

RESULTS OF THE KOSOVO 2014 LABOUR FORCE SURVEY

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This report represents the result of the efforts of numerous individuals. Many staff members of the Kosovo Agency of Statistics worked on the 2014 Labour Force Survey. The LFS was overseen by Mr. Isa Krasniqi. It was managed by Mr. Bashkim Bellaqa. Mr. Bujar Hajrizi, Mrs. Bedrije Demaj and Ms. Besarta Thaçi undertook all activities relating to data collection, data cleaning and editing. Mr. Bekim Canolli undertook sampling and weighting with expert support from Mr. David Megill. Mr. Liridon Uka wrote the Computer Assisted Personal Interviewing (CAPI) programme.

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ABBREVIATIONS

LFS	Labour Force Survey
ILO	International Labour Organization
KAS	Kosovo Agency of Statistics
EU	European Union
ISCO	International Standard Classification of Occupations
NACE	Nomenclature statistique des activités économiques dans la Communauté européenne (European Statistical Classification of Economic Activities in the EU)
EA	Enumeration Area
NEET	Not in Employment, Education or Training

CONTENTS

Introduction	6
Definitions.....	7
Key points.....	9
1. Employment	11
1.1. Employment by gender	11
1.2. Employment by age group and education level	11
1.3. Employment status	12
1.4. Vulnerable employment	13
1.5. Contractual arrangements	14
1.6. Economic activity.....	14
1.7. Occupation of employment.....	16
1.8. Patterns of work.....	16
1.9. Net monthly salary	18
2. Unemployment	21
2.1. Unemployment by gender	21
2.2. Unemployment by age group and education level	21
2.3. Youth unemployment	22
2.4. Duration of unemployment	23
3. Labour force participation.....	24
4. Inactive persons.....	26
4.1. Inactivity by gender.....	26
4.2. Discouraged job-seekers.....	26
4.3. Inactive young people who are not in employment, education or training (NEET)	26
5. Country comparisons	28
6. Comparison of key statistics: 2012, 2013 & 2014	29
7. Demographic & economic dependency ratios	32
Annex 1: sample design and calculation of weights.....	33

LIST OF TABLES

Table 1.1:	Number of employed and employment rate by gender and age group.....	12
Table 1.2:	Employment status by education attainment	12
Table 1.3:	Education level of the employed by type of employer (15-64).....	12
Table 1.4:	Type of employment by gender (%).....	12
Table 1.5:	Vulnerable employment by gender.....	13
Table 1.6:	Vulnerable employment by occupation and gender	13
Table 1.7:	Vulnerable employment by education level and gender.....	14
Table 1.8A:	Economic activity by gender (000's).....	15
Table 1.8B:	Economic activity by gender (%)	15
Table 1.9:	Occupation of the employed, by gender.....	16
Table 1.10:	Reason for working part-time by gender (%).....	16
Table 1.11:	Employment by hours of work per week and gender	17
Table 1.12:	Average number of hours worked a week by type of employer and gender.....	18
Table 1.13:	Employment patterns by gender	18
Table 2.1:	Number of unemployed and unemployment rate by gender	21
Table 2.2:	Number of unemployed and unemployment rate by gender and age group.....	22
Table 2.3:	Number of unemployed and unemployment rate by education level and gender.....	22
Table 2.4:	Share of unemployed youth among the unemployed and youth unemployment rate by gender.....	22
Table 2.5:	Ratio of youth-to-adult unemployment rate by gender.....	23
Table 3.1:	Labour force and labour force participation rate by educational attainment and age group.....	25
Table 3.2:	Labour force and labour force participation rate by gender and age group	25
Table 4.1:	Inactive by reason and gender.....	26
Table 4.2:	Youth not in employment, education or training (neet) by gender	27
Table 5.1:	Country comparison of key labour statistics	28
Table 6.1:	Labour market summary 2012, 2013 & 2014.....	29
Table 6.2:	Employment rate 2012, 2013 & 2014 with confidence intervals	30
Table 6.3:	Responses to question 21 determining whether worked last week (aged 15 plus).....	30
Table 6.4:	Unemployment rate 2012, 2013 & 2014 with confidence intervals.....	31
Table 6.5:	Labour force participation rate 2012, 2013 & 2014 with confidence intervals.....	31
Table 7.1:	Demographic dependency ratios	32
Table 7.2:	Economic dependency ratios	32
Table A1:	Distribution of eas and households by region and urban/rural stratum in sampling Frame based on 2011 Kosovo census (and previous frame for northern municipalities).....	34
Table A2.:	Allocation of sample EAs and households by region and stratum for the Kosovo 2014 LFS each quarter	35
Table A3:	Number of sample EAs and households with completed interviews by region and stratum for the first quarter of the 2014 Kosovo LFS.....	37
Table A4:	Number of sample EAs and households with completed interviews by region and stratum for the second quarter of the 2014 Kosovo LFS	37
Table A5:	Number of sample EAs and households with completed interviews by region and stratum for the third quarter of the 2014 Kosovo LFS.....	37
Table A6:	Number of sample EAs and households with completed interviews by region and stratum for the fourth quarter of the 2014 Kosovo LFS.....	38
Table A7:	Quarterly weighted estimates of total population from 2014 Kosovo LFS and corresponding weight adjustment factors.....	39
Table A8:	Distribution of weighted total households and population by region, urban and rural strata, from annual 2014 Kosovo LFS data	40

LIST OF FIGURES

Figure 1:	Labour market classification of kosovo's population, 2014	10
Figure 2:	Employment rate by gender and year (%)	11
Figure 3:	Working hours by year (%).....	17
Figure 4:	Net monthly salary for employees by gender (%)	19
Figure 5:	Net monthly salary for male employees by year (%)	19
Figure 6:	Net monthly salary for female employees by year (%).....	20
Figure 7:	Unemployment rate by gender and year (%).....	21
Figure 8:	Unemployed for more than one year by age group and gender (%).....	23
Figure 9:	Labour force participation rate by gender (%)	24
Figure 10:	Labour force participation rate by year (%).....	24
Figure 11:	Youth not in employment, education or training (NEET) by gender and year	27

PREFACE

The purpose of the Labour Force Survey (LFS) in Kosovo is to provide statistical data on labour market indicators and enable comparisons to be drawn with previous years. The methodology and definitions applied in the LFS are the same as those used in 2012 and 2013 and are consistent with Eurostat regulations. The LFS survey includes 600 Enumeration Areas (EA) throughout the territory of Kosovo where 4,800 households are interviewed.



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This Labour Force Survey 2014 report contains data on employment and unemployment by age, gender, employment status, economic activities, occupations and other areas of the labour market. At the end of the section 6 reports on changes of the main indicators between 2012, 2013 and 2014. Table 6.1 shows that most of the key labour market indicators have remained similar over the past three years.

The employment rate rose slightly between 2012 and 2013 but then fell again to certain extent in 2014. The LFS data show that the percentage of those employed in part-time jobs decreased from 11.1% in 2013 to 7.7% in 2014. Self-employment (as a percentage of those employed) has risen slightly in the last two years. Furthermore, the percentage of the employed in vulnerable jobs (persons who are self-employed without employees and those who work unpaid in a family business) increased from 23.6% in 2013 to 24.9% in 2014. Manufacturing, trade, education and construction continue to employ almost half of all employed people.

The unemployment rate fell slightly from 30.9% to 30.0% between 2012 and 2013 but there has been an increase in 2014 to 35.3%. However between 2013 and 2014 the proportion of discouraged workers (inactive people who are not looking for a job as they believe that there is no work available) fell from 12.1% to 10.7%. The inactivity rate also fell slightly between the two years. This could suggest people who were previously inactive have started looking for work (and so would be classified as unemployed).

There was a slight change in the labour force participation rate between 2013 and 2014, increasing from 40.5% to 41.6%. Female labour force participation and employment increased remained virtually unchanged between 2013 and 2014. Youth unemployment grew again in 2014, increasing from 55.9% to 61.0%. There was also an increase in the long-term unemployment rate with the percentage of the unemployed who had been unemployed for more than 12 months increasing from 68.9% in 2013 to 73.8% in 2014. Youth NEETs (respondents aged 15-24 who are not employed, not in education and not in training) decreased from 35.3% in 2013 to 30.2% in 2014.

Kosovo Agency of Statistics (KAS) is very grateful to UNDP, the Ministry of Foreign Affairs in Finland and the World Bank for the financial and professional support they have provided to the LFS. KAS also thanks the LFS team for their contribution in implementing this survey.

According to the Law of Official Statistics No.04/L-034 the Kosovo Agency of Statistics is responsible for producing the official statistics in the Republic of Kosovo and therefore when data are used the source should be cited.

INTRODUCTION

The Kosovo Agency of Statistics (KAS) began conducting the Labour Force Survey (LFS) in 2001 and then undertook LFS on an almost annual basis until 2009. In 2011 KAS began planning for the updated Labour Force Survey which has several important improvements over previous surveys:

- Improved questionnaire (continuing to follow Eurostat guidelines)
- New sampling frame (based on the 2011 Census of Kosovo)
- Longitudinal sub-sample in which each household is interviewed four times (once every three months)
- Computer Assisted Personal Interviewing (CAPI) which enables data output to be generated faster than traditional paper and pencil interviews followed by data entry.

The main objectives of LFS are to collect information, mainly on the supply side of the labour market, i.e., information on those who are working or who are actively looking for work. The LFS collects social and economic information for use in the following areas:

Macro-economic monitoring: The change in the number of people employed is an indicator of changes in economic activity. It is necessary to track these changes, specifically the types of jobs and the industries in which people work.

Human resource development policies: The economy is changing all the time. In order to meet the needs of the changing economy, people need to be vocationally trained. LFS enables the identification of areas of training.

Employment policies: For an economy to work at its maximum potential, all those wanting to have work should have jobs. Some people may wish to have full-time jobs and can only find part-time work. Knowing how many of these people there are can enable the Government to design policies that encourage full-employment.

Income support and social programmes: For the majority of people, employment income is their main means of support. People not only need jobs but also productive jobs in order to receive reasonable incomes. Government needs to know what levels of income are being earned by different groups of persons.

Methodological Note: Estimating the population.

*It can be seen in Figure 1 that the population of Kosovo for the midpoint of July 1 2014 was estimated to be 1,811,521. The midpoint was used because LFS survey takes place from Jan 1 – Dec 31 and annual figures use what the population was estimated to be in the middle of 2014. The source for the figures is the **Kosovo Population Projection 2011-2061** report published in December 2013. In this report, for each year up until 2061, KAS estimate a low, middle and high variant dependent on different definitions. For 2012 and 2013 LFS reports it was regarded that the middle variant would be the most realistic and sensible version to use. However considering the unusually high out migration experienced from around October 2014, this was considered to be unrealistically high. Therefore for this report the low variant estimate was used.*

The population estimate does not have an impact on any of the rates (employment, unemployment, labour force participation etc.) shown in this report.

DEFINITIONS

The working age population includes people 15 to 64 years of age, inclusive. This measure is used to give an estimate of the total number of potential workers within an economy.

The labour force comprises those who are employed and those who are unemployed, according to the strict definitions given below. Inactive persons are not considered part of the labour force.

1. Employed: People who during the reference week performed some work for wage or salary, or profit or family gain, in cash or in kind or were temporarily absent from their jobs.

2. Unemployed: People who during the reference week were:

- without work, that is, were not in paid employment or self-employment; and
- currently available for work, that is, were available for paid employment or self-employment within two weeks; and
- seeking work, that is, had taken specific steps in the previous four weeks to seek paid employment or self-employment.

3. Inactive: People who were neither employed or unemployed during the reference period.

Classification of the population into these three mutually exclusive and exhaustive categories depends on the application of the activity principle – what a person was actually doing during the reference week – and a set of priority rules regarding activity that give precedence to employment over unemployment and to unemployment over economic inactivity. Classification also depends on a clear understanding of which activities are to be considered as “employment”. It is important to note that employment includes activities which are paid or unpaid and activities producing goods and services which are either sold in the market or not.

The labour force participation rate is the proportion of a country’s working-age population that engages actively in the labour market, either by being employed or unemployed. It is the ratio of the labour force (employed plus unemployed) to the working-age population, expressed as a percentage.

$$\text{Labour force participation rate} = \frac{(\text{Employed} + \text{Unemployed})}{\text{Working-age population}} \times 100$$

The inactivity rate is the proportion of a country’s working-age population that is neither employed nor unemployed. When added together, the inactivity rate and the labour force participation rate sum to 100 per cent.

The employment-to-population ratio, also known as the employment rate, is the proportion of a country’s working-age population that is employed.

$$\text{Employment-to-population ratio} = \frac{\text{Employed population}}{\text{Working-age population}} \times 100$$

The unemployment rate is the proportion of the labour force that is not employed. It is the labour force that serves as the base for this indicator, not the working-age population.

$$\text{Unemployment rate} = \frac{\text{Unemployed}}{\text{Labour force}} \times 100$$

Discouraged workers are people without work who are currently available for work but who have given up looking for work because they believe that they cannot find work. They are included within the inactive category.

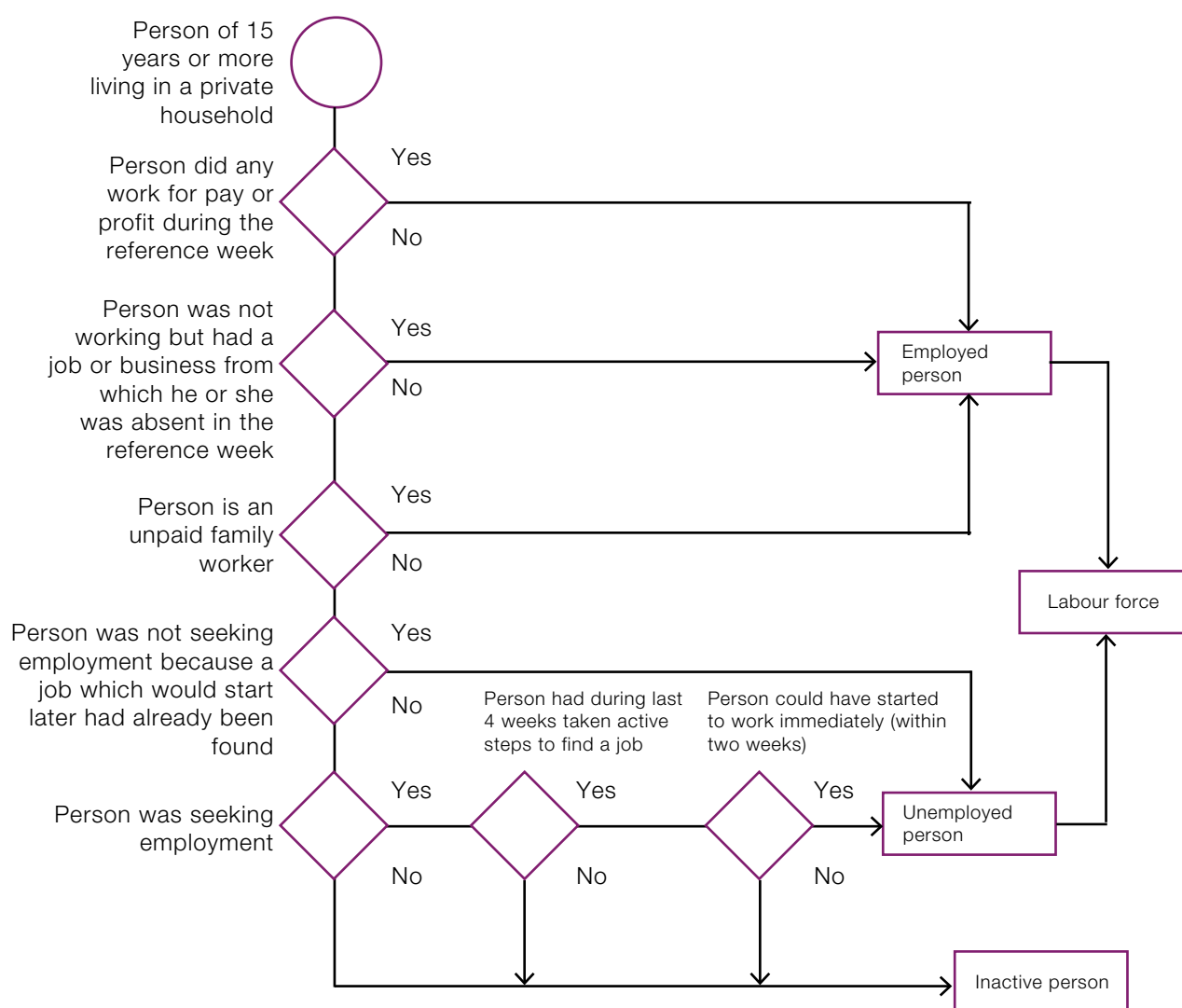
Youth unemployment refers to the unemployment of people aged 15–24 years.

Youth Not in Employment, Education or Training (NEET) is the share of youth (15-24) that are not employed, not in education and not in training.

Vulnerable employment refers to self-employed persons who do not have employees or unpaid family workers. The vulnerably employed are less likely to have formal work arrangements and are more likely to lack decent working conditions.

The following flow diagram illustrates the criteria used to classify the working age population as employed, unemployed, or inactive.

Labour force classification according to European Union LFS



KEY POINTS

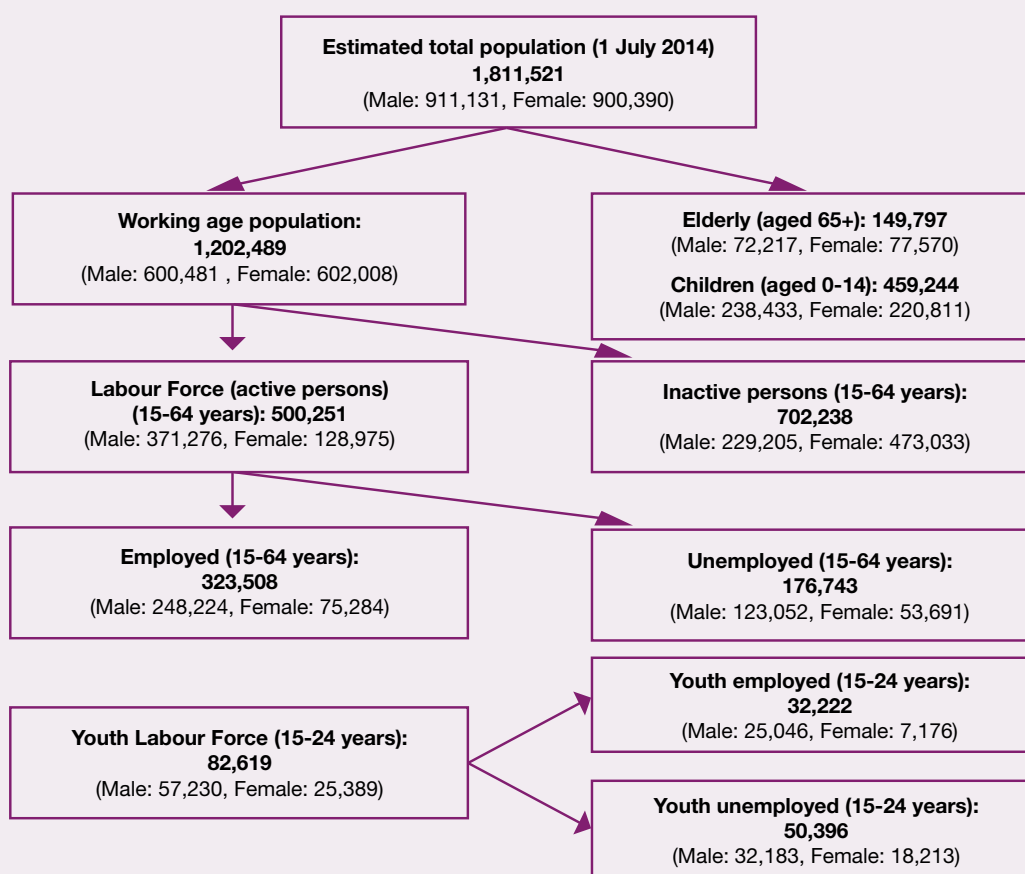
Figure 1 provides a summary of the labour market status of Kosovo's population based on the 2014 Labour Force Survey. Among the more important results of the 2014 LFS, as illustrated in Figure 1 and elaborated in greater detail in the body of this report, are the following:

- Almost two-thirds of Kosovo's population is of working age (15-64 years). The working age population is expected to grow rapidly over the next decade, as Kosovo has one of the youngest populations in Europe.
- Of those at in working age, 58.4% are not economically active, meaning that they are not employed and have not actively sought employment in the past four weeks and/or are not available to start work within two weeks.
- Of the 41.6% of the population that is economically active, 35.3% (176,743 persons) are unemployed. This implies that 64.7% (323,508) of economically active people are employed, yielding an employment-to-population ratio (employment rate) of 26.9%.
- Of the 58.4% of the working age population that is inactive, 18.2% (128,400 people) did not seek a job because they believed that there was no work available. Discouraged workers accounted for 10.7% of the working age population, with similar levels for women and men.
- There are large gender differences throughout the labour market.
 - Approximately one-in-five (21.4%) women of working age are active in the labour market, compared to three-fifths (61.8%) of the male working age population.
 - Among those in the labour force, unemployment is much higher for women than it is for men (41.6% compared to 33.1%).
 - The employment rate among working age women is only 12.5%, compared to 41.3% for men.
 - Women's extremely employment low rate stems from the combination of very low labour force participation and high unemployment.
 - Family responsibilities were the main reason for women's inactivity in the labour market with 38.8% of female respondents giving this reason
 - Women were mostly employed in the education and health sectors (almost 40% of employed women). Men were mostly employed in the manufacturing, trade and construction sectors (employing more than 40% of employed men).
- Youth unemployment is very high in Kosovo
 - In 2014, youth in Kosovo were almost twice as likely to be unemployed compared to adults. Among those aged 15-24 years and in the labour force, 61.0% were unemployed. Unemployment is higher among young women (71.7%) than young men (56.2%).
 - Almost one third (30.2%) of Kosovo's 15 to 24 year olds were not in education, employment or training. The figure among young women is 34.0%, compared to 26.6% for young men.
- The large majority of those who are employed report working full-time.
 - In their main job, 91.7% of respondents reported working full-time, with no major gender differences.
 - The reasons for working part-time were rather gender differentiated, with women taking more of a caring role within the family, thus reducing the hours available for employment.
 - The number one reason for men not working full-time was the lack of availability of full-time work.
 - Respondents working in the government sector reported working fewer hours than those in the private sector. Gender differences were small, especially in the government sector where hours are

more fixed. Both men and women working in private companies worked longer hours than their public sector counterparts.

- 24.9% of employed people belonged to the vulnerable employment category. This means that they are either employed in their own business (own-account workers) or contributing to a family business (paid or unpaid).
- Only 28.4% of those employed had a permanent contract for their main job while 71.6% had temporary contracts, with no significant difference between men and women. Those with temporary contracts were asked why they had this type of contract and 96.3% of respondents reported that no other type of contract was available.
- The net salaries of most employees were between €300 to €400 a month. Very small gender differences were noted.

Figure 1: LABOUR MARKET CLASSIFICATION OF KOSOVO'S POPULATION, 2014



Key labour market indicators (%)	Male	Female	Total
Labour force participation rate	61.8	21.4	41.6
Inactivity rate	38.2	78.6	58.4
Employment-to-population ratio (employment rate)	41.3	12.5	26.9
Unemployment rate	33.1	41.6	35.3
Youth unemployment rate (15-24 years)	56.2	71.7	61.0
NEET share of youth population (15-24 years)	26.6	34.0	30.2
Share of vulnerable in total employment	26.7	18.9	24.9

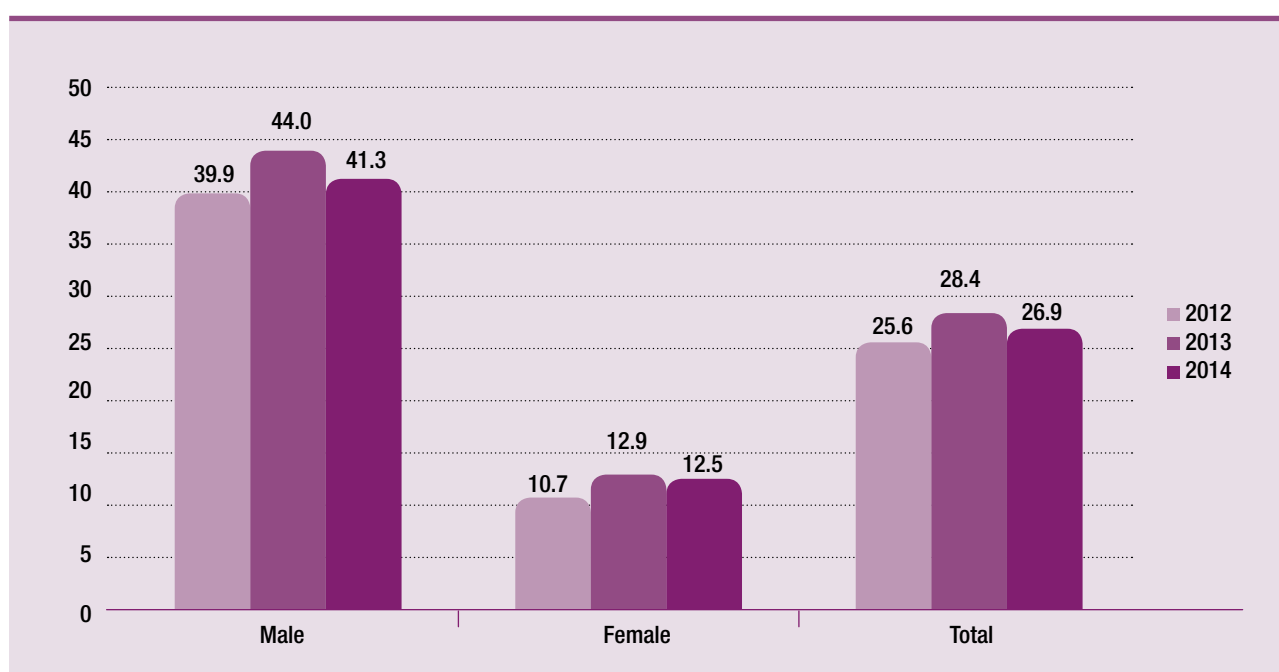
1. EMPLOYMENT

1.1. EMPLOYMENT BY GENDER

Of the entire working age population, 26.9% were employed (Figure 2). The employment rate was higher for men than women: 41.3% of working age men were employed compared to 12.5% working age of women. Over a three year period (2012 to 2014) the employment rate has changed slightly with almost 3% increase from 2012-2013 and a 1.5% decrease from 2013-2014 (Figure 2).

Figure 2: EMPLOYMENT RATE BY GENDER AND YEAR (%)

Source: Labour Force Survey, 2012-2014



1.2. EMPLOYMENT BY AGE GROUP AND EDUCATION LEVEL

Across age groups, the employment rate was highest among people aged between 45-54 years old (38.1%) and lowest among youth (15-24 years old) (9%).

The employment rate of women remained at a fairly steady percentage (around 16%) between the ages to 25 to 44 years old. Only 4.2% of young women and 13.4% of women aged between 55-64 years old were employed. For men (Table 1.1) the employment rate was the highest for those aged 35-44 years (60%), and the lowest for young men (13.4%).

An examination of the highest educational level attained by the employed shows that 40% of them have completed secondary vocational education, whereas more than a quarter (26.1%) have completed tertiary education (Table 1.2).

Table 1.3 illustrates that the requirements for getting a job are higher in government positions where over half of all employees (58.3%) have completed higher education.

TABLE 1.1: Number of employed and employment rate by gender and age group

Kosovo 2014	Male	Female	All
EMPLOYMENT ('000s)			
15-24	25.0	7.2	32.2
25-34	64.5	19.5	84.0
35-44	67.5	20.3	87.8
45-54	58.7	18.5	77.2
55-64	32.4	9.8	42.2
Total 15-64	248.2	75.3	323.5
EMPLOYMENT (%)			
15-24	13.4	4.2	9.0
25-34	48.8	15.5	32.6
35-44	60.0	15.7	36.3
45-54	58.7	18.0	38.1
55-64	47.2	13.4	29.8
Total 15-64	41.3	12.5	26.9

TABLE 1.2: Employment status by education attainment

Kosovo 2014	Inactive	Employed	Unemployed	All
LEVEL OF EDUCATION (%)				
No school	4.0	0.3	1.1	2.6
I -IX classes	56.2	17.9	27.8	41.7
Secondary vocational	21.5	40.0	39.8	29.2
Secondary gymnasium	13.5	15.7	20.1	15.1
Tertiary	4.8	26.1	11.1	11.5
Total	100.0	100.0	100.0	100.0

TABLE 1.3: Education level of the employed by type of employer (15-64)

Kosovo 2014	Govt, public sector	State owned enterprise	Private company	Private individual
LEVEL OF EDUCATION (%)				
No school	0.0	0.3	0.1	1.7
I -IX classes	4.8	5.4	18.8	36.9
Secondary vocational	28.8	39.7	47.5	41.7
Secondary gymnasium	8.0	14.0	17.1	13.1
Tertiary	58.3	40.6	16.5	6.6
Total	100.0	100.0	100.0	100.00

1.3. EMPLOYMENT STATUS

In 2014, 68.2% of the employed persons were employees, 6.8% were self-employed with employees, 16.4% were self-employed without employees and 8.6% were family workers (Table 1.4). The majority of employed women had the status of an employee. More than one quarter of men were self-employed compared to 13.6% of women.

TABLE 1.4: Type of employment by gender (%)

Kosovo 2014	Male	Female	All
EMPLOYMENT STATUS (%)			
Employee	65.0	78.9	68.2
Self-employed with employees	8.2	2.1	6.8
Self-employed without employees	17.9	11.5	16.4
Unpaid family worker	8.9	7.4	8.6
Total	100.0	100.0	100.0

1.4. VULNERABLE EMPLOYMENT

In addition to the low employment rate in Kosovo, 24.9% of the employed were working in vulnerable jobs. Vulnerable workers are either self-employed people without employees or those who work unpaid in a family business. These two groups of workers have a lower likelihood of having formal work arrangements as compared to wage and salaried workers.

Men are more likely to hold such vulnerable jobs (26.7% of employed men compared to 18.9% of employed women). In absolute terms 81,900 out of 323,508 employed people belong to the vulnerable employment category (Table 1.5). Employed people in professional fields are less likely to be vulnerably employed (Table 1.6) as are those with a higher level of education (Table 1.7).

TABLE 1.5: Vulnerable employment by gender

Kosovo 2014	
VULNERABLE EMPLOYMENT (000's)	
Male	66.7
Female	14.3
All	81.0
SHARE OF VULNERABLE EMPLOYMENT IN TOTAL EMPLOYMENT (%)	
Male	26.7
Female	18.9
All	24.9

TABLE 1.6: Vulnerable employment by occupation and gender

Kosovo 2014	Male	Female	All
SELF EMPLOYED WITHOUT EMPLOYEES (%)			
Legislators, senior officials and managers	6.1	1.0	5.3
Professionals	4.4	3.4	4.2
Technicians and associated professionals	3.0	0.9	2.6
Clerks	0.7	3.5	1.2
Service workers and shop and market sales workers	21.8	19.7	21.4
Skilled agricultural and fishery workers	4.4	0	3.7
Craft and related trade workers	25.6	64.9	32.1
Plant and machine operators and assemblers	10.1	0.2	8.5
Elementary occupations	23.9	6.3	21.0
Total	100.0	100.0	100.0
UNPAID FAMILY MEMBERS (%)			
Legislators, senior officials and managers	2.0	4.7	2.5
Professionals	0.4	4.1	1.1
Technicians and associated professionals	2.1	4.4	2.6
Clerks	0.9	7.5	2.2
Service workers and shop and market sales workers	21.0	36.5	24.1
Skilled agricultural and fishery workers	7.3	6.9	7.2
Craft and related trade workers	23.1	3.5	19.1
Plant and machine operators and assemblers	6.4	1.0	5.3
Elementary occupations	36.9	31.4	35.8
Total	100.0	100.0	100.0

TABLE 1.7: Vulnerable employment by education level and gender

Kosovo 2014	Male	Female	All
SELF EMPLOYED WITHOUT EMPLOYEES (%)			
No school	0.5	5.9	1.4
I -IX classes	26.7	66.1	33.2
Secondary vocational	47.0	12.4	41.3
Secondary gymnasium	18.6	8.8	17.0
Tertiary	7.2	6.7	7.2
Total	100.0	100.0	100.0
UNPAID FAMILY MEMBERS (%)			
No school	0.1	0.0	0.1
I -IX classes	31.6	41.4	33.6
Secondary vocational	36.3	34.7	35.9
Secondary gymnasium	24.9	12.3	22.4
Tertiary	7.0	11.5	7.9
Total	100.0	100.0	100.0

1.5. CONTRACTUAL ARRANGEMENTS

In terms of the type of contract that working respondents had, the majority (84.5%) had an individual contract while the rest were working without a contract. For youth (15 to 24 years of age) the percentage working without a contract was 38.5%.

Of those who had an employment contract, only 28.4% had a permanent contract for their main job while 71.6% had temporary contracts. These rates are similar for men and women. Those with temporary contracts were asked why they had this type of contract and 96.3% of respondents reported that no other type of contract was available.

When asked whether in their main job they were entitled to the benefits of a social security scheme in the job, only 9.1% of employees responded affirmatively.

1.6. ECONOMIC ACTIVITY

Manufacturing, trade, education and construction employed almost half of employed in 2014 (Tables 1.8A & 1.8B). The trade sector employed 14.4%, manufacturing 13.8%, education 11.9% and construction employed 10.9% of all the employed in Kosovo.

Education and healthcare were the two largest employers of women (employing almost 40% of employed women). Manufacturing, trade and construction are the most common employment sectors for men (employing more than 40% of employed men).

TABLE 1.8A: Economic activity by gender (000's)

Aged 15 and above	Male	Female	All
Agriculture, forestry and fishing	7.5	1.1	8.6
Mining and quarrying	3.4	0.4	3.6
Manufacturing	39.5	5.4	44.9
Electricity, gas, steam and air conditioning supply	5.3	0.4	5.7
Water supply, sewerage, waste management	3.2	0.2	3.4
Construction	34.7	0.9	35.6
Wholesale and retail trade, repair of motor vehicles and motorcycles	34.8	12.1	46.8
Transportation and storage	10.6	0.5	11.0
Accommodation and food service activities	16.8	2.8	19.7
Information and communication	7.5	2.1	9.6
Financial and insurance activities	4.5	1.4	5.9
Real estate activities	0.0	0.1	0.2
Professional, scientific and technical activities	4.5	2.0	6.5
Administrative and support service activities	9.6	1.4	11.0
Public administration and defence, compulsory social security	15.4	5.3	20.7
Education	22.3	16.5	38.8
Human health and social work activities	10.5	13.1	23.6
Arts, entertainment and recreation	3.9	0.8	4.7
Other service activities	8.5	2.5	11.1
*Activities of households as employers	4.0	5.3	9.3
Activities of extraterritorial organisations and bodies	3.5	1.5	5.0
Total	250.1	75.6	325.7

* Includes undifferentiated goods and services-producing activities of private households for own use

TABLE 1.8B: Economic activity by gender (%)

Aged 15 and above	Male	Female	All
Agriculture, forestry and fishing	3.0	1.8	2.6
Mining and quarrying	1.4	0.3	1.1
Manufacturing	15.8	7.2	13.8
Electricity, gas, steam and air conditioning supply	2.1	0.5	1.7
Water supply, sewerage, waste management	1.3	0.2	1.0
Construction	13.9	1.2	10.9
Wholesale and retail trade; repair of motor vehicles	13.9	16.0	14.4
Transportation and storage	4.2	0.6	3.4
Accommodation and food service activities	6.7	3.8	6.0
Information and communication	3.0	2.7	2.9
Financial and insurance activities	1.8	1.8	1.8
Real estate activities	0.0	0.2	0.0
Professional, scientific and technical activities	1.8	2.6	2.0
Administrative and support service activities	3.8	1.8	3.4
Public administration and defence, compulsory social security	6.1	7.1	6.4
Education	8.9	21.8	11.9
Human health and social work activities	4.2	17.3	7.2
Arts, entertainment and recreation	1.6	1.1	1.5
Other service activities	3.4	3.4	3.4
*Activities of households as employers	1.6	7.0	2.9
Activities of extraterritorial organisations and bodies	1.4	2.0	1.5
Total	100.0	100.0	100.0

* Includes undifferentiated goods and services-producing activities of private households for own use.

1.7. OCCUPATION OF EMPLOYMENT

In 2014 the majority of employed people held occupations of service and sales workers, elementary occupations, professionals and craft and trade workers (Table 1.9).

Over half of employed women had professional, technical and associated professional occupations (42.9%) and elementary occupations (13%). Men are employed in more sectors, but a larger percentage had elementary occupations (23.7%), 18.4% worked as service workers and shop and market sales workers, while 12.3% were professionals. (Table 1.9).

TABLE 1.9: Occupation of the employed, by gender

Kosovo 2014 (aged 15 and above)	Male	Female	All
EMPLOYMENT BY OCCUPATIONAL CATEGORY ('000s)			
Legislators, senior officials and managers	23.0	3.8	26.8
Professionals	30.7	23.8	54.5
Technicians and associated professionals	15.9	8.7	24.6
Clerks	8.7	6.6	15.3
Service workers and shop and market sales workers	46.1	14.0	60.0
Skilled agricultural and fishery workers	4.5	0.5	5.0
Craft and related trade workers	40.5	7.9	48.4
Plant and machine operators and assemblers	21.5	0.6	22.1
* Elementary occupations	59.3	9.8	69.1
Total	250.1	75.6	325.7
OCCUPATION EMPLOYMENT SHARES (%)			
Legislators, senior officials and managers	9.2	5.0	8.2
Professionals	12.3	31.4	16.7
Technicians and associated professionals	6.3	11.5	7.5
Clerks	3.5	8.7	4.7
Service workers and shop and market sales workers	18.4	18.5	18.4
Skilled agricultural and fishery workers	1.8	0.6	1.5
Craft and related trade workers	16.2	10.5	14.9
Plant and machine operators and assemblers	8.6	0.8	6.8
* Elementary occupations	23.7	13.0	21.2
Total	100.0	100.0	100.0

* Elementary occupations includes cleaners and helpers, agricultural, forestry and fishery labourers, labourers in mining, construction, manufacturing and transport, food preparation assistants, street and related sales and service workers, refuse workers and other elementary workers (ISCO 88 Com).

1.8. PATTERNS OF WORK

Only 1.4% of the employed population reported having a second job during the reference week, with no statistically significant difference between gender.

In their main job, 91.7% of respondents reported working full-time and 8.3% part time. Small gender differences were noted with women slightly more likely to work part time (10.1% compared to 7.7%). For those who worked part-time the reasons for this were rather gender differentiated, with women taking more of a caring role within the family, thus reducing the hours available to work (Table 1.10). The number one reason for men not working full-time was the lack of availability of full-time work.

TABLE 1.10: Reason for working part-time by gender (%)

Kosovo 2014	Male	Female	All
Reasons for part-time employment (%)			
Looking after children or incapacitated adults	0.0	25.7	7.2
Own disability or illness	0.5	2.3	1.0
Other personal or family reason	1.6	20.9	7.0
Is a student	5.8	3.4	5.2
Could not find full-time job	85.5	32.7	70.8

Does not want full-time job	1.3	6.9	2.9
Other reason	5.2	8.0	6.0
Total	100.0	100.0	100.0

Three-fifths of the employed worked between 40-48 hours per week. Over a tenth (13.1%) of employed people worked 60 or more hours per week. Within a week 15.8% of employed people worked less than 40 hours.

Men tended to work longer hours than women, with 28% of men working more than 48 hours per week compared to 11.5% of women. (Table 1.11). A greater share of employed women (23.7%) worked less than 40 hours compared to 13.3% of men.

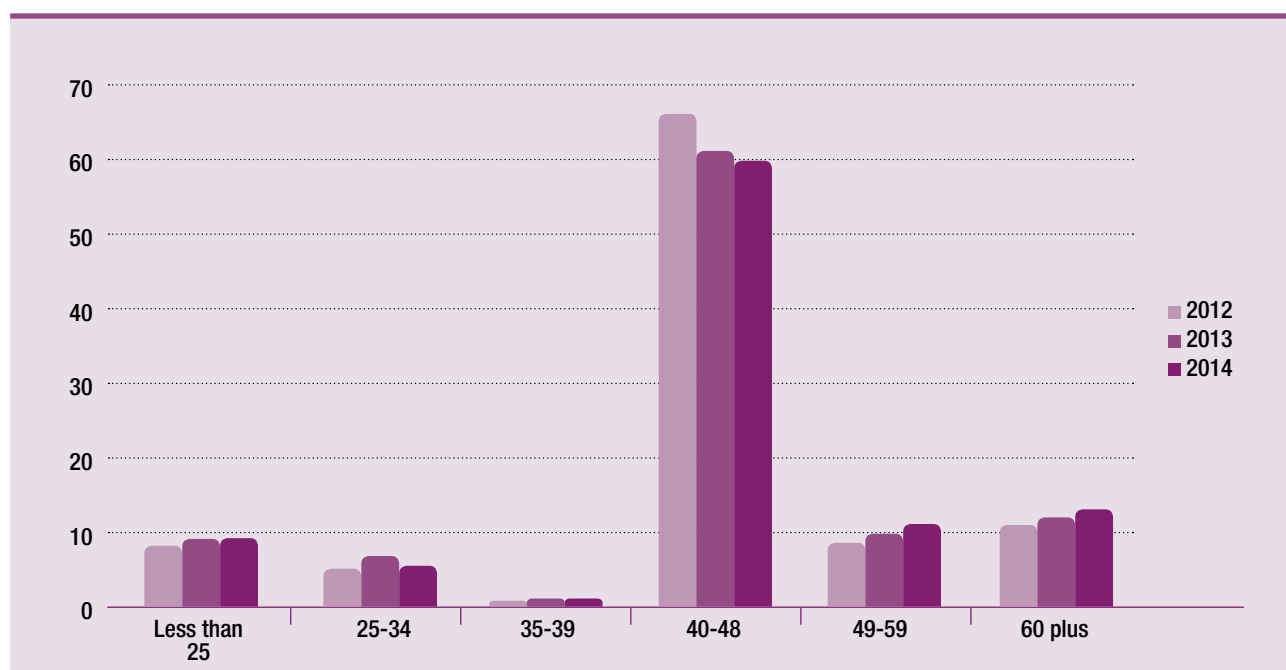
TABLE 1.11: Employment by hours of work per week and gender

Kosovo 2014 (aged 15 and above)	Male	Female	All
HOURS OF WORK ('000s)			
Less than 25	19.8	10.0	29.8
25-34	10.8	7.1	17.9
35-39	2.9	0.8	3.7
40-48	146.5	49.0	195.5
49-59	31.6	4.7	36.2
60 and above	38.6	4.0	42.6
Total	250.1	75.6	325.7
EMPLOYMENT SHARES BY HOURS OF WORK (%)			
Less than 25	7.9	13.3	9.2
25-34	4.3	9.3	5.5
35-39	1.1	1.1	1.1
40-48	58.6	64.8	60.0
49-59	12.6	6.2	11.1
60 and above	15.4	5.3	13.1
Total	100.0	100.0	100.0

Over time, the percentage of people working more than 48 hours a week has increased slightly each year of the LFS (Figure 3).

Figure 3: WORKING HOURS BY YEAR (%)

Source: Labour Force Survey, 2012-2014



Respondents working in the public sector reported working fewer hours than those in the private sector (Table 1.12). Gender differences were small, especially in the government sector where hours seem more fixed (around 38-39 hours a week). Men and women working in private companies worked the longest hours compared to all types of employment.

TABLE 1.12: Average number of hours worked a week by type of employer and gender

Kosovo 2014	Govt, public sector	State owned enterprise	Private company	Private individual
GENDER				
Male	39 hours	40 hours	48 hours	37 hours
Female	37 hours	37 hours	45 hours	43 hours
All	38 hours	39 hours	47 hours	39 hours

TABLE 1.13: Employment patterns by gender

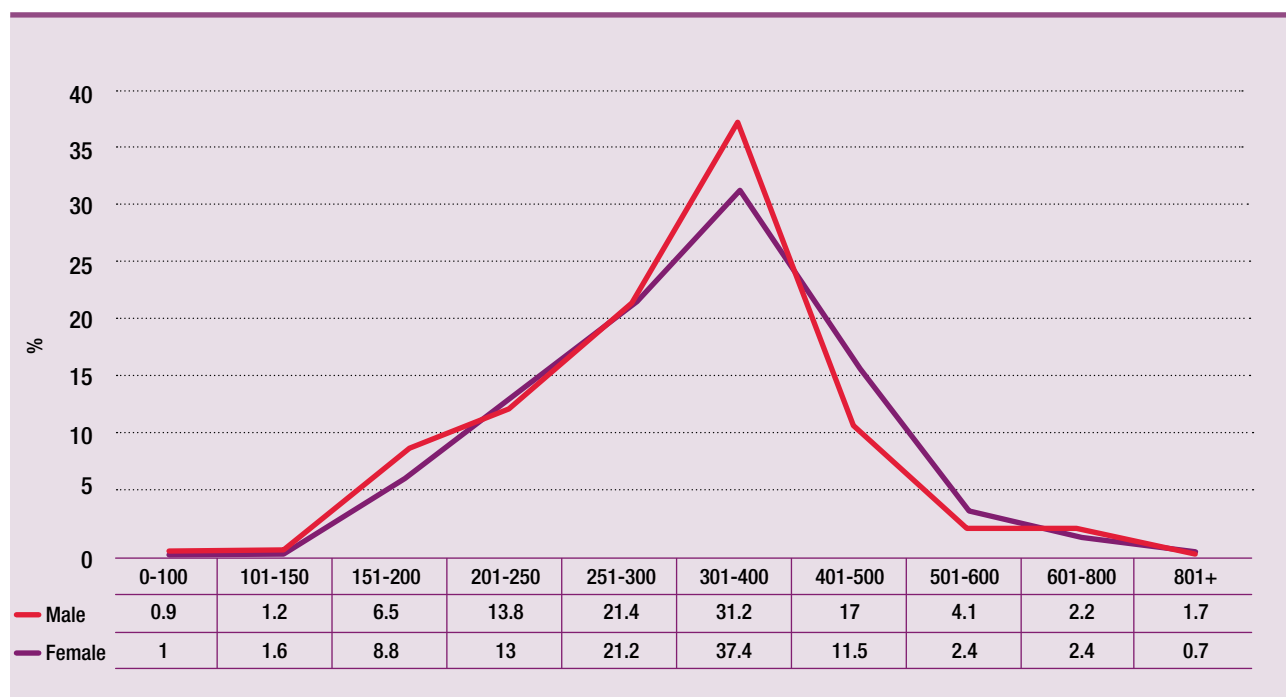
Kosovo 2014	Male	Female	All
WHETHER DOES SHIFT WORK (%)			
Does shift work	26.8	22.2	25.6
Does not do shift work	73.2	77.8	74.4
Total	100.0	100.0	100.0
WHETHER WORKS EVENINGS (%)			
Usually	11.9	15.4	12.7
Sometimes	35.3	21.0	32.0
Never	52.8	63.7	55.3
Total	100.0	100.0	100.0
WHETHER WORKS AT NIGHT (%)			
Usually	3.7	1.4	3.2
Sometimes	13.5	7.2	12.1
Never	82.8	91.4	84.7
Total	100.0	100.0	100.0
WHETHER WORKS ON SATURDAY (%)			
Usually	37.9	32.2	36.6
Sometimes	40.4	22.9	36.4
Never	21.6	45.0	27.0
Total	100.0	100.0	100.0
WHETHER WORKS ON SUNDAY (%)			
Usually	9.7	13.9	10.7
Sometimes	33.6	15.7	29.5
Never	56.6	70.4	59.8
Total	100.0	100.0	100.0
WHETHER WORKS AT HOME (%)			
Usually	3.7	10.1	5.1
Sometimes	15.8	18.4	16.4
Never	80.5	71.6	78.4
Total	100.0	100.0	100.0

1.9. NET MONTHLY SALARY

Respondents who were employees were asked about their net monthly pay from their main job (only 4% of respondents refused to answer). Most monthly net salaries were situated between €300 and €400 among those who did respond. Very small gender differences were noted, with males having a slight tendency to receive higher salaries.

Figure 4: NET MONTHLY SALARY FOR EMPLOYEES BY GENDER (%)

Source: Labour Force Survey, 2014



Over time it appears that salary nominal levels (that is, not adjusted for inflation) have risen slightly. In all three years of the LFS most employees were earning between 300 to 400 euro a month.

Figure 5: NET MONTHLY SALARY FOR MALE EMPLOYEES BY YEAR (%)

Source: Labour Force Survey, 2012-2014

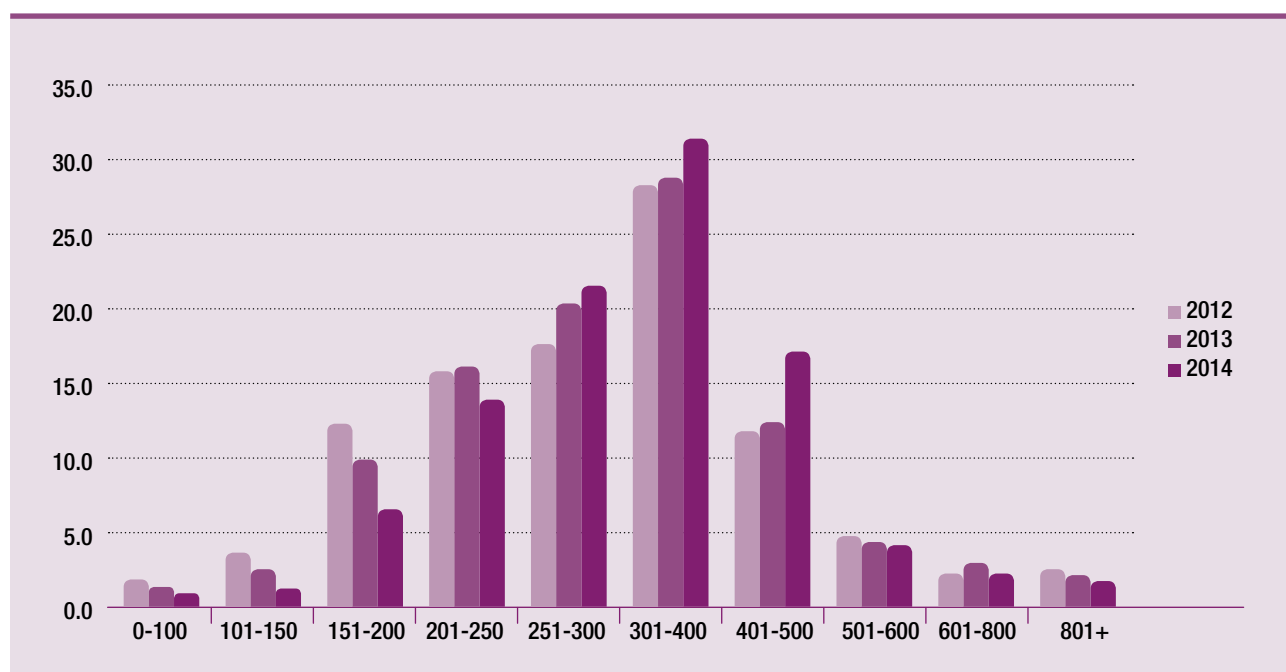
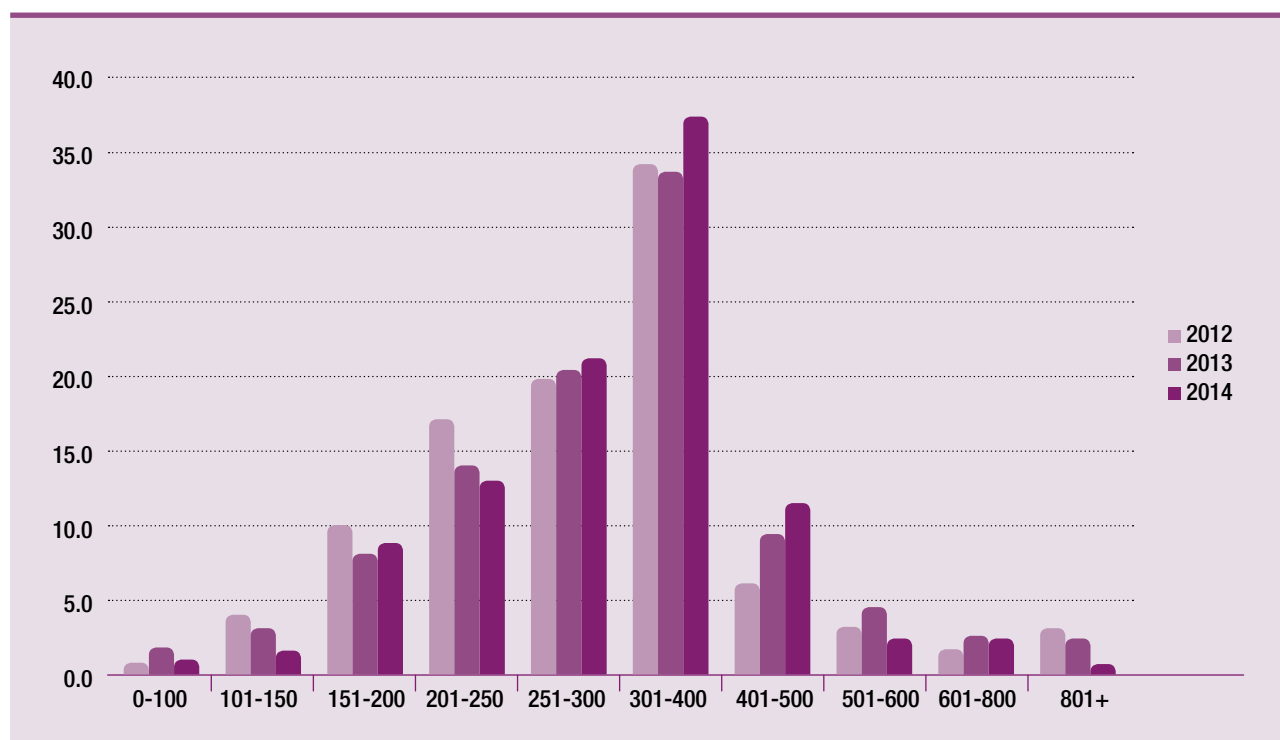


Figure 6: NET MONTHLY SALARY FOR FEMALE EMPLOYEES BY YEAR (%)

Source: Labour Force Survey, 2012-2014



2. UNEMPLOYMENT

2.1. UNEMPLOYMENT BY GENDER

According to the 2014 LFS in Kosovo there were 176,743 people aged 15-64 years old who were unemployed, out of which 123,052 were men and 53,691 were women (Table 2.1). The unemployment rate was 35.3%, higher for women than for men, with rates of 41.6% and 33.1%, respectively (Figure 7).

Figure 7: UNEMPLOYMENT RATE BY GENDER AND YEAR (%)

Source: Labour Force Survey, 2012-2014

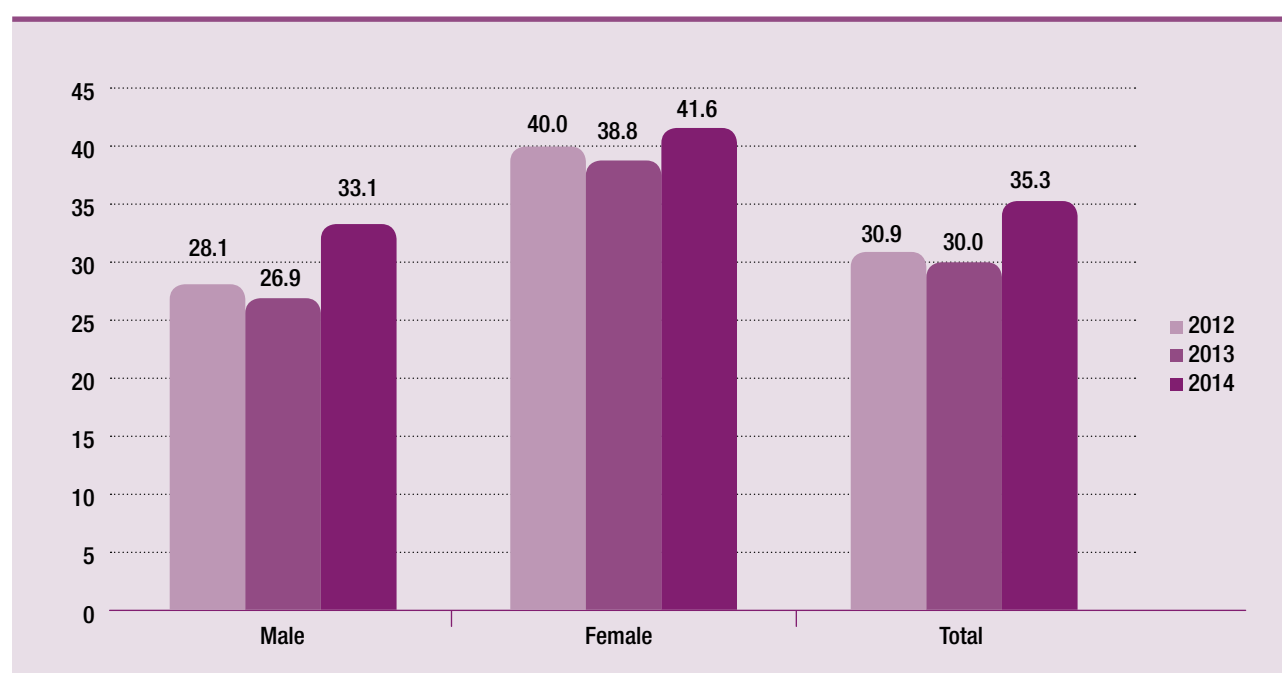


TABLE 2.1: Number of unemployed and unemployment rate by gender

Kosovo 2014	Male	Female	All
UNEMPLOYMENT ('000s)			
15-64	123.1	53.7	176.7
UNEMPLOYMENT (%)			
15-64	33.1	41.6	35.3

2.2. UNEMPLOYMENT BY AGE GROUP AND EDUCATION LEVEL

About 62% of the youth population in Kosovo was unemployed (Table 2.2). The lowest unemployment rate was found among people aged 55-64 years old (15.2%). In terms of the distribution of the unemployed, the majority are aged between 15 and 34 years old.

TABLE 2.2: Number of unemployed and unemployment rate by gender and age group

Kosovo 2014	Male	Female	All
UNEMPLOYMENT ('000s)			
15-24	32.2	18.2	50.4
25-34	38.0	18.0	56.0
35-44	27.5	11.5	39.0
45-54	19.0	4.8	23.9
55-64	6.3	1.2	7.6
Total 15-64	123.1	53.7	176.7
UNEMPLOYMENT RATE (%)			
15-24	56.2	71.7	61.0
25-34	37.1	47.9	40.0
35-44	28.9	36.1	30.7
45-54	24.5	20.8	23.6
55-64	16.4	11.0	15.2
Total 15-64	33.1	41.6	35.3

TABLE 2.3: Number of unemployed and unemployment rate by education level and gender

Kosovo 2014	Male	Female	All
UNEMPLOYMENT ('000s)			
No school	1.2	0.8	2.0
I -IX classes	36.4	12.7	49.1
Secondary vocational	53.0	17.4	70.4
Secondary gymnasium	23.0	12.5	35.6
Tertiary	9.4	10.3	19.7
Total	123.1	53.7	176.7
UNEMPLOYMENT RATE (%)			
No school	70.0	57.6	64.6
I -IX classes	44.9	49.2	46.0
Secondary vocational	33.4	42.4	35.3
Secondary gymnasium	34.8	61.9	41.2
Tertiary	14.7	25.4	18.9
Total	33.1	41.6	35.3

The unemployment rate was the highest for people who have no education (64.6% of this group are unemployed) and lowest for people who had completed tertiary education (18.9%).

Education improved the labour market prospects particularly for men as 70.0% of men with no education were unemployed compared to 14.7% of those that had completed tertiary education.

2.3. YOUTH UNEMPLOYMENT

Based on 2014 LFS, 28.5% of the unemployed in Kosovo were young people (aged 15-24 years), with an almost eight point difference for males and females.

A significant share of the youth population is unemployed (61.0%) and the unemployment rate of women is higher (71.7%) compared to men (56.2%).

TABLE 2.4: Share of unemployed youth among the unemployed and youth unemployment rate by gender

Kosovo 2014	Male	Female	All
Share of youth unemployed in total unemployment (%)	26.2	33.9	28.5
Youth unemployment (%)	56.2	71.7	61.0

In 2014, young persons in Kosovo were twice more likely to be unemployed compared to adults with similar rates for men and women (Table 2.5).

TABLE 2.5: Ratio of youth-to-adult unemployment rate by gender

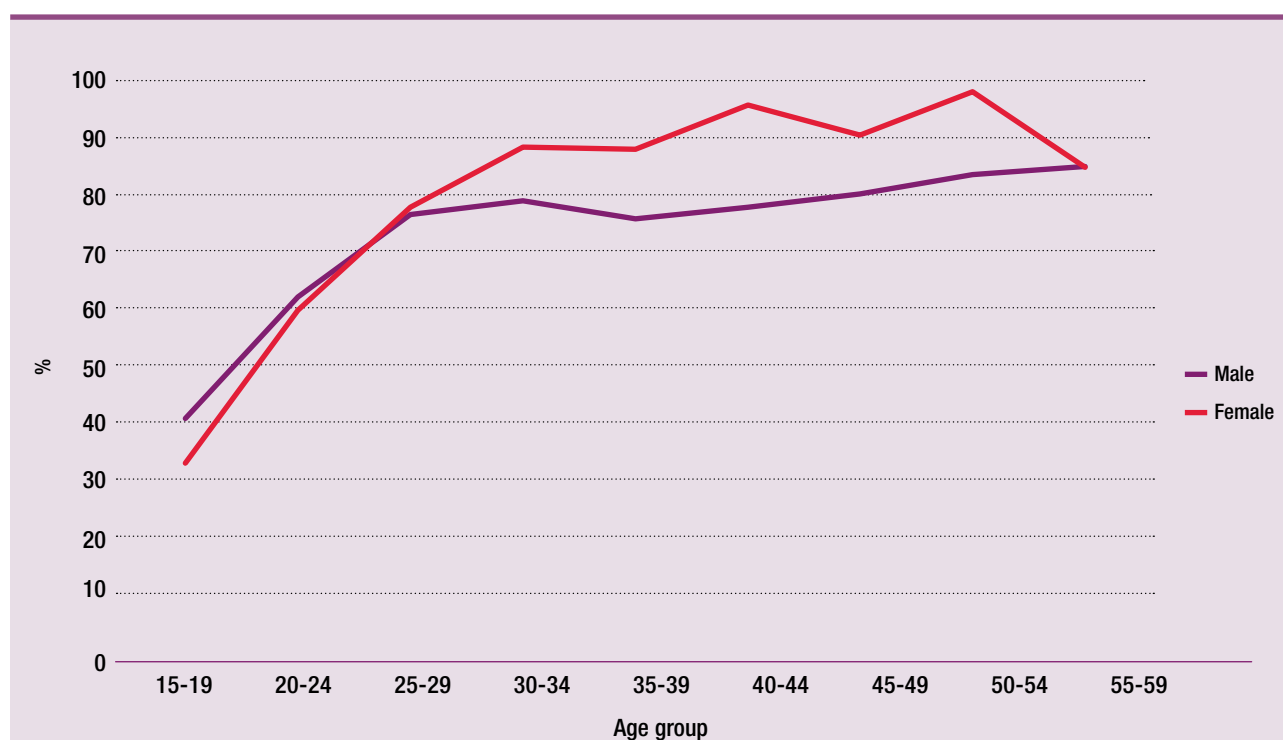
Kosovo 2014	Male	Female	All
Ratio of youth-to-adult unemployment rate	1.9	2.1	2.0

2.4. DURATION OF UNEMPLOYMENT

Unemployed respondents were asked how long they had been unemployed. A large majority (68.9%) reported that they had been unemployed for more than 12 months. Small gender differences were noted (71.0% of men and 64.8% of women). Figure 8 shows that the likelihood of being unemployed for over a year increases with age.

Figure 8: UNEMPLOYED FOR MORE THAN ONE YEAR BY AGE GROUP AND GENDER (%)

Source: Labour Force Survey, 2014

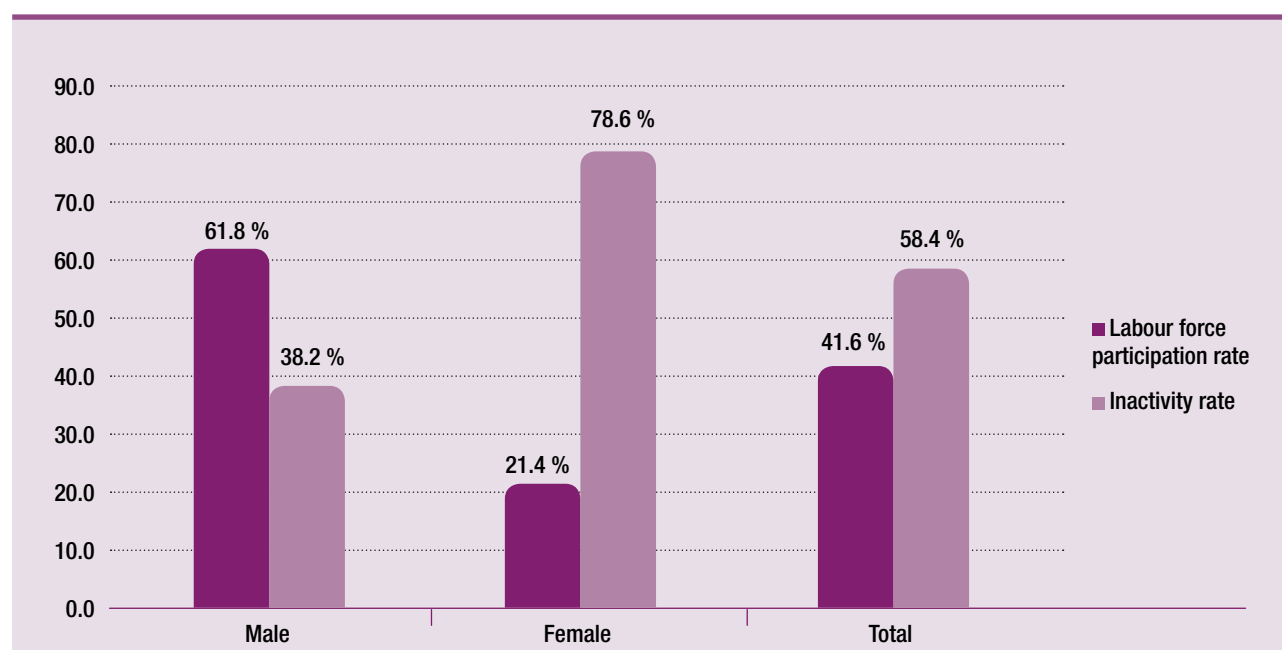


3. LABOUR FORCE PARTICIPATION

In 2014, out of an estimated total population of 1,811,521, the total working age population (aged 15 to 64) was 1,202,489 people. Of these working age people, 41.6% were participating in the labour force (economically active). This means they were either employed or unemployed (i.e., actively seeking work and available to work). The remaining 58.4% were economically inactive (Figure 9). The economically inactive include students, housewives, discouraged workers, and other people who were not actively looking for work and they are examined in the next chapter.

Figure 9: LABOUR FORCE PARTICIPATION RATE BY GENDER (%)

Source: Labour Force Survey 2014



From Figure 9 it is evident that labour force participation among women was much lower than that of men: 21.4% of females were active compared to 61.8% of men. Figure 10 shows that the labour force participation rate has increased slightly over time. Between 2013 and 2014 the increase was smaller (only 1.1%).

Figure 10: LABOUR FORCE PARTICIPATION RATE BY YEAR (%)

Source: Labour Force Survey 2012-2014

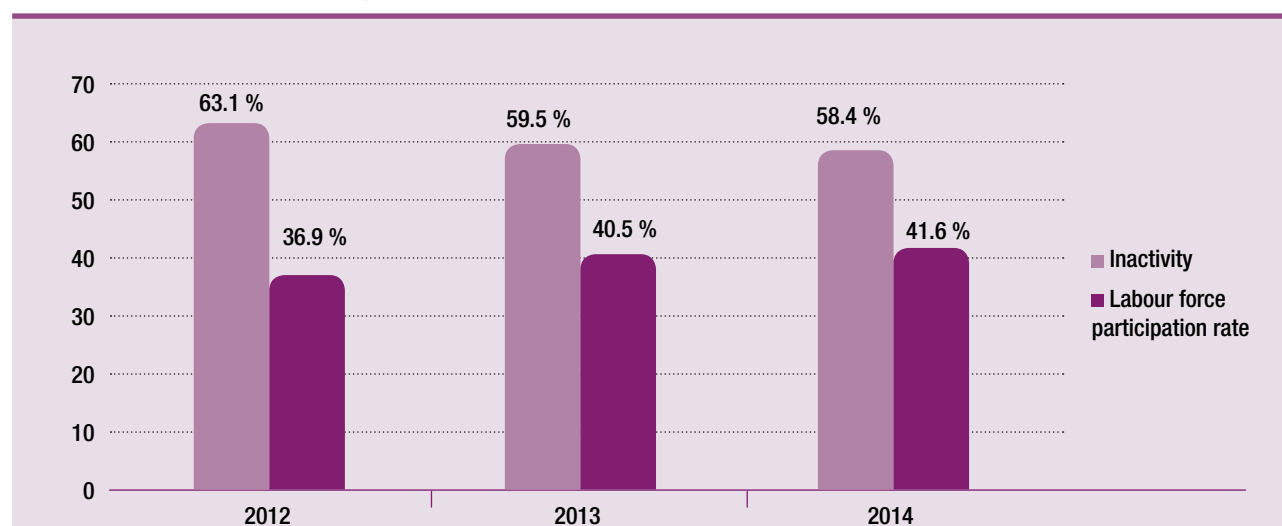


TABLE 3.1: Labour force and labour force participation rate by educational attainment and age group

	No school	I -IX classes	Secondary vocational	Secondary gymnasium	Tertiary
LABOUR FORCE ('000s)					
15-24	0.3	18.4	35.1	22.3	6.5
25-34	0.9	26.2	53.4	23.2	36.3
35-44	0.7	35.1	51.1	21.0	18.9
45-54	0.9	18.2	44.1	14.2	23.7
55-64	0.3	8.9	16.1	5.7	18.8
Total 15-64	3.1	106.9	199.7	86.4	104.2
SHARE OF THE LABOUR FORCE (%)					
15-24	0.3	22.3	42.5	27.0	7.9
25-34	0.6	18.7	38.1	16.6	25.9
35-44	0.6	27.7	40.3	16.6	14.9
45-54	0.9	18.0	43.6	14.1	23.4
55-64	0.7	17.9	32.2	11.4	37.8
Total 15-64	0.6	21.4	39.9	17.3	20.8

The labour force participation rate was highest among people aged between 30-34 years (55%) and lowest amongst people aged 15 to 19 years (Table 3.2). The low participation rate for young people is not surprising because most of this group is in education.

Among men, those aged 40-44 years have the highest labour force participation rate (84.8%), whereas for women it is the highest for those between 25 and 29 years. (Table 3.2).

TABLE 3.2: Labour force and labour force participation rate by gender and age group

Kosovo 2014	Male	Female	All
LABOUR FORCE ('000s)			
15-19	10.4	5.0	15.5
20-24	46.8	20.4	67.2
25-29	53.6	20.0	73.7
30-34	48.9	17.5	66.4
35-39	46.8	15.9	62.6
40-44	48.3	15.9	64.1
45-49	41.0	13.4	54.3
50-54	36.7	10.0	46.7
55-59	23.8	7.2	30.9
60-64	15.0	3.8	18.9
Total 15-64	371.3	129.0	500.3
LABOUR FORCE PARTICIPATION RATE (%)			
15-19	11.0	5.5	8.3
20-24	51.0	25.2	38.9
25-29	73.9	30.9	53.6
30-34	81.9	28.7	55.0
35-39	84.1	24.7	52.2
40-44	84.8	24.4	52.6
45-49	80.4	24.5	51.5
50-54	75.0	20.7	48.1
55-59	63.5	18.3	40.5
60-64	47.9	11.4	29.0
Total 15-64	61.8	21.4	41.6

4. INACTIVE PERSONS

4.1. INACTIVITY BY GENDER

A lot of attention is given to describing and measuring the employed and unemployed populations which together form the Labour Force (or the economically active). However, the category “inactive” is equally important. Changes in activity rates are a key part of the impact of labour supply on potential output growth. This is due to the large number of potential workers among this group.

TABLE 4.1: Inactive by reason and gender

Kosovo 2014	Male	Female	All
INACTIVE POPULATION ('000S)			
Looking after children or incapacitated adults	0.1	14.3	14.4
Own illness or disability	13.3	8.6	21.9
Other personal or family responsibilities	13.5	233.4	246.9
In education or training	104.7	97.3	202.0
Retired	6.9	5.0	11.9
Believes that no work is available	49.5	78.9	128.4
Waiting to go back to work (laid-off people)	0.8	0.5	1.3
Other reasons	20.7	16.2	36.9
No reason given	1.9	3.4	5.3
Total	229.2	473.0	702.2
INACTIVE POPULATION AS SHARE OF THE WORKING-AGE POPULATION (%)			
Looking after children or incapacitated adults	0.0	2.4	1.2
Own illness or disability	2.2	1.4	1.8
Other personal or family responsibilities	2.2	38.8	20.5
In education or training	17.4	16.2	16.8
Retired	1.2	0.8	1.0
Believes that no work is available	8.2	13.1	10.7
Waiting to go back to work (laid-off people)	0.1	0.1	0.1
Other reasons	3.4	2.7	3.1
No reason given	0.3	0.6	0.4
Total	38.2	78.6	58.4

Personal or family responsibilities are the main reason for women's inactivity in the labour market (Table 4.1). Overall low participation of women in the labour force in Kosovo may also be linked to stereotypical gender roles.

4.2. DISCOURAGED JOB-SEEKERS

In 2014 out of the 702,238 inactive population, 128,400 people did not seek a job because they believed that there was no work available. This category is classified as “discouraged” job seekers and in Kosovo they accounted for 10.7% of the working age population (Table 4.1). Looking at the working age population the level of discouragement is higher for women than men (13.1% compared to 8.2%).

4.3. INACTIVE YOUNG PEOPLE WHO ARE NOT IN EMPLOYMENT, EDUCATION OR TRAINING (NEET)

The youth NEETs includes the young population that are not employed, not in education and not in training, that is, totally disconnected from the labour market and are also not participating in the educational system. High shares of this group in the youth population raise concerns about the future employability of young people as it indicates detachment from the labour market. In addition, a large

number of unoccupied youth in countries with high youth unemployment, such as Kosovo, can put a downward pressure on employment and earnings, as well as possibly contributing to social problems.

In 2014, 108,200 young people (aged from 15 to 24) in Kosovo were not in education, employment or training and they represented 30.2% of the young population. The share of NEET women is 34.0% compared to 26.6% of NEET men (Figure 11).

Figure 11: YOUTH NOT IN EMPLOYMENT, EDUCATION OR TRAINING (NEET) BY GENDER AND YEAR

Source: Labour Force Survey, 2012-2014

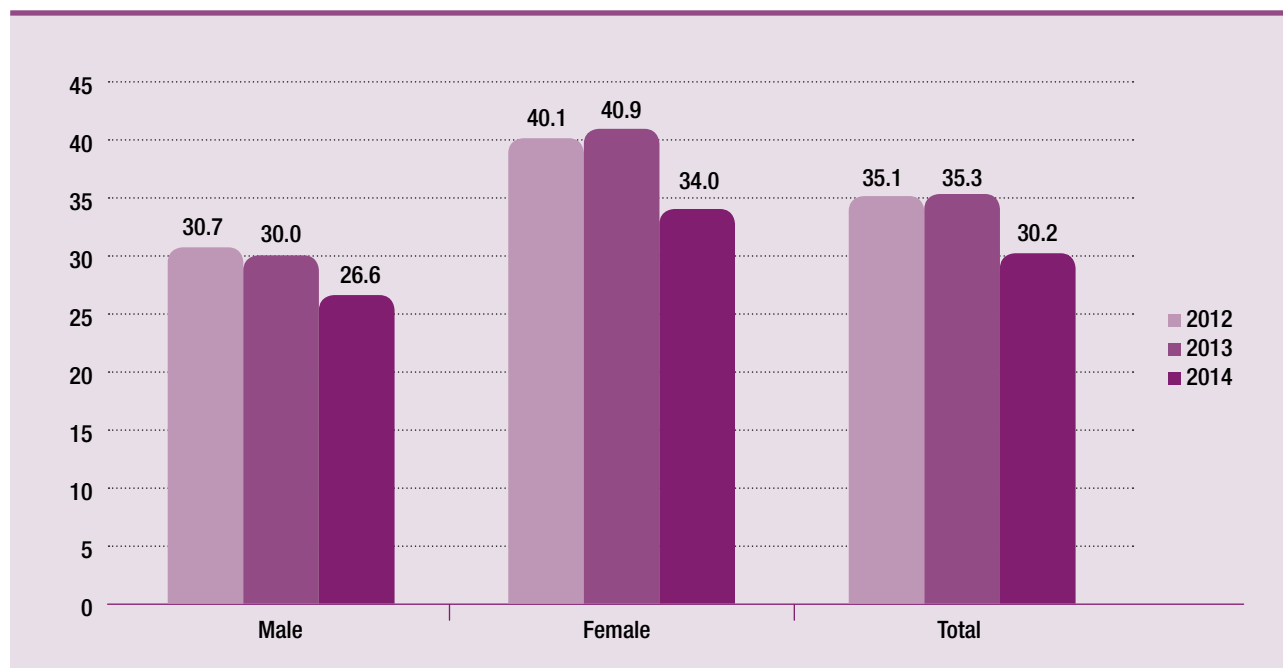


Figure 11 also shows that the proportion of NEETs was very similar in 2012 and 2013 but fell in 2014.

TABLE 4.2: Youth not in employment, education or training (NEET) by gender

Kosovo 2014	Male	Female	All
Youth NEET ('000s)	49.8	58.4	108.2
Youth NEET share of youth population (%)	26.6	34.0	30.2

5. COUNTRY COMPARISONS

Labour market statistics of 2014 show that Kosovo still remains in the worst labour market situation in comparison to the Western Balkan countries.

The labour force participation rate in Kosovo is 41.6% while the participation rate in Western Balkan countries ranges between 42.6% and 61.5% (Table 5.1).

TABLE 5.1: Country comparison of key labour statistics

COUNTRY	Labour Force Participation Rate		Employment to Population ratio		Unemployment Rate	
	2013	2014	2013	2014	2013	2014
Kosovo	40.5	41.6	28.4	26.9	30.0	35.3
Albania	59.9	61.5	50.2	50.5	16.1	17.9
FYR Macedonia	57.2	n.a	40.6	n.a	29.0	n.a
Serbia	62.2	48.9	49.2	39.7	21.0	18.9
Montenegro	58.9	42.6	47.4	34.9	19.6	18.0
Bosnia & Herzegovina	43.6	43.7	31.6	31.7	27.5	27.5

Source: Websites of the National Statistical Offices.

Data for Labour Force Participation Rate for Kosovo and Albania is 15 to 64 year olds for other countries it is aged 15 and above.

Part of these differences is due to the fact that Kosovo has such a young population and many of these young people are still in education (and therefore classified as inactive). A concern is that over time the potential for the inactive population in Kosovo to grow remains high as each year approximately 36,000 young people will enter the working age population (i.e., 14 year olds will become 15 year olds) while only approximately 10,000 will leave the working age population (i.e., 64 year olds becoming 65 year olds).

In Kosovo only 26.9% of the working age population is employed compared to a 50.5% in Albania (Table 5.1). This is a stark difference and requires further explanation (see box below).

Methodological Note: Differences in definition of employment between Kosovo and Albania LFS.

As Kosovo and Albania are neighbours it is not unusual to notice the large disparity of the employment rate between the two countries. In general the definition used to classify respondents as employed is the same in both countries, but there is one important difference (shown in purple below).

Employed are considered all the persons who have worked even for one hour with a respective salary or profit during the reference week. As employed are considered also all persons who were receiving a salary or wage while they were in training during their work.

*Employed are also considered persons temporarily not at work during the reference week for some reasons: (1) maternity leave, illness, injury or temporary disability and expect to return to work, education / training directly related to the actual work; (2) salaried employees absent from work for some reasons other than the above that (a) lack of the duration is three months or less, and the person is not a seasonal worker or (b) the person takes 50% or more salary; (3) the self-employed who intend to return to the business / farm / or professional practice; (4) workers not being paid who expect to return to work in three months or less. **People who work on their small farm, who do not sell their products, but produce only for self-consumption, are considered as employed.***

It is shown in Table 6.3 below that in Kosovo a further definition is added that self consumption on small farms is only considered as employed if it is considered to be an **important source of consumption** for the household. As many respondents declare that it is not an important source this probably explains some of the large difference in employment rate.

Currently Kosovo has the highest unemployment rate in the region, followed by Bosnia and Herzegovina.

6. COMPARISON OF KEY STATISTICS: 2012, 2013 & 2014

The 2012, 2013 and 2014 LFS data are directly comparable and Table 6.1 summarises the main labour market indicators in these three years.

TABLE 6.1: Labour market summary 2012, 2013 & 2014

	Kosovo 2012	Kosovo 2013	Kosovo 2014
Inactivity rate (%)	63.1	59.5	58.4
Labour force participation rate (%)	36.9	40.5	41.6
Male	55.4	60.2	61.8
Female	17.8	21.1	21.4
Employment rate	25.6	28.4	26.9
Male	39.9	44.0	41.3
Female	10.7	12.9	12.5
Part time (as % of employed)	11.1	11.9	8.3
Male	11.3	11.1	7.7
Female	10.3	14.3	10.1
Temporarily employed (as % of employed)	73.0	68.8	71.6
Male	73.2	68.9	71.6
Female	72.5	68.7	71.3
Self employed (as % of employed)	19.8	22.9	23.2
Male	22.7	26.0	26.1
Female	8.3	12.8	13.6
Unemployment rate (%)	30.9	30.0	35.3
Male	28.1	26.9	33.1
Female	40.0	38.8	41.6
Youth unemployment rate (% of age group 15-24)	55.3	55.9	61.0
Male	52.0	50.4	56.2
Female	63.8	68.4	71.7
Long term unemployment (12+ months of all unemployed)	59.8	68.9	73.8
Male	59.1	71.0	73.0
Female	61.3	68.9	75.6

Table 6.1 shows that the employment rate rose in 2013 and then returned to 2012 levels in 2014 (the 2012 and 2014 confidence intervals overlap, see Table 6.2). This means that employment is growing at about the same rate as the increase in the working-age population. However, the proportion of the working-age population that is economically active (the Labour Force Participation rate) has increased in 2013 and 2014 (although not statistically significantly in 2014).

The unemployment rate was steady in 2013, and then increased in 2014 because even though the number of employed was keeping pace with the growth in the working-age population, it was not keeping pace with the more rapid growth in the economically active population.

The conclusion is that from 2012 to 2014 employment grew fast enough to match the growth in the working-age population, but not as fast as the more rapid growth rate of the economically active population.

TABLE 6.2: Employment rate 2012, 2013 & 2014 with confidence intervals

	Employment Rate	Confidence intervals (95% level)	
		Lower	Higher
2012	25.5	24.3	26.7
2013	28.4	27.6	29.2
2014	26.9	26.1	27.7

The LFS data indicate that the percentage of those employed in part-time jobs decreased from 11.1% in 2013 to 7.7% in 2014. Self-employment (as a percentage of those employed) has risen slightly in the last two years. Furthermore, the percentage of the employed in vulnerable jobs (persons who are self-employed without employees and those who work unpaid in a family business) increased from 23.6% in 2013 to 24.9% in 2014. This can be seen in Table 6.3 showing that the percentage of respondents aged 15 and above who stated in the last seven days that they had been working in their own (non agricultural business) rose from 9.5% in 2013 to 11.2% in 2014.

TABLE 6.3: Responses to question 21 determining whether worked last week (aged 15 plus)

Code	During the last week have you.....	2012	2013	2014
1	Worked in a regular job (at least one hour) for pay (in cash or kind) for someone who is not a member of your household, for example, a private enterprise or company, an NGO or any other individual	52.8	52.5	53.2
2	Worked (at least one hour) in the non-agricultural sector on your own account or in a business enterprise belonging to you or someone in your household (even unpaid) for example as a trader, shop-keeper, barber, dressmaker, carpenter, taxi driver, car wash etc.	8.7	9.5	11.2
3	Done any occasional job (at least one hour) for pay or profit such as sold some homemade products, washed cars, repaired cars etc.	2.6	3.4	2.7
4	Worked (at least one hour) on a farm owned or rented by you or a member of your household (even unpaid) whether in cultivating crops or in other farm maintenance tasks, or you have cared for livestock belonging to you or a member of your household (if at least part of the production is intended to be sold or bartered)	0.8	1.1	0.4
5a	Worked (at least one hour) on a farm owned or rented by you or a member of your household (even unpaid) whether in cultivating crops or in other farm maintenance tasks, or you have cared for livestock belonging to you or a member of your household (if the whole production is only for own consumption and this production constitutes an important contribution to the total consumption of the household).	2.9	4.6	3.3
5b	Worked (at least one hour) on a farm owned or rented by you or a member of your household (even unpaid) whether in cultivating crops or in other farm maintenance tasks, or you have cared for livestock belonging to you or a member of your household (if the whole production is only for own consumption and this production does not constitute an important contribution to the total consumption of the household).	32.1	29.0	29.3
	Total	100%	100%	100%

In terms of the sectors in which people are employed, in general, this has not changed greatly over time. However, the data shows that the percentage of the population working in the agricultural sector has fallen (4.6% in 2012, 5.9% in 2013 to only 2.6% in 2014). Looking at Table 6.3 again we can see that the total for respondents giving an answer related to agricultural activity (codes 4, 5a plus 5b) has remained very similar (34.8% in 2012, 34.7% in 2013 and 33.0% in 2014).

It is important to note that when respondents answer code 5B, that they do some agricultural activity but it is *not an important contribution*, this is not counted as employed. In 2014 69% of this group were categorized as inactive and 31% as unemployed. An *important contribution* is a subjective term and could depend on overall household income. Other sources of data put the agricultural sector in Kosovo as much higher. This is very likely due to the fact that the type of respondents answering 5B would be counted as being in the agricultural sector for this source. However for the Labour Force Survey these respondents are not classified as employed and do not appear in Tables 1.8a and 1.8b outlining

employment sectors.

The unemployment rate fell only slightly, from 30.9% to 30.0% between 2012 and 2013 but there has been quite a large increase in 2014 (35.3%). As the confidence intervals do not overlap (Table 6.4) this suggests this is a real increase in unemployment.

TABLE 6.4: Unemployment rate 2012, 2013 & 2014 with confidence intervals

	Unemployment Rate	Confidence intervals (95% level)	
		Lower	Higher
2012	30.9	28.5	33.5
2013	30.0	28.4	31.5
2014	35.3	33.8	36.9

Initially it appears the increase in the unemployment rate can only be a negative trend, but if we examine the proportion of discouraged workers (inactive people who are not looking for a job as they believe that there is no work available) between 2013 & 2014 this fell from 12.1% in 2013 to 10.7% in 2014.

There was a slight change in the labour force participation rate between 2013 and 2014, increasing from 40.5% to 41.6%.

TABLE 6.5: Labour Force Participation Rate 2012, 2013 & 2014 with confidence intervals

	Labour Force Participation Rate	Confidence intervals (95% level)	
		Lower	Higher
2012	36.9	35.2	38.6
2013	40.5	39.5	41.6
2014	41.6	40.7	42.5

Female labour force participation and employment remained virtually unchanged between 2013 and 2014. Youth unemployment grew again in 2014, increasing from 55.9% to 61.0%. There was also an increase in the long-term unemployment rate: the percentage of the unemployed who had been unemployed for more than 12 months increased from 68.9% in 2013 to 73.8% in 2014.

7. DEMOGRAPHIC & ECONOMIC DEPENDENCY RATIOS

Three demographic dependency ratios are shown in Table 7.1 (with the data shown as the proportion of dependents per 100 working-age population):

- Youth dependency ratio (respondents aged under 15/respondents aged 15-64)
- Old age dependency ratio (respondents aged 65+/respondents aged 15-64)
- Age dependency ratio (respondents younger than 15 or older than 64/respondents aged 15-64)

TABLE 7.1: Demographic dependency ratios

Kosovo	Youth Dependency Ratio	Old Age Dependency Ratio	Age Dependency Ratio
2012	41%	11%	52%
2013	41%	12%	52%
2014	38%	12%	51%

In terms of Age Dependency, the figure for Kosovo in 2010 was also 52% so there has been virtually no change over the last few years. Kosovo's age dependency is higher than its' neighbours (46% for both Albania and Bosnia & Herzegovina, 41% for FYROM and 44% for Serbia) reflecting Kosovo's young population.

Another common ratio used, particularly in Eurostat publications, is the **effective economic old age dependency ratio**. This is an important indicator to assess the potential impact of ageing on social expenditure related to employment (pensions etc.). This indicator is calculated as the ratio between the 65+ population (all classified as inactive) and total employment. For this ratio Eurostat set the age range for the employed from 20 to 74 years. The effective economic old age dependency ratio is projected to rise significantly from 41.5% in 2013 to 64.5% in 2060 in the EU28. In Kosovo for 2014 the ratio was 46.7%.

TABLE 7.2: Economic dependency ratios

	Effective economic old age dependency ratio	Total economic dependency ratio
Kosovo 2014	46.7%	266%
EU28 2013	41.5%	120%

The **total economic dependency ratio** is calculated as the ratio between the total inactive population (15+) and employment (aged 20-74). It gives a measure of the average number of individuals aged 15 and above that each employed «supports». It was 120% in the EU28 in 2013, while in 2014 in Kosovo the ratio is 266%. The highest ratio in the EU28 in 2013 was Greece (180%).

ANNEX 1: SAMPLE DESIGN AND CALCULATION OF WEIGHTS

1. INTRODUCTION

The procedures used for calculating the quarterly and annual weights for the 2014 Kosovo LFS are similar to those used for the 2013 LFS, but with some minor changes. The total number of sample EAs was 600 each quarter; the panel of sample households in one replicate of 150 sample EAs was rotated each quarter. For the 2013 and 2014 LFS a sample of 600 EAs was selected with probability proportional to size (PPS) within each stratum, where the measure of size was based on the number of households in the EA from the 2011 Kosovo Census frame. A sample of 8 households was selected for the LFS in each sample EA, for a total original sample size of 4,800 households each quarter. Since a few sample EAs were not enumerated some quarters and the non-interview households are not replaced, the final effective sample size each quarter depends on the total number of sample households with completed interviews.

The weighting procedures for the 2014 Kosovo LFS depend on the sample design, the number of sample EAs covered each quarter, and the number of sample households with completed interviews in each sample EA that appear in the final LFS data file. The sample design is summarized in the next section. The basic LFS weighting procedures involved first calculating the weights for each quarter of 2014 based on the probabilities of selection and the distribution of the completed household interviews by sample EA each quarter, so that the quarterly data were nationally-representative. Then the basic quarterly weights were adjusted at the national level based on the projected total population for mid-2014. Finally the weights for the annual LFS combined data from all four quarters were calculated by dividing the quarterly weights by 4.

2. SUMMARY OF SAMPLE DESIGN FOR THE 2014 KOSOVO LFS

A stratified two-stage sample design was used for the 2014 Kosovo LFS. The sampling frame was based on the data and cartography from the 2011 Kosovo Census. For the purposes of the census enumeration, Kosovo was subdivided into enumeration areas (EAs), which are relatively small operational segments defined for the census enumeration. A total of 4,626 EAs were defined for Kosovo, and these were used as the primary sampling units (PSUs) selected at the first sampling stage for the LFS. The overall average number of households per EA in the sampling frame was 67; the average size of the urban EAs (103 households) was almost twice that for the rural EAs (53 households). One census enumerator was responsible for enumerating the households and population in each EA. KAS used the 2011 Census data to compile a sampling frame of EAs that was used for selecting the LFS sample.

Kosovo is divided geographically into seven regions, specified in Table A1. KAS uses these seven regions for stratifying the sampling frame and for reporting the results from their household surveys. Each region is divided into municipalities, which are further subdivided into towns or localities. The EAs were defined within the smallest administrative units. Each EA was classified as urban or rural, and this classification was used for defining sampling strata within each region.

At the time of the 2011 Census, KAS was not able to conduct the census enumeration in three municipalities in the North (Leposaviq, Zubin Potok and Zveçam) as well as part of the municipality of Mitrovicë, which have a high concentration of Serbian population. For this reason the final results from the 2011 Kosovo Census exclude the households and population in those areas. However, KAS had previously defined EAs for those areas, and these EAs had been listed in 2008 (in the case of a master sample of 1,000 EAs for the national household surveys) or in 2009 (for the remaining EAs). Therefore KAS was able to use the previous information for the EAs excluded in the 2011 Census, to complement the frame for the rest of Kosovo with census information. A total of 257 EAs in the Northern municipalities are in the frame with information from the 2008/09 listing. These EAs are integrated with the EAs for the rest of Kosovo with information from the 2011 Census, for a total of 4,626 EAs in the combined frame.

Table A1 shows the distribution of the census EAs and total households from the 2011 Kosovo Census by region, urban and rural areas, including the information from the previous frame for the Northern municipalities with predominantly Serbian population.

TABLE A1. Distribution of EAs and Households by Region and Urban/Rural Stratum in Sampling Frame Based on 2011 Kosovo Census (and Previous Frame for Northern Municipalities)

Region	Total			Urban			Rural	
	No. EAs	No. Hhs.	% Total Hhs. by Region	No. EAs	No. Hhs.	% Urban Hhs. in Region	No. EAs	No. Hhs.
Gjakova	461	31,416	10.2%	123	11,879	37.8%	338	19,537
Gjilan	540	33,082	10.7%	125	13,139	39.7%	415	19,943
Mitrovica	748	43,981	14.2%	202	20,089	45.7%	546	23,892
Peja	458	30,356	9.8%	120	12,458	41.0%	338	17,898
Prizren	732	52,436	16.9%	196	20,172	38.5%	536	32,264
Pristina	1,208	87,045	28.1%	428	46,133	53.0%	780	40,912
Ferizaj	479	31,095	10.0%	121	11,592	37.3%	358	19,503
Total	4,626	309,411	100.0%	1,315	135,462	43.8%	3,311	173,949

It can be seen in Table A1 that the percentage of households varies by region, from 9.8% for Peja to 28.1% for Pristina. About 43.8% of the households are classified as urban.

For the Kosovo LFS, cut-off sampling was used to eliminate EAs with less than 10 households from the sampling frame. One result of this approach is that it will produce slightly biased survey results given that the households in the excluded areas are not represented in the survey data. A total of 160 rural EAs were excluded from the frame in this case. These excluded EAs cover a very small percentage of the total population, so the corresponding bias should also be very small.

In order to update the second stage sampling frame for selecting the sample households in each sample EA for the 2014 LFS, KAS conducted a new listing of households in the 600 sample EAs at the end of 2013. As described later in the section on Weighting Procedures, the number of listed households was also used in the calculation of the weights. This was an improvement over the 2013 LFS methodology, which used the list of households from the 2011 Census for the sample EAs to select the households. The previous lack of a new listing resulted in a corresponding small bias since new housing units were not represented. In the case of a sample household that moved, if there was a new household living in the same dwelling unit, it would be interviewed for the LFS.

The sampling frame of EAs was first divided into explicit strata based on the urban and rural areas in each region. The sampling frame included information on ethnicity of the population in each EA, which was also used for stratification. If all the households in an EA belonged to one ethnic group, the EA was assigned to that ethnic stratum; there was also a category for mixed ethnicity. In the case of a region with Serbian EAs in the urban or rural strata, these EAs were included in a separate stratum in which the sample EAs were selected independently. Since the sample allocation was proportional to the number of households, some of these small strata had only one EA selected. For the purposes of the weighting procedures and the calculation of sampling errors, the stratification will be limited to the region, urban and rural level.

A total of 600 sample EAs were selected for the 2014 Kosovo quarterly LFS, allocated to the strata approximately in proportion to the number of households. Within each sample EA 8 sample households were selected at the second stage, for a total original sample size of 4,800 households each quarter. Table A2 shows the allocation of the LFS sample EAs and households by region, urban and rural stratum. Given the proportional sample allocation, the smallest region of Peja has a sample of 58 EAs and 464 households. The nonresponse rate will further reduce the effective sample size, so it is important to monitor the sampling errors for the estimates of key indicators by region in order to determine whether the level of precision is sufficient for the smaller regions.

TABLE A2. Allocation of Sample EAs and Households by Region and Stratum for the Kosovo 2014 LFS each Quarter

Region	Total		Urban		Rural	
	Sample EAs	Sample Households	Sample EAs	Sample Households	Sample EAs	Sample Households
Gjakova	67	536	21	168	46	368
Gjilan	61	488	22	176	39	312
Mitrovica	78	624	33	264	45	360
Peja	58	464	21	168	37	296
Prizren	111	888	36	288	75	600
Pristina	161	1,288	76	608	85	680
Ferizaj	64	512	23	184	41	328
Total	600	4,800	232	1,856	368	2,944

At the first sampling stage the EAs in each stratum were selected systematically with probability proportional to size (PPS), where the measure of size was based on the total number of households in each EA from the sampling frame. The number of EAs selected in each stratum was based on the sample allocation presented in Table A2. At the second sampling stage 8 households were selected systematically with equal probability within each sample EA, from the updated listing of households.

3. SAMPLE ROTATION SCHEME

The 2014 Kosovo LFS is designed as a continuous household survey, with data collection throughout each week of the year. The sample rotation scheme is based on Eurostat guidelines. For the fieldwork and data analysis the year is divided into four quarters of 13 weeks each. The national sample of 600 EAs is divided into four nationally-representative replicates of 150 EAs each, which are used in the sample rotation scheme. The panel of 1,200 sample households in each replicate is interviewed for four consecutive quarters, and then replaced by a new panel of sample households. The panel households in the other three replicates are kept in the sample for the next quarter, which ensures that there is a 75% overlap in the sample from one quarter to the next. This will improve the level of precision for the estimates of trends (differences) in the unemployment rate and other labor force characteristics from one quarter to the next. This rotation scheme continued from the 2013 LFS, but since it takes a full year for the rotation scheme to be implemented, some of panels of sample households for the 2014 LFS were interviewed less than four times.

4. GENERAL METHODOLOGY FOR CALCULATING THE 2014 KOSOVO LFS WEIGHTS

In order for the sample estimates from the 2014 Kosovo LFS to be representative of the population, it is necessary to multiply the data by a sampling weight. The basic weight for each sample household is equal to the inverse of its probability of selection (calculated by multiplying the probabilities at each sampling stage). A household weight is attached to each sample household record in the data files.

The probabilities of selection are based on the stratified two-stage sample design. At the first stage a sample of EAs was selected with PPS within each stratum (region, urban/rural), and at the second stage a sample of 8 households was selected in each sample EA from the new listing. Based on this sample design, the probabilities of selection for the households in each sample EA can be expressed as follows:

$$p_{hi} = \frac{n_h \times M_{hi}}{M_h} \times \frac{m_{hi}}{M'_{hi}}$$

where:

p_{hi} = probability of selection for the sample households in the i-th sample EA in stratum (region, urban/rural) h

n_h = number of sample EAs selected in stratum h for the LFS

M_{hi} = total number of households in the sampling frame for the i-th sample EA in stratum h

M_h = total number of households in the sampling frame for stratum h (that is, the cumulated measure of size for the stratum)

m_{hi} = 8 = number of sample households selected in the i-th sample EA in stratum h

M'_{hi} = total number of households in the updated listing for the i-th sample EA in stratum h

The basic sampling weight is calculated as the inverse of this probability of selection. Based on the previous expression for the probability, the weight can be calculated as follows:

$$W_{hi} = \frac{M_h \times M'_{hi}}{n_h \times M_{hi} \times m_{hi}}$$

where:

W_{hi} = basic weight for the sample households in the i-th sample EA in stratum h

Since the number of households listed in the sample EA (M'_{hi}) is generally different from the corresponding number of households in the EA from the frame (M_{hi}), the weights will vary by EA within a stratum.

It is important to adjust the basic weights for the sample households to take into account the nonresponse of households in each sample EA. Since the weights are calculated at the level of the sample EA, it is advantageous to adjust the weights at this level. The final weight (W'_{hi}) for the sample households in the i-th sample EA in stratum h can be expressed as follows:

$$W'_{hi} = W_{hi} \times \frac{8}{m'_{hi}},$$

where:

m'_{hi} = number of sample households with completed interviews in the i-th sample EA in stratum h

5. CALCULATION OF LFS WEIGHTS FOR EACH QUARTER OF 2014

The basic quarterly weights are calculated using the formula for the weight specified in the previous section. However, the weights each quarter will vary based on the final number of sample EAs enumerated and the number of sample households with completed interviews in each sample EA. Following the adjustment of the quarterly weights to take into account any EAs that are not enumerated and any sample households that cannot be interviewed, the LFS quarterly weight can be expressed as follows:

$$W_{qhi} = \frac{M_h \times M'_{hi}}{n_h \times M_{hi} \times 8} \times \frac{n_h}{n_{qh}} \times \frac{8}{m_{qhi}} = \frac{M_h \times M'_{hi}}{n_{qh} \times M_{hi} \times m_{qhi}}$$

where:

W_{qhi} = basic weight for the sample households in the i-th sample EA in stratum h for quarter q

n_{qh} = number of sample EAs enumerated for the LFS in stratum h for quarter q

m_{qhi} = number of sample households with completed LFS interviews in quarter q for the i-th sample EA in stratum h

The value of n_{qh} depends on the actual distribution of the enumerated EAs in the data file for each quarter. The number of enumerated sample EAs varied slightly by quarter. Tables A3 to A6 show the distribution of the enumerated sample EAs and the number of households with completed interviews by region, urban and rural stratum, in the Kosovo LFS data for each quarter of 2014.

TABLE A3. Number of Sample EAs and Households with Completed Interviews by Region and Stratum for the First Quarter of the 2014 Kosovo LFS

Region	Total		Urban		Rural	
	Sample EAs	Sample Households	Sample EAs	Sample Households	Sample EAs	Sample Households
Gjakova	67	481	21	148	46	333
Gjilan	55	312	21	106	34	206
Mitrovica	74	400	31	143	43	257
Peja	58	353	21	116	37	237
Prizren	110	724	36	225	74	499
Pristina	161	1,005	76	413	85	592
Ferizaj	61	393	22	140	39	253
Total	586	3,668	228	1,291	358	2,377

TABLE A4. Number of Sample EAs and Households with Completed Interviews by Region and Stratum for the Second Quarter of the 2014 Kosovo LFS

Region	Total		Urban		Rural	
	Sample EAs	Sample Households	Sample EAs	Sample Households	Sample EAs	Sample Households
Gjakova	67	485	21	150	46	335
Gjilan	56	347	21	116	35	231
Mitrovica	76	439	32	157	44	282
Peja	58	338	21	113	37	225
Prizren	111	743	36	230	75	513
Pristina	161	1,030	76	430	85	600
Ferizaj	63	419	23	148	40	271
Total	592	3,801	230	1,344	362	2,457

TABLE A5. Number of Sample EAs and Households with Completed Interviews by Region and Stratum for the Third Quarter of the 2014 Kosovo LFS

Region	Total		Urban		Rural	
	Sample EAs	Sample Households	Sample EAs	Sample Households	Sample EAs	Sample Households
Gjakova	67	500	21	156	46	344
Gjilan	60	399	22	131	38	268
Mitrovica	78	475	33	180	45	295
Peja	58	340	21	112	37	228
Prizren	111	752	36	232	75	520
Pristina	161	1,030	76	430	85	600
Ferizaj	64	444	23	158	41	286
Total	599	3,940	232	1,399	367	2,541

TABLE A6. Number of Sample EAs and Households with Completed Interviews by Region and Stratum for the Fourth Quarter of the 2014 Kosovo LFS

Region	Total		Urban		Rural	
	Sample EAs	Sample Households	Sample EAs	Sample Households	Sample EAs	Sample Households
Gjakova	66	494	20	146	46	348
Gjilan	59	395	22	129	37	266
Mitrovica	77	453	32	183	45	270
Peja	58	319	21	97	37	222
Prizren	106	726	36	231	70	495
Pristina	158	1,025	76	443	82	582
Ferizaj	62	444	23	155	39	289
Total	586	3,856	230	1,384	356	2,472

The formula for the quarterly weights specified above was used for calculating a separate set of basic weights for each quarter.

6. ADJUSTMENT OF 2014 LFS QUARTERLY WEIGHTS BASED ON POPULATION PROJECTIONS

The weighted estimate of the total household-based population of Kosovo using the original weights for each quarter will vary slightly by quarter due to sampling error. Although the new listing of households in the sample EAs should reflect part of the growth of the households and population in Kosovo following the 2011 Census, the weighted estimates of total population are affected by the quality of the listing as well as the sampling error.

Therefore it was decided to adjust the 2014 Kosovo LFS weights for each quarter using the projected total population of Kosovo for the middle of 2014 (July 1) based on demographic techniques. This will also make the weighted estimate of the total population using the annual weights consistent with the projected total population. For the 2013 LFS a similar adjustment of the weights was made using the medium variant of the projected total population. In the case of the 2014 LFS, there was concern that the medium variant of the projected total population did not reflect the increase in the rate of out-migration, so it was decided to use the lower variant of the projected total population. The lower variant of the projected total population of Kosovo for the mid-point of the 2014 LFS data collection period (1 July 2014) is 1,811,521. Just before going to Press KAS released revised population numbers for 2014 and the revised number was 1,804,944. As this is lower than the low variant previously published it was justified to use this variant.

The adjustment factor for the 2014 LFS weights each quarter was calculated as follows:

$$A_{LFS2014q} = \frac{\hat{P}_{2014}}{P_{LFS2014q}}$$

where:

$A_{LFS2014q}$ = weight adjustment factor applied to the preliminary 2014 LFS weights for quarter q

\hat{P}_{2014} = lower variant of the projected total population of Kosovo for the mid-point of 2014 based on demographic estimation techniques, equal to 1,811,521

$\hat{P}_{LFS2014q} = \sum_h \sum_i \sum_j W_{qhi} \times P_{qhi} =$ weighted estimate of total population of Kosovo from 2014 LFS data for quarter q based on the preliminary quarterly weights adjusted for nonresponse

P_{qhi} = number of persons in the j-th sample household in the i-th sample EA of stratum h in the 2014 LFS data for quarter q

Table A7 shows the weighted estimates of the total population from the 2014 Kosovo LFS data by quarter and the corresponding weight adjustment factors ($A_{LFS2014q}$).

TABLE A7. Quarterly Weighted Estimates of Total Population from 2014 Kosovo LFS and Corresponding Weight Adjustment Factors

Quarter	Quarterly LFS Weighted Estimate of Total Population	Adjustment Factor
1	1,639,814	1.104711504
2	1,608,860	1.125965646
3	1,566,908	1.156112132
4	1,507,160	1.201943219
Average	1,580,685	1.147183125

The final 2014 LFS weights for each quarter were calculated by multiplying the basic weight adjusted for nonresponse by this population adjustment factor, as follows:

$$W'_{qhi} = W_{qhi} \times A_{LFS2014q}$$

where:

W'_{qhi} = final adjusted quarterly weight for the sample households in the i-th sample EA in stratum h for quarter q

Table A7 shows that the average population weight adjustment factor is 1.1472, indicating that the preliminary weights underestimated the total population by about 15 percent, assuming that the lower variant population projection is correct. Adjusting the weights based on the national-level projections, the constant weight adjustment factor each quarter will not affect the estimates of any relative quarterly indicators such as the unemployment rate and the labor force participation rate.

7. CALCULATION OF 2014 LFS WEIGHTS FOR ANNUAL COMBINED DATA FOR ALL FOUR QUARTERS

The data from different quarters are combined in order to increase the level of precision for the annual indicators and to represent seasonality in the labor force and employment characteristics over a 12-month reference period. The Kosovo LFS data for all four quarters of 2014 were combined for the analysis of the annual data, so weights were calculated for this combined data file. In this case we first calculated the quarterly weights based on the sample EAs and households with completed interviews in the LFS data for each quarter, as specified in the previous section. Since the weights for each quarter expand the data to the national level, it is necessary to divide these weights by 4 in order to obtain the annual weights for the combined data file for all four quarters. Therefore the annual LFS weights can be expressed as follows:

$$W_{Aqhi} = \frac{W'_{qhi}}{4},$$

where:

W_{Aqhi} = annual weight for the sample households in the i-th sample EA in stratum h for quarter q in the combined data file for the four quarters of 2014

W'_{qhi} = final quarterly weight (including population adjustment factor) for the sample households in the i-th sample EA in stratum h for quarter q

This weighting procedure for the annual LFS estimates has the effect of averaging the results from all of the quarters being combined. Since the weights for each quarter were adjusted based on the projected total population for mid-2014, the annual weights will automatically be consistent with this total population at the national level.

8. REVIEW OF WEIGHTED DISTRIBUTION OF POPULATION BY REGION, URBAN AND RURAL STRATA

The weighted distribution of the total number of households and population by region, urban and rural strata based on the annual 2014 LFS weights depends on the distribution of the 2011 Kosovo Census frame and the updated listing in sample EAs, as well as the variability in the average number of persons per household by region from the survey data. Table A8 shows the distribution of the weighted total number of households and population by region, urban and rural strata, using the final annual weights for the 2014 Kosovo LFS.

TABLE A8. Distribution of Weighted Total Households and Population by Region, Urban and Rural Strata, from Annual 2014 Kosovo LFS Data

Region	Total		Urban		Rural	
	Weighted Households	Weighted Population	Weighted Households	Weighted Population	Weighted Households	Weighted Population
Gjakova	31,939	190,307	10,946	55,995	20,993	134,312
Gjilan	36,870	198,012	12,927	67,048	23,943	130,964
Mitrovica	46,977	245,404	20,319	99,549	26,658	145,855
Peja	30,308	168,064	11,257	55,051	19,051	113,013
Prizren	55,238	334,905	20,358	107,831	34,880	227,074
Pristina	87,582	491,653	41,960	216,769	45,622	274,884
Ferizaj	33,698	183,175	11,229	58,049	22,469	125,126
Total	322,612	1,811,521	128,996	660,292	193,616	1,151,228

It can be seen in Table A8 that the weighted total population at the national level (1,811,521) is the same as the lower variant of the projected total population of Kosovo for mid-2014 used for the adjustment of the weights. The weighted percent of urban households at the national level is 40.0%, compared to 43.8% urban households in the 2011 Census frame. This difference is mostly due to the updated listing of households in the sample EAs. The weighted percent of urban population at the national level is 36.4%. One reason for the different percentage of urban households and population is that the average household size is 5.12 persons for urban households and 5.95 for rural households.



RESULTS OF THE KOSOVO 2014 LABOUR FORCE SURVEY

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