in part be due to methodological changes, for example, the earlier reference period in 2003, but particularly the inclusion of a certain degree of subsistence farming and other production for own consumption under the definition of employment.

Education

While the working age population in a way represents the potential pool of manpower in terms of sheer numbers, educational levels may be considered as general indicators of the quality of this potential in terms of persons' qualification.

In 2003, among all persons in Kosovo aged 15 or more, almost half of the men and 3 of 4 women in Kosovo had completed less than upper secondary education (see Graph 5).

Graph 5: Education levels of population (15+) by sex, 2003



In contrast, only about every tenth men and every thirtieth women had a college or university education.

Even if one takes into account that, on the one hand, some young people have not yet finished their education and, on the other, younger age groups generally tend to reach higher levels of education than their older counterparts, these figures must give reason for concern inasmuch as a person's qualification determines both his or her employment chances and the risk of unemployment. Both of these effects will be demonstrated in the following sections.

Note:

< upper secondary: no school, 1-4 grade of elementary school, 5-7 grade of elementary school, elementary school (completed);

upper secondary: secondary school;

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

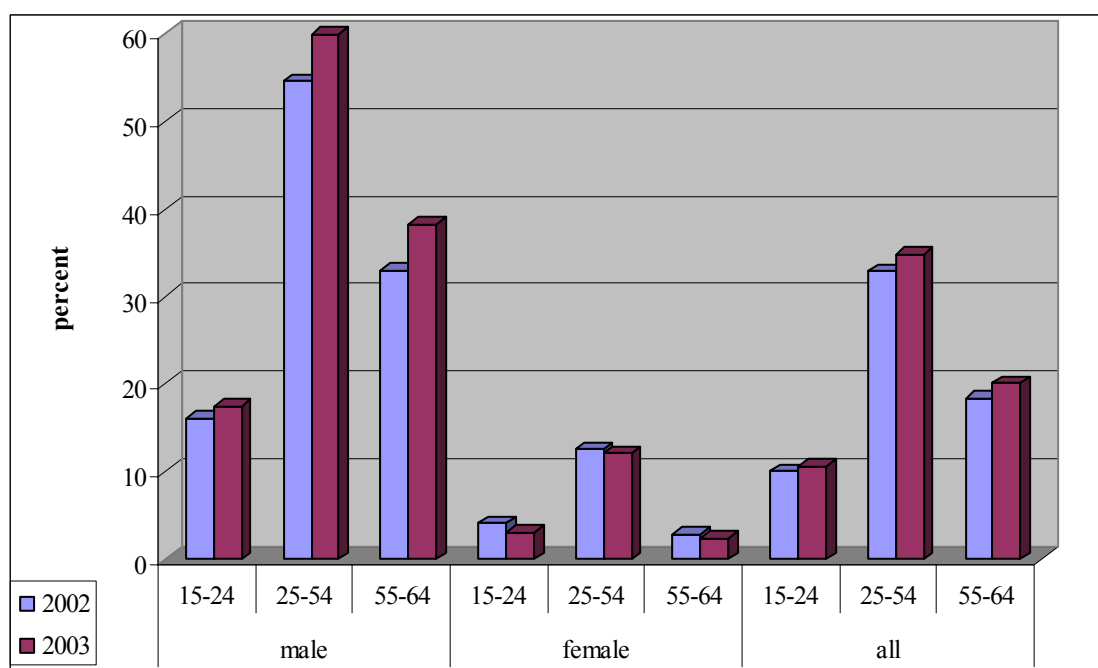
4. Employment

In this section the situation on the Kosovo labour market in 2003 and possible developments since the preceding year will be discussed in greater detail by looking at specific characteristics of persons in employment.

Age groups

The differentiation of the employment rate by age shows that the proportion of working people in the central age group (25-54) is almost 50% higher than on the average for males as well as females (see Graph 6).

Graph 6: Employment rates by sex and age groups, 2002-2003



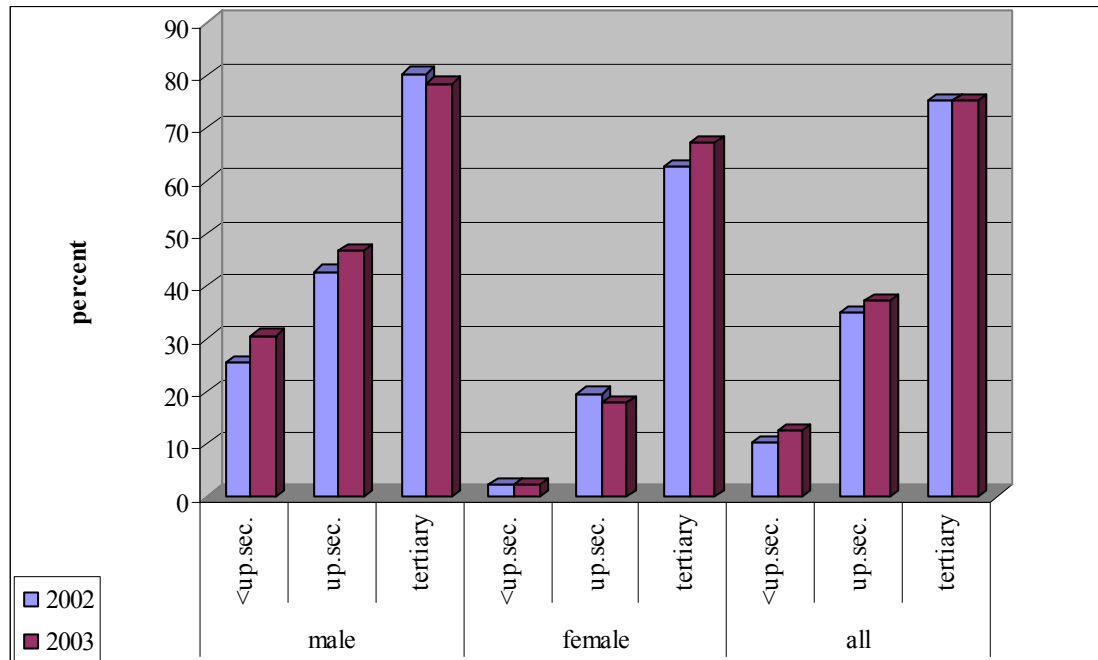
Also for both sexes, this rate drops to about 40% of the average in the age group 15-24, which in part can be traced back to continued education, but also may be due to difficulties of finding a first entry into the labour market. In the oldest age group (55-64), however, a wide gap opens between men and women. While the employment rate of males at this age only sinks slightly below the average, that of females drops sharply to less than 30% of the average. The main cause for this discrepancy may be the greater tendency of women to go into earlier retirement.

As already noted for the overall employment rate, only men seem to have profited from its increase from 2002 to 2003. In the differentiation by age, this is true for all age groups, with the highest gains in the two upper ones. Women, in contrast, seem to have lost over all age groups, particularly in the lowest one.

Education

There also is a clear relationship between employment and education. The higher a person's level of education, the more likely it is that he/she is employed (see Graph 7).

Graph 7: Employment rates by education and sex, 2002-2003



Though still generally lower than for men, these differences between education levels are even more pronounced for women. In fact, on the tertiary level of education females almost reach the same employment rate as men. In other words, the qualification factor is of greater importance for women, because they are bound to suffer more under respective deficits and profit more from higher investments in human capital

Compared to 2002, the rise in the overall employment rate in 2003 manifests itself for men only on the two lower levels of education. This may be an indication that this overall rise can indeed be traced back to the inclusion of subsistence farming and production for own consumption in the 2003 SOK LFS, both activities usually requiring only limited qualification or menial skills. In contrast, the employment rate for women on these two levels decreased slightly, but increased considerably for those with a college or university education.

Economic activity

The distribution of employed persons by economic activity characterizes the structure of the economy and its changes over time can indicate growing or diminishing employment chances. The classification used for this purpose is the 1-digit NACE with groupings of several smaller sectors at the beginning and the end of the scale (see Textbox 1).

Text Box 1

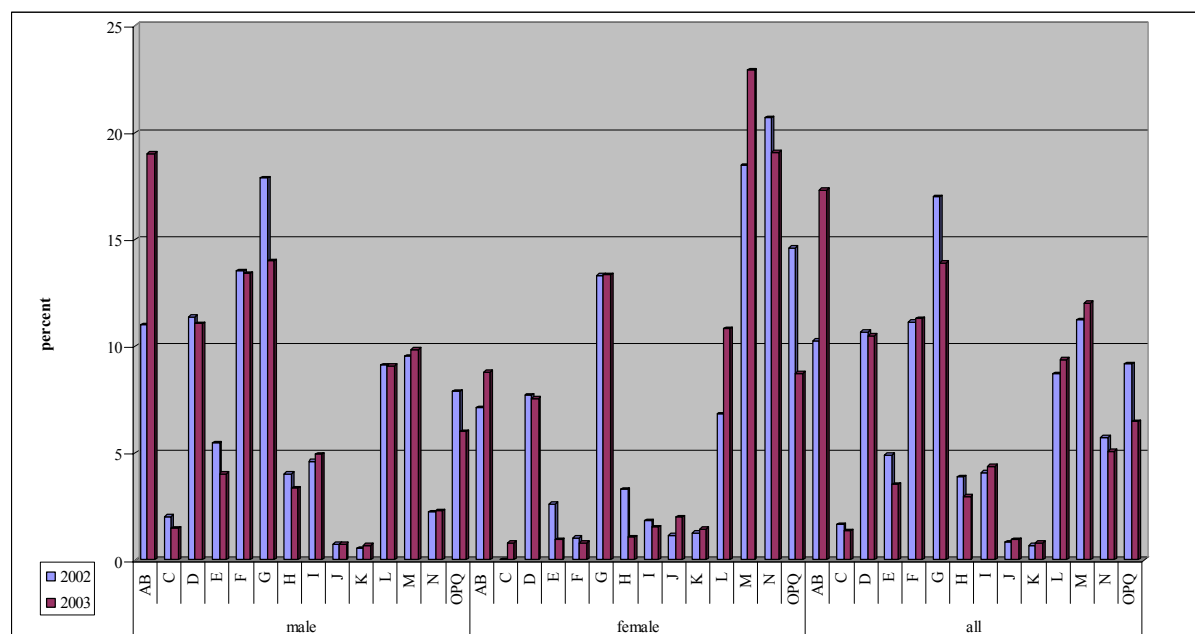
Classification of economic activities

NACE	Description
A	<u>Agriculture</u> , hunting and forestry
B	Fishing
C	<u>Mining</u> and quarrying
D	<u>Manufacturing</u>
E	<u>Electricity</u> , gas and water supply
F	<u>Construction</u>
G	Wholesale and retail <u>trade</u> , repair of motor vehicles, motorcycles and personal and household goods
H	<u>Hotels</u> and restaurants
I	<u>Transport</u> , storage and communication
J	<u>Financial</u> intermediation
K	Real estate, renting and <u>business</u> activities
L	<u>Public administration</u> and defence; compulsory social security
M	<u>Education</u>
N	<u>Health</u> and social work
O	<u>Other</u> community, social and personal service activities
P	Private households with employed persons
Q	Extra-territorial organizations and bodies

Underlining: short form used in text

In 2003, agriculture had become the most important branch of the Kosovo economy with an employment share of 17.3%, followed by trade (13.9%), education (12.0%), construction (11.3%) and manufacturing (10.5%). While these also are the most important branches of male employment, although not exactly in that order (see Graph 8).

Graph 8: Employment by economic activities and sex, 2002-2003



The ranking of the most important sectors of female employment sees education with a share of almost one quarter (22.9%) on top, closely followed by health (19.1%), with trade (13.4%) and public administration being the only other branches with a share of more than 10% (13.4 and 10.8, respectively).

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

In 2002, the SOK LFS still had found trade to the strongest sector (17.0%), but it lost that position mainly through a decrease of male employment. Conversely, agriculture gained the top position in 2003 through an increase in male employment, most likely through the inclusion of subsistence farming in this year's survey. There are only three other larger changes that should be noted here, namely the increase in female employment in public administration and education by about 4 percentage points each and a decrease of 6 percentage points for women working in other services.

Occupation

The occupational structure of an economy reflects the human capital which its members obtained through professional specialization and sector-specific activities. The classification used for this purpose is the 1-digit ISCO, except for code 0 = armed forces, which are not covered in the SOK LFS (see Textbox 2).

Text Box 2

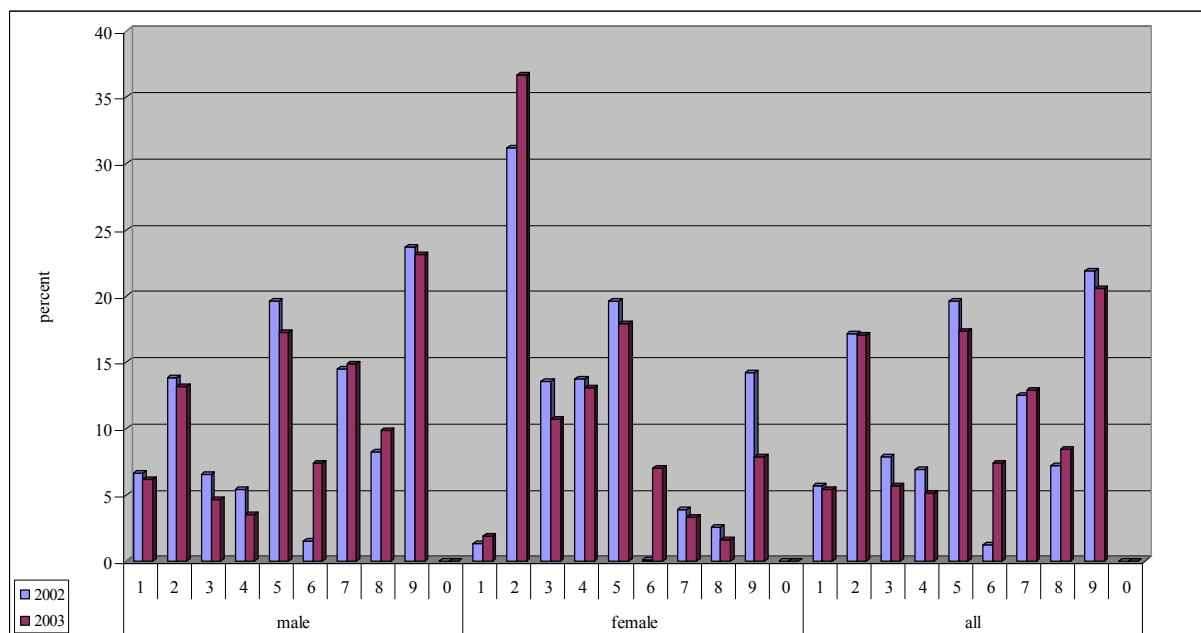
Classification of occupations

ISCO	Description
1	Legislators, senior officials and <u>managers</u>
2	<u>Professionals</u>
3	<u>Technicians</u> and associate professionals
4	<u>Clerks</u>
5	<u>Service</u> workers and shop <u>and</u> market <u>sales</u> workers
6	Skilled <u>agricultural</u> and fishery workers
7	<u>Craft and related trades</u> workers
8	Plant and <u>machine operators</u> and assemblers
9	<u>Elementary occupations</u>
0	<u>Armed forces</u>

Underlining: short form used in text

About one fifth (20.6%) of the employed in Kosovo work in elementary occupations (see Graph 9), about one sixth each are service or sales workers and professionals (17.4 and 17.1%, respectively), and about one eighth (12.9%) engage in crafts or related trades.

Graph 9: Employment by occupational groups (1-0) and sex, 2002-2003



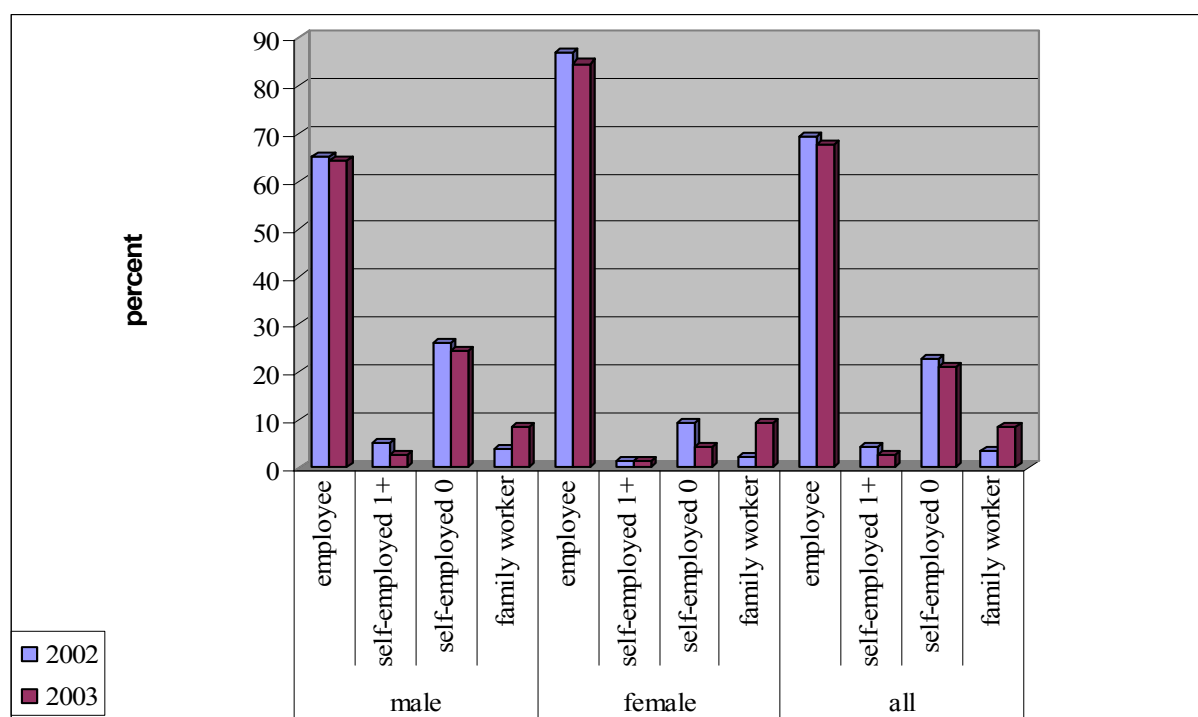
The differentiation by sex reveals that over 60% of the women are found in service occupations with high (codes 1-3) or middle qualification (code 4). In these occupations men are represented more only among managers (code 1). Conversely, almost half of the males are found in occupations linked to handicraft and industrial production (codes 7 and 8) and elementary activities (code 9).

As the occupational structure usually changes slowly, there are few notable differences between 2002 and 2003. Thus, there is only one consistent increase in the share of both men and women in the group of skilled agricultural workers (code 6), which again may be traced back to the inclusion of subsistence farming in the 2003 SOK LFS. At the same time, however, the share of women in elementary occupations is reduced by the same magnitude, a trade-off that also seems to have occurred between female professionals and technicians.

Professional status

Generally most employed persons have the status of employees. In 2003 this applied to almost two thirds of the men and more than five sixths of the women in Kosovo (see Graph 10).

Graph 10: Employment by professional status and sex, 2002-2003



The status of self-employed indicates that employment is based on one's own capital resources and carried on at one's own risk. High shares of self-employment thus can either be an expression of a dynamic development in the modern sector of an economy or simply an expression of a large agricultural sector consisting mainly of small family holdings. In Kosovo, the latter seems to be the case, because only 2.6% of the employed persons classify themselves as employers (self-employed with one or more employees), while more than 20% report that they are own-account workers or free-lancers (which here are all coded as self-employed without employees). In both cases, the share of self-employment is much higher among men than among women.

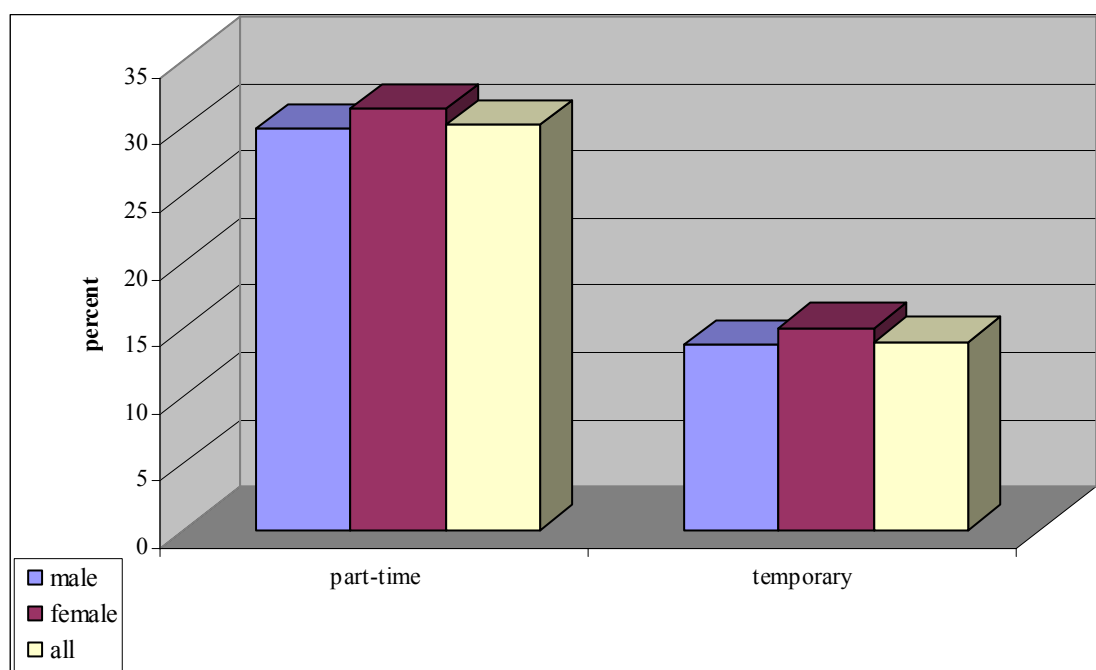
The most remarkable change between 2002 and 2003 in the professional status of employed persons is the increase in the share of family workers by about 5-6 percentage points for men as well as women. Again, this seems to be the effect of the inclusion of subsistence farming and production for own consumption in the 2003 SOK LFS. Certainly the relation between professional status and economic sector deserves further attention and additional analysis.

Conditions of employment

The extent of part-time work and temporary jobs can be indicators of particular employment situations, especially if combined with the distinction voluntary/involuntary. Thus, part-time employment may offer interested persons the choice between full-time activity or reduced hours, but it also can mean that not enough full-time jobs are available. Similarly, temporary jobs may be fitting for certain types of situations (training, seasonal or vacation jobs, probationary periods), but they also can represent a precarious type of employment.

Unfortunately, the SOK LFSs up to 2003 did not include a separate question on part-time work, instead the distinction was made on the usual number of hours worked per week (less than 40/40 or more). According to this definition, about 30% of all employment in 2003 was carried on on a part-time basis, with only a minor difference between males and females (see Graph 11).

Graph 11: Shares of part-time work and temporary contracts (of employees) by sex, 2003



This almost certainly overestimates the actual extent of part-time work. The share of temporary work also is fairly high with 14% of all employees, again with only a minor difference between males and females. In this case, the specific conditions regarding the voluntary or involuntary nature and the specific types of activities involved would have to be further analysed.

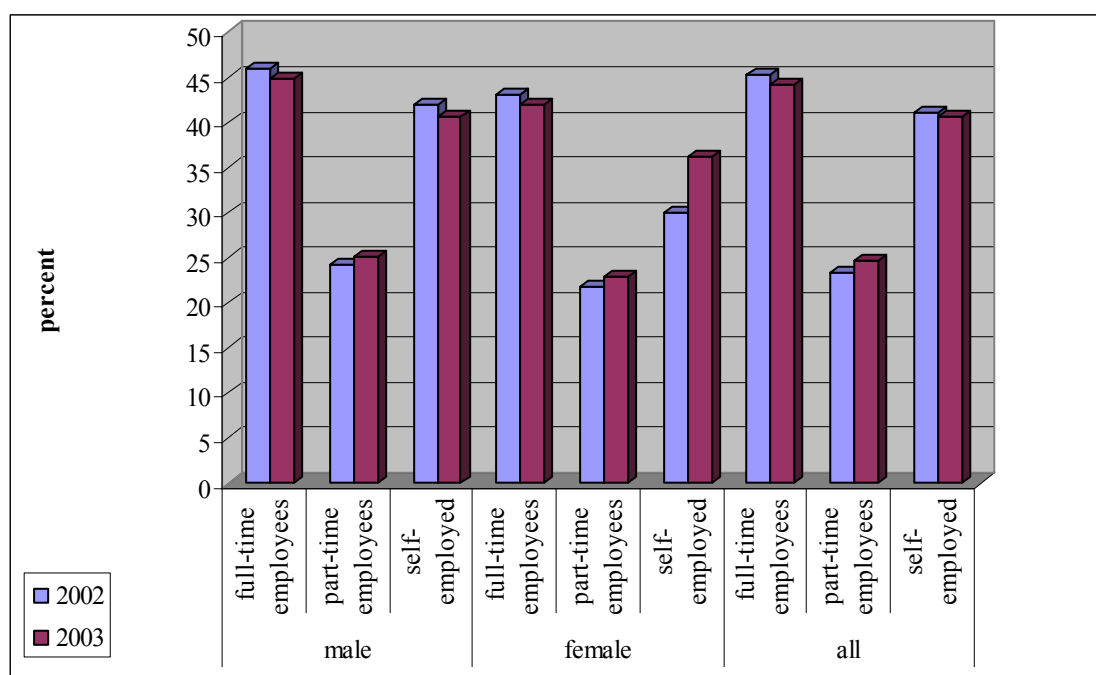
Compared to 2002 there was little change in the share of part-time and temporary employment. The only stronger increase in the part-time share for men will not be commented because of the methodological reservations concerning the underlying definition.

Usual working hours

Like the share of part-time employment, the average number of usual working hours per week for full-time and part-time employees is affected by the definition used in the SOK LFS up to 2003 (see preceding section). The respective figures actually represent the average of employees who usually works 40 hours or more vs. that of employees who usually work less than 40 hours, thus both overestimating the figures that would be obtained through an independent definition of part-time work.

As it is, full-time employees in 2003 were found to work an average of 44.3 hours per week, part-time employees 24.6 hours, with men in both cases working 2 hours more than women (see Graph 12).

Graph 12: Average number of usual working hours per week by professional status and sex, 2002-2003



Even given the noted methodological reservations, the most unexpected finding was that self-employed in Kosovo seem to work less than full-time employees, as usually the opposite is the case.

The comparison with 2002 turns up differences of +1 hour for all figures except for self-employed women where an increase of 6 hours was observed. However, considering the small number of self-employed women this difference may not be statistically reliable.

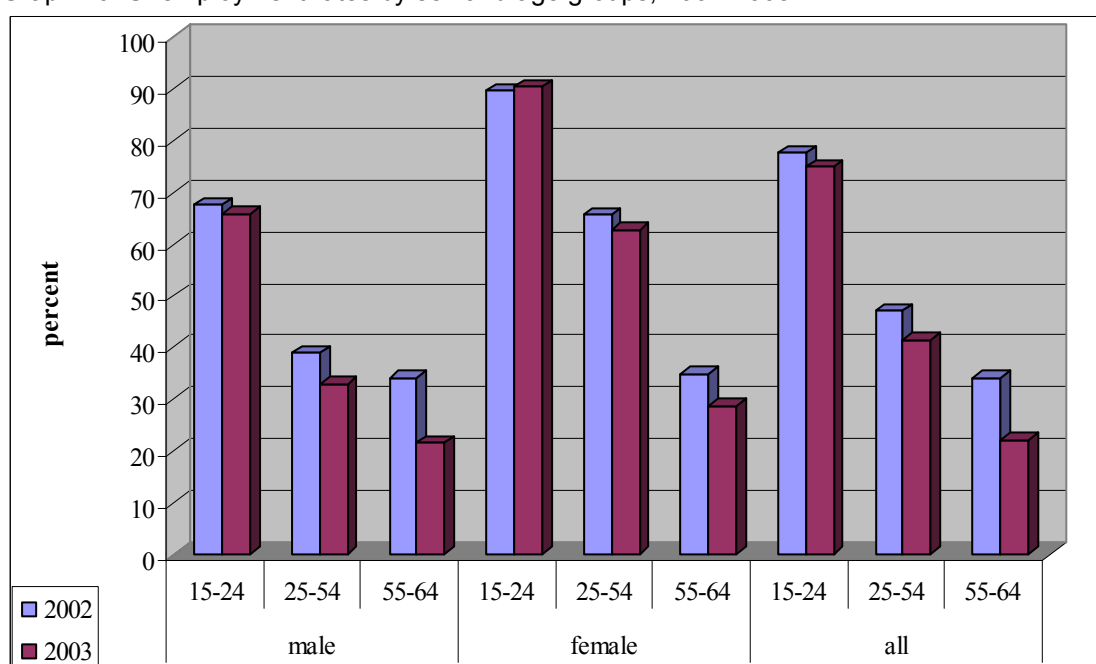
5. Unemployment

Similar to the analysis of employment, this section will discuss the situation of the unemployed in Kosovo for the year 2003 and possible developments since the preceding year in greater detail by looking at some of the same characteristics as well as at some factors and conditions which are specific to unemployment.

Age groups

The differentiation of the unemployment rate by age groups shows that the highest incidence of unemployment occurs among young people, where two thirds of the males and 9 of ten females in the labour force are without a job (see Graph 13).

Graph 13: Unemployment rates by sex and age groups, 2002-2003



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

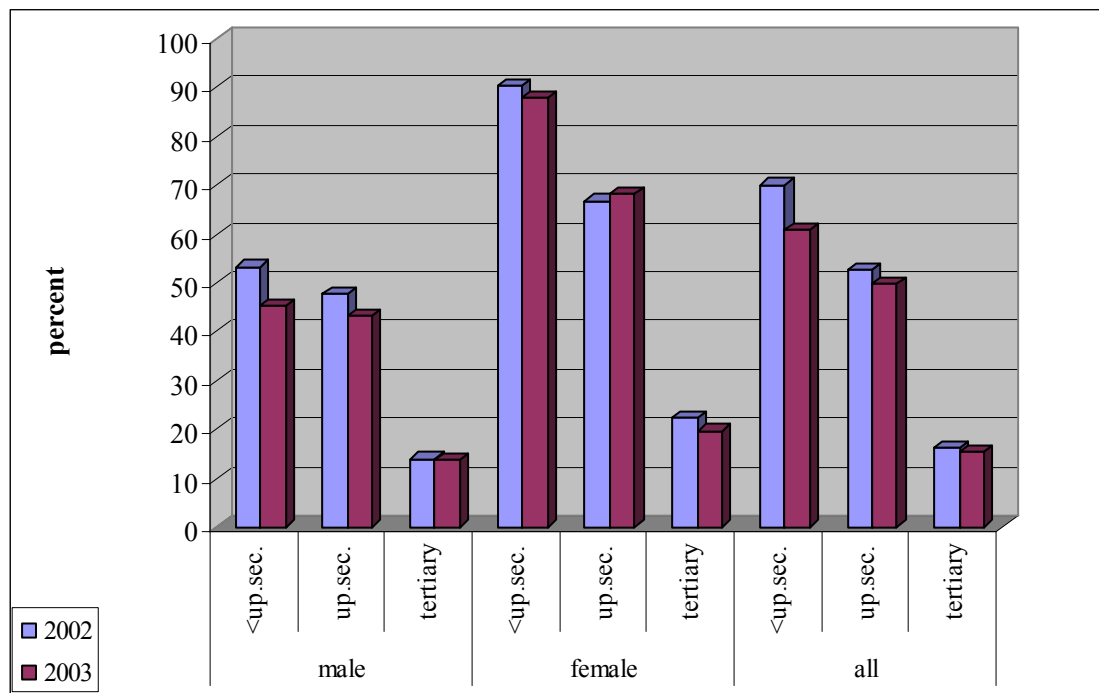
Unemployment consistently decreases with age, though it still amounts to 32.9% of the male and 62.8% of the female labour force in the central age group. And the low unemployment rate in the highest working age group together with the smallest difference between males and females (21.6 vs. 28.6) should not be taken as an indication that this group enjoys the most favourable labour market position. A main reason for the lower unemployment here is that many persons of this age go into early retirement or simply do not look for a new job after becoming unemployed because they think that no work is available.

Compared to 2002, mainly the upper two age groups have profited from the general drop in unemployment, and the situation improved more for males than for females. Particularly the decrease of the unemployment rate for the upper age group may again be an effect of the inclusion of subsistence farming and production for own consumption in the SOK LFS 2003, since persons exiting the normal labour market are likely to engage in these activities.

Education

Complementary to employment, the unemployment rate correlates negatively with the level of education. With a rate of over 60% persons with the lowest qualification are most likely to become or remain unemployed, and this rate only decreases to about 50% on the middle level, while persons with college or university education only exhibit an unemployment rate around 15% (see Graph 14).

Graph 14: Unemployment rates by sex and education, 2002-2003



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

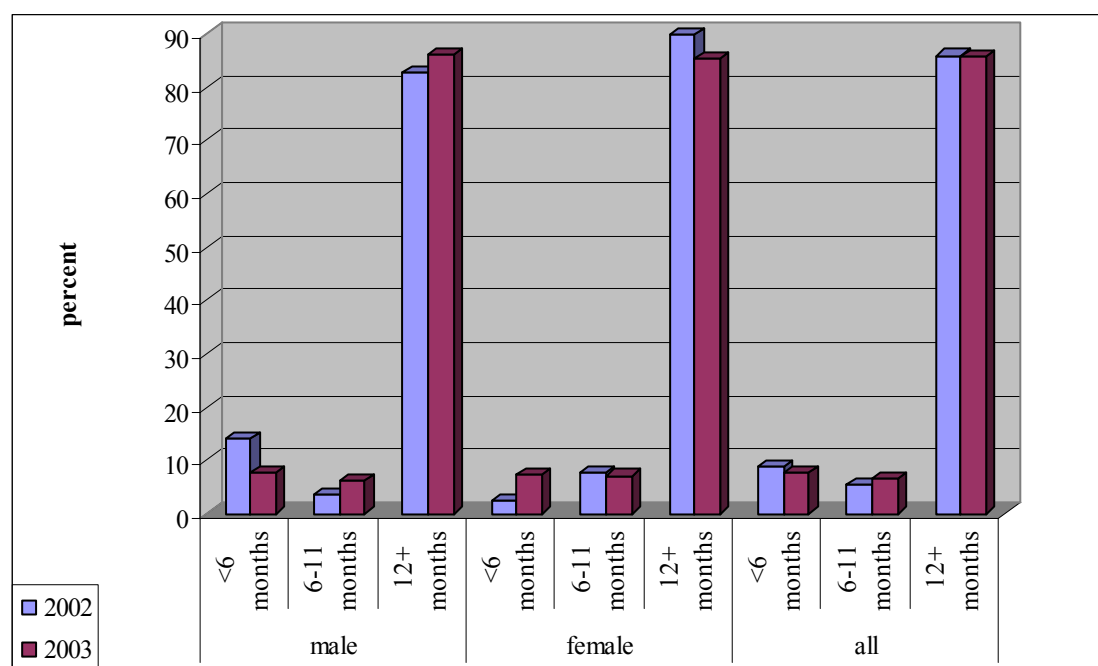
The lowering of the overall unemployment rate in Kosovo from 2002 to 2003 most strongly affected persons with less than secondary education and to lesser degrees those with secondary or tertiary education. Again men benefited more than women, especially men with low qualifications, except on the highest level of education where the improvement in the unemployment rate of women surpassed that for men by about 2 percentage points.

Duration

While the lack or loss of a job already may be a negative experience, the situation can get even worse if all attempts of finding work continue to be unsuccessful. In labour market statistics this aspect is documented by the duration of unemployment. By definition this is the time since a person lost his last job or started to look for work, whichever of these periods is shorter.

According to the 2003 SOK LFS, 6 of 7 unemployed persons in Kosovo have been without a job for more than a year, no matter if male or female (see Graph 15).

Graph 15: Duration of unemployment by sex, 2002-2003



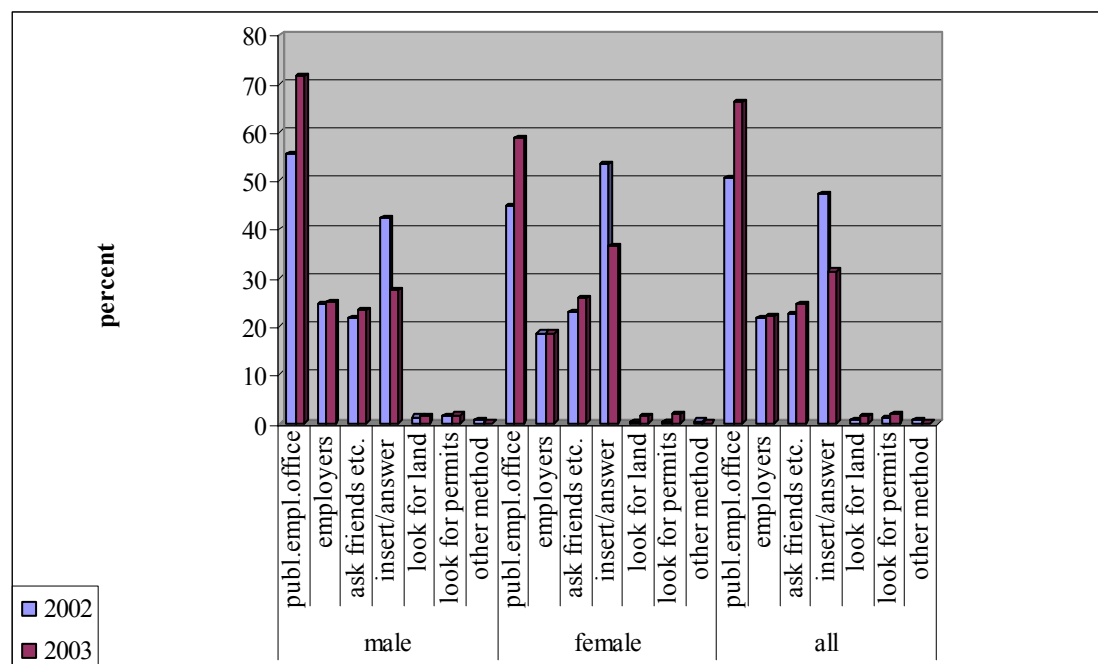
This is a very high incidence of long-term unemployment, which is defined by the duration of one year or more. Furthermore, since this indicator refers to the current rather than the completed duration of unemployment (the latter being defined as the time until work is actually found), the persons reporting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

The situation also does not seem to have improved since 2002, although the data are not strictly comparable because the date of losing one's last job was asked in that year's survey only of persons who had worked in the last 3 years.

Methods of search

Unemployed persons can use various methods in their search for work. Most of them will register with the public employment service, though in part this is done to receive unemployment or other social benefits. In 2003, more than 70% of the unemployed men and almost 60% of the unemployed women in Kosovo contacted these offices (see Graph 16).

Graph 16: Unemployed by methods of job search and sex, 2002-2003



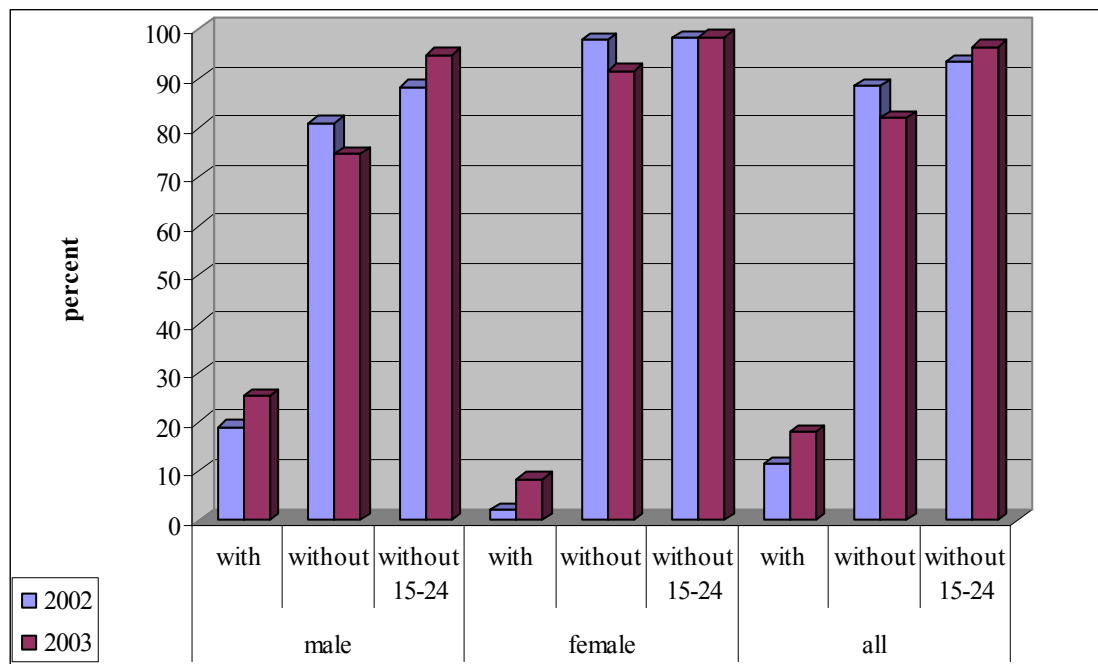
About 20 to 30% of the unemployed also made use of three alternatives, namely direct applications at employers or worksites, inquiries through friends, relatives or labour unions, and by inserting or answering advertisements in newspapers, the latter used especially by women (36.5%). Other methods of search were either insignificant or not asked in the SOK LFS.

Compared to 2002 there are two major changes in the types of methods used in the search for work. On the one hand, the contacts with the public employment service increased by about 15 percentage points across the board. On the other hand, the use of newspaper advertisement generally decreased by about the same amount. An explanation for these apparently related developments could not be found.

Previous work experience

By asking unemployed persons whether or not they worked before allows one to distinguish between those who lost or gave up a job and now are trying to re-enter working life and those who never held a job and face the difficulties of initial entry. According to the 2003 SOK LFS, most of the unemployed never worked before, namely 3 quarters of the males and more than 90% of the females (see Graph 17).

Graph 17: Previous work experience of unemployed by sex and age, 2002-2003

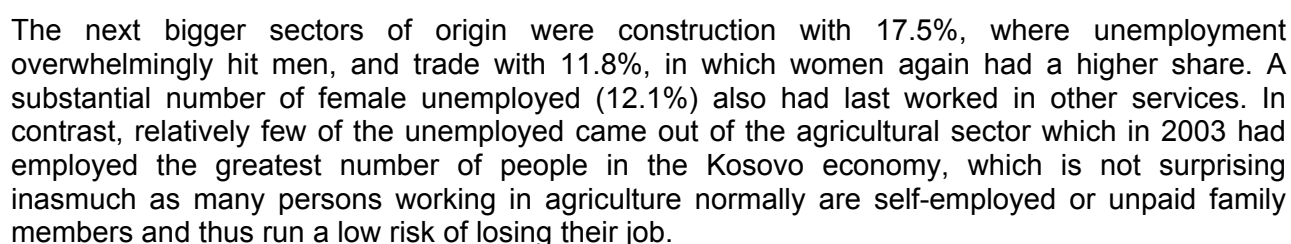


This problem is even more pronounced with regard to youth unemployment, because in the age group 15-24 almost everyone is looking to find his or her first job.

The corresponding figures for 2002 basically reflect the same situation, but tend to be a little lower because the question of previous work experience in that year's SOK LFS only referred to the last 3 years.

The distribution of the unemployed by economic activity of their last job can give an indication about the relative degree to which the individual sectors of an economy contribute to the unemployment situation. Unfortunately, the reliability of these figures for Kosovo is somewhat limited due to the low proportion of the unemployed with previous work experience, particularly women.

Graph 18: Unemployed by economic activity of last job and sex, 2002-2003



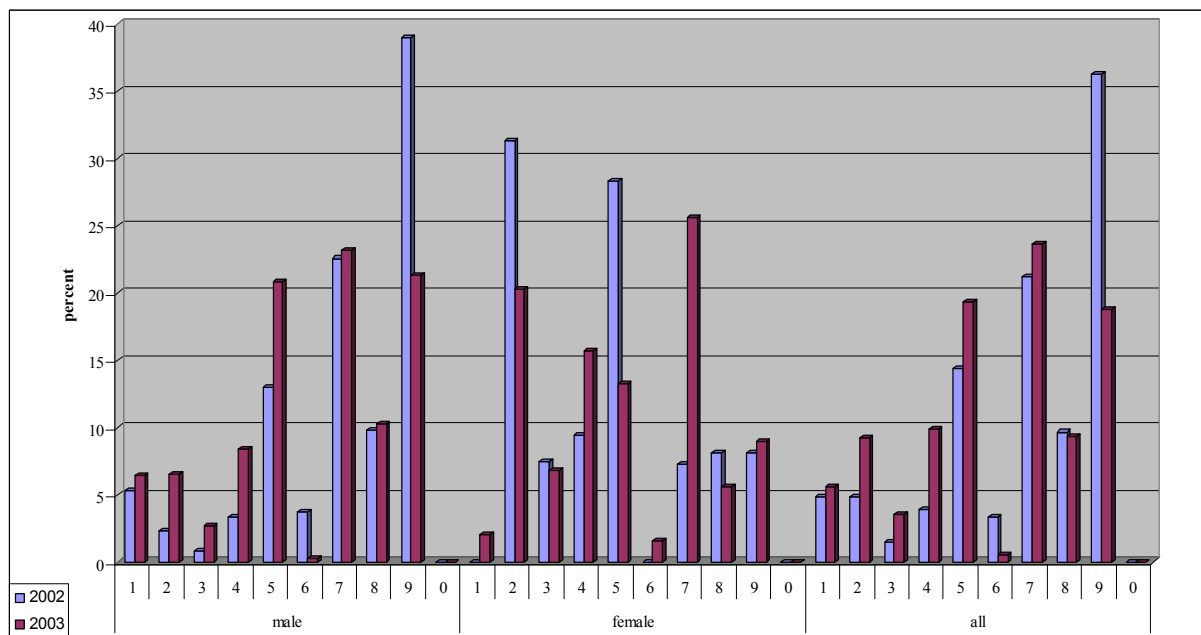
The comparison with 2002 shows a picture, however, which is very different. In that year, most unemployed reported to have last worked in construction (35.8%), but already second most in agriculture (22.5%), in both cases almost exclusively men. Substantial shares of women were shown for the health and trade sectors (43.7 and 14.5%, respectively), while manufacturing only played a moderate role for both sexes. In interpreting these differences one should remember that the questions on previous work experience in the 2002 SOK LFS only referred to the last 3 years, i.e., may reflect developments in the direct aftermath of the war and in the first phase of reconstruction. The 2003 data, in contrast, probably includes many persons who lost their job before these events and thus may reflect longer-term developments.

Occupation

The distribution of the unemployed by the occupation which they exercised in their last job can give an indication as to the demand for certain qualifications in an economy. However, the reservations made with regard to the SOK LFS data made in the preceding section on economic activity also apply here.

In 2003, about 20-25% of the unemployed with previous work experience reported to have worked in crafts or related trades, as service or sales workers and in elementary occupations (see Graph 19).

Graph 19: Unemployed by occupational group in last job and sex, 2002-2003



While the loss of jobs in the latter two occupations mostly hit men, women also were affected to a considerable degree as professionals and clerks (20.3 and 15.7%, respectively).

Other than for economic activity, the occupational groups reporting the greatest shares of job losses in the 2002 SOK LFS were the same as in 2003, though with a higher concentration in elementary occupations (36.3%), especially in the case of men (39.0%), while women were affected in excessive degree as professionals and service or sales workers (31.3 and 28.3%, respectively).

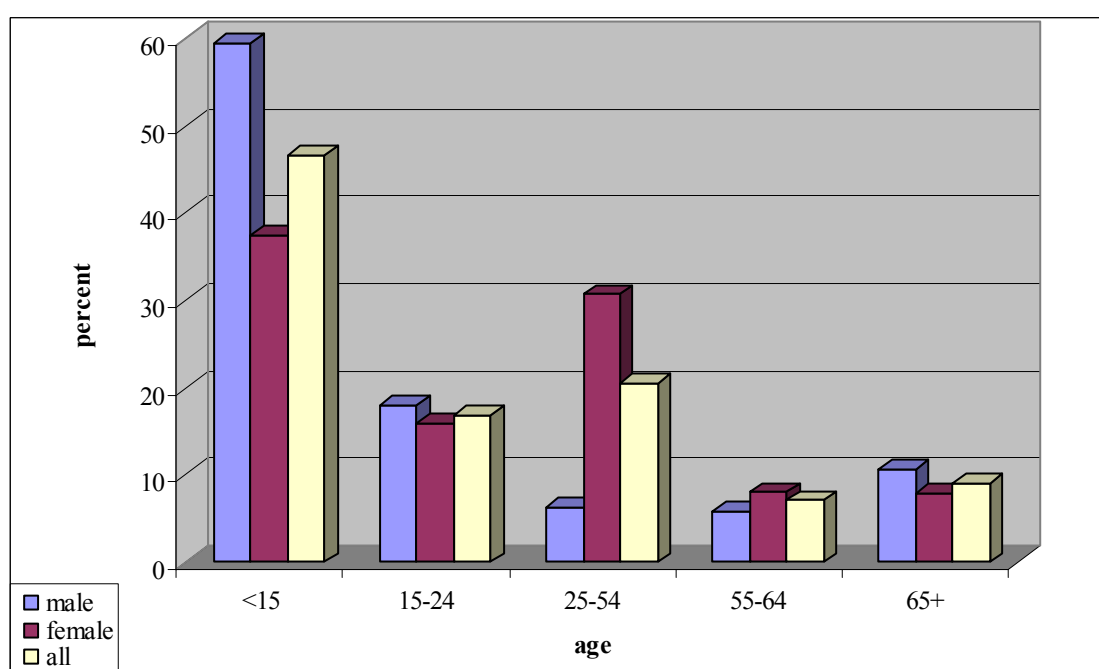
6. Inactive persons

The residual category of labour force classification, the inactive population, will be portrayed here only from two aspects, age and education. Discussions about the causes or conditions of inactivity will have to be left to separate analyses.

Age groups

As expected on the basis of the population age distribution and the lower working age limit, children under 15 constitute the largest group among the inactive with almost 50%, followed by the central working age group with a little more than 20% and the age group 15-24 with close to 17% (see Graph 20).

Graph 20: Inactive population by sex and age groups, 2003



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

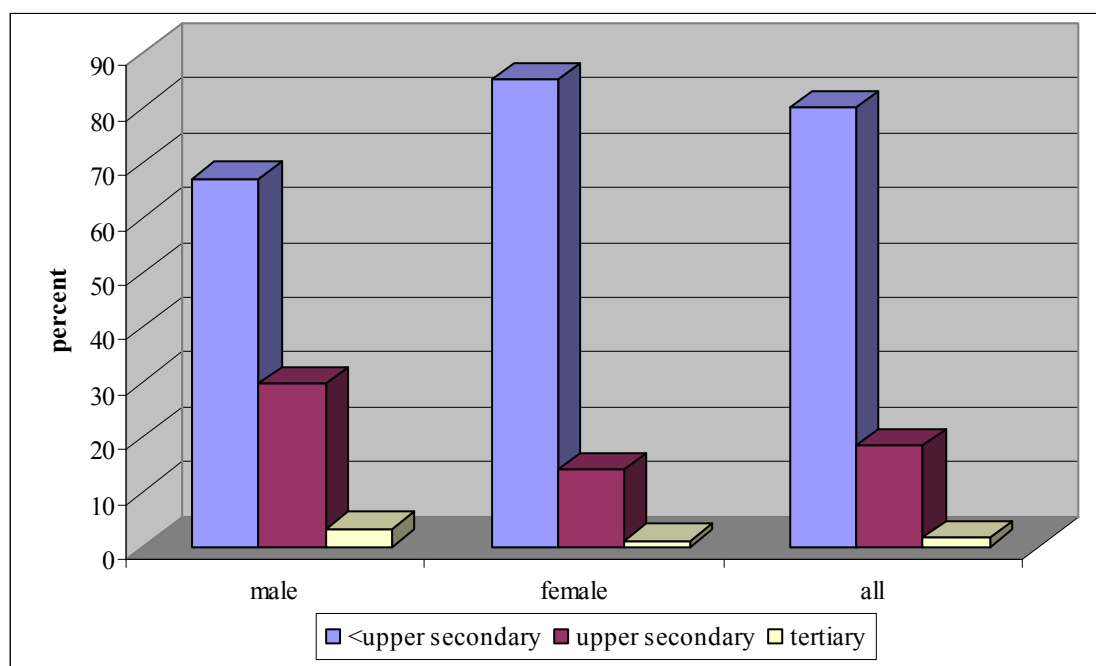
The age distributions of inactive males and females differ greatly, however, reflecting two diametrically opposed facts: the relatively high employment rates of men and the relatively low employment rates of women in the central working age group, leading to inactivity shares of 6.2 and 30.7%, respectively. More specifically, the latter value lowers the shares of inactive females in all other age groups although they surpass men in absolute numbers in all age groups except that of children.

The distribution of the inactive population by age for the 2002 SOK LFS exhibits only minor deviations from that for 2003.

Education

Again as expected, this time on the basis of education-specific employment and unemployment rates, the inactive population is characterised by lower education levels than the population as a whole. Two thirds of the inactive males over 15 and five sixths of their female counterparts have less than upper secondary education, while at the other end of the scale only a little more than 3% of the inactive males and less than 1% of their female counterparts have completed college or university(see Graph 21).

Graph 21: Inactive population (15+) by education and sex, 2003



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

As with regard to age, the distribution of the inactive population by education for the 2002 SOK LFS exhibits only minor deviations from that for 2003.

Annex 1: Standard tabulation programme 2002-2003

GROUP Classification	Unit	2002			2003		
		male	female	all	male	female	all
POPULATION							
total*	%	49,7	50,3	100,0	50,5	49,5	100,0
aged 15-64*	%	61,8	63,9	62,8	60,1	63,1	61,6
by age							
<15	%	32,3	29,0	30,6	33,8	30,4	32,1
15-24	%	20,5	21,1	20,8	20,9	19,4	20,2
25-54	%	34,5	36,4	35,4	32,8	37,0	34,9
55-64	%	6,8	6,4	6,6	6,4	6,8	6,6
65+	%	5,9	7,1	6,5	6,1	6,5	6,3
15-64	%	61,8	63,9	62,8	60,1	63,1	61,6
by education (15+)							
<upper secondary	%	43,3	74,2	59,2	47,2	75,8	61,7
upper secondary	%	47,6	22,4	34,6	43,3	20,6	31,8
tertiary	%	9,1	3,4	6,1	9,5	3,6	6,5
by employment status							
employed* (15-64)	%	39,4	8,8	23,8	42,8	8,3	25,3
unemployed* (15-64)	%	32,6	25,7	29,1	28,8	21,2	25,0
labour force* (15-64)	%	72,0	34,5	52,8	71,7	29,5	50,3
inactive*	%	55,5	77,9	66,8	56,9	81,4	69,0
dependency rates							
youth*	rate	52,3	45,3	48,7	56,2	48,2	52,1
old age*	rate	9,6	11,1	10,4	10,1	10,3	10,2
effective*	rate	178,1	1160,3	364,6	157,2	1228,2	335,5
activity rates (15-64)							
employment*	rate	39,4	8,8	23,8	42,8	8,3	25,3
unemployment*	rate	45,2	74,5	55,0	40,3	71,9	49,7
activity*	rate	71,9	34,5	52,8	71,7	29,5	50,3

GROUP Classification	Unit	2002			2003		
		male	female	all	male	female	All
EMPLOYED							
by age							
15-24*	rate	16,1	4,1	10,0	17,5	3,1	10,7
25-54	rate	54,5	12,6	32,8	59,8	12,1	34,8
55-64	rate	33,0	2,9	18,4	38,3	2,4	20,1
65+	rate	Not available	Not available	Not available	not available	Not available	Not available
15-64*	rate	39,4	8,8	23,8	42,8	8,3	25,3
by education (15-64)							
<upper secondary*	rate	25,4	2,3	10,3	30,6	2,2	12,5
upper secondary*	rate	42,7	19,5	34,9	46,6	17,9	37,1
tertiary*	rate	80,4	62,6	75,1	78,5	67,2	75,2
by economic activity (15-64)							
agriculture	%	11,0	7,1	10,3	19,0	8,8	17,3
mining	%	2,0	0,0	1,6	1,5	0,8	1,4
manufacturing	%	11,4	7,7	10,7	11,1	7,6	10,5
electricity	%	5,5	2,6	4,9	4,0	1,0	3,5
construction	%	13,5	1,0	11,2	13,4	0,8	11,3
trade	%	17,9	13,3	17,0	14,0	13,4	13,9
hotels	%	4,0	3,3	3,9	3,4	1,1	3,0
transport	%	4,6	1,8	4,1	5,0	1,6	4,4
finance	%	0,7	1,2	0,8	0,7	2,0	0,9
business	%	0,5	1,3	0,7	0,7	1,4	0,8
public administration	%	9,1	6,8	8,7	9,1	10,8	9,4
education	%	9,5	18,5	11,2	9,9	22,9	12,0
health	%	2,2	20,7	5,7	2,3	19,1	5,1
other	%	7,9	14,6	9,2	6,0	8,7	6,5
by occupation (15-64)							
managers	%	6,7	1,3	5,6	6,1	1,9	5,4
professionals	%	13,8	31,1	17,1	13,2	36,7	17,1
technicians	%	6,5	13,6	7,8	4,6	10,7	5,6
clerks	%	5,4	13,7	7,0	3,5	13,1	5,1
service and sales	%	19,6	19,6	19,6	17,3	17,9	17,4
agriculture	%	1,5	0,1	1,2	7,4	7,0	7,4
craft and related trades	%	14,5	3,8	12,5	14,9	3,3	12,9
machine operators	%	8,2	2,5	7,2	9,8	1,6	8,5
elementary occupations	%	23,7	14,3	21,9	23,1	7,8	20,6
armed forces	%	0,0	0,0	0,0	0,0	0,0	0,0
by professional status (15-64)							
employee	%	65,2	86,9	69,3	64,1	84,6	67,5
self-employed 1+ employees*	%	5,0	1,3	4,3	2,9	1,3	2,6
self-employed 0 employees*	%	26,0	9,5	22,9	24,6	4,5	21,2
family worker	%	3,8	2,3	3,5	8,5	9,5	8,6
by conditions (15-64)							
part-time*	%	23,5	30,7	24,8	29,9	31,3	30,1
temporary*	% of employees	12,5	12,4	12,5	13,7	15,1	14,0
by usual working hours (15-64)							
full-time employees*	average	45,9	43,1	45,3	44,9	42,0	44,3
part-time employees*	average	24,2	21,7	23,4	25,1	23,0	24,6
self-employed*	average	41,9	30,0	41,0	40,7	36,2	40,6

GROUP Classification	Unit	2002			2003		
		male	female	all	male	female	All
UNEMPLOYED							
by age							
15-24*	rate	67,6	89,7	77,7	65,8	90,5	74,9
25-54	rate	39,0	65,7	47,1	32,9	62,8	41,5
55-64	rate	34,0	35,0	34,1	21,6	28,6	22,0
15-64*	rate	45,2	74,5	55,0	40,3	71,9	49,7
by education							
<upper secondary*	rate	53,3	90,3	70,1	45,3	87,8	60,8
upper secondary*	rate	47,6	66,8	52,7	43,3	68,4	49,6
tertiary*	rate	13,9	22,2	16,1	13,6	19,7	15,3
By duration							
<6 months	%	13,9	2,5	8,7	7,7	7,4	7,5
6-11 months	%	3,5	7,6	5,3	6,2	7,1	6,6
12+ months*	%	82,6	89,9	85,9	86,1	85,5	85,9
By methods of search							
public employment office	%	55,5	44,7	50,6	71,6	58,7	66,1
private employment office	%						
employers directly	%	24,5	18,5	21,8	24,9	18,5	22,2
ask friends etc.	%	21,8	23,1	22,4	23,3	25,9	24,4
insert/answer advertisements	%	42,4	53,3	47,3	27,4	36,5	31,3
study advertisements	%						
test/interview	%						
look for land/equipment	%	1,3	0,2	0,8	1,4	1,6	1,5
look for permits/licenses	%	1,5	0,2	0,9	1,6	1,9	1,7
other method	%	0,6	0,4	0,5	0,0	0,0	0,0
By previous work experience							
with	%	19,1	2,2	11,5	25,5	8,4	18,1
without*	%	80,9	97,8	88,5	74,5	91,6	81,9
without 15-24*	% of 15-24	88,2	98,2	93,5	94,7	98,4	96,4
By economic activity (last job)							
agriculture	%	24,7	0,0	22,5	6,2	4,3	5,8
mining	%	0,0	0,0	0,0	5,1	0,8	4,2
manufacturing	%	8,5	10,1	8,7	26,6	40,0	29,3
electricity	%	0,1	2,9	0,4	1,5	1,0	1,4
construction	%	39,1	1,9	35,8	21,2	2,8	17,5
trade	%	4,8	14,5	5,6	10,6	16,5	11,8
hotels	%	5,8	1,7	5,5	7,4	1,9	6,3
transport	%	3,7	1,1	3,5	4,4	1,4	3,8
finance	%	0,0	2,4	0,2	1,3	1,5	1,4
business	%	1,3	0,0	1,1	2,2	2,1	2,2
public administration	%	3,8	9,7	4,4	3,8	4,3	3,9
education	%	2,0	2,9	2,1	2,6	8,8	3,9
health	%	0,2	9,3	1,0	0,9	2,5	1,2
other	%	6,0	43,7	9,3	6,2	12,1	7,4
by occupation (last job)							
managers	%	5,3	0,0	4,9	6,5	2,1	5,6
professionals	%	2,3	31,3	4,9	6,5	20,3	9,3
technicians	%	0,9	7,5	1,5	2,7	6,9	3,6
clerks	%	3,4	9,4	3,9	8,5	15,7	9,9
service and sales	%	13,0	28,3	14,4	20,9	13,3	19,4
agriculture	%	3,7	0,0	3,4	0,3	1,6	0,5
craft and related trades	%	22,6	7,3	21,2	23,2	25,6	23,7
machine operators	%	9,8	8,1	9,7	10,3	5,6	9,3
elementary occupations	%	39,0	8,1	36,3	21,3	9,0	18,8
armed forces	%	0,0	0,0	0,0	0,0	0,0	0,0

GROUP Classification	Unit	2002			2003		
		male	female	all	male	female	All
INACTIVE							
by age							
<15	%	58,1	37,2	45,8	59,4	37,4	46,5
15-24	%	18,5	16,3	17,2	17,9	16,0	16,8
25-54	%	6,6	29,6	20,1	6,2	30,7	20,5
55-64	%	6,1	7,8	7,1	5,8	8,0	7,1
65+	%	10,7	9,1	9,8	10,7	8,0	9,1
15-64	%	31,2	53,7	44,4	29,9	54,7	44,4
by education (15+)							
<upper secondary	%	69,1	85,6	80,3	67,1	85,2	80,1
upper secondary	%	27,5	13,5	18,0	29,7	13,9	18,4
tertiary	%	3,3	1,0	1,7	3,2	0,9	1,5

* employment/unemployment indicators

Annex 2: Tabulation variables, SOK LFS 2003

SURVEY SECTION

Item/Question No.: Variable

SURVEY DATA

Region

Urban/rural

A1. Municipality

HOUSEHOLD QUESTIONNAIRE

Q1 Relation to head of HH

Q2 Sex

Q3 Marital status

Q4 Ethnicity

Derived variable: age

Q6 Education

Q7 Residency

INDIVIDUAL QUESTIONNAIRE

Work activity in the reference week

Derived variable: employment status

Characteristics of main job

Q19 b) economic activity

Q20 No. of employed

Q22 a) occupation

Q24 Professional status

Q26 Limited duration

Q27 Reason limited duration

Q28 Duration

Characteristics of additional job

Q31 Additional job

Q33 b) economic activity

Q34 No. of employed

Q36 a) occupation

Q37 Professional status

Working time

Q41 Usual hours

Q44 Actual hours 1) main job

Q45 Reason actual hours less than usual hours

Q50 Start current job

Persons without work

Q51 Looking for a job

Q52 Methods of job search

Q53 Duration without work or looking for a job

Q54 Kind of work wanted

Q56 Reason for not looking for work

Q57 Availability

Q58 Reasons of non-availability

Q59 Ever worked before

Q60b) economic activity last job

Q61 a) occupation last job

Q62 Professional status last job

Q63 Reason for stopping work

Q64 Date of stopping

Derived variable: duration of unemployment