

Analysis of the implementation of employment policies in Kosovo

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Abstract. The paper analyzes the implementation of employment policies in Kosovo in the public and private sectors. Through the literature review, we analyze the legal framework of employment policies in Kosovo. While through the structured questionnaire with employees we have collected data related to the implementation of the legal framework of employment policies in Kosovo. The main conclusion of the paper is that Kosovo has drafted and approved the legal framework of employment policies, but the implementation of this framework is challenging. Some of the other conclusions of the paper are: (i) the majority of workers in Kosovo work more than the regular weekly working hours; (iii) more than half of the workers in Kosovo work six days a week; while the rest work seven days a week; (iv) most of the respondents stated that they have the opportunity to find a second job; (v) close to 1/4 of Kosovar workers are not being paid for their pension contributions.

Keywords: Kosovo, Analysis, Politics, Employment, Legal basis.

JEL: E24.

1. Introduction

The labor market in Kosovo, in addition to the high level of unemployment, is known for many challenges, one of them is the implementation of employment policies. This challenge has brought many problems to the workers in Kosovo, such as the issue that most of the workers in Kosovo work more than the regular weekly working hours; more than half of the workers in Kosovo work six days a week; while the rest work seven days a week; most of the respondents stated that they have the opportunity to find a second job; close to ¼ of Kosovar workers are not being paid for their pension contributions.

Unions and labor inspectorates in Kosovo show weakness not only due to low capacities, but also due to numerous cases of irregularities and cases of abuse or violation of rights. For this reason, this study aims to investigate the implementation of employment policies, both in the public and private sectors. The main purpose of this paper is to bring a clear overview of the implementation of employment policies in Kosovo, as well as to reflect the problems and challenges encountered in complying with these policies.

To accomplish the set goal, this paper aims to accomplish these objectives:

- To analyze the legal framework in terms of employment policies in Kosovo, examining all aspects that are covered.
- To present the situation of the labor market in Kosovo, analyzing both the positive sides and the challenges or problems encountered.
- To develop a case study to discuss the current implementation or non-implementation of labor law in Kosovo.
- To cross the findings: on the one hand, employment policies, with the findings of empirical research, on the other hand.

This paper intends to answer these research questions:

- Are the labor rights of female workers respected in Kosovo? If so, to what extent?
- What are the problems encountered in the labor market in Kosovo?
- How are the problems and challenges related to the right to work are handled in Kosovo?

The main hypothesis of the paper is:

Kosovo has drafted and approved the legal framework of employment policies, but the implementation of this framework is challenging mainly in such matters as: working longer than the official working hours, non-payment of pension contributions, working during weekends, etc. This paper has several limitations. First, the issues addressed here are quite sensitive for a part of the population in Kosovo, namely for people who have encountered discrimination or irregularities in the workplace. Second, the paper can be criticized because of the representation of the facts or the approach followed to the data presented. Thirdly, the instrument used to conduct the case study (questionnaire) has its limitations. The sample selected for the development of the questionnaire is statistically limited, although we have tried to make this sample as representative as possible. Also, during the process of approaching the sample, many of the people surveyed were either not interested in the study, or refused to complete the questionnaire.

2. Literature review

During the review of the literature for the preparation of this study, the main sources of employment policies in Kosovo were consulted. As Berberovic (1990) states, scientific disciplines do not emphasize finding a certain answer on how and when a social phenomenon appears, but explain the reasons why a certain social phenomenon appears. So, labor law as a scientific discipline not only interprets legal norms, but also answers questions such as: What reason certain provisions of labor law do not apply for? What reason do some entities that are part of the labor law act contrary to legal norms or certain regulations for?

Constitution of the Republic of Kosovo. The Constitution of the Republic of Kosovo (2008) defines the main principles of the labor relationship in Kosovo, as they are: "The right to work is guaranteed" (p, 15), "Each person is free to choose his profession and place of work" (p, 15), "Basic social insurance, which deals with unemployment, sickness, disability and old age, is regulated by law" (p, 15). This definition is in full agreement with the theoretical definitions, according to which labor relations were regulated by the general rules of civil law, namely the civil legislation that regulated labor contracts, the practice of collective contracts, etc. (Nikolic, 1995). The Labor Law (2010) aims to regulate the rights and obligations from the labor relationship, as defined by this law. The provisions of this law are applied to employees and employers of the private and public sector in the Republic of Kosovo. The provisions of this law also apply to employees and employers, whose employment is regulated by a special law, if the special law does not provide solutions for certain issues from the labor relationship. The provisions of this law

are also applied to employees with foreign citizenship and persons without citizenship, who are employed by employers in the territory of the Republic of Kosovo, unless otherwise regulated by law. The provisions of this law are not applicable to employment relationships within international missions, diplomatic and consular missions of foreign countries, the International Military Presence located in the Republic of Kosovo based on the Comprehensive Proposal for the Status and international governmental organizations. With the approval of the labor law, Kosovo became part of the states that have codified labor law (Brajic, 1987).

The Law on Safety and Health at Work (2013) aims to define measures to improve the level of safety and health of the employees at work. This law contains the general principles for the prevention of occupational risks, the elimination of risk factors and accidents, information, consultation, balanced participation in improving the level of safety and health at work, training of employees, their representatives and general instructions for the implementation of these principles. The provisions of this law are applied in the public, private, public-private sector and the state administration sector at the central and local levels. The provisions of this law apply to: apprentices, pupils and students in practical work during education, persons serving a sentence engaged in work, visitors, business associates, users of services and persons undergoing vocational training or retraining at the employer. The provisions of this law do not apply to sectors whose activity is regulated by separate laws, such as: The Kosovo Security Forces, the police, the fire service and the services for protection and rescue.

The Law on the Organization of Unions in Kosovo (2011) aims to regulate and define the rights and freedoms of employees for the establishment and free and voluntary organization of unions in the public and private sectors, with the aim of representing and protecting the interests of economic, social and professional of the workers from work and labor relations. This law does not regulate the rights and freedoms for union action and organization in the Kosovo Security Force, and other services defined by a separate law.

The Law on Strikes (2010) aims to guarantee the freedoms and rights related to the organization and participation of employees in Kosovo on strike according to international standards. This law regulates and defines the rights of employees on strike, the conditions and manner of organizing the strike, as well as the rights and obligations of employees and employers during the strike. The employees of the Kosovo Security Force, Kosovo Police, Fire Services, Emergency Health Services

and other bodies of special interest to the Republic of Kosovo, do not have the right to organize a strike, unless by special law it is arranged differently.

The Law on the Economic and Social Council (2011) regulates and defines the organization, scope, work forms and general functioning of the Economic and Social Council, as well as defining the conditions and criteria for the representation of social partners in this tripartite body. The Economic and Social Council (ESC) is established with the purpose of establishing and developing social dialogue in the Republic of Kosovo for employees and employers, for issues of special importance, which are related to the realization of their economic and social rights and professional, which are realized, through dispute solutions with bilateral or tripartite agreements. The provisions of this law apply to all social partners at the national level, who are represented in the ESC by: Employee organizations (unions); Employers' organizations; and the Government of Kosovo.

Law on Labor Inspectorate (2002). The authority of the Labor Inspectorate will apply uniquely to all workplaces, regardless of which legal provisions are in force regarding to work conditions, occupational safety and health protection of workers in general. This law will not be applied in workplaces that are within UNMIK, in offices or in international missions and in other governmental and non-governmental organizations operating in Kosovo. Labor inspectorate:

- a) It will supervise the implementation of the labor law, working conditions and occupational safety.
- b) Will provide technical information and advice to employers and workers on the most effective implementation of legal provisions.
- c) Will notify the Minister of Labor and Social Welfare or any other competent body of any lack or misuse of the applicable law.
- d) Will provide information and advice to employers and employees that will be in accordance with the law and warn the competent authorities of any defects or abuses that are not covered by existing legal provisions.
- e) It will give advice on issues related to labor law and the protection of workers in the case of reorganization or restructuring of an enterprise.

3. The labor market in Kosovo

The unemployment rate in Kosovo remains high. The data of the Kosovo Statistics Agency (2021) for the first quarter of 2021, show that about 25.8% of the workforce

(or about 124,647 people) were unemployed (83,141 men and 41,516 women). The unemployment rate has increased from 25.7% in 2019 to 25.9% in 2020, followed by a slight decrease in the first quarter of 2021 to 25.8%. A large part of these unemployed (67.6% of the unemployed) have been out of work for more than a year.

According to Labor Force Survey data, 60.5% of the working-age population (or about 741,906) in the first quarter of 2021 (58% in 2015) was inactive. An obvious characteristic of inactivity is the high rate among women (Aliu, 2022a). While 43.5% of working-age men (or about 265,467 people) were inactive, the rate of inactivity among women was more than double of men (77.3% or 476,439 people). According to an analysis of the Millennium Challenge Corporation (2018) prepared in 2018, inactivity among men is mainly related to low education / training or the belief that there is no work. And the main reasons for women are related to the family. Over half of inactive women cite family reasons as the main reason. So that only 39.5% of Kosovars of working age were economically active in the first quarter of 2021. This shows a lower labor force participation rate if compared to 2018 and 2019 (40.9% and 40.5% respectively) that has been affected by the Covid 19 pandemic (Aliu, 2022b).

During the period 2015-2020, the employment rate has increased from 25.2% (or 296,940 employed persons) to 30.1% (or 363,180), while in 2020, due to the pandemic, the employment rate has fallen to 28.4%, while in in the first quarter of 2021 (latest data available from the Labor Force Survey) the employment rate increased to 29.3%. However, the employment rate remains very low compared to other countries in the region and the EU (64.9% for all 27 EU countries, even countries like Greece and Macedonia, where half of working-age adults are employed). The employment rate is higher for the 35-44 age group (40%) compared to other age groups, while the employment rate was lower for the 15-24 age group with 12%. As expected, the employment rate increases with increasing years spent in school (from 2% with no schooling to 60% with tertiary education), while the employment rate for those who graduated from vocational schools is slightly higher (35%) than for those who have completed gymnasium (32.5%). Meanwhile, more people with vocational education and gymnasium high school are working in private companies or practicing their profession in private business. On the other hand, many people with tertiary education are working in the public sector or in public enterprises.

The employment rate for women in the 25-54 age group ranges from 18% to 22.3% according to the Labor Force Survey. In the 25-34 age group, the employment rate was 22.3% in the first three months of 2021, while 20.9% for the 35-44 age group. The lowest employment rate for women is observed for the 15-22 age group with 7.7% and the 55-64 age group with 13%. Among men, the employment rate was highest for the 35 to 44 age group (60%), followed by the 45 to 54 age group (56%) and the lowest for young people in the 15 to 24 age group (16.1).



Figure 1: Employment rate by age group

Source: Kosovo Statistical Agency (2020). Labour Force Survey. Prishtine: ASK; Kosovo Statistical Agency (2019). Labour Force Survey. Prishtine: ASK; Kosovo Statistical Agency (2018). Labour Force Survey. Prishtine: ASK.

According to the Statistics Agency of Kosovo (2021), in the first quarter of 2021, 76.3% of people were employed with a salary (71% in 2015), 9.4% were self-employed (6% in 2015) and had other employees, 10.9% were self-employed without other employees (15% in 2015), and 3.4% were family workers (8% in 2015). According to the Labor Force Survey data, the majority of employed women had the status of wage workers. Less than ¼ of employed men were self-employed compared to 10% of self-employed women. Regarding the type of contract, the majority of employees (87.3%) had an individual contract, while the rest worked without a contract.

The structure of employment from different economic sectors in the first quarter of 2021 shows that the service sector is the main employer in Kosovo, providing about 69.8% of total employment (69.5% in 2015). In the service sector, trade and

education sub-sectors are the largest areas (17.2% and 11.0%, respectively). Construction constitutes 9.4% of the total number of jobs, while industry has a percentage of 17.4% (Aliu, 2022c).

Based on the data received from the Tax Administration, in 2021, the service sector is the main employer in Kosovo, providing about 76.8% of total formal employment. In the services sector, trade and public administration and defense sub-sectors are the largest areas (21% and 25%, respectively). Construction constitutes 6.3% of the total number of formal employments, while industry has a percentage of 15.7% of formal employments (within industries, processing industry with 10.6%).

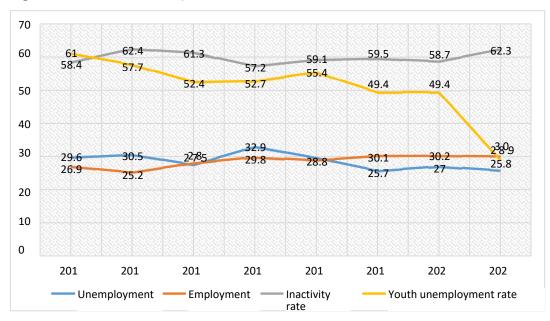


Figure 2: The main indicators of the labor market in Kosovo 2014-2021

Source: Kosovo Statistical Agency (2021). Labour Force Survey. Prishtine: ASK. Kosovo Statistical Agency (2020). Labour Force Survey. Prishtine: ASK; Kosovo Statistical Agency (2019). Labour Force Survey. Prishtine: ASK; Kosovo Statistical Agency (2018). Labour Force Survey. Prishtine: ASK. Kosovo Statistical Agency (2017). Labour Force Survey. Prishtine: ASK. Kosovo Statistical Agency (2016). Labour Force Survey. Prishtine: ASK. Kosovo Statistical Agency (2015). Labour Force Survey. Prishtine: ASK. Kosovo Statistical Agency (2014). Labour Force Survey. Prishtine: ASK.

4. The methodology

This study was undertaken to study the implementation of employment policies in Kosovo in the public and private sectors. For reasons related to time, access and budget, data collection was considered to be carried out on a sample of 500 individuals operating in various industries. The study considered different industries with the aim of better understanding the implementation of employment policies in Kosovo. The consideration of many industries will give a clear picture of the current situation and constitutes an added value to the current literature. A total of 500 individuals in Kosovo were taken as a reference for this study. The study was conducted during the January-May 2022 period. The instruments were administered online by obtaining permission in advance for the development of the questionnaire as well as the confidential use of the data. However, the participation was not maximum. The instrument used in this study is a questionnaire with 12 questions that tries to identify the implementation of employment policies in Kosovo. The questionnaire begins with demographic questions such as the respondent's gender, education and age. Then it continues with questions about the possible influence of the work environment on the implementation of labor rights.

5. Analysis of research results

Research credibility is about reliability and consistency. Reliability is concerned with the accuracy of the measurement procedure (Cooper and Schindler, 2006). To guarantee the accuracy of the instrument used (questionnaire) the Cronbach Alpha test was used. This test is used to measure the reliability of the research instrument by producing a measure of the correlation between the observed results and the true data results (Neuman, 2006; Yin, 2003). Furthermore, Yin (2003) noted that the idea of reliability in a study refers to the minimization of errors and prejudices (interferences by the researcher). According to Kline (1999) the acceptable value of Cronbach's alpha is between 0.7 and 0.9. However, Nanannually (1978) acknowledges that a Cronbach's alpha value greater than 0.5 is sufficient to consider a research instrument reliable. While Hair et al., (1998) accepts that an instrument is reliable if it has a value of Cronbach's alpha greater than 0.6.

Chart 1: Cronbach Alpha coefficient value

$\alpha \ge 0.9$ e shkëlqyer
$0.8 \le \alpha < 0.9$ e mirë
$0.7 \le \alpha \le 0.8$ e pranueshme
$0.6 \le \alpha \le 0.7$ e diskutueshme
$0.5 \le \alpha \le 0.6$ e dobët
α < 0.5 e papranueshme

Burimi: Hair et al., (1998)

excellent/good/acceptable/controversial/weak/unacceptable

The value of the instrument used in this study is 0.75, which indicates that the results are completely acceptable. Therefore, we will proceed with the data analysis.

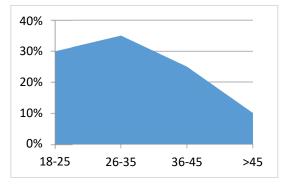
Regarding the age of the participants in the research, the data show that most of them, 35%, belong to the age group of 26-35 years. Age 18-25 make up 30%, while age 36-45 only 25%. The data show that the middle age, namely 26-35 years old, has a higher employment compared to other age groups.

Regarding the gender, the majority of the interviewees are men at the rate of 55%, while women make up 45% of the entire sample. However, the fact that men are superior in the sample compared to women does not mean that men have higher employment since the sample is a small proportion of the entire population.

As for education, the data show that most of them have a bachelor's degree, 60%, while 20% of them have a high school diploma. Only 15% of them have a master's degree while only 5% of them have a degree of a higher level.

High school/Bachelor degree/Master degree/other

Figure 3: Age of research participants



Source: research conducted by the authors.

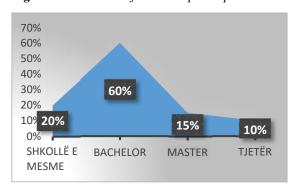
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Figure 4: Sex of research participants



Source: research conducted by the authors.

Figure 5: Education of research participants



Source: research conducted by the authors.

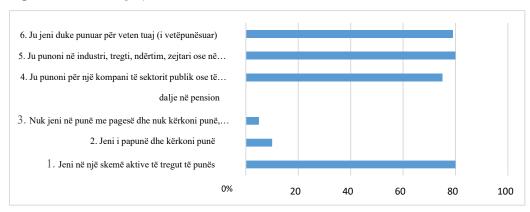
Individuals were asked about their current employment status where each question had more than one choice. The data show that most of them are active in the labor market, 80% of them are self- employed while the rest work in industry, trade, construction, crafts or services. Meanwhile, 75% of the respondents state that they work in a public sector company or public administration.

The data related to work experience show that the majority of employees are in the workplace for a period of 3 to 5 years at the rate of 55%, while the rest of 35% are in the workplace from 1 to 3 years. Only a small percentage of them have a work experience of 5 to 10 years and more than 10 years of work experience.

Also, the interviewees were asked about the overwork and most of them state that 65% of them work more than 45 hours a week, while 25% of them work between 41 and 45 hours. A small number of them have a reduced number of working hours per week. Long working hours and tiredness can lead to reduced efficiency and productivity at work.

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Figure 6: Current employment status



- 1. you are in an active labor market scheme
- 2. you are unemployed and looking for a job
- 3. you are not in a paid job and you are not looking for a job
- 4. you work for a public or private sector company... retirement
- 5. you work in industry, trade, construction, crafts or...
- 6. you are working for yourself (self-employed)

Source: research conducted by the authors.

Chart 2: Work experience

Experience	Frequency
1-3	35 %
3-5	55%
5-10	3%
>10	7%

Source: research conducted by the authors

Chart 3: Overwork

Working hours	Frequency
Less than 20 hours	2 %
20 to 24 hours	2 %
25 to 29 hours	1 %
30 to 34 hours	2 %
35 to 40 hours	3 %
41 to 45 hours	25 %
More than 45 hours	65 %

Source: research conducted by the authors

To confirm the statement of overwork above, employees were also asked about the days they worked per week. After the COVID-19 pandemic and due to the restrictions imposed to limit the spread of the infection, public and private administrations switched to working online or from home. However, the answers show that most of the employees are overworked and work beyond the hours and days specified in the contract.

Employees were asked about shift work attendance. The answers show that shift work happened regularly, which is more normal since most of the work is organized in shifts. However, what is worth mentioning is the fact that employees work on weekends and overtime. This clearly shows that there is a lack of specification of working hours and respect of labor rights in Kosovo.

Employees were asked about attention to employee rights and 80% of them declare that there is no attention to employee rights. Most public and private administrations seem not to be focused on respecting rights. What is important is to emphasize that the state of Kosovo is a new state which has gone through various important structural changes that have hindered the development of the state of Kosovo in the field of labor rights.

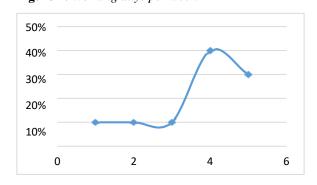


Figure 7: Working days per week

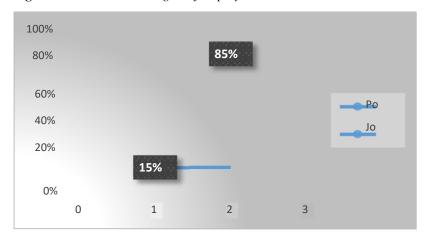
Source: research conducted by the authors.

Chart 4: Work organization

Shift	Never	Sometime	Regularly
work			X
Work atnight shift	Х		
Work on	Х		
Saturdays			
Work on	Х		
Cundove			
Sundays			
Out of	Χ		
hours			

Source: research conducted by the authors

Figure 8: Attention to the rights of employees



Source: research conducted by the authors

In figure 8 we have shown the answers of the employees if they could find another job would they have left their actual jobs and most of them declare that they will do. It seems that most of them do not provide suitable conditions for the implementation of employees' rights.

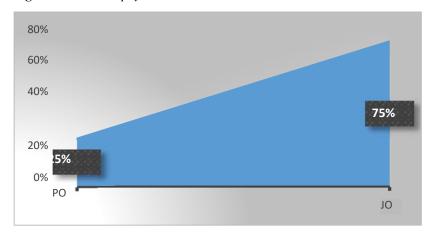
Most of the respondents stated that the social and health insurance system leaves much to be desired, and the pension payment is not sufficient to cope with the uncertain situation in the future.

Figure 9: Opportunity to find another job



Source: research conducted by the authors

Figure 10: Pension payment



Source: research conducted by the authors

Data crossing

Cross-checking of the data will be done based on the identification of the legal basis of the employment policies in Kosovo and the findings from the empirical research with workers. The following figure contains three columns. The first column identifies the activity, the second column identifies whether the activity is regulated by law or not, and the third column indicates whether the activity in question is enforced or not.

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Figure 10: Data Crossing

The activity	Regulated by law	Applies
Current	Regulated by law	Partially
employment status		
Work experience	Partially	Partially
Overwork	Regulated by law	Not applicable
Working days per	Regulated by law	Not applicable
week		
Work organization	Regulated by law	Partially
Attention to the	It is not regulated bylaw	Not applicable
rights of employees		
Opportunity to	It is not regulated by	It is not regulated by
find another job	law	law

Source: Figure created by the authors of the paper

7. Conclusions

Based on the research data presented above, we can conclude that the hypothesis of the paper stands. Therefore, the main conclusions of the paper are as follows:

- In terms of age, gender and education of the respondents, the research is representative; with a greater representation in terms of respondents with bachelor's studies, compared to respondents with other levels of education.
- Regarding the current employment status, there are three main categories of respondents with almost equal participation in the research: respondents who are working in the public sector, respondents who are working in the private sector, self-employed respondents and respondents who are part of active labor market measures.
- Regarding work experience, most of the respondents have 3 to 5 years of work experience.
- Regarding the overwork per week, 65% of the respondents have more than 45 working hours per week.
- 45% of respondents work 6 days a week, while 30% work 7 days
- Most of the respondents work more than the official working hours, work on weekends and overtime.
- 80% of respondents have the opportunity to find another job, while 20% said no.

• 25% of the respondents stated that the employer did not pay the pension contributions, while 75% stated that the pension contributions were paid.

8. Recommendations

Based on the conclusions of the paper, the main recommendations are as follows:

- To increase the number of labor inspectors and strengthen the capacities of the Labor Inspectorate.
- To develop and strengthen the social dialogue (government, employers, unions).
- To change and complete the legal framework from the labor relationship in order to harmonize with the Conventions of the International Labor Organization, as well as the directives of the European Commission.
- Pension contributions should be paid to workers.
- Overtime work should be monitored in particular, work on weekends as well as on official holidays in the private sector.

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