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# WOMEN EMPLOYMENT STUDY FOR KOSOVO\*



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The study was prepared by Dita Dobranja, research expert for Kosovo\*. The preparation of this research was guided and overseen by Mirela Arqimandriti from the Gender Alliance Development Center, Team Leader and Esmeralda Shehaj, Key Expert. This study benefited from the editorial work of Nick Adnett.

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# Abbreviations

<b>AGE</b>	Agency for Gender Equality
<b>ALMM</b>	Active Labour Market Measures
<b>CSO</b>	Civil Society Organisation
<b>GEWE</b>	Report on Economic Benefits of Gender Equality and Women Empowerment
<b>EARK</b>	Employment Agency of Kosovo*
<b>EC</b>	European Commission
<b>ERP</b>	Economic Reform Programme
<b>FAO</b>	Food and Agriculture Organisation
<b>GADC</b>	Gender Alliance for Development Centre
<b>GBWN</b>	Gender Budget Watchdog Network
<b>GDP</b>	Gross Domestic Product
<b>ICT</b>	Information and Communication Technology
<b>IFC</b>	International Finance Corporation
<b>ILO</b>	International Labour Organisation
<b>IMF</b>	International Monetary Fund
<b>IWP</b>	In-work-poverty
<b>KAS</b>	Agency of Statistics of Kosovo*
<b>MCC</b>	Millennium Challenge Corporation
<b>MFLT</b>	Ministry of Finance, Labour, and Transfers
<b>MESTI</b>	Ministry of Education, Science, Technology, and Innovation
<b>MICS</b>	Multiple Indicator Cluster Survey
<b>NDS</b>	National Development Strategy
<b>NSGE</b>	National Strategy for Gender Equality
<b>NEET</b>	Young people nor in Employment, Education or Training)
<b>NESS</b>	National Employment and Skills Strategy
<b>NLC</b>	National Labour Council
<b>NGO</b>	Non-Government Organisation
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OSCE</b>	Organization for Security and Co-operation in Europe

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PES	Public Employment Services
RCC	Regional Cooperation Council
SCE	Economic and Social Council
SME	Small and Medium Enterprises
TUS	Time Use Survey
UN	United Nations
UNDP	United Nations Development Programme
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNICEF	United Nations Children's Fund
VET	Vocational Education and Training
VTC	Vocational Training Centres
WB	Western Balkans



## | Executive summary

The purpose of this study is to provide a gender analysis of the state of play of labour market in Kosovo\*. More specifically, this report looks at key gaps between men and women in labour force participation and in employment, analyses employment sector segregation and the gender pay gap, as well as offers an analysis of policies and measures that impact the labour market, from a gender perspective. The report also lays out recommendations to reduce gender gaps in the labour market and improve inclusive growth.

The economy of Kosovo\* experienced continuous positive growth until the emergence of the COVID-19 pandemic; however, the labour market has not shown a similar level of development. The employment rate remains relatively low, between 25% and 30% in the past decade. Employment rates have been significantly lower for women than for men, which partly reflects the very low activity rate of women in the labour market. Women's labour force participation remains the lowest in the Western Balkan region and is comparable to regions currently in a state of war.

Despite written guarantees for equal treatment of women and men in the Constitution and the existence of the law dedicated to gender equality, the relatively low level of implementation and enforcement of legislation impedes full realization of women's rights, especially their participation in the economy.

Overall, women's labour force participation has remained at 20%, reaching the highest level in 2020, at 24% (KAS, 2021). Economic recovery from the COVID-19 pandemic positively impacted women's employment, which increased by 16% in 2021, the highest level in recent years. Education plays a crucial role in gaining employment, however, although women with higher levels of education have significantly higher employment rates than women with less educational attainment, this is the case with men as well. As a result, the gender gap in employment for high levels of education remains higher than that for lower levels of education.

Education data show that more women than men both enrol and graduate from university education. In public universities for the academic year 2020/2021 60% of the enrolled were women, whereas of those graduating from public universities 69% were women (KAS, 2021). Similarly, 61% of those enrolled in public master's programmes were women and 60% of those graduating from master's programs were women (KAS, 2021). However, there appears to be gender segregation in the choice of profession and occupation. Women are concentrated in the education and healthcare sectors, in part reflecting their choice of education. On the other hand, men are more concentrated in industries, specifically manufacturing and construction. Based on areas of study, men are also more concentrated in ICT service jobs. Industries in which men are concentrated tend to have a higher value-added to the economy and higher potential for growth.

The scarcity of data in Kosovo\* remains a challenge to conduct comprehensive analysis, especially in gender disaggregated analysis. The Agency of Statistics in Kosovo\* (KAS) does not publish earnings data disaggregated by gender. Even though gender pay gap is not available to be analysed throughout



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the years, in this report a gender pay gap analysis is conducted based on Millennium Challenge Corporation (MCC) data on the labour market and time use. Data from 2016 show that there was a significant gender pay gap in Kosovo\*'s economy, at around 30%, with women earning 74 cents for every EUR 1 that men earn, when adjusting for concentration of work in different sectors. Even in sectors where women are heavily concentrated such as education and healthcare, there is still a gender pay gap, since even in these sectors, men hold higher paying positions.

There is considerable variation in the use of time between men and women. In the two most significant aspects, employment and household and family care, responsibilities differ drastically. While men spend approximately 400% more time on employment than women, women spend approximately 300% more time on household work and family care (MCC, 2016). Spending this time on household and family care impacts women's decisions for engaging in paid work, making them time poor and often making it impossible for them to seek paid employment.

Measures undertaken by the Kosovo\* government to recover from the COVID-19 pandemic did not embed a gendered analysis. The latter would have contributed to better targeted policies to combat the unequal burden the pandemic has had on women. Overall, policy measures of responses to the COVID-19 pandemic across the Western Balkans have had no ex-ante or ex-post gender analysis (Gender Budgeting Watchdog Network, 2021). Even so, policies have inevitably had a gender impact, be it negative or positive. Certain measures undertaken by the Kosovo\* government have been gender sensitive, mainly because the sectors targeted through such measures had a higher proportion of female employees.

In institutional terms, there is still work to be done in integrating a gender perspective. Most importantly, collecting, publishing, and analysing gender disaggregated data is crucial to improving policy responses to the current labour market outcomes. Monitoring and evaluation of strategies, policies, and other measures, need to apply gender lenses, to ensure that the impact of these actions is targeting the most vulnerable.

In entrepreneurship, with only around 20% of enterprises in women's ownership, women are under-represented as business owners. Moreover, women's businesses are mostly micro and small businesses, concentrated in sectors with little growth potential. Women's barriers to doing business include access to finance as means of business growth, as well as lack of markets to expand into. However, different from men, women business owners state that family and childcare obligations remain a barrier to doing business for them.

To overcome the shortcomings in the labour market, there is a need for a comprehensive approach to impact change and improve the outcomes for women in Kosovo\*'s economy. While social norms and societal change takes time, policies, legislation, and institutional approach to labour market outcomes can be revised to best address on the gender gaps in the labour market and reduce the barriers that face women in the economy. All relevant actors, starting from the Government to civil society, and especially organizations working in women's empowerment, need to be involved in assisting women's economic empowerment and improving their labour market outcomes in Kosovo\*.

The revision and adoption of the Law on Labour and Law on Maternity, Paternity, and Parental Leave, may help to address, not only the needs of the labour market, but those of the labour force as well. The existing legislation regulating these issues had been at best inadequate in dealing with the gender

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gaps in the labour market, at worst it inadvertently perpetuated the gaps. Moreover, increased effectiveness of the labour inspectorate to better ensure the implementation and enforcement of this and related legislation is a key requirement if these gender gaps are to be lowered.

To ensure policies reflect and address the needs of society and the economy, these need to be based on evidence and data. As such, Kosovo\* institutions need to work at improving data collection and data disaggregation, especially disaggregation by gender. This data needs to be published and available for analysis, to best ensure that appropriate data is available to support policymaking, and that it enables an improvement in the monitoring of policy measures.

Moreover, curricula need to be revised to better fit the changing pattern of demand in the labour market. This should help to address current skill gaps and together with improvement in data collection help to better target women in upskilling and training initiatives. This can serve to increase women's participation in the labour market and especially in non-traditional occupations and sectors with growth potential.

Overall, steps are needed to ensure inclusion of a gender perspective in policy making and in action plans for implementation of the policies and strategic documents. Through better data collection and use in policy design, a gender perspective can unlock the development potential not only of women, but of the economy as a whole.



## 2 Introduction

The economy of Kosovo\* is on the rebound following the economic downturn due to the COVID-19 pandemic. While macroeconomic indicators have been steady and ensured a stable growth, structural issues the economy faces, especially in labour markets remain prevalent even in times of economic growth.

Economic growth, both prior to the COVID-19 pandemic and in 2021 has mostly come from private and public consumption and investment. Moreover, in recent years an increase in net exports has also contributed not only to overall GDP growth, but to growth in specific sectors, such as services and manufacturing. While the services sector continuously recorded the highest contribution to real GDP growth, growth in manufacturing improved the overall balance of the economy in 2020 and 2021.

However, even with the positive macroeconomic trends, the labour market suffers from major problems. Gender gaps in the labour market are widespread, with women's economic activity at around 20% annually. Women's unemployment is also higher than that of men, and this is especially true for young women. Women in the 15-34 age group faced unemployment rates of around 50% in 2020 (KAS, 2021). However, in recent quarters, women have started to move into higher productivity jobs, which can be a positive sign of improving labour market outcomes for women.

No official data exists for the gender pay gap; however, studies show that in Kosovo\*, women earn around 74 cents for every euro a man earns. This gap is higher in sectors where men dominate, however it does not disappear in sectors where women are more heavily employed either. In health and education, where women are more highly concentrated, a gender pay gap persists, due to men holding higher and better paid positions. Worldwide, half of workers are segregated in occupations where around 80% of the other workers are of the same sex (ILO, 2011), in Kosovo\* women are crowded into the education, health and trade sectors.

In terms of unpaid care work, women still undertake the lion's share of household and childcare responsibilities. Women spend 300% more time in unpaid care work than men. This often leaves them time poor and unable to engage in paid employment, something that is evident in the low level of participation in the labour market. The COVID-19 pandemic further exacerbated household and care responsibilities for women, as shown through studies conducted during and following the 2020 lockdown. Even so, economic recovery measures undertaken by the government immediately following the start of the pandemic did not have a gender transformative approach. Measures were generally gender neutral, with some measures being gender sensitive, due to the sectors they target tending to have a higher share of female employees.

Relatively little has been done in terms of employment governance to stimulate women's participation in the labour market, or to address barriers that women face in the labour market. **One of the most** common causes why women cannot engage in paid work remains their childcare obligations, which has not been addressed by institutions through the provision of affordable and accessible childcare.

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Similarly, public employment services and active labour market measures do not display gender sensitive approach to ensuring women's increased participation in the labour market.

Women are owners of around 20% of all enterprises in Kosovo\*. Most of female owned businesses have less than 5 workers and are concentrated in the services, trade, and manufacturing sectors. Women's main barriers to establishing a business remain similar to those faced by males, however, for most women entrepreneurs, family and household obligations are also a barrier they face.



## 3 Methodology

This report is prepared based on a mixed method approach which is used to delve deeper into Kosovo's\* labour market, its developments, and issues from a structural and gender perspective. The methods used to complement data collected include qualitative and quantitative methods. An in-depth analysis was carried to identify issues related to the gender employment gap, gender pay gap, and gender care gap.

### 3.1 Qualitative methods

Qualitative methods are used to provide a more in-depth analysis of the statistical data available and those to be collected through this Study. Three types of qualitative methods are used to provide relevant information for the study:

#### Desk research

The core activity of the desk research is the review the existing and public data and reports. Thus, desk research of recent publications and national statistics and documents form the bulk of the data sources that feed the report and analysis (European Commission, 2019)<sup>1</sup>.

Previous publications of the Regional Cooperation Council and other partners, in the framework of ESAP 2 have proven crucial for the preparation of a coherent report, in a future policy framework. In order to avoid repetition and duplication, the desk research focused on updating the information presented in previous publications prepared by ESAP 2 and delving deeper into the analysis of the gender equality issues identified in those reports, in order to come up with concrete recommendations on the factors that determine and explain the current inequalities in the labour market.

The desk research focused on:

- Collection of statistical data on employment, education, labour market from national institutes of statistics, Gender Equality Indexes, EU reports, WB reports, UN reports, ILO reports and other international publications.
- Review of policy-level practices in the economy, institutional setting and governance of the sector and labour policies, assessed through gender-sensitive lenses.
- In depth analysis of the gender equality gaps and challenges identified in the national reviews prepared as part of ESAP2 in 2021 in order to provide a more comprehensive analysis of the issues identified and propose policy recommendations.



<sup>1</sup> See annex I for a list of relevant studies and reports from each WB economy.

### **One on one interviews**

In-depth interviews with key stakeholders were realized based on a mapping of stakeholders conducted by the research team at the beginning of the research work. The in-depth interviews focused on better understanding the data collected through desk research and quantitative methods, reform processes and current active policies in the Kosovo\* labour market. Interviews with line ministries in charge of implementing national employment strategies helped identified areas of achievements and improvements in their implementation in practice. The interviews had open-ended questions and structured questions based on the topic at hand.

Below is the list of categories included in the stakeholder mapping<sup>2</sup>:

**Group 1** – Government officials

**Group 2** – Development Governmental Agencies

**Group 3** – Academia and independent experts

**Group 4** – CSOs directly related to the employment issues and donors in the economy that conduct large projects for supporting public employment agencies

*Table 1. List of stakeholders included in one-on-one interviews*

No	Institution/Entity
1	Employment Agency
2	Agency of Statistics
3	Tax Administration
4	Ministry of Finance, Labour, and Transfers,
5	Strategic Planning Office, Office of the Prime Minister
6	Gender economy experts
7	University professors specializing in Labour Economics

Source: Author's work, 2021

Specific interview guides were prepared. These research guides were adapted to the context of each WB economy, organisational structures operating within the governance framework and were translated when needed to avoid language barriers.

## **Quantitative data collection and methods**

The report employed statistical data and their analysis, from public, independent and governmental sources such as the Agency of Statistics, Ministry of Finance, Labour, and Transfers, Investment Promotion Agency, Employment Agency, Tax Administration. These key institutions were approached by experts, on a case-to-case basis, to ensure the latest data possible. Experts engaged for Q3 2021 to

2 See Annex 2 for the list of stakeholders in each economy.

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be the cut off period for the report. Nonetheless, certain data limitations did not always allow for such approach. The Agency of Statistics has only published Q1 2021 data on labour markets, making that the cut-off point for this report.

In the case of Kosovo\* economy, there was a relatively good amount of publicly data available on the local level. Such data were collected during the desk research period. They were further analysed using statistical instruments and create a clear picture of what these data means in light of the gender equality agenda and achieving its goals, with a particular focus on employment.

In addition, as literature are used recent published studies of RCC such Gender Equality and Women Empowerment (GEWE)<sup>3</sup> Study of 2021, EU PES report<sup>4</sup>, RCC ESAP WB EU PSR updated reports, EIGE and other (WB, ILO, IMF and other). The data analysis was reviewed under gender equality perspective to address the TOR questions specifically and to look for gender gaps in data and other aspects.

## 3.2 Limitations of the study and research methods

- Kosovo\* lacks gender-disaggregated data in general, but those made publicly available by public institutions are even more scarce and this is the most limiting aspect to the study.
- The low level of responsiveness combined with the lack of availability of data, has impacted the data collection for the report. Specifically, data on Kosovo\*'s labour market are only available up until Q1 of 2021, limiting the analysis of the report by two quarters. Data on economic growth and other macroeconomic aspects of the economy are publicly available up to Q3 2021.
- Apart from lack of gender disaggregated data, data for vulnerable women who are structurally under-represented in the labour market are not published. Data disaggregated by gender and ethnicity are not available in the same database. As a result, analysis of women who are structurally under-represented in the labour market due to vulnerability cannot be conducted.
- One of the components of the planned study, the Oaxaca-Blinder decomposition, of earnings by gender depended on the availability of individual data which is currently not available in Kosovo\*. However, this report uses Millennium Challenge Corporations Labour Force and Time Use Survey, to conduct an analysis of the gender pay gap in different sectors in 2016.

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3 <https://www.rcc.int/campaigns/3/we-women-empowerment>

4 <https://www.pesnetwork.eu/download/pes-annual-report-2020/>



## 4 Kosovo\* Study Chapters

### 4.1 State of Play

Equal opportunities for men and women, equal treatment and equal pay for equal work, as well as overall guarantee of gender equality are at the forefront of Kosovo\*'s legislation, including the Constitution. Moreover, in the EU integration process, through the signing of the Stabilisation and Association Agreement with the EU, commitments to EU acquis approximation of laws and policies are required, including guarantees for gender equality. Despite a solid legal and policy framework, the path towards achieving full gender equality and equity is marked with challenges that require a coordinated and comprehensive response.

This chapter provides an overview of the underlying causes of gender inequalities, reflecting to a large extent the prevailing social norms in Kosovo\* and impacting the economy. This discussion is followed by an analysis of the labour market situation through a gender lens, identifying key gender gaps. Specific subsections focus on gender gaps in the labour market, overview of the economy, gender pay gap, and the gender care gap.

#### 4.1.1 Social Norms in Kosovo\*

The principles of gender equality and non-discrimination are embedded in Kosovo\*'s Constitution and the Law on Gender Equality, which establishes that equal opportunities for participation and treatment in political and public life, the economy, employment, education, health, social, cultural, as well as other fields should be granted equally to women and men (Law No. 05/L-020, on Gender Equality). In a further step, Kosovo\*'s Constitution in the chapter on Fundamental Rights and Freedoms, includes the direct applicability of several International Agreements and Instruments, including the Universal Declaration of Human Rights, as well as the Convention on the Elimination of All Forms of Discrimination Against Women (Constitution of Kosovo\*, 2016).

Even with the legislative framework guaranteeing a gender equal society, Kosovo\* remains governed by patriarchal norms. A UN Women public perception assessment conducted in 2018, showed that women in Kosovo\* were expected to adhere to traditional gender norms (UN Women, 2018). This is especially true for newly married women, who are expected to carry the burden of household and care responsibilities. This expectation comes from men and women in equal measure. Moreover, this study found that men remain the main decision makers in families, with women having little to no agency over decision making in the household (UN Women, 2018). Kosovo\* Women's Network report, cited by UN Women, shows that in 35% of cases men are sole decision makers for big purchases, compared to

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only 10% of cases when women are; for important decisions in the family, men are solely responsible 33% of the time, compared to a meagre 4% of the time for women (Farnsworth et al., 2015).

This is closely linked with the extent of economic independence within the household. The International Men and Gender Equality Survey (IMAGES) conducted in Kosovo\* by OSCE and UN Habitat in 2018 showed that 51% of men stated that they were the main income generator in their household, and only 2% identified their partner as the main income source, This figure was even higher for female respondents, 55% of whom stated that their partner was the main source of income (OSCE, 2018). However, a 2017 Riinvest Institute study, with employed women, showed that employed women had a higher involvement in household decision-making. The study found that higher income directly impacted upon women's participation in decision making within the household, both for day-to-day issues, and major investments (Mehmeti et al., 2017). However, this increased participation in decision making comes in the form of joint rather than as individual decision-making.

The gender norms and differing expectations are relevant to the discussion of the incidence and nature of gender-based violence in Kosovo\*. Women and men alike, accept gender-based violence in certain cases. According to the Multiple Indicator Cluster Survey (MICS) conducted by KAS and UNICEF Kosovo\*, women are more likely to justify violence in marriage, compared to men (MICS, 2019). Moreover, as per the MICS data, notable differences in economic status are seen, with both women and men belonging to the poorest households being more likely to justify intra-marital violence towards women.<sup>5</sup> Age differences also exist, for both women and men. Younger respondents, 15-19, show a higher level of acceptance of gender-based violence in families than those aged 20-29. However, in general, as age increases, so does the acceptance of violence.

These gender differences in justifying violence show a high level of internalization of gender-based violence from women. According to Javed et al., women in patriarchal societies tend to excuse their husband's abusive behaviour as serving their (women's) interest (Javed et al., 2020). With around 30% of people perceiving domestic violence as a normal part of a relationship (UN Women, 2018) and women being more likely to justify such violence, the deeply ingrained patriarchal norms remain prevalent.

These norms have been acknowledged by public authorities, as the Kosovo\* Program for Gender Equality 2020-2024, adopted in June 2020, states that inequalities and structural exclusions from socio-economic life are the main issues facing women in their economic empowerment.

In public and political life, to ensure women's representation in the Assembly of Kosovo\*, a 30% gender quota in candidate lists is required both for general and local elections (Law on General Elections, Article 8, Law on Local Elections, Article 7). Following the 2021 elections, the current Kosovo\* Assembly consists of 36.6% women members of parliament (44 out of 120 seats), surpassing the 30% gender quota. Of all the elected women members of parliament, 35 have been elected without the quota, an increasing trend in recent years (Kosovo\* Women's Network, 2021). In the past three elections, the share of women entering parliament without the quota surpassed those who entered with the quota (QIKA, 2021). However, in local elections, women remain under-represented, with only a limited number of women mayoral candidates put forward by political parties. In the government of Kosovo\*, out of 15 ministries, there are 5 women ministers, whereas in total there are 6 women in the cabinet, out of 18 positions.

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5 In the poorest quintile, 41% of women justify violence against women in a marriage for any of the five reasons; whilst 20% of men in the poorest quintile do so.

In education, attendance rates in primary and secondary education are similar for boys and girls. Pre-school and kindergarten attendance rates are low for both boys and girls, which in turn impacts other aspects of the society and economy. The lack of affordable and quality kindergartens has affected children's participation in organized learning at a young age, with only 15% of 3–5-year-old children attending organized learning (MICS, 2019). In university education, more women attend bachelor programs in public universities, whereas more men study in private universities. Given that fees are required to be paid in private universities, this could be a result of a higher likelihood of parents' willingness to pay for their son's education or that daughters outperform sons in secondary education and are favoured when applying to public universities. The latest data from the Ministry of Education, Science, Technology, and Innovation, show that of all bachelor graduates from public universities in 2020, 65% were women, whereas in master studies, 54% of graduates were women (MESTI, 2021).

In terms of educational choices, LEAP study in 2018, showed gender differences in high school student decisions regarding the choice of course at university. Demukaj et al. find that boys typically pick majors that require higher mathematical skills and fit masculine traits such as Computer Science, Economics, Engineering, Agriculture, and Physical Culture, whereas girls pick courses and professions that require higher verbal skills and fit the caring nature expectations for girls, such as Medicine, Education, and Psychology (2019).

Kosovo\* faces challenges in providing adequate health care and health services. However, studies from civil society organizations show that women face greater barriers to access health care, where 23% of women stated that their male partner decides when they go to the doctor, in rural areas the percentage is higher and amongst those women that have no direct personal income (Farnsworth et al, 2016). This lack of financial independence, combined with cultural barriers, hinder women's access to health care, especially for reproductive health. The same study conducted by Kosovo\* Women's Network, showed that only 35% of respondents were aware that the local family health care centres offer reproductive health services, which in turn impacted upon contraceptive usage, with only 11% of women reporting they use modern contraceptive methods. Even so, fertility rates in Kosovo\* have been declining, a trend which is in line with the socio-economic development, but one which has raised alarms of different actors. Most notably the declining fertility rates, from 2.96 children per woman in 2000, to 2.00 children per woman in 2018 (World Bank, 2019), have fuelled the debate on the Law on Labour and the legislation regulating maternity, paternity, and parental leave (Telegrafi, 2018).

Evidence on the size and operation of the informal economy is sparse in Kosovo\*, both in terms of its contribution to the economy, as well as in terms of the number employed and their working conditions. Gender disaggregated data on labour informality is not published, whereas data on contract types for the employed is also inconsistent. Under-reporting of workers to avoid taxes has contributed to a higher level of informality, especially due to mutually beneficial understandings between workers and employers. This lack of systematic estimates of the informal sector in Kosovo\* remains a barrier to proper analysis of the issue (Cojocaru, 2017). The World Bank Job Diagnostics study estimates that around 25% of workers in Kosovo\* do not have a contract, with the likelihood of informality being higher for youths, men, and less educated workers (Cojocaru, 2017). The labour force studies conducted from the Kosovo\* Agency of Statistics show that the share of workers working without a contract has been declining slowly since 2018. In 2020 the share of those reporting to be working without a contract in the LFS, was 8.5%, whereas in Q1 of 2021, this number declined to 8% (Kosovo\* Agency of Statistics, 2021). However, other studies show that the incidence of labour informality may be significantly higher.

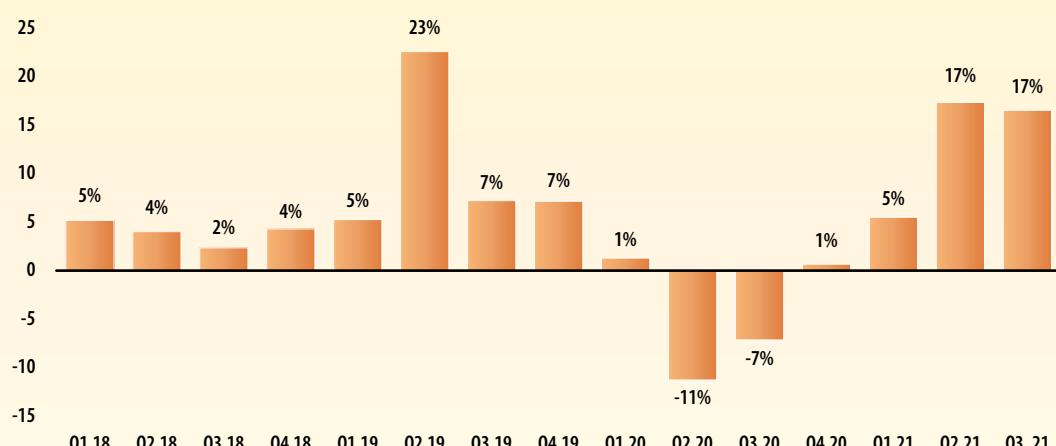
A 2017 Riinvest Institute study indicated that 30% of women working in the private sector did not hold a contract (Mehmeti et al. 2017).

#### 4.1.2 Overview and composition of the economy

Except for Q2 and Q3 in 2020 at the height of the pandemic, Kosovo\* has seen significant economic growth in recent years as shown by the GDP growth in Figure 1 below, making it one of the fastest growing economies and outperforming its neighbours. The year 2019 saw the highest increase of the past four years, with the second and third quarters of 2021 also showing a significant rebound from the negative growth of the first half of 2020. However, this overall strong growth performance is unlikely to be sustained in the future since it has been heavily dependent upon remittances and foreign aid (World Bank, 2021). In 2020 remittances amounted to 18.61% of the GDP (an almost 18% increase since 2018) (World Bank, 2021).

Since 2018, the economic sectors with the highest growth have been trade and transport, arts, and entertainment, as well as the manufacturing sector. The slowest growth has been recorded by the agriculture sector, as well as health and education sectors, which even in times of the highest lockdown restrictions, were still operating.

**Figure 1.** Quarterly GDP growth, Q1 2018 – Q3 2021



Source: Author's calculations based on Kosovo\* Agency of Statistics data

In 2020, the highest contributing sector to the GDP were manufacturing, with around 14%, followed by wholesale and retail trade, amounting to around 13% of GDP, and construction with around 8% (Kosovo\* Agency of Statistics, 2021). However, in terms of employment wholesale and retail trade remains the sector with the highest employment at 17%, followed by manufacturing at 12% and construction at 11%. (Kosovo\* Agency of Statistics, 2021).

### 4.1.3 Gender gaps in the labour market

Kosovo\*'s economy has seen steady growth in the past two decades, with the recent economic growth at around 4% annually. However, this level of development has not translated into significant improvement in labour market outcomes, especially in higher levels of employment, indicating that the growth has been due to higher labour productivity. In fact, the employment rate has remained relatively low, between 25% and 30% throughout the past decade. Employment rates have been significantly lower for women than for men, which has also constrained the level of activity of women in the labour market. Their lower likelihood of employment has resulted in increased discouragement among would-be women workers, thus further lowering their labour force participation.

The current Law on Labour has implications for a gender balanced labour market in Kosovo\*. While the Law prohibits any forms of discrimination in employment, and at the same time transposes the Law on Protection from Discrimination in employment relations, reports on gender discrimination in the workplace and on the hiring process suggest that current maternity leave regulations may inadvertently lead to discrimination against women in practise. The Law specifies that employers pay 70% of wages for six months of maternity leave, which represents a considerable cost for businesses (Farnsworth et al. 2018). On the other hand, the Law stipulates parental and paternity leave of only three (or five) days of paid leave for fathers.

Through these provisions, women are inherently subjected to more responsibilities in childcare, thus reinforcing the existing social norms in which women bear the lion's share of family responsibilities, and risk that these be further entrenched. The inequality in maternity and parental leave has also impacted hiring decisions of employers. A 2016 study conducted by the Kosovo\* Women's Network, shows that almost 50% of employers preferred hiring men, whereas around 20% preferred hiring women, with only around 30% being indifferent (Bajnska et al., 2016).

Discrimination in hiring is complemented by discrimination in contract length and renewal. Many women report having been asked to share family plans during job interviews, whilst others have had their contracts annulled or not extended, once pregnant (Bajnska et al., 2016). One in three women working in the private sector have reported to have no contract, which leaves them without legal protection as per the Law on Labour (Mehmeti et. al, 2017).

Women's labour force participation in Kosovo\* remains the lowest in the region, continuously at around 20% (Gashi et. al., 2019). Gashi et al. posit that the age structure of Kosovo\*'s population can explain part of the low participation of women in the labour market, due to a higher likelihood of women being inactive due to maternity and caring for young children, in societies where the population is younger. This is further supported in studies directly measuring women's reasons for their economic inactivity. These show that one of the top three reasons for women's low participation remains family and childcare obligations (Mehmeti et al. 2017, Morina & Delibashzade, 2017). Other labour market indicators also show similar outcomes for women, both in terms of employment levels and gender segregation in professions and across sectors. The low participation of women in the labour market has been subject of recommendations in the European Reform Agenda (ERA) as well as a target of the 2028-2022 sector strategy of the Ministry of Labour and Social Welfare (MLSW).

Overall labour force participation in Kosovo\* currently stands at 34%. Men's labour force participation has fluctuated around 60% since 2018; however, these fluctuations are lower when adjusted for seasonality

of work and annual changes. Women's labour force participation increased to almost 24% in the fourth quarter of 2020, marking the highest female participation rate since data was collected (Table 2). During the peak months of COVID-19 lockdown, the second quarter of 2020, overall participation in the labour force declined to 31% compared to 39% the previous years. Men recorded the lowest participation in a decade, at 48.8%, compared to 59.4% in 2019. Women's labour force participation in this quarter declined to 17.6%, almost 3 percentage points lower than the same time one year previously (Kosovo\* Agency of Statistics, 2021).

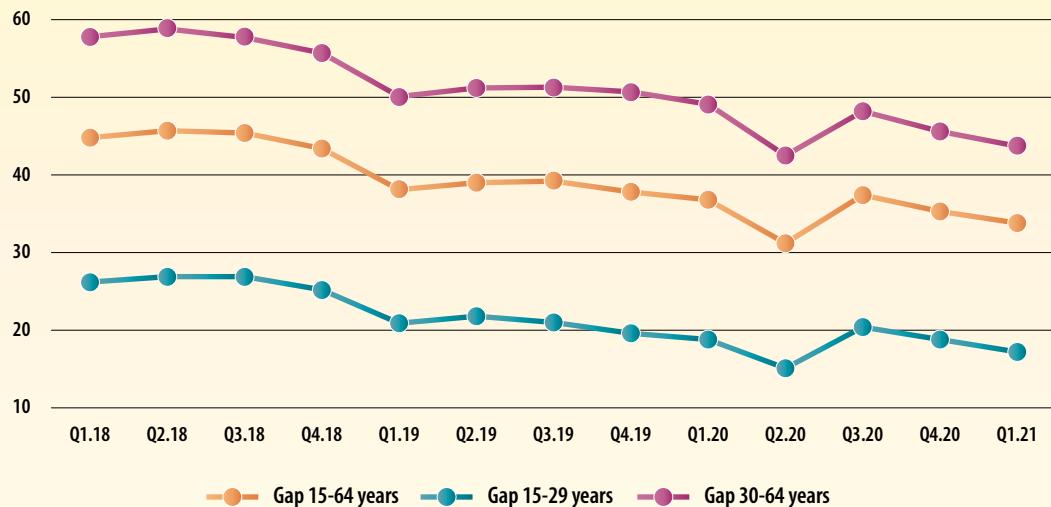
Women's labour force participation (including both the employed and the active job seekers) varies among economies and across different age groups. In more developed economies, women's labour force participation does not differ significantly between different age groups. However, data from ILO show that economies that in general have lower female labour force participation, the participation is higher among younger women than older women (ILOStat, 2021). This is also the case with Kosovo\*, where the participation of women in the 15-29 age group is typically about 2-3 percentage points higher than for women aged 30 to 64 (Table 2).

*Table 2: Labour Force Participation by gender and age, Q1 2018 – Q1 2021*

Sex	Age	Q1. 18	Q2. 18	Q3. 18	Q4. 18	Q1. 19	Q2. 19	Q3. 19	Q4. 19	Q1. 20	Q2. 20	Q3. 20	Q4. 20	Q1. 21
<b>Gap</b>	15 +	44.8	45.7	45.4	43.4	38.1	39	39.2	37.8	36.8	31.2	37.4	35.3	33.8
<b>Men</b>		61.4	63.1	64.7	63.9	57.6	59.4	61.4	60.2	57.1	48.8	58.9	59.1	56.5
<b>Women</b>		16.6	17.4	19.3	20.5	19.5	20.4	22.2	22.4	20.3	17.6	21.5	23.8	22.7
<b>Gap</b>	15-64	44.8	45.7	45.4	43.4	38.1	39	39.2	37.8	36.8	31.2	37.4	35.3	33.8
<b>Men</b>		61.4	63.1	64.7	63.9	57.6	59.4	61.4	60.2	57.1	48.8	58.9	59.1	56.5
<b>Women</b>		16.6	17.4	19.3	20.5	19.5	20.4	22.2	22.4	20.3	17.6	21.5	23.8	22.7
<b>Gap</b>	15-29	26.2	26.9	26.9	25.2	20.9	21.8	21	19.6	18.8	15.1	20.4	18.8	17.2
<b>Men</b>		42.5	45.6	48.9	48.8	41.5	44	47.5	45.5	40.9	32.8	42.2	43.7	41.5
<b>Women</b>		16.3	18.7	22	23.6	20.6	22.2	26.5	25.9	22.1	17.7	21.8	24.9	24.3
<b>Gap</b>	30-64	57.8	58.8	57.7	55.7	50.1	51.2	51.3	50.7	49.1	42.5	48.2	45.6	43.7
<b>Men</b>		75	75.7	75.6	74.3	69.1	70.7	70.9	70.9	68.8	60.5	69.8	68.9	65.8
<b>Women</b>		17.2	16.9	17.9	18.6	19	19.5	19.6	20.2	19.7	18	21.6	23.3	22.1

Source: Author's calculations based on Kosovo\* Agency of Statistics data

There is a considerable gap between men and women in the labour market participation, amongst all age groups. However, the labour force participation gender gap in the 15–29-year age group is the lowest, at around 20%, both due to a higher participation of women in the labour market, compared to other age groups, but also due to a lower participation of men compared to other age group. In part the latter is due to the males continuing in post-compulsory education, but this age group also contains a higher proportion of NEETs. The gender gap in labour force participation has slowly fallen in recent years (Figure 2), with all age groups following a similar pattern. Given the higher decline in participation for men during the second quarter of 2020, than for women, there is a visible drop in the gap for Q2 of 2020, which recovered to pre-lockdown levels in Q3 2020.

**Figure 2.** Labour Force Participation Gap for different age groups, Q1 2018 – Q1 2021

Source: Author's calculations based on Kosovo\* Agency of Statistics data

The gender gap in labour force participation has been shrinking since 2018, however it remains highest between adult men and women (age 30-64). For this age group, the starting gap in labour force participation in Q1 2018 was around 58%, decreasing to 44% in Q1 2021. This decrease in the gap has resulted from a continuous increase in women's labour force participation (from 17% in Q1 2018, to 22% in Q1 2021), combined with a decrease in men's labour force participation (from 75% in Q1 2018, to 66% in Q1 2021). The gap has also decreased for youth, from 26% in Q1 2018, to 17% in Q1 2021. A similar trend is observed for youth as well. Young women's labour force participation has increased quarter to quarter, whereas for young men, it has been the opposite. The main factor is the COVID-19 pandemic which has impacted labour force participation across the whole economy; however, women's participation has bounced back at a higher rate.

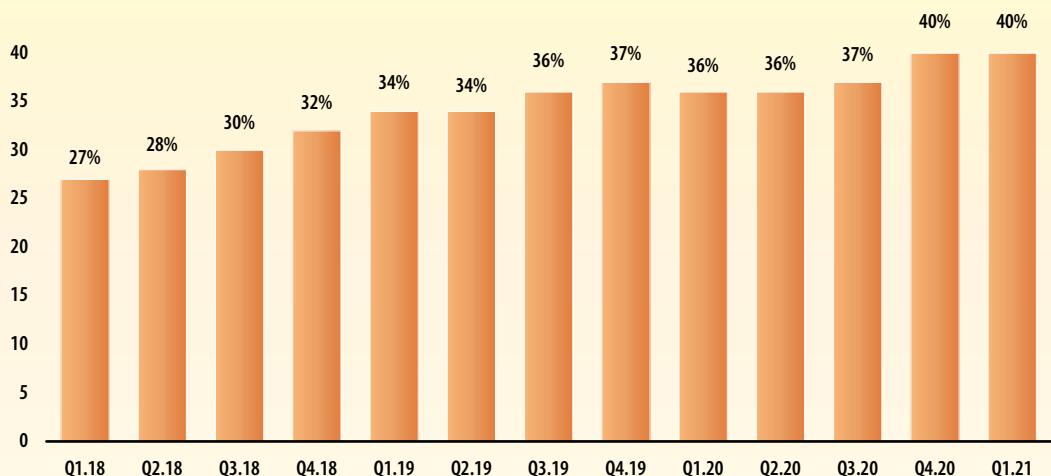
The Government's emergency fiscal package<sup>6</sup>, designed to combat the severe economic impact of the COVID-19 pandemic, promoted the extent of formalization of employees in the private sector. This was achieved through the stipulation that firms would receive coverage of wages for their registered employees only, prompting firms to register their unregistered employees, to be eligible to receive the compensation. While it is difficult to isolate the impact of this specific policy on women's participation in the labour market, it is likely that it has increased the likelihood of women being formally active in the labour market, rather than working informally.

Similarly, when analysing the female-to-male labour force participation ratio, an improvement of 13 percentage points is noticeable from Q1 2018 to Q1 2021 (Figure 3). The steady decrease in the gap between men and women active in the labour force has continued from 2018, reaching its peak at 40% in the first quarter of 2021. However, although the ratio of women to men active in the labour market has been improving, at 40% it is one of the lowest in the world, and a cause of major concern.

6 A more detailed account of this package is provided in the COVID-19 Pandemic Recovery Chapter.

This concern is both due to a decreasing participation of men in the labour force and the very low participation of women.

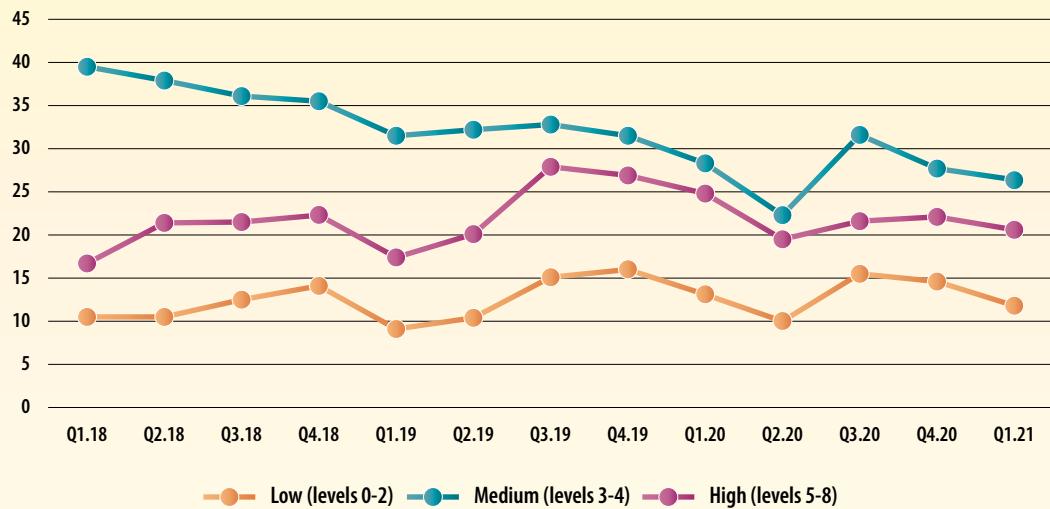
**Figure 3.** Ratio of female to male labour market participation (Q1 2018-Q1 2021)



Source: Author's calculations based on Kosovo\* Agency of Statistics data

While participation is worryingly low, other labour market indicators are not considerably better. The employment rate for the whole Kosovo\* economy is only 29%, with the employment rate for women in Kosovo\* has typically been lower than 15%, only increasing above 15% in last quarter of 2020 and first quarter of 2021. The EU-27 average employment rate is 59%, 63% for men, 54% for women (Eurostat, 2021). This gap between Kosovo\* employment rate and EU-27 employment rate is staggering.

However, employment levels are a clear function of the educational attainment for both men and women in Kosovo\*. Men and women who have only completed primary education (ISCED level 0-2) have low levels of employment; with women's employment in this educational level varying between a mere 2% and 5%, whereas for men it varies between 13% and 19%. The highest gender difference in employment is between men and women with medium levels of education (ISCED level 3-4). The gap ranges between 22% to almost 40% depending on the quarter. Employment outcomes are significantly better for women with tertiary education (ISCED level 5-8), however, there is a trend of declining employment for women with this educational level. Figure 4 below provides detailed statistics on the gender employment gap for different levels of education.

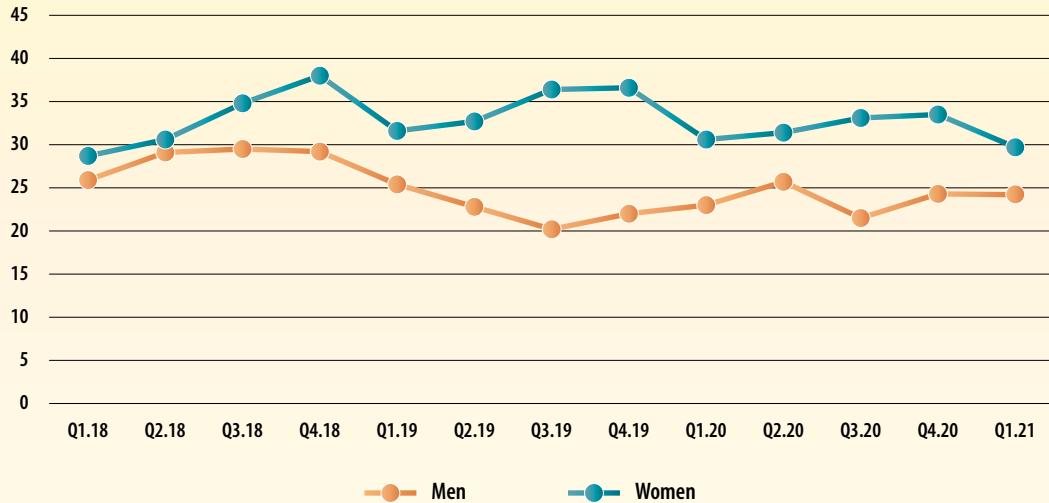
**Figure 4.** Gender gap in employment by education level, Q1 2018 – Q1 2021

Source: Author's calculations based on Kosovo\* Agency of Statistics data

Although women's employment rate for those with higher levels of education is significantly higher than for others, this is the case with men as well, with the gender gap in employment for high levels of education remains higher than that for lower levels of education. The low employment levels of lower levels of education create the illusion of a higher level of equality in employment, however this is not the case, given the alarmingly low rates of employment for both women and men with 0-2 ISCED levels of education. Therefore, a small gender employment gap in these challenging outcomes cannot be considered a success.

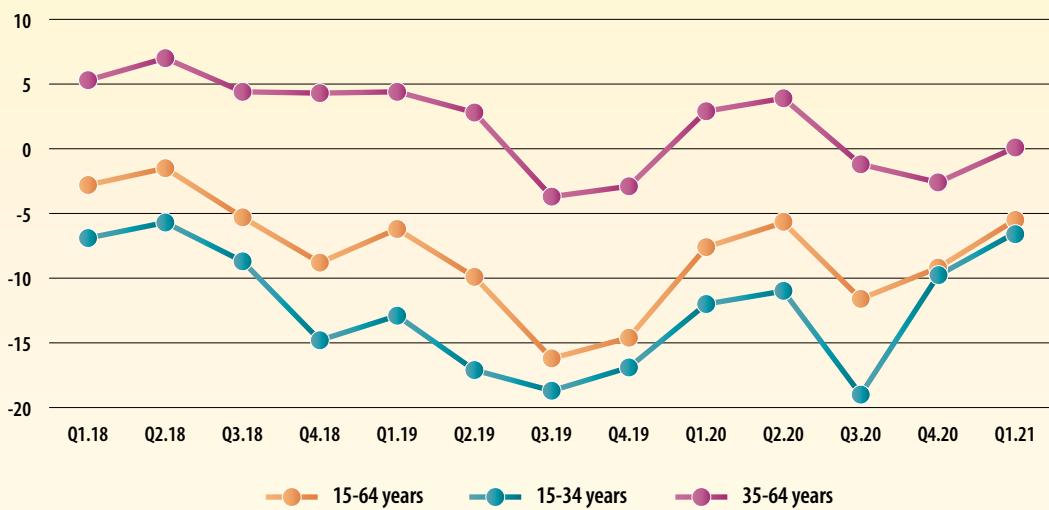
Gaps in employment are also visible for different age groups, between men and women. Since there is some correlation between age groups and level of education, highlighting only the most significant differences is important. As with labour force participation, women 35-64 have the lowest rates of employment, only 17.3%, and as a result this age bracket also has the highest gender gap in employment 37.4%. For younger demographics, those under 35, the gender gap in employment is lower (17.5%) and declining (from 20.5% in Q1 2018).

**Figure 5.** Unemployment rates by gender, Q1 2018 – Q1 2021



One of the most alarming indicators remains the unemployment rate in Kosovo\*. As shown in Figure 5, unemployment rates of women have been generally higher than those of men in recent years. With lower levels of labour force participation, what is significant is that for women in the 35-64 age bracket, the unemployment rates (15.1%) are slightly lower than those of men in the same age bracket (15.2%). Though this positive gender gap has been falling in the most recent period (Figure 6).

**Figure 6.** Gender gap in unemployment by age, Q1 2018 – Q1 2021



Source: Author's calculations based on Kosovo\* Agency of Statistics data

There are large gender differences in the forms of economic activity. While men are more likely to be self-employed both with and without employees, women are more likely to be employees and unpaid

family workers (Figure 7). This is also reflected in entrepreneurship and the low number of businesses in women's ownership, which is analysed in more detail in chapter 4.6.

**Figure 7.** Gender gap in other forms of employment, Q1 2018 – Q1 2021



Source: Author's calculations based on Kosovo\* Agency of Statistics data

Labour markets across the globe show significant levels of gender segregation (European Commission, 2014). These gender differences are the result of both selection bias in hiring, but also intrinsic bias in career and profession selection. Demukaj et al. show that in Kosovo\*, high school students who pick their majors for university studies, show a significant level of gendered decision-making in their choice of professions (Demukaj et al., 2019).

Worldwide, women tend to generally work in jobs that require more human contact and working with people, while men tend to work in jobs where they work more with machinery and other things (Su, Rounds, & Armstrong, 2009). This is evident in Kosovo\*'s labour market as well. Education and health care are sectors that employ the highest number of women. On the other hand, industries, specifically manufacturing and construction employ more men. Based on areas of study, men are also more concentrated in ICT service jobs. Growth trends of specific sectors, in which there is significant gender segregation of employment are important to analyse both in terms of changes in the share of employment, but also their contributions to overall GDP growth.

According to Reskin and Bielby (2005), social stratification can result from continuous and systematic inequalities in the distribution of resources based on personal characteristics. This has resulted in women being employed in occupations associated closely with care, nurturing, and human contact, occupations which are typically lower paid, have less promotion opportunities, and higher levels of part-time work (Garcia-Mainar et al., 2018). The mainstream economic argument that women self-segregate into jobs they consider more suitable to them (MacPherson and Hirsch, 1995), has been opposed by more recent research showing that gender gaps in education and experience have declined (Goldin, 2006), while gender segregation in occupations remains (Blau and Khan, 2016). The narrowing

of the gap in education is also true in Kosovo\*, where education data show a higher number of women enrolling and graduating from tertiary education (KAS, 2021). However, even though the overall gap in educational attainment has been closed, segregation in subject choice and career preferences remain prevalent. This further translates into occupational segregation.

As Table 3 shows, women are over-represented in occupations related to public administration, education, and human health. More than 40% of employed women in Kosovo\*, are employed in these three sectors. When adding retail and wholesale trade to this list, these four sectors account for the employment of more than 60% of employed women in Kosovo\* (KAS, 2021). On the other hand, men are more evenly spread out across sectors, although there is a higher level of employment in industry and a lower level in the sectors where the majority of women are employed (KAS, 2021).

Studies suggest that a higher proportion of women in an occupation or industry is negatively correlated with pay, even when individual and occupational characteristics are accounted for (England et al., 2007). The analysis of the gender pay gap in Kosovo\* shows that even in sectors with the highest employment of women, the gender pay gap persists.

It is important to note the increasing employment trend of women in the ICT services sector, which is considered as the sector with the highest growth potential in Kosovo\*. Moreover, given the significant improvement in exports from the manufacturing sector, the trend of higher employment of women in the industry (compared to the steady trend of men's employment) is also promising.

*Table 3: Gender gap and share of employment by economic sector, 15+, Q1 2018 – Q1 2021*

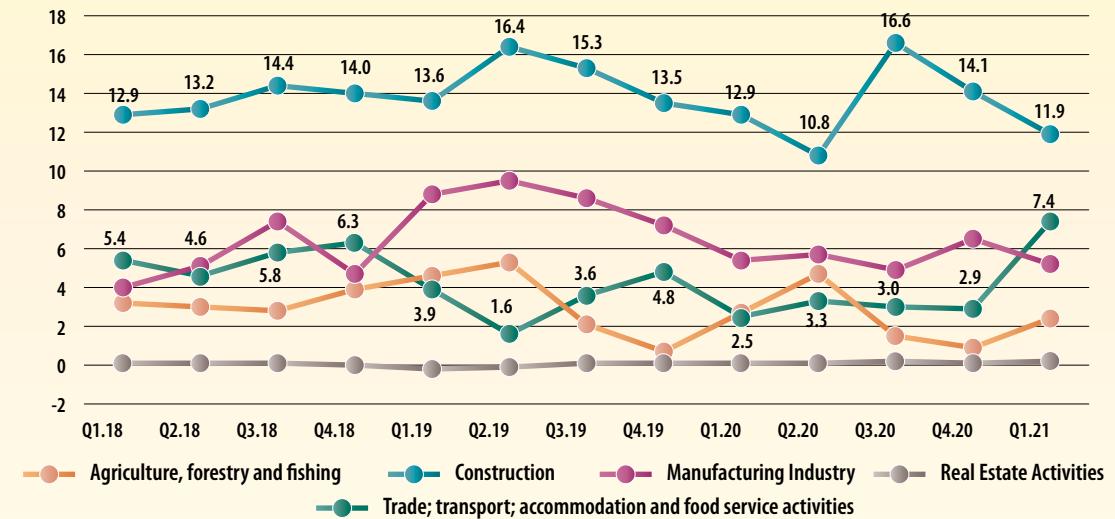
	Q1. 18	Q2. 18	Q3. 18	Q4. 18	Q1. 19	Q2. 19	Q3. 19	Q4. 19	Q1. 20	Q2. 20	Q3. 20	Q4. 20	Q1. 21
<b>Agriculture, forestry, and fishing</b>													
<b>GAP</b>	3.2	3.0	2.8	3.9	4.6	5.3	2.1	0.7	2.7	4.7	1.5	0.9	2.4
<b>Men</b>	4.4	3.8	4.1	4.6	5.2	5.6	6.6	6.3	4.6	5.7	5.8	5.5	4.0
<b>Women</b>	1.2	0.8	1.3	0.7	0.6	0.3	4.5	5.6	1.9	1.0	4.3	4.6	1.6
<b>INDUSTRY (total)</b>													
<b>GAP</b>	21.1	22.4	25.9	23.5	25.3	28.2	26.9	24.3	21.9	20.4	25.3	25.3	20.9
<b>Men</b>	30.1	29.8	32.3	32.6	31.0	35.0	35.0	33.1	31.9	29.1	35.1	35.6	32.5
<b>Women</b>	9.0	7.4	6.4	9.1	5.7	6.8	8.1	8.8	10.0	8.7	9.8	10.3	11.6
<b>Manufacturing Industry</b>													
<b>GAP</b>	4.0	5.1	7.4	4.7	8.8	9.5	8.6	7.2	5.4	5.7	4.9	6.5	5.2
<b>Men</b>	10.9	10.6	12.1	12.2	13.1	14.6	14.4	13.3	13.3	12.2	12.5	14.7	13.8
<b>Women</b>	6.9	5.5	4.7	7.5	4.3	5.1	5.8	6.1	7.9	6.5	7.6	8.2	8.6
<b>Construction</b>													
<b>GAP</b>	12.9	13.2	14.4	14.0	13.6	16.4	15.3	13.5	12.9	10.8	16.6	14.1	11.9
<b>Men</b>	14.3	14.4	15.4	15.2	14.6	17.1	16.8	15.0	13.7	11.4	17.3	14.8	12.6
<b>Women</b>	1.4	1.2	1.0	1.2	1.0	0.7	1.5	1.5	0.8	0.6	0.7	0.7	0.7
<b>Trade; transport; accommodation and food service activities</b>													
<b>GAP</b>	5.4	4.6	5.8	6.3	3.9	1.6	3.6	4.8	2.5	3.3	3.0	2.9	7.4
<b>Men</b>	27.7	27.4	28.6	29.5	27.7	28.3	28.4	27.2	28.1	27.3	28.0	26.2	28.6
<b>Women</b>	22.3	22.8	22.8	23.2	23.8	26.7	24.8	22.4	25.6	24.0	25.0	23.3	21.2

	Q1. 18	Q2. 18	Q3. 18	Q4. 18	Q1. 19	Q2. 19	Q3. 19	Q4. 19	Q1. 20	Q2. 20	Q3. 20	Q4. 20	Q1. 21
<b>Information and communication</b>													
<b>GAP</b>	-0.1	0.6	0.4	0.5	-1.7	-2.3	-1.4	0.5	0.7	-0.8	-1.1	1.0	0.9
<b>Men</b>	3.8	4.0	3.4	2.9	4.2	3.2	3.0	3.8	4.5	4.4	3.4	3.7	4.0
<b>Women</b>	3.9	3.4	3.0	2.4	5.9	5.5	4.4	3.3	3.8	5.2	4.5	2.7	3.1
<b>Financial and insurance activities</b>													
<b>GAP</b>	-1.7	-2.5	-1.0	-0.9	0.0	-0.8	-1.2	-0.2	0.3	-0.4	-0.9	0.0	0.5
<b>Men</b>	1.6	1.8	1.8	1.7	1.8	1.5	1.3	1.8	1.9	1.8	1.2	1.9	2.6
<b>Women</b>	3.3	4.3	2.8	2.6	1.8	2.3	2.5	2.0	1.6	2.2	2.1	1.9	2.1
<b>Real Estate Activities</b>													
<b>GAP</b>	0.1	0.1	0.1	0.0	-0.2	-0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2
<b>Men</b>	0.1	0.1	0.1	0.2	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.2
<b>Women</b>	0.0	0.0	0.0	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0
<b>Professional, scientific, administrative and support service activities</b>													
<b>GAP</b>	-1.3	0.2	-1.3	-1.5	0.5	-1.6	-0.3	-0.8	-0.3	-1.5	-3.3	-3.2	-3.7
<b>Men</b>	4.0	4.6	4.4	4.8	6.8	5.7	6.5	7.1	6.6	7.4	6.7	6.6	7.4
<b>Women</b>	5.3	4.4	5.7	6.3	6.3	7.3	6.8	7.9	6.9	8.9	10.0	9.8	11.1
<b>Public administration, education, human health</b>													
<b>GAP</b>	-19.5	-20.5	-26.3	-23.1	-24.0	-21.8	-23.8	-24.2	-23.1	-22.1	-20.7	-24.1	-26.7
<b>Men</b>	20.9	20.9	18.0	17.4	18.6	16.0	14.6	16.8	18.1	19.4	15.5	16.4	16.3
<b>Women</b>	40.4	41.4	44.3	40.5	42.6	37.8	38.4	41.0	41.2	41.5	36.2	40.5	43.0
<b>Arts, entertainment and recreation activities and other services</b>													
<b>GAP</b>	1.1	0.6	0.6	-0.9	-4.0	-3.2	-3.2	-4.0	-3.4	-2.1	-2.9	-2.4	-1.7
<b>Men</b>	6.8	6.7	6.1	5.3	3.7	3.3	3.2	2.8	3.2	3.4	2.9	3.1	3.6
<b>Women</b>	5.7	6.1	5.5	6.2	7.7	6.5	6.4	6.8	6.6	5.5	5.8	5.5	5.3

Source: Author's calculations based on Kosovo\* Agency of Statistics data

In terms of employment, the biggest gender gaps are found in industry, specifically in construction and manufacturing, as well as agriculture, trade, and real estate activities, where men are highly concentrated compared to women (Figure 8). In construction, the recovery following the lockdown increased the gap in employment between men and women's shares of total employment to its highest level, 16.6% in the third quarter of 2020. In wholesale and retail trade, the third sector with most women employed, the gap between men and women's shares reversed to 0.4% more women in the first quarter of 2021. However, given the grouping of the sectors, and with the high gender gap in employment in transportation, it remains at 7.4% for all three sectors: trade, transport, and accommodation and food service activities.

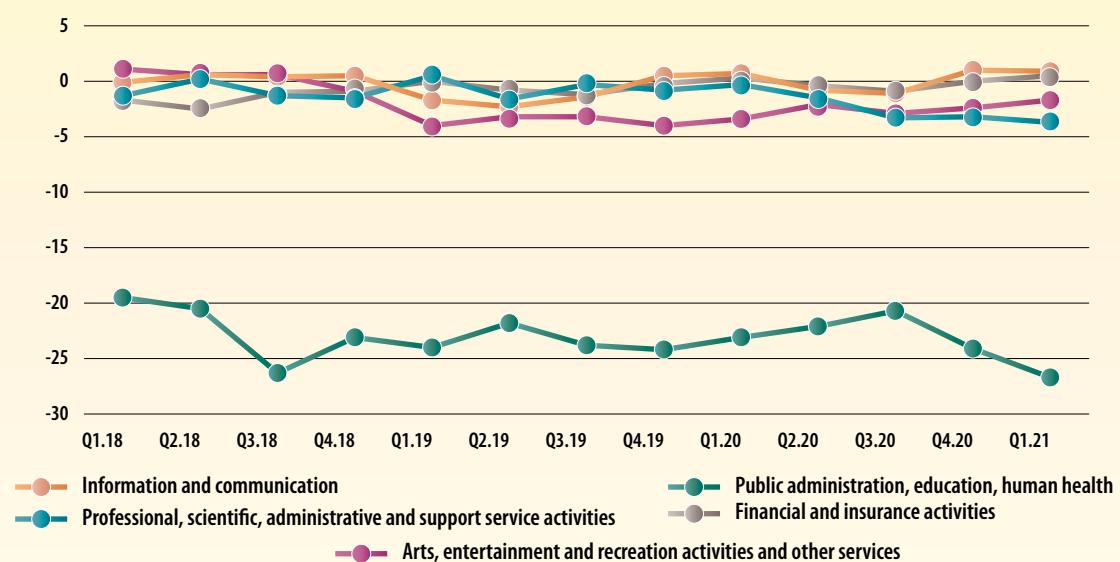
**Figure 8.** Gender gaps in sectors of employment: sectors with higher concentration of men employed Q1 2018 – Q1 2021



Source: Author's calculations based on Kosovo\* Agency of Statistics data

As noted above, women are highly concentrated in public administration, education, and health sectors. Some other sectors, such as ICT, financial and insurance services, as well as professional services also show a gender gap in women's favour, especially in recent years (Figure 9).

**Figure 9.** Gaps in sectors of employment: sectors with higher concentration of women employed Q1 2018 – Q1 2021



Source: Author's calculations based on Kosovo\* Agency of Statistics data

Gender gaps in Kosovo\*'s labour market are prevalent across all key indicators, in labour force participation the differences are large and persistent. Activation of women in the labour market is the key to improving not only women's access to jobs and work, but also boosting the economy. Unemployment for women, especially young women remain at an alarming rate as well. This can be addressed through better matching mechanisms in the labour market and improving women's likelihood of finding jobs and not getting discouraged and remaining out of the labour force.

#### 4.1.4 Gender pay gap developments

Over the years, wages in Kosovo\* have steadily increased, albeit from a very low level compared to most European economies. The increase, however, has been significantly higher in the public sector and public enterprises, compared to the private sector. This has made the private sector less competitive with fewer of the most able and qualified people ready to work in it (OECD, 2021). A Riinvest Institute study in 2018 found that around 25% of youth who are not employed currently, prefer to find employment in the public sector, compared to only 6% who stated they preferred the private sector (Hashani et al., 2018). Higher wages, combined with greater job stability, better working conditions, and working under the Labour Law, make the public sector more attractive to those seeking employment. Private sector representatives consider this as a constraint on their ability to hire skilled and motivated employees at affordable wages.

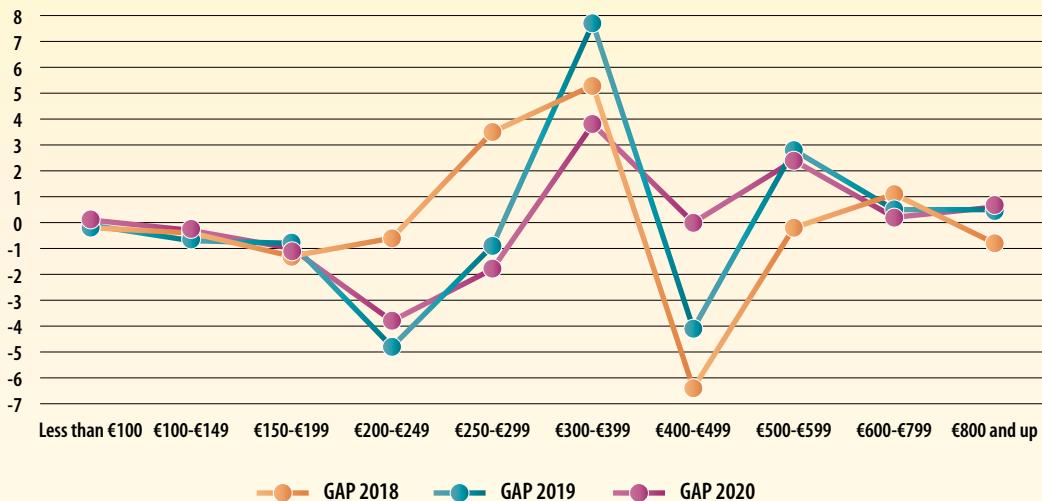
*Table 4: Average net monthly wages by sector of employment 2016-2020*

	2016	2017	2018	2019	2020
<b>Average net wage in the public sector</b>	€467.00	€474.00	€509.00	€519.00	€552.00
<b>Average net wage in the private sector</b>	€310.00	€324.00	€342.00	€372.00	€342.00
<b>Average net wage in public enterprises</b>	€609.00	€620.00	€639.00	€677.00	€680.00
<b>Average net wage in the Kosovo*</b>	€382.00	€390.00	€409.00	€430.00	€416.00

Source: Author's calculations based on Kosovo\* Agency of Statistics data

Detailed gender disaggregated wage data that show wage levels for men and women in different occupations or by different education levels are not published in Kosovo\*, however, the distribution of women and men in different wage brackets is published annually. The data shows a similar distribution of men and women in most wage brackets. However, in higher wage brackets the difference between men and women shrinks, and in the EUR 400-EUR 499 bracket, the gap is reversed, with more women falling into this wage bracket than men (Figure 10).

**Figure 10.** Gender gaps across different wage brackets

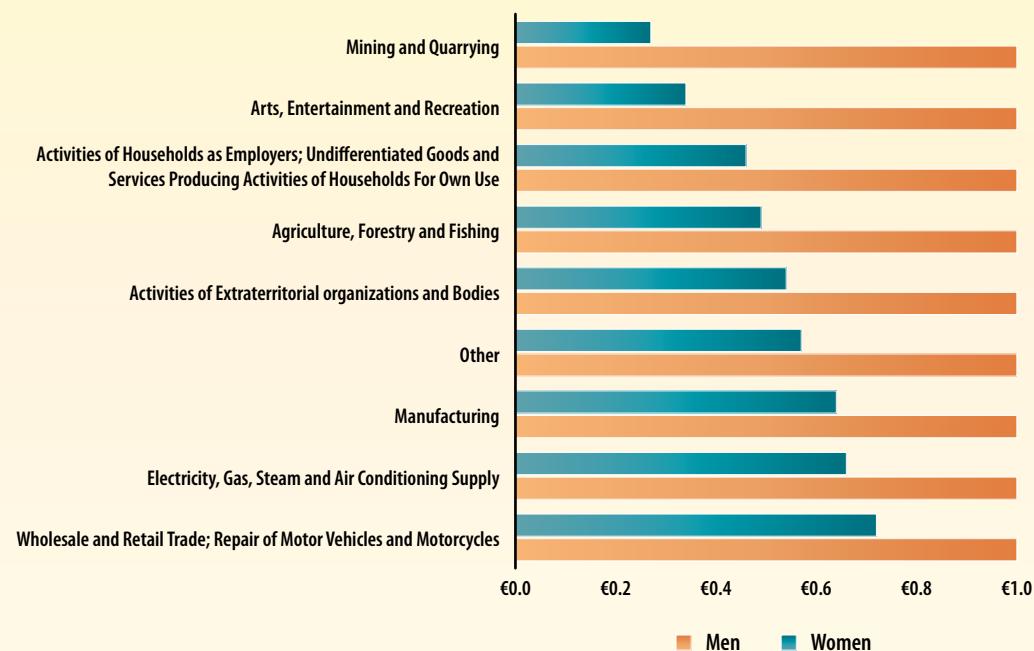


Source: Author's calculations based on Kosovo\* Agency of Statistics data

According to Haxhikadrija et al. (2019), in Kosovo\* the in-work-poverty (IWP) rate is higher for men than for women. However, the study suggests that the main reasons for this are that those women who are employed are more likely to be in households where other members are employed as well, thus reducing the prevalence of poverty. Women are also more likely to be employed in the public sector, which as discussed above, has higher wages and they are less likely to be self-employed, as Figure 7 shows (Haxhikadrija et al, 2019). Although the lower incidence of IWP amongst employed women may seem to be a positive feature, women's employment rate remains too low in Kosovo\* and as a result this lower incidence does not necessarily indicate a favourable outcome for women.

Although continuous data on the gender pay gap are unavailable, the Millennium Challenge Corporation, conducted a Labour Force and Times Use study in Kosovo\* in 2016, which included data on men's and women's wages in each sector. A more detailed table with the gender pay gaps by sector is available in the Statistical Appendix.

Even in sectors where women are heavily concentrated such as education and healthcare, there is still a gender pay gap, since even in these sectors, men hold higher paying positions. Without adjusting for concentration of workers in different sectors, the overall gender pay gap is almost 30%, with women earning 74 cents for every EUR 1 that men earn. In the financial services sector, women earn more than men, earning EUR 1.02 for every EUR 1 that men earn. The biggest gender pay gap is in the mining and quarrying sector, where few women are employed, earning 27 cents for every EUR 1 that men do (Figure 11).

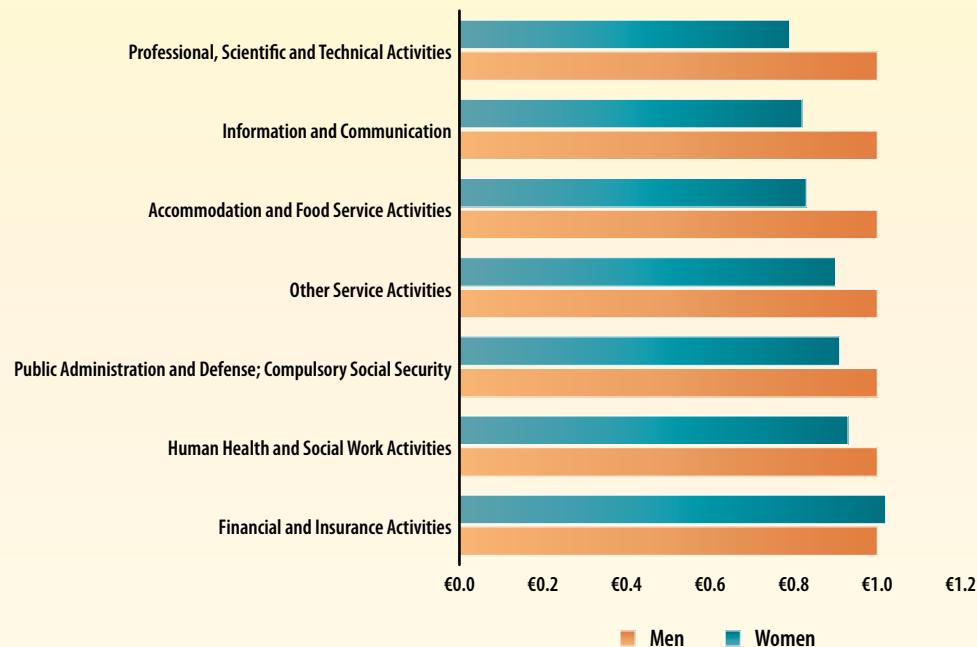
**Figure 11.** Gender Pay Gap in Sectors with highest gap

Source: Author's calculations based on MCC data

Other sectors with a gender pay gap higher than the average include arts and entertainment, as well as household activities.

Even in sectors such as wholesale and retail trade, which employ a large number of women (17% of all employed women), the gender pay gap is large, with women earning only 72 cents to every euro that men earn. In other sectors, where the gender pay gap is narrower, two characteristics emerge: (1) most of these sectors require higher education levels for employment; (2) all these sectors have a high level of interaction with people. The first characteristic indicates that higher education serves as an equalizing factor, both in improving labour force participation (as previously discussed) and in reducing the gender pay gap. The second one shows that the crowding of women into professions with higher human interaction, as is shown by previous data also reduces the gender pay gap.

**Figure 12.** Gender Pay Gap in Sectors with a lower gap



Source: Author's calculations based on MCC data

Based on this data, Kosovo\*'s economy loses around 13% of current earned income in the economy due to the gender pay gap. With equal pay for equal work within these sectors, Kosovo\* would gain around EUR 15 million monthly in wages. Thus, the prevalent gender pay gap is not only damaging to women, but to the economy as a whole.

In terms of the overall gender pay gap, using the MCC LFTUS data Gashi et al. (2020) have conducted a Mincer equation calculation as well as an Oaxaca-Blinder decomposition analysis, to examine gender wage gaps in Kosovo\*. While the simple Mincer equation, with only gender as a regressor shows a 10.7% gender pay gap, a more detailed analysis shows different gender pay gaps when characteristics such as education level, occupation, as well as sector of employment are considered (Gashi et al., 2020). In the private sector the pay gap based on monthly wages is 21%, whereas for hourly wages, it drops to 7% (Gashi et al., 2020).

Gashi et al. (2020) further conduct an Oaxaca-Blinder decomposition analysis which shows that on average women earn 10.5% less than men and moreover, when adjusting for labour market characteristic (education, occupation, tenure, etc.), the wage gap increases, showing that the more favourable productivity-related characteristics of employed women conceals the true level of the gender wage gap.

Future increases in female participation rates are likely to be highest amongst the groups of women with, on average, lower levels of educational attainment than those women currently active in the labour market. Thus, the closing of the gender employment gap should be associated with an increase in the gender pay gap, other things being equal. However, the recent increase in the employment of women in sectors such as manufacturing and ICT, together with the reversal of the gender gap in

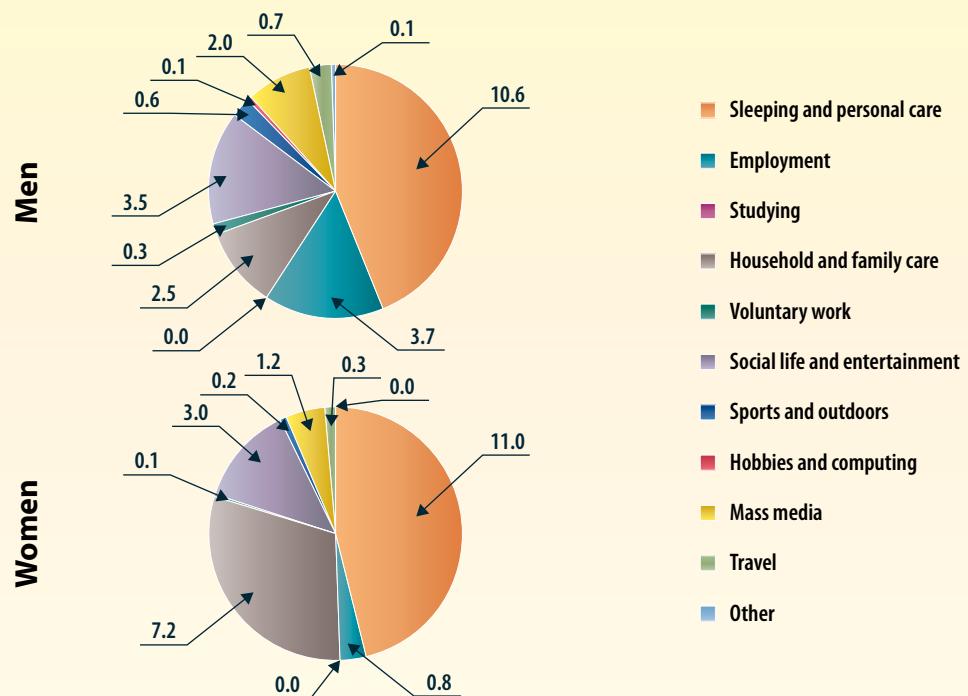
educational attainment, could offset the effect of rising female participation rates and reduce the gender pay gap in the future.

#### 4.1.5 Gender care gaps and unpaid care work

Kosovo\* is yet to conduct an official Time Use Survey (TUS). However, as previously mentioned, in 2016, the Millennium Challenge Corporation carried out in Kosovo\* a TUS, consistent with Eurostat Methodology. The data from this TUS are publicly available and will be analysed to provide an assessment of time use among men and women in Kosovo\*.

There is considerable variation in the use of time between men and women. In the two most significant aspects, employment and household and family care, men and women differ drastically in Kosovo\*. While on average men spend approximately 400% more time on employment than women, women spend approximately 300% more time on household work and family care. A detailed breakdown of time use within a 24 hour period for men and women is provided below in Figure 13.

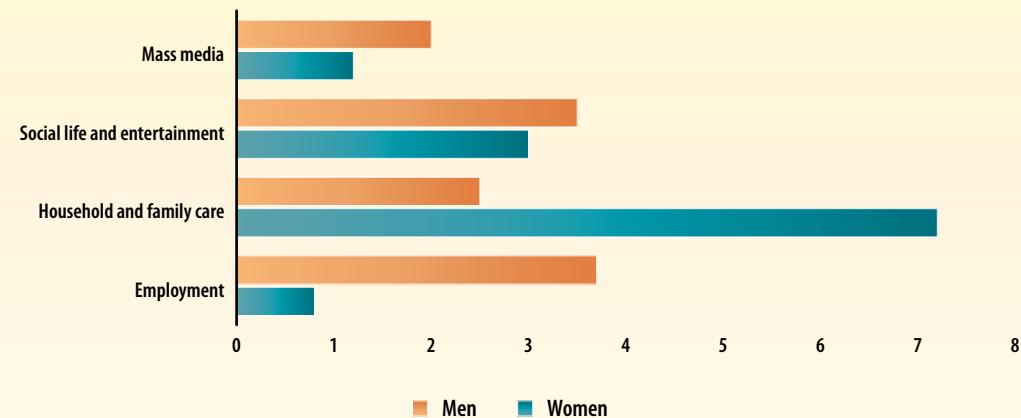
**Figure 13.** Time Use for men and women in Kosovo\*, 2016



Source: Labour Force and Time Use Survey in Kosovo\*, Millennium Challenge Corporation, 2016

The concentration of women's time on household and family care, dedicating on average more than 7 hours a day, indicates that many women are unable to engage in paid labour, due to time poverty (Figure 14).

**Figure 14.** Differences in time use between men and women, 2016



Source: Labour Force and Time Use Survey in Kosovo\*, Millennium Challenge Corporation, 2016

Women continuously cite family and care responsibilities as one of the main reasons for their inactivity, or as the main reason for their part-time employment (Kosovo\* Agency of Statistics, 2021). Women's contribution to household and care activities is crucial to the family, but also to the economy. In providing child and elderly care, many women dedicate their time to family obligations, which allows the male member of the household to be heavily engaged in the labour market and in leisure activities (Figure 13). Women's household work continuously remains unquantified and undervalued, although its duration is often equivalent to that of a full-time paid job.

Even working women are expected to engage in household work. In a 2018 study with women across Kosovo\*, Dobranja et al. (2018) found that women spend 3 hours and 30 minutes a day, on household chores. Women who are employed full time spend on average 3 hours on household work, and more specifically working mothers spend on average 3 hours and 20 minutes on household work, compared to 2 hours for women who are employed but do not have children (Dobranja et al., 2018). The study finds that the number of hours women engage in household work increases when women are married and increases with the number of family members.

Societal and family expectations that women engage in unpaid care work often makes them time poor and unable to seek paid employment. As a result, this handicaps women and impacts upon their labour market outcomes.

#### 4.1.6 Recommendations

- A more targeted focus on an economic growth model that increases overall employment, and more specifically targets increasing women's employment.
  - » Invest in increasing flexible working arrangements, part-time work, and job-sharing. Remove employment biases against flexible and atypical work.

- » Ensure balanced parental leave, to reduce biases in hiring of women, and help in promoting a more balanced sharing of care responsibilities.
- To reduce the main gender gap in the labour market, that of labour force participation, policies to reduce household and childcare related barriers to women participating in the labour market should be developed. Increasing access to affordable childcare can increase the labour force participation of women, both as employees and employers. Gender disaggregated data needs to be collected and published at all levels, to ensure that analysis and policies take informed gender sensitive approaches.
- Data on different types of employment, including part time employment, and other forms of atypical employment should be collected and published, given the higher likelihood of women finding themselves in these types of employment.
- Kosovo\* should urgently implement a Time Use Survey, and follow up with annual TUS data collection, to allow for policy makers and researchers to analyse this data.
- Informality of employment needs to be better researched, better data collected, and that the data should allow for a gender analysis.
- Kosovo\* should publish earnings data for different levels of education, occupations, and sectors of employment. Detailed pay data is crucial to assessing the gender pay gap and working towards reducing it.
  - » Collect and publish data on the gender pay gap.
  - » Mandate compensation transparency in the private sector.
- Ensure that gender equality is integrated as a horizontal agenda to impact all sectors in the new “National Development Strategy 2022-2030”.
- Invest in women’s participation in sectors that are likely to experience above average future growth. Specifically develop incentives for businesses in ICT to hire more women, to further boost women’s employment in this sector.
- Address gender segregation in sectors and jobs.
  - » Provide incentives for firms in male dominated sectors or recruiting in male-dominated occupations to hire more women.
  - » Improve job matching and job placement services, to reduce gender gaps.
- Tackle the prevalence of women’s participation in the informal economy and informal economy in general.
- Amend the Labour Law and all legislation on labour to align with the Law on Gender Equality, CEDAW, and other gender equality conventions.
- Improve women’s participation in internships during university studies and support their transition into work following their graduation.

## 4.2 The Covid-19 Recovery

The COVID-19 pandemic continues to have a health, social, and economic impact across the world. Almost all economies were faced with implementing restrictive measures to preserve public health, which severely constrained economic activities. The beginning of the COVID-19 pandemic found Kosovo\* with a relatively stable economy, delivering a consistent 4.4% year-on-year economic growth. Labour market indicators also showed improvements in the quarters prior to the beginning of the pandemic, even though unemployment was still relatively high at 25.9% and it was even higher for youth and women.

The first confirmed COVID-19 case in Kosovo\* was on March 13, 2020, which prompted the government to undertake restrictive lockdown measures. The economy was shut down and only essential services were available. An economic crisis immediately followed the healthcare crisis. Kosovo\*'s economy consists of mostly small and medium-sized enterprises, which are less likely to have large reserves to be able to withstand complete closure. Globally, the crisis severely impacted financial and economic stability, but even more so exacerbated economic and social inequalities, within and between economies (IMF, 2020).

OECD has evaluated the impact of COVID-19 in Kosovo\* as moderate. This assessment reflected the fast response of the Government and institutions in limiting the spread of the virus combined with the development of measures to then limit the negative impact on the economy, Kosovo\*'s economy, recovered from the recession of 2020, with certain economic indicators better than prior to the crisis. However, health, social protection, and education systems, that were weak or vulnerable prior to the pandemic, were severely impacted by the pandemic (OECD, 2021).

2020 saw Kosovo\*'s economy contract by 6.9%, a result of the restrictive measures to contain the virus from spreading, which led to declines in expenditure, especially consumption and investment from diaspora, who could not travel to Kosovo\*. However, according to the World Bank, government consumption and transfers, through COVID-19 recovery measures (38.3% increase), provided an increased contribution to the GDP and combined with a surge in remittances (15.1% increase), softened the contraction of the economy by supporting the disposable income of Kosovo\* citizens by over EUR 240 million (World Bank, 2020).

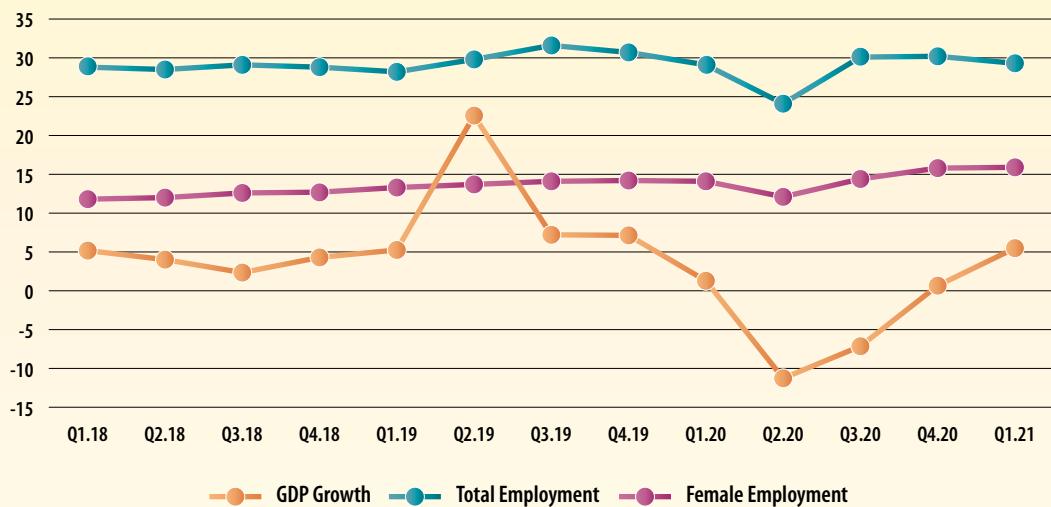
The labour market was in a vulnerable state prior to COVID-19, worsened during the crisis. The most vulnerable workers, those working in unstable jobs as well as the estimated 35% of workers in the informal sector (OECD, 2021), were at the highest risk of loss of jobs and income. This can worsen inequality levels in the medium and longer term.

Suspension of the budget deficit rule for 2020, resulted in an increased budget deficit to almost 7.6% of GDP, even though public investment declined by more than 28%, however public spending increased by 18.6%. The decline in tax revenue reduced public revenue by 9%. Overall government spending in response to the pandemic reached an estimated 4.4% of GDP, with additional 0.9% spent in managing the pandemic, and 3.5% in social protection, employment, and firm support (World Bank, 2020).

## 4.2.1 Review of the labour market and social conditions during COVID-19

Kosovo\*'s labour market responded to the COVID-19 pandemic through a contraction in employment, as well as a reduction in working hours and compensation for those who retained their jobs.

**Figure 15.** GDP growth, total employment rate, and female employment rate, Q1, 2018 – Q1, 2021



Source: Author's calculations based on KAS data

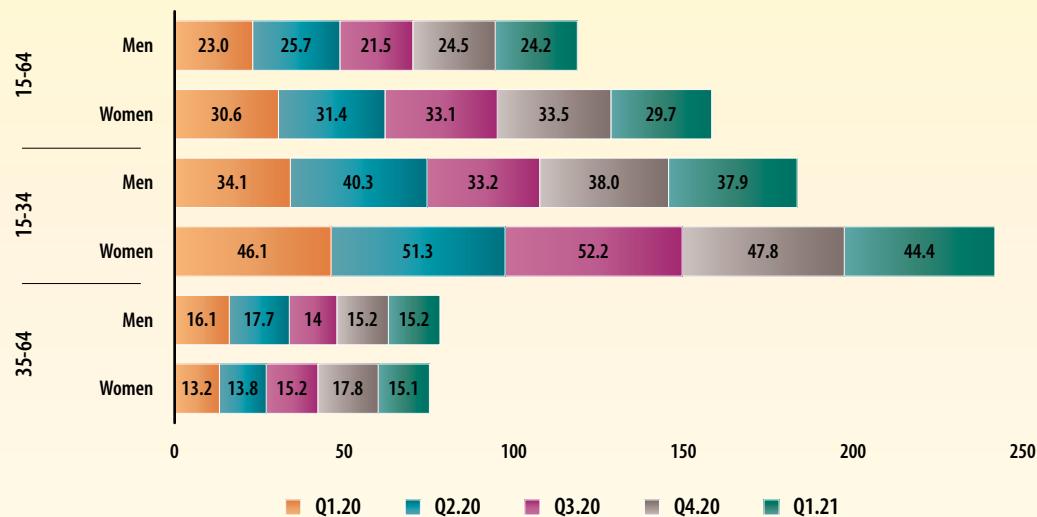
The figure above shows changes in GDP growth rates, compared to total and women's employment since 2018. The impact of the lockdown in GDP growth is clear in the Q2 of 2020. While total employment fell during this period, women's employment fell by less, given that their initial starting point was relatively low.

However, KAS data on employment do not reflect the entire perspective, in particular they do not take account of changes in informal employment. In the two months of lockdown, starting from March 13, 2020, until May 15, 2020, the Kosovo\* Employment Agency registered 58,704 new jobseekers. Specifically, the number of job-seekers in April 2020, compared to their number at the same time in 2019 increased by about 20 times. These figures are alarming in themselves, but even more worrying are the differences between men and women newly registered jobseekers. While women make up just 23% of the overall employed, they make up 46% of new people registered as unemployed during the pandemic. Similarly, youths (15-24 age group) make up around 12% of the employed, however, during the two months of the lockdown, they made up 25% of those registered as unemployed (Employment Agency of Kosovo\*, 2020). This increase in the registered unemployed was due to job losses in the informal sector, as well as the new government measures which conditioned unemployment support to those registered at the Employment Agency.

Nonetheless, formal employment withstood the impact of the economic downturn following the pandemic. Policy measures by the government, especially the wage subsidy measure, helped limit the loss of jobs, while at the same time serving as a policy that increased the formalization of workers. However, according to the Tax Administration of Kosovo\*, total personal income tax fell by 4.2%, reflecting a decline in income and working hours.

However, the impact of the lockdown on unemployment was visible, for both women and men and across all age groups (Figure 16). For young women, 15-34, unemployment rate during 2020 increased to 51.3% in Q2 and 52.2% in Q3, compared to men of the same age, for whom unemployment increased in Q2, 2020, but immediately declined in Q3 2020.

**Figure 16.** Unemployment rate by gender and age during the COVID-19 pandemic (%)



Source: Author's calculations based on Kosovo\* Agency of Statistics data

The sectors that have the highest contribution to the GDP are not the largest employers, reflecting large differences in labour productivity across sectors. This is most notable in the accommodation and food service industry, which contributes around 2% to the overall GDP, while formally employing around 6% of the workforce (Kosovo\* Agency of Statistics, 2020). Given that this sector also has a high level of informality, combined with the fact that as a sector it was the most affected by restrictive measures, employment in the sector declined by around 10,000 workers during the lockdown period, according to the Tax Administration data.

Wholesale and retail trade, construction, and manufacturing also experienced a significant decrease in the number of employees compared to the previous year. The number of employees in the wholesale and retail trade sector decreased by about 45% in March 2020, compared to March 2019, whilst

employment in the construction sector decreased by 50% in the same period and manufacturing industry employment decreased by 36% (Tax Administration of Kosovo\*, 2020).

The Rapid Socio-Economic impact assessment of COVID-19 in Kosovo\*, conducted by UNDP, shows a significant increase in household and care work for women and men since the start of the pandemic (UNDP Kosovo\*, 2021). Conducted in three data collection waves, this assessment provides insights into the changes in households and businesses during the pandemic, especially in the first data collection wave in May 2020.

For 57% of women the hours devoted to cleaning and cooking increased because of COVID-19, while this was the case for 39% and 27% of men (cleaning and cooking respectively). Women's time dedicated to all household and care work increased more than that of men, this includes more time spent in offering emotional support to household members, playing with and teaching children, as well as caring for children. While for men the increase was significant as well, women, on average, reported a higher increase of time spent on household work (UNDP Kosovo\*, 2020). As the adjustment to the pandemic and the economy started, however, both men and women reported lower levels of engagement in household and care work. This is evident in the second and third wave of data collection by UNDP, conducted in November 2020 and March 2021, respectively.

Another significant impact of the pandemic has been a noted increase in cases of domestic violence. According to UN Women, this has been a worldwide trend, with a recent study showing that 70% of women believe domestic violence has surged during the pandemic (UN Women, 2021). In Kosovo\*, following the lockdown, the number of reported cases of domestic violence increased by 36% (UN Women, 2020). Kosovo\* institutions as well as international organizations launched a campaign against domestic violence and encourage citizens to speak up and report abuse. Moreover, the Kosovo\* Government established a temporary shelter for persons suffering from domestic violence as response to the increase in domestic violence cases (Farnsworth et al., 2020). This created additional constraints on women's ability to participate in the labour market and puts a strain on the already limited resources available to those abused.

## 4.2.2 Policy responses to COVID-19

The Kosovo\* Government enacted several policy measures to combat the negative economic impact of the COVID-19 pandemic. The policy measures were taken in different waves. Kosovo\* has had three different governments since the beginning of the COVID-19 pandemic, complicating the development, enactment, and implementation of the policy measures.

The first response to COVID-19 was the Fiscal Emergency Package response financed by EUR 170.6 million and drafted by the government at the end of March, beginning of April, 2020. This package targeted sectors and aspects most affected by the pandemic. However, its implementation was inefficient and widely criticized by the private sector. Table 5 summarizes the policy response of the Kosovo\* government immediately following the start of the pandemic. The table is adapted from an OECD assessment conducted in 2020.

*Table 5: Immediate policy measures in response to the COVID-19 pandemic*

<b>Immediate Policy measures in response to the COVID-19 pandemic</b>		
<b>People</b>	<b>Enterprises</b>	<b>Other</b>
Pension contribution payments for two months for people receiving minimum wage of €170.	Support to SMEs through: 1. Wage subsidy up to €170 for April and May 2020 (total €41 million). 2. Lease subsidy up to 50% of the lease for April and May 2020 (€12 million). 3. Pension contribution cover for April and May 2020 (€8 million).	Support to agricultural production, through grants and subsidies from the Ministry of Agriculture, Forestry and Rural Development (additional €5 million).
Suspend verification requirements for pensions, while people with pensions less than €100, receive a temporary top-up of €30.	Support public enterprises through interest-free loans for enterprises facing financial difficulties and lack of liquidity (€20 million).	Additional financial support to municipalities (€10 million).
Cover monthly wages in April and May by an amount equivalent to the minimum wage.	Support to exporters (€10 million).	Increase the budget for grants and subsidies to the Ministry of Culture, Youth and Sports (€5 million).
Extend deadline for filling and paying tax liabilities and pension contributions.	Support businesses that hire new employees and offer them at least a one-year contract during the public health emergency, by subsidizing €130 of employees' salary for the two months after the employment registration (€6 million).	
Compensate citizens who lost jobs due to the COVID-19 pandemic with up to €130 for April, May, and June 2020.	Provide loan guarantees for private companies.	
	Ensure financial liquidity for: 1. microenterprises and the self-employed through financing by the Kosovo* Credit Guarantee Fund, amounting to up to €10 000 for 24 months (€15 million). 2. commercial/authorised companies that provide basic services (like those of public enterprises).	

Source: OECD, 2020

Following the Fiscal Emergency measures, the Kosovo\* Government planned the Economic Recovery Plan, to address the overall impact of the COVID-19 pandemic, this was developed in June and July 2020. However, due to the change in government, the initial Economic Recovery Plan was reviewed and changed by the incoming government. This caused further delays in its implementation. Following the change in government, in 2021, a new recovery package was proposed and enacted in April 2021.

## 4.2.3 Gender-sensitivity of policy responses

Policy measures as responses to the COVID-19 pandemic across the Western Balkans have had no ex-ante or ex-post gender analysis (Gender Budgeting Watchdog Network, 2021). However, these policies have had a gender impact. Kosovo\* institutions do not gather gender-disaggregated data, therefore making it difficult for policies to be gender sensitive.

### 4.2.3.1. Emergency Fiscal Package

A tool developed by UNDP and UN Women, provides a good starting point for tracking gender responsive policies introduced as a consequence of COVID-19 (UNDP, 2021). Moreover, Kosovo\* Women's Network conducted a thorough analysis of the policy measures through the gender lens, to assess the impact of these measures on women's wellbeing.

*Table 6: Gender Analysis of the COVID-19 Emergency Fiscal Package Measures*

Measure	Budget	Gender analysis of the policy design	Gender analysis of the potential impact	Description
I. Double payment of the social scheme value for all beneficiaries of social schemes for March, April, and May	€ 7,650,000.00	Gender neutral	Gender neutral	Measure for all beneficiaries that meet the requested criteria. No attention to gender.
2. Extra payment in the amount of €30 per month to all beneficiaries of social and pension schemes receiving monthly payments lower than €100 for April, May, and June, if they are beneficiaries of only one scheme.	€ 13,000,000.00	Gender neutral	Gender neutral	All beneficiaries of social and pension schemes qualify. No attention to gender.

<b>Measure</b>	<b>Budget</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
3. Financial support for companies that are in financial difficulties: Covering monthly wage expenses of employees in the amount of €170 per employee for April and May (up to €41 mil); Subsidised leases up to 50% of the value of the lease for SMEs, for April and May (up to €12 mil); covering the value of pension contributions regarding the measures foreseen under this Decision for April and May (up to €8 mil)	€ 61,000,000.00	Gender negative	Gender negative	Measures foresee financial support all companies in financial difficulties. No attention to gender. May reinforce existing inequalities, given women's lack of access to resources and under-representation among business owners.
4. Public enterprises with financial difficulties due to the public health emergency can borrow funds free of interest to ensure their temporary liquidity, with a return until 31 December 2020	€ 20,000,000.00	Gender neutral	Gender neutral	No consideration of gender
5. Financial support for municipalities of Kosovo*	€ 10,000,000.00	Gender neutral	Gender neutral	No consideration of gender
6. Salary bonus of €300 for employees of essential sectors for two months.		Gender neutral	Gender positive	Measure for all employees in these sectors; no attention to gender. May benefit women given over-representation in the sector.

<b>Measure</b>	<b>Budget</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
7. Extra payment of €100 for employees of grocery stores, bakeries, and pharmacies in April and May	€ 3,000,000.00	Gender neutral	Gender positive	Measure for all employees in these sectors; no attention to gender. May benefit women given overrepresentation in the sector.
8. Payment of monthly assistance amounting to €130 for citizens who lost their jobs due to the public health emergency for April, May, and June.	€ 4,000,000.00	Gender neutral	Gender positive	No consideration of gender, however, given a higher number of women registered as unemployed in the period, may benefit women indirectly.
9. Supporting initiatives and projects aimed at improving the lives of non-majority communities in Kosovo*	€ 2,000,000.00	Gender neutral	Gender neutral	
10. Ensuring financial liquidity for micro-enterprises and the self-employed of up to €10,000 for a period of 2 years	€ 15,000,000.00	Gender neutral	Gender sensitive	Does not clearly consider differing needs of women and men in accessing capital, however, may benefit women as they are overrepresented in micro-enterprises
II. Increased budget for grants and subsidies for the Ministry of Agriculture, Forestry and Rural Development to increase agricultural production	€ 5,000,000.00	Gender negative	Gender negative	Does not consider women's underrepresentation in the agriculture sector and historic unequal access to subsidies.

<b>Measure</b>	<b>Budget</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
I2. Increased budget for grants and subsidies for the Ministry of Culture, Youth and Sports to overcome the situation created by the state of emergency.	€ 5,000,000.00	Gender negative	Gender negative	Does not address women's underrepresentation in and as recipients of sports, culture, and arts subsidies.
I3. Support for exporters in Kosovo* after the end of the public health emergency	€ 10,000,000.00	Gender neutral	Gender neutral	In planning this measure, gender considered irrelevant for attaining objectives
I4. Financial support for commercial companies that registered employees with an employment contract of at least one year during the public health emergency in the amount of €130 per month for two months after registration	€ 3,000,000.00	Gender negative	Gender negative	Given the existing inequalities in the labour market and in business ownership, it may uphold existing gender inequalities.
I5. Payment of monthly assistance of €130 for citizens with severe social conditions, declared as unemployed by the competent institution, who are not beneficiaries of any monthly revenue from the budget of Kosovo* for April, May, and June	€ 6,000,000.00	Gender neutral	Gender negative	Women may not have access to resources within male-headed households

Source: Kosovo\* Government, 2020; Farnsworth et al. 2021.

Kosovo\*'s first emergency package to combat the impact of COVID-19 had little to no gender sensitivity. Measures were not designed with their gender specific impact in mind. However, some measures indirectly benefit women more than men, through targeting sectors where women were disproportionately represented.

Measure 3, supporting enterprises in compensating their workers for the period of the lockdown, while gender neutral in design has the potential to reinforce existing inequalities in the business environment, considering that only enterprises who had more than one employee qualified for support and women are more likely than men to work in individual businesses with no workers and thus would not qualify to receive support. However, planned payments for frontline workers and workers in sectors that are considered essential, while not designed through a gender perspective, can target women more than men, given their over-representation in healthcare, as well as in retail trade and bakeries. A post-analysis is necessary to determine the actual impact of these measures, however, according to the MFLT, the data on recovery measures are not disaggregated by gender, making it impossible for the analysis to be conducted.

#### 4.2.3.2. Economic Recovery Plan

Following a change in government, the new Government designed the Economic Recovery Implementation Plan, outlining specific measures, targeting the sectors most impacted by the pandemic. Table 7 presents a detailed analysis of the measures in this plan.

*Table 7: Gender Analysis of the Economic Recovery Implementation Plan*

<b>Measure</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
<p>I. Facilitating access to loans for private enterprises to finance investment projects and business continuity (€100,000,000) with the following activities:</p> <ul style="list-style-type: none"> <li>A. Increasing the coverage of new loans through the Kosovo* Credit Guarantee Fund (€60,000,000).</li> <li>B. Covering the cost of the Kosovo* Credit Guarantee Fund fee (€5,000,000).</li> <li>C. Rescheduling the existing bank loans, where the cost of rescheduling is borne by the Government (€30,000,000).</li> <li>D. Subsidising interest rates for certain sectors based on a strategic plan prepared by relevant stakeholders (€5,000,000).</li> </ul>	Gender negative.	Gender negative.	Given women's lack of access to finance, capital, collateral, and loans, women likely will not have equal access to this measure. Men will more likely benefit, given they have more access to finance and have existing loans.

<b>Measure</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
<p>2. Easing the tax burden on businesses, to improve their short-term liquidity (€15,000,000), including:</p> <ul style="list-style-type: none"> <li>A. Postponing payment of taxes based on business needs.</li> <li>B. Covering the 5% pension contribution that businesses pay employees (€5,000,000).</li> <li>C. Providing tax breaks for firms for certain sectors based on a strategic plan prepared by relevant stakeholders.</li> <li>D. Providing exemptions for prepayments of tax liabilities by businesses.</li> <li>E. Exempting businesses from tax penalties for delays in payment of taxes due to the pandemic, based on clear and transparent criteria.</li> <li>F. Providing the opportunity to reschedule previous tax debts, including deductions for immediate debt repayment.</li> <li>G. Subsidizing 50% of rental expenses for businesses (€10,000,000).</li> </ul>	Gender negative	Gender negative.	<p>As with financial support, men are more likely to benefit from these measures than women. Men own more than 80% of all businesses in Kosovo*. To improve women's outcomes from these measures the implementation needed to include affirmative measures to support women-led businesses.</p>

<b>Measure</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
<p>3. Increasing employment, in particular the employment of specific groups of workers with lower probability of getting employment (€67,300,000).</p> <p>A. Subsidising the salary for employees in businesses affected by the pandemic for March and April (€170 per month) (€47,300,000).</p> <p>B. Subsidising the salary for new employees hired by businesses based on a plan that identifies the sectors and categories of employees most in need (€5,000,000)</p> <p>C. Providing professional support for businesses to operate in times of pandemic, such as work from home, online work, digital transformation, etc., (€3,000,000)</p> <p>D. Supporting manufacturing and service businesses with equipment and machinery for process automation (€10,000,000)</p> <p>E. Supporting businesses to increase their productivity (€2,000,000).</p>	Gender sensitive/ Gender neutral	Gender negative.	<p>The overall measure aims to increase the employment of workers with lower probability of finding employment, including women. However, specific measures do not reflect any gender-sensitive approach to benefiting from the measure.</p> <p>The sub-measures do not address women's underrepresentation in the labour market, or the impact of isolation measures on women's ability to work, given their increased unpaid care workload.</p> <p>Moreover, given the existing inequalities in business ownership and employment, men are more likely to benefit from these measures.</p>
<p>4. Increasing domestic agricultural production to increase employment in rural areas, to reduce imports of agricultural products, to overcome the challenges due to the lack of sales caused by COVID-19 and to increase food security (€26,000,000), including:</p> <p>A. Doubling the budget for the Direct Payments Program for 2020 only (€24,000,000).</p> <p>B. Subsidising the interest rates on agricultural loans (€2,000,000).</p>	Gender negative	Gender negative.	Women's underrepresentation in agriculture as a sector and in land ownership, women's need to more fully engage in agriculture is not addressed.

<b>Measure</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
<p>5. Stimulating the aggregate demand, which stimulates production and employment with multiplier effects in the economy (€15,000,000), including:</p> <p>A. Allowing the withdrawal of 10% of funds saved in the Pension Trust for the contributors, based on their needs, an opportunity which can be used for a period of 4 months.</p> <p>B. Supporting the extension of the grace period for the purchase of apartments and houses based on income criteria (€15,000,000)</p>	Gender negative	Gender negative.	<p>Women have less savings in the pensions program, given their historically lower employment. Moreover, even the limited pension savings, withdrawal from the savings may increase the risk of old-age poverty for both men and women, however, given the lower level of savings and longer life expectancy for women, this may impact women more severely.</p>
<p>6. Supporting the operation and capital investments of publicly owned enterprises, in particular those investments that are of strategic nature, to cope with the reduction of collection revenues and the necessary capital investments they must undertake (€17,000,000), including:</p> <p>A. Covering the minimum operating costs of publicly owned enterprises (€14,000,000).</p> <p>B. Reviewing the dynamic plan of capital investments of publicly owned enterprises and evaluating the investments needed to ensure the sustainability of publicly owned enterprises.</p> <p>C. Supporting the investments of publicly owned enterprises through subsidies from the budget, lending from the budget and issuance of sovereign guarantees for loans granted to the publicly owned enterprises by financial institutions (€3,000,000).</p>	Gender neutral.	Gender neutral.	No gender analysis.

<b>Measure</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
7. Providing financial support for youth employment, support to CSOs, other informal groups, stimulation of cultural, artistic and sports activities and their revitalization (€5,000,000).	Gender neutral	Gender negative.	Women remain under-represented as beneficiaries of support in culture, arts, and sports. The measure does not address that.
8. Supporting the existing and new programs related to regional development through the Ministry of Regional Development, affecting balanced regional development (€2,000,000).	Gender neutral	Gender neutral.	This measure did not consider any gender analysis.
9. Supporting non-majority communities in Kosovo* for projects and initiatives aimed at improving their lives and their economic revival (€2,000,000).	Gender neutral	Gender neutral.	This measure did not consider any gender analysis.
10. Providing financial support for projects and initiatives aimed at improving the position of women in society and the economy (€2,000,000).	Gender positive	Gender positive	Directly aiming at improving women's position in the society and the economy. Lack of specific measures is problematic.
11. Supporting the education sector to enable the start and smooth running of teaching and learning process during the school year 2020/2021 (€10,000,000).	Gender neutral	Gender negative.	No gender analysis is undertaken to address different access to education of boys and girls. Potentially can perpetuate existing inequalities.
12. Supporting Kosovo* municipalities to manage the situation created by the COVID-19 pandemic (€10,000,000).	Gender neutral	Gender neutral	This measure did not consider any gender analysis.
13. Providing financial support for diaspora by covering the cost of insurance policy premiums (€3,000,000).	Gender neutral	Gender neutral	This measure did not consider any gender analysis.

<b>Measure</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
14. Financing (reimbursing the budget lines) for the implementation of the measures under the Decision No. 01/19 of the Government of Kosovo* (€71,700,000). Gender neutral Gender neutral This measure did not consider any gender analysis.	Gender neutral	Gender neutral	This measure did not consider any gender analysis.
15. Ensuring contingency for emergencies: The contingency is maintained for emergencies to better cope with the COVID-19 pandemic (€19,000,000)	Gender neutral	Gender neutral	This measure did not consider any gender analysis.

Source: Kosovo\* Government, 2020; Farnsworth et al. 2021.

In the Economic Recovery Plan, the Kosovo\* Government did not explicitly take women's perspectives into account when designing the measures. Apart from measure 10, which was allocated 2 million EUR, aimed at improving women's position in society, other measures were gender neutral at best. Moreover, the very limited budget for this measure indicates that the impact of the measure would be relatively limited in significance.

Measure 3 plans to tackle the employment of vulnerable groups, including women. However, specific measures within this measure do not have gender analysis or foresee specific actions to improve women's potential for employment. Although classified as gender sensitive, the impact of the measure is more likely to be gender neutral.

What is important to be noted is that the Economic Recovery Plan implemented several gender negative measures, which have benefited men more than women. Overall, it failed to use the economic recovery plan as means of improving women's participation in the labour market.

#### 4.2.3.1. Economic Revival Package

The final package targeting economic recovery, the Economic Revival Package, was adopted in June 2021, by the government, elected in February 2021. The package was developed around four overall goals, which are then broken down into specific measures for five domains. The goals centered around (1) employment and formalization of the economy, with the specific aim of improving the role of women and youth; (2) support to specific economic sectors, such as manufacturing, to improve the balance of GDP composition; (3) comprehensive economic growth accompanied by improvement in key welfare indicators; and (4) macroeconomic and fiscal stability.

**Table 8 Gender Analysis of the COVID-19 Economic Revival Package**

<b>Measure</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
<b>Employment Support</b>			
Return to work of those who lost their jobs during the pandemic - €10 million	Gender neutral.	Gender positive	No gender analysis was conducted for this measure. However, considering the registered unemployed with the EARK was considerably high for women, the measure has potentially impacted unemployed women more.
Support for formalized employees - €10 million	Gender sensitive.	Gender positive	No gender analysis was conducted for this measure. However, given the high representation of women in informal employment, can benefit women.
Support for women's employment - €5 million	Gender positive.	Gender positive	Aims at supporting women's employment directly. The measure is not well defined and better specificities are necessary for the measure to be considered successful at targeting the needs of women.
Youth Job Guarantee Scheme - €5 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
IT training and employment- €5 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
Support for employment of people with special need - €5 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
Crafts grants scheme - €5 million	Gender neutral.	Gender negative	No gender analysis was conducted for this measure. However, in the sector, men are overrepresented, thus we can assume that the measure has benefited men significantly more.
<b>Revival of Economy and Manufacturing</b>			
Investment loans subsidies - € 30 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
Support to businesses for access to financing - €43 million	Gender negative.	Gender negative.	Without a gender perspective, this measure perpetuates the existing inequalities in the entrepreneurship.
Investments in IT and Innovation - €10 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.

<b>Measure</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
Support for Exports - €10 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
Revival of countryside through agriculture and agrotourism - €10 million	Gender negative.	Gender negative.	Can perpetuate the existing inequalities in the agriculture and agrotourism sector.
Recovery of HoReCa and closed businesses - €5 million	Gender negative.	Gender negative	Can perpetuate the existing inequalities in the HoReCa.
<b>Support for families</b>			
Support for families that have lost their head of household - €4 million	Gender sensitive.	Gender positive	No gender analysis was conducted for this measure. However, death rates of men are higher than for women, also, men are more likely to be head of households.
Support for retirees and families on social assistance scheme - €17 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
Reformation of Social Assistance Scheme - €12 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
Food vouchers for families in need - €4 million	Gender neutral.	Gender negative.	No gender analysis was conducted for this measure. For the measure to be considered gender sensitive, it should be mandated that the vouchers go to women rather than men, especially given that women are more involved in household responsibilities.
Payments for jobless women after childbirth - €3 million	Gender neutral.	Gender positive.	While this measure has been developed as a gender positive measure, it can have an adverse effect, by discouraging women to seek employment.
Support for household liquidity - €10 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.

<b>Measure</b>	<b>Gender analysis of the policy design</b>	<b>Gender analysis of the potential impact</b>	<b>Description</b>
<b>Support for the public domain</b>			
Support for the healthcare - €53 million	Gender neutral.	Gender positive.	No gender analysis was conducted for this measure. However, given that women are highly represented in the health sector, it can be assumed that women will benefit more from this measure
Support for education - €9 million	Gender neutral.	Gender positive.	No gender analysis was conducted for this measure. However, given that women are highly represented in the education sector, it can be assumed that women will benefit more from this measure.
Support for culture and sports - €5 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
Support for security - €10 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
Support for the diaspora - €5 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
Support for public enterprises - €30 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.
Investments in infrastructure and environment - €100 million	Gender neutral.	Gender neutral.	No gender analysis was conducted for this measure.

Source: Kosovo\* Government, 2021

There are two main measures specifically aimed at women in the Economic Revival Package. The first one aims to improve women's labour market outcomes, which with well-targeted measures could be successful. However, only EUR 5 million has been allocated for this measure and given the extent of the disadvantaged position of women in the labour market this level of funding will provide limited change. The other measures aim at compensating women who are unemployed, following childbirth. This measure aims at levelling the playing field between employed and unemployed mothers. However, given that the current law on labour foresees compensation for employed mothers by the employer, this measure can have an inadvertently adverse effect on women's employment.

Overall, Kosovo\*'s response to the COVID-19 pandemic crisis needs to be further revised to better address inequalities in the economy, and especially gender inequalities. This includes comprehensive and accessible social services, labour market regulations to address gender inequalities and work towards a better work-life balance, promotion of infrastructure for rural communities where unpaid work is

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prevalent, and a macroeconomic approach to foster an inclusive and sustainable growth that ensures decent work and inclusive employment.

#### 4.2.4 Recommendations

The COVID-19 pandemic highlighted already existing gender inequalities in the Kosovo\* economy and society at large. While the impacts of the pandemic have a gendered nature, the same cannot be said about the recovery measures. Subsequent medium and long-term plans should align with a recovery plan that considers the needs of both women and men and provides policy solutions that are based on evidence. Specifically, moving forward it is necessary to inter alia:

- Ensure a gender responsive policy development for future measures to tackle the impact of the pandemic.
- A comprehensive analysis of the different impacts COVID-19 has had on men and women is crucial. The findings can be used to address these differences through employment measures.
- Data on measures already implemented should be made public, with gender disaggregated analysis, to allow for a better understanding of the effectiveness of the measures in terms of who they have targeted.
- Support women and young people as some of the most impacted by the pandemic through employment programs, improved matching skills with jobs, and encouraging entrepreneurship.
- Encourage private businesses to institute flexible working arrangement, including working from home to alleviate women's time poverty while still maintaining employment. The government can lead by making an example of this in the public sector.
- Increased leave provisions and more flexible working arrangements that can be applied in times of health and other emergencies.
- Support women to move up the job ladder.
- Ensure better availability and access to social care services especially childcare and elderly care services to add a support net for women disproportionately carrying this burden.
- Apply gender-responsive employment policies for medium- to long-term recovery, including macroeconomic policies, sectoral policies, active labour market policies, and creating decent employment.
- Strengthen measures to increase formalization of employment and of the economy.
- Promote the active inclusion of women associations and organizations in the development of new measures to tackle the impact of COVID-19 in the labour market.

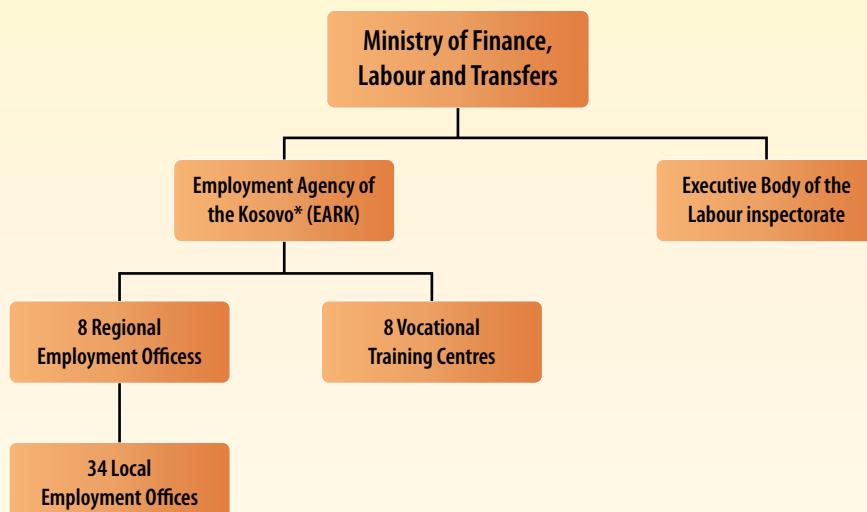
## 4.3 Governance of Employment Policy

Labour market policies and labour market reforms have been part of strategic planning in Kosovo\* and continue to do so. The first pillar of the “National Development Strategy 2016-2021”, Human Capital, focused on improving education and labour market outcomes of Kosovo\* citizens (NDS, 2016).

Overall, labour market policies in Kosovo\* are aligned with the Law no. 03 / L-212 on Labour and supporting legislation. Other important aspects include the Collective Agreement and the minimum wage discussion within the Socio-Economic Council. The sectoral strategy of the Ministry responsible for employment, as well as education strategies are important to improving labour market outcomes, especially in terms of overcoming the skills gap in the labour market.

### 4.3.1 An overview of the governance of employment policy

**Figure 17.** Labour Market Governance in Kosovo\*



Source: Ministry of Finance, Labour, and Transfers

The main institution governing the labour market in Kosovo\* is the Ministry of Finance, Labour, and Transfers.

One of the main policy reforms undertaken by the Ministry responsible for labour has been the provision of employment services through the regional employment offices, that operate under the Employment Agency of Kosovo\* (EARK). These offices provide mediation services for unemployed citizens and employers.

The duties and the responsibilities of the ministry in charge of labour (previously the Ministry of Labour and Social Welfare, now the Ministry of Finance, Labour, and Transfers) within the Government of Kosovo\*, are stipulated in administrative regulations. Specifically, regulation no. 02/2011, which regulates

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the areas of administrative responsibility of the Office of the Prime Minister and ministries. The Ministry in charge of labour has the following duties and responsibilities:

- I. *“Creates labour and social welfare policies and drafts and implements legislation in these areas.*
- II. *Supports and develops non-discriminatory labour and employment relations, considering applicable international labour standards.*
- III. *Monitors the progress of employment and social welfare and introduces active adequate measures to promote employment and reduce unemployment as well as adequate passive measures to meet the needs for social assistance for needy citizens.*
- IV. *Supports action and work and social welfare practices for the protection of children and minors.*
- V. *Establishes standards for safety and protection at work of employees and supervises their implementation.*
- VI. *Directs and supervises public administrative employment institutions and social care institutions, persons in need and cooperates with municipalities and institutions involved in the implementation of employment and social welfare policies.*
- VII. *Monitors labour market trends, especially in terms of labour supply and demand and develop matching policies and mechanisms.*
- VIII. *Provides and supervises vocational training programs for the unemployed and jobseekers in terms of human resource development, to improve their employment opportunities.*
- IX. *Encourages and encourages dialogue between the social partners (workers’ organizations, trade unions, employers’ organizations and the government).*
- X. *Convenes meetings of the Economic and Social Council (SEC), as the highest advisory body of the social partners on employment policies, social welfare, and other economic policies, aiming at the prevention and resolution of social conflicts and represents the Government of Kosovo\* in this organ.*
- XI. *Provides financial assistance from the funds allocated to families and individuals in need.*
- XII. *Manages the use and development of infrastructure, related to work and social welfare in the responsibility of this ministry.*
- XIII. *Administers and supports the social security system, including the pension system and unemployment benefits.*
- XIV. *Provides financial and social support, emergency and permanent, through institutions or services set up for this purpose for citizens in need.*
- XV. *Performs other tasks assigned to the ministry by the relevant legislation in force” (Regulation no. 02/2011)*

### 4.3.2 Legal and Policy Framework

The main legislation in employment governance and labour markets is the Law on Labour. The Law on Labour provides the legal basis for the relevant documents in employment. All legislation in the area of employment has undergone EU integration analysis, to ensure approximation with the EU acquis. Any proposed legislation, apart from budgetary analysis, is required to provide an analysis of the approximation with the EU acquis, to ensure that the adopted laws are in line with EU regulations and requirements.

The main strategic document guiding employment for the upcoming years will be the “National Development Strategy (NDS) 2022-2030”. Currently in its drafting phase, the second pillar of the NDS, Human Development and Equal Society, aims at improving outcomes for Kosovo\* citizens in the areas of education, health, employment, social protection, culture, and sports. The link of education with the employment and labour market is crucial to human development, therefore the strategy foresees improved integration between education and labour markets, to overcome the skills mismatch in the labour market (Ahmeti, 2021).

Moreover, given the unequal gender outcomes in labour markets, the strategy addresses these gaps, through the development of gender and ethnic minority disaggregated indicators to measure the impact of the NDS, in general, but even more importantly, for women and ethnic minorities. Through these indicators, the strategy paves the way for the development of policies and legislation to address the current gaps.

The Economic Reform Programme also aims at improving and expanding public employment services, while increasing the employment of long-term unemployed youth, women, and other vulnerable groups. Through this measure the Kosovo\* government has planned several actions, both legislative and implementation of activities to improve the current labour market situation.

According to the Ministry of Finance, in terms of legislation the Government plans to draft and approve is the new Employment Policy 2021 – 2024; also draft and approve the new Law on Labour, which has been in the amendment process for a couple of years now; and also draft and approve the new Law on EARK; and draft and approve other bylaws in employment (ERP 2021-2023).

Other actions include the expansion of employment and vocational training and implementation of ALMMs targeting those who have been impacted by the COVID-19 pandemic. In collaboration with the Ministry of Education, review the curricula and teaching packages for level 5 qualifications and vocational education; develop a system for monitoring ALMM beneficiaries, and support youth projects in ICT. In addition, after identifying the profiles which are needed in the labour market but for which there is deficient supply, work with private providers to encourage them to offer suitable training (ERP, 2021-2023).

### 4.3.3 Gender perspective on employment policy

The Kosovo\* Employment Agency does not have a consistent and specific approach to target women. Training programmes for professions considered more suitable for women have been developed and are currently offered by the EARK. The development of training courses in sewing, baking, hairdressing,

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stylist, manicurist, pedicurist, etc. has significantly increased the number of women participating in these programs according to the Employment Agency. However, given that employment is a matching process, often these new skills developed do not fit the needs of the employers. As a result, they serve more as self-employment training and extend the degree of gender segregation in the labour market.

According to data from EU economies, on the gender approaches to PES, most services specifically target women returning to work after career breaks and unemployed women, including long term. This approach is needed in Kosovo\* so as to tackle the high levels of inactivity among older women. Up-skilling and re-skilling through targeted active labour market measures, designed specifically for women in the above categories have the potential to permanently improve their labour market outcomes. Currently, the public employment services in Kosovo\* do not provide a gender perspective or offer services specifically designed to tackle women's inactivity and unemployment in the labour market.

#### 4.3.4 Recommendations

- Develop a comprehensive study, to analyse current needs of the labour market and forecast the needs for the upcoming decade. This data collection needs to be designed to address gender, regional, ethnic, age, and educational differences.
- Use findings from the skills forecast to develop education and labour market policies to better address the needs of the market.
- Improve inter-institutional cooperation in labour markets governance, to increase the effectiveness of the labour inspectorates in ensuring implementation of and compliance with the law on labour.
- Develop active measures to tackle long-term unemployment amongst women and female returnees who want to return to the labour force after lengthy breaks. This addresses the higher level of inactivity in the labour market for women in the older age brackets.
- Ensure appropriate funding for labour market policies to address the key weaknesses in the labour market, especially addressing the marginalized groups, such as women and youth.
- Draft and adopt a new law on maternity, parental, and paternity leave, to ensure a more equal distribution of childcare and a better work-life balance that benefits both men and women.
- Update the vocational education curricula to match the present and future skills needs of the labour market.

### 4.4 Public Employment Services

The OECD considers that Public Employment Services have five main functions:

- I. employment mediation to harmonize supply and demand in the labour market

2. provision of labour market information through data collection on vacancies, jobseekers, and the unemployed
3. implement active labour market measures to reduce labour market mismatch
4. manage unemployment benefits by providing income support to the unemployed
5. manage labour migration through coordination of mobility policies (OECD, 2014).

In Kosovo\*, the Employment Agency (EARK) is the main institution that provides support for the unemployed, mainly through employment mediation as well as implementation of active labour market measures. Unemployed individuals, registered at the EARK, received career counselling, mediation for employment, access to different ALMMs, as well as access to vocational training. Through Vocational Training Centres, EARK offers vocational training and retraining for those in need (Hashani et al., 2018).

#### 4.4.1 Vocational Training Centres

Vocational Training Centres (VTCs) operate under EARK. Currently, there are eight VTCs operating under EARK across Kosovo\* that offer trainings in 30 different professions.

*Table 9: Vocational Training Centre professions*

Region	Professions
Prishtina	Plumbing/Central heating installation; Business administration/ self-employment; Accounting/Administrative assistant; Bakery; Confectionery; Construction; Office equipment services; Auto electrician; Tailoring
Prizren	Cooking; Waitress/Waiter; Auto electrician; Pneumatic and hydraulic systems; Welding; Business administration/self-employment; Industrial electrician; Electro-mechanics of home appliances; ICT; Hairdressing; Tailoring; Bakery
Peja	Accounting/Administrative assistant; Business administration; Electro installation; Construction; Plumbing; Agriculture; Braille technology; Cooking; Welding; Carpenter; Entrepreneurship/self-employment
Gjakova	Accounting/Administrative assistant; Electro installation; Micro and small enterprises management /self-employment; Welding; Hairdressing; Tailoring
Ferizaj	Carpenter; Electro installation; Plumbing; Welding; ICT; Business administration/ self-employment; Maintenance (offices and other facilities); Cooking; Catering; Central heating installation
Gjilan	Carpenter; Welding; ICT; Accounting/Business administration; Self-employment; Graphic design; Cooking
Mitrovica	Carpenter; Cooking; Textile; Construction; Welding; ICT; Business administration/self-employment; Computer skills (Skenderaj)
Doljane (North Mitrovica)	Carpenter; Cooking; Textile; Welding; Business administration

Source: The Employment Agency of Kosovo\*

Trainings offered at VTCs last 3-6 months and are developed based on modules. Around 70% of the programming is planned to be work in practice. Moreover, in collaboration with private sector providers and businesses, there are combined training modules offered. Especially important is the link created between trainings in VTCs and on-the-job experience offered by different businesses in the sector (EARK, 2021). Apart from the VTCs, there are 34 local employment offices which directly offer the unemployment services to jobseekers. Employment offices also recruit applicants for ALMMs (EARK, 2021).

#### 4.4.2 Labour market through the lens of the PES

Comparison of vacancies with the number of those seeking jobs shows large differences across occupations. The highest proportion of jobseekers (51%) are qualified in elementary professions, however, in 2019, only 9% of new jobs were in those occupations. The highest share of vacancies were registered in services and sales workers with 27%, while only 11.2% of jobseekers sought such employment

In other occupations, such as managerial, professional work, and agriculture, the share of new jobs is similar to the share of workers registered for those occupations.

However, looking at the number of vacancies gives us a much better understanding of the demand for labour in Kosovo\*. In 2019, there were 15,650 new vacancies notified to the PES, which were offered to 86,017 of the registered unemployed. Even in those occupations not favoured by the jobseekers, there are many applicants for each vacancy.

*Table 10: Vacancies compared to registered unemployed, by occupation, 2019*

Region	% of total vacancies by occupation	Number of vacancies	Registered unemployed by occupation	% of registered unemployed by occupation	Women	Men
Manager	2%	250	1,388	0.80%	709	679
Professionals	10%	1,565	13,085	7.70%	7,919	5166
Professional technicians and collaborators	11%	1,752	14,058	8.30%	5,870	8188
Office workers and assistants	15%	2,284	6,856	4.10%	3,525	3331
Service and sales workers	27%	4,193	18,948	11.20%	9,892	9056
Workers in agriculture, forestry, and fisheries	5%	829	4,086	2.40%	1,064	3022

Region	% of total vacancies by occupation	Number of vacancies	Regis-tered un-employed by occupation	% of regis-tered un-employed by occupation	Women	Men
Employees of craft and similar professions	18%	2,738	21,979	13.00%	3,981	17998
Operators and installers in factories and machines	4%	657	2,563	1.50%	251	2312
Elementary professions	9%	1,393	86,017	50.90%	42,490	43527

Source: The Employment Agency of Kosovo\*

The high imbalance between the number of vacancies and jobseekers illustrates the high level of unemployment as well as the skills mismatch in Kosovo\*. However, EARK data and the data published by the Labour Force Survey have discrepancies. These discrepancies, however, are different for men and women. In the past five years, the number of women registered at EARK, compared to the number of unemployed women in LFS, is higher in most cases. As can be seen in Table 11 and Figure 18, the number of women registered at EARK as unemployed compared to those classified as unemployed by the Agency of Statistics greatly differ. One of the reasons for this is that EARK does not have a consistent data clearing system, which may cause a lag in those who are registered to those who are in fact looking for employment. Another reason is the ALMMs and the opportunity to engage in training and upskilling programs, while seeking employment.

Moreover, the LFS defines unemployment in terms of active jobseekers, whereas the EARK defines unemployment only in terms of those registered with the Agency. Another reason for these discrepancies is that registered jobseekers have the opportunity to engage in training and upskilling programs, while seeking employment.

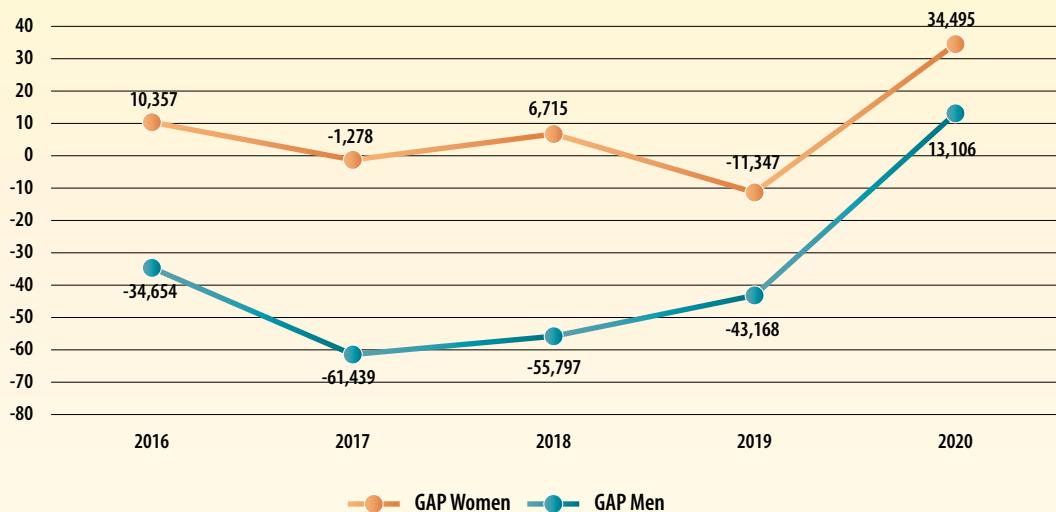
**Table 11: Number of registered unemployed and LFS unemployed by gender**

	2016		2017		2018		2019		2020	
	EARK	LFS								
Women	45,061	34,704	42,235	43,513	43,547	36,832	32,382	43,729	75,701	41,206
Men	56,712	91,366	51,631	113,07	52,343	108,14	38,408	81,576	93,279	80,173

Source: The Employment Agency of Kosovo\*

Spending on public employment services has increased steadily in recent years (Figure 19). The highest

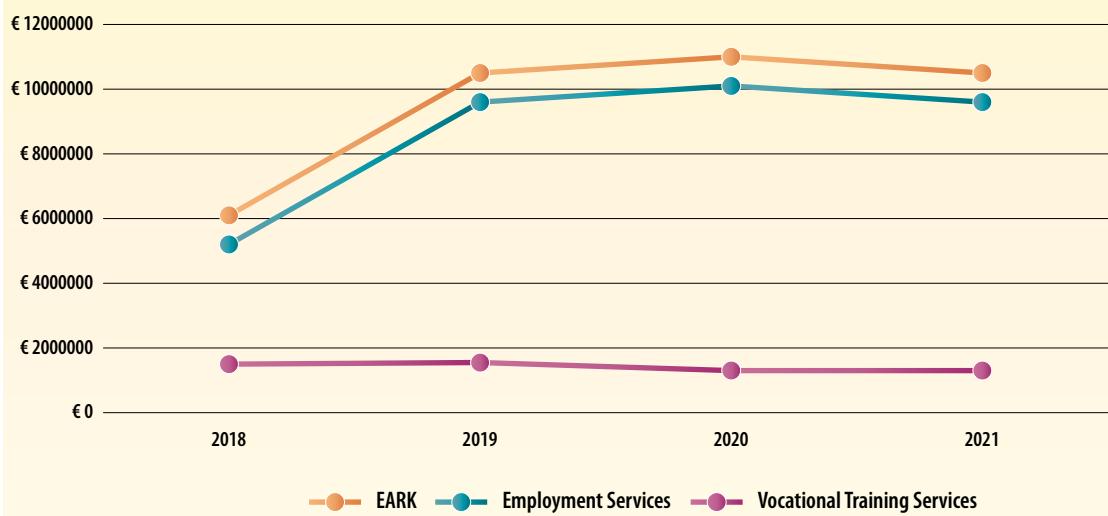
**Figure 18.** Total budget of PES and its trend in the last years



Source: The Employment Agency of Kosovo\*

spending is on employment services, whereas according to the EARK vocational training services remain underfunded (2021). As a result, international donors, through different programs have collaborated with Kosovo\* institutions to aid in the provision of vocational education and training.

**Figure 19.** Total budget of PES and its trend in the last years



Source: TBudget of Kosovo\* 2018-2021

### 4.4.3 The role of PES on labour market employability and integration

Employment mediation is one of the main functions of the EARK. Through regular<sup>7</sup> and ALMM mediation<sup>8</sup>, the EARK has managed to secure employment for a significant number of people throughout the years. In 2020, the total number of employment mediations was 6,961, of which 5,631 have been through ALMMs. However, 2020 is an outlier in terms of the low number of vacancies filled directly filled through the employment office, in most years this has been the dominant source of filling vacancies. The employment rate (HR) for 2020 was 4.12%, compared to the previous year there was a decrease by 8.27 percentage points.

*Table 12: Performance of the PES 2016-2020*

	2016	2017	2018	2019	2020
Unemployed Registrants with EARK	101,773	93,866	95,890	70,790	168,980
Notified Vacancies	14,137	12,511	14,847	15,647	11,160
Total Placed in Employment	6,754	6,042	6,764	8,771	6,961
Placed in Employment through Regular Mediation	4,022	3,215	3,764	4,160	1,330
Found employment after participating in ALMM	2,732	2,827	3,000	4,611	5,631
Percent of vacancies filled through EARK services	48%	48%	46%	56%	62%
<b>Placed in employment as a% of total registered unemployed</b>	6.64%	6.44%	7.05%	12.39%	4.12%

*Source: The Employment Agency of Kosovo\**

The occupations with the highest proportion of filled vacancies in 2020 were the elementary professions with 20% of the total, followed by service and sales workers with 17.6%. According to the EARK, the decrease in filled vacancies compared to the previous year was reflected in all occupations, however the highest decrease was recorded amongst operators and installers in factories and machines, which had a decrease of 76.1% from 2019.

Skills are crucial to finding employment and the data on employment mediations by occupations show the most in demand occupations in the labour market by.



7 Regular employment is done directly through the Employers, where they submit their applications to the Employment Offices and after that the offer is matched (of the registered unemployed).

8 Employment through active measures in the labor market is undertaken by subsidizing the workplace directly or indirectly through Employers.

*Table 13: Employment through mediation by occupation, 2020*

<b>Employment through mediation by occupation</b>			
<b>Occupation</b>	<b>Number placed in regular employment</b>	<b>Share of those placed in employment by occupation</b>	<b>Placed in employment as a% of those registered unemployed by occupation</b>
Manager	27	2.00%	1.90%
Professionals	198	14.90%	1.50%
Professional technicians and collaborators	186	14.00%	1.30%
Office workers and assistants	93	7.00%	1.40%
Service and sales workers	234	17.60%	1.20%
Workers in agriculture, forestry, and fisheries	92	6.90%	2.30%
Employees of craft and similar professions	181	13.60%	0.80%
Operators and installers in factories and machines	49	3.70%	1.90%
Elementary professions	270	20.30%	0.30%
Total	1,330	100%	0.80%

Source: The Employment Agency of Kosovo\*

According to the EARK the number of jobseekers placed has been particularly high in the manufacturing industry, along with other hard industries and the trade sector, together amounting for about 52% of all placements during 2020. In contrast, the financial sector is the sector in which only one vacancy was filled through mediation.

*Table 14: Placements by sector% of total, 2020*

<b>Placed in employment as a% of total placements, by sector</b>	
Agriculture, forestry, and fishing	9%
Manufacturing Industry	25%
Construction	6%
Trade; transport; accommodation and food service activities	27%
Information and communication	1%
Financial and insurance activities	0%
Real estate activities	2%
Public administration, education, human health	5%
Arts, entertainment and recreation activities and other services	6%

Source: The Employment Agency of Kosovo\*

The regional, and municipal employment offices operating under the EARK that provide employment services are still in need of better facilities, equipment, and above all training to be able to provide the services foreseen by the EARK. The need for capacity building in the regional and municipal employment offices has been reiterated by the EARK and the responsible ministry.

Donors working in the sector have also found that the lack of capacities in these offices have hindered the implementation of the programs in full. Moreover, an increase in budget and better allocation of funds to improve capacities of PES is crucial to successfully implementing ALMMs. Data collection, given the current lack of quality and reliable data, can also be improved through better capacities in the regional employment offices that directly collect data.

#### 4.4.4 Recommendations

- Ensure gender sensitive monitoring and evaluation of public employment services.
- Improve cooperation with the private sector, to better understand the needs of the private sector and address those needs through employment programs.
- Increase funding for public employment services, especially vocational training, to develop new profiles and update curricula.
- Develop gender sensitive approaches to public employment, to better benefit women, as the most marginalized group in the labour market.
- Collect and disaggregate data on gender, age, education, and region for better analysis.
- Update upskilling and re-skilling programs to better match job seekers with the market's present and future needs.
- Enhance gender mainstreaming within PES and conduct regular training of PES employees on gender equality, legislation related to employment and other gender-sensitive issues.

### 4.5 Active Labour Market Programmes

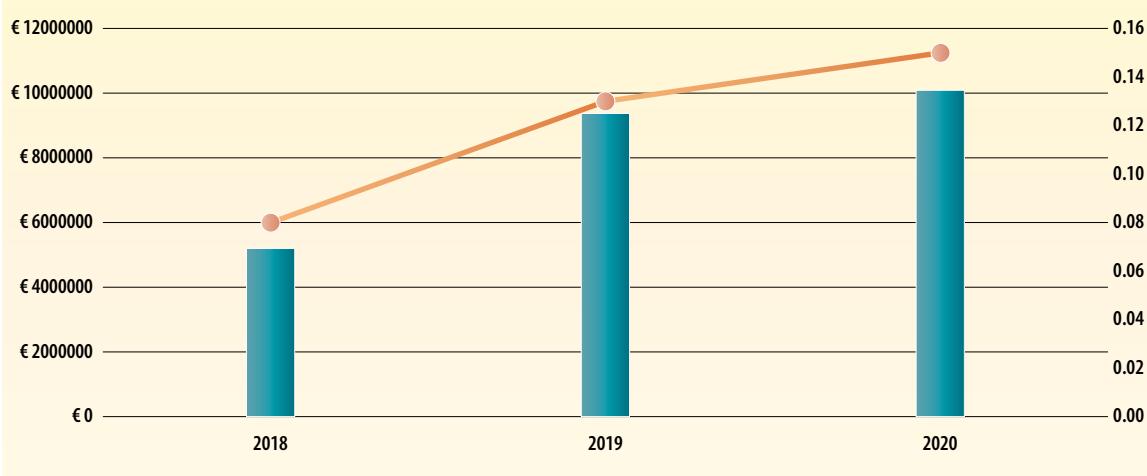
Active labour market programmes (ALMPs) remain an important instrument in addressing unemployment and bridging the skills gap in Kosovo\*'s labour market. In the "National Development Strategy 2016-2021", ALMPs were identified as key mechanisms in the first pillar of human capital. The legal framework for active labour market measures is based on the Law no. 05/L-077 on registration and providing of services to the unemployed, job seekers and employers as well as the regulation no. 01/2018 on active labour market measures. The regulation, enacted in 2018, establishes the types and regulates the active labour market measures in Kosovo\*.

According to the regulation, ALMMs available are determined based on a three-year employment and vocational training policy document. EARK, based on the document defines the active labour

market and employment services that will be implemented within the next year and includes them in the EARK work plan. Active labour market measures are financed primarily through the Budget of Kosovo\*; however, additional financing can come from donors and other international organizations, in cooperation with EARK.

Budget allocations for ALMMs have increased annually, which is mostly funded through employment services within the EARK. In 2018, ALMMs accounted for just 0.08% of the GDP, increasing to 0.15% of the GDP in 2020 (Figure 20).

**Figure 20.** Expenditure on ALMMs 2018-2020



Source: Budget of Kosovo\* 2018-2021

#### 4.5.1 Gender lens of ALMM

The regulation on ALMMs stipulates the details of the measures explained in Table I6. However, the regulation also clearly defines the specific procedures for implementing the measures, outlining the main institutions and their roles.

The main ALMMs offered in Kosovo\* are wage subsidies, on-the-job training, vocational training, internships/practice at work, self-employment, entrepreneurship promotion, and public works. Vocational training and internships/practice at work are the ALMMs with the highest participation, followed by on-the-job training, all three together amounting to around 90% of all who participate in ALMMs (EARK, 2021).

*Table 15: Summary of Active Labour Market Measures in Kosovo\**

<b>Name of the Programme</b>	<b>Short description</b>	<b>Duration</b>	<b>Target job-seekers</b>	<b>Type of partner employer</b>	<b>Type and level of subsidy offered</b>
Wage subsidy	This measure is aimed primarily at the long-term unemployed by subsidizing the salary of the unemployed. The employment contract cannot be shorter than 12 months. The wage is subsidized for 6, 9, or 12 months.	12-month contract 6, 9, 12-month wage subsidy	Long term unemployed, registered job seekers	Private sector, public private enterprises, and NGOs	Wage subsidy, for 6, 9, or 12 months. The wage subsidy is based on 50% of gross monthly pay and cannot be lower than the minimum wage in Kosovo*.
On-the-job training	On-the-Job training-is offered to those registered as unemployed, with priority given to those with a high risk of long-term unemployment.  It aims to provide participants with the skills and competences that are required to perform specific work within the work environment.  Job training is offered to increase the prospects of the registered unemployed gaining the basic knowledge and skills to carry out a job during engagement in productive work.	2-6 months  Can be longer if decided by the relevant supervisor and agreed with all parties  Training participation of no more than 40 hours per week	Long-term unemployed, registered job seekers	Private sector, public private enterprises, and NGOs	Allowance to cover the training costs, no lower than 70% of the minimum wage

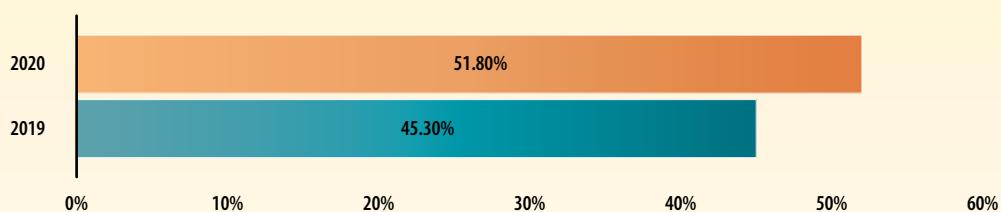
<b>Name of the Programme</b>	<b>Short description</b>	<b>Duration</b>	<b>Target job-seekers</b>	<b>Type of partner employer</b>	<b>Type and level of subsidy offered</b>
Vocational training	Professional training from which participants benefit from theoretical instruction as well as practical training in laboratories, or directly in working spaces in participating companies.	20 working days to 6 months depending on the candidate's individual knowledge or skills	Registered jobseekers	N/A	Vocational training is offered free of charge to those who are registered as unemployed
Practice at work	Workplace internships are offered to those who are registered as unemployed and who are graduates of higher education institutions, VTCs, or other accredited vocational training centres.	6-12 months placement, with the possibility of extension to a maximum 24 months  Internship participation of no more than 40 hours per week	Recently graduated registered jobseekers	Private sector, public private enterprises, and NGOs	Monthly compensation no lower than the minimum wage
Self-employment	Entrepreneurship training for registered unemployed, in various fields. Opportunity to receive funding to develop business proposal. As well as offering mentoring and counselling to develop business management skills.	Mentoring up to 12 months after receiving the grant	Registered jobseekers	N/A	Up to EUR 6,000 in funding for the start-up

Name of the Programme	Short description	Duration	Target job-seekers	Type of partner employer	Type and level of subsidy offered
Entrepreneurship promotion	Similarly, to self-employment, participants receive trainings and assistance in developing business plans. However, to receive a grant supporting their business idea, they need to participate in public calls for application.	Mentoring up to 12 months after receiving the grant	Registered jobseekers	N/A	Up to EUR 10,000 in funding for a start-up, however, candidates participate with their own funding, amounting to at least 20% of total funding
Public works	Public works are provided to create employment opportunities and increase the employability of registered unemployed through the provision of work experience and job training. This is achieved through temporary public work in cooperation with municipalities.	At least 2 months of temporary employment	Registered jobseekers, priority to be given to those at medium and high risk of long-term unemployment	Municipalities, public institutions, and public enterprises	No less than the minimum wage

Source: Regulation no. 01/2018 on active labour market measures

Overall, women have benefited from ALMMs almost equally to men. The data from 2019 and 2020 show that as a share of all beneficiaries of ALMMs, women have increased from 45% in 2019 to 52% in 2020 (Figure 21). Although women make up 45% of those registered with the EARK as unemployed in 2019, they make up 52% of those covered by ALMMs. The data show that of the registered unemployed, 9% of women and 7% of men were covered by ALMMs.

**Figure 21.** Share of women beneficiaries of ALMMs



Source: The Employment Agency of Kosovo\*

For effective wage subsidies, on-the-job trainings, as well as internship schemes, cooperation with employers is crucial. The regulation stipulates that the employers who participate in these measures can be from the private sector, NGOs, or public enterprises, however, not public institutions. While the measure does not target women specifically, developing annual targets for wage subsidies for women in non-traditional occupations, can increase the number of women in these roles. As a result, wage subsidy, as an ALMM, can serve to stimulate employment of women in non-traditional jobs and giving employers incentives to hire women in jobs they typically do not fill.

Vocational training measures, as one of the most popular measures to bridge the skills gap in the labour market, is heavily dependent on the cooperation of the education sector with the private sector. Inputs from the private sector are crucial to determining the profiles to be offered in vocational education. Through analysis of placements made by EARK, but also by establishing cooperation with the private sector, this measure can be successful in providing opportunities for the unemployed to gain knowledge and skills needed in the labour market. From the gender perspective, the type of vocational training offered are often too gender segregated and leave men and women in their traditional occupations. Providing incentives and scholarships for women to engage in vocational training, especially in high demand jobs, even if they are non-traditional, is key to bridging the occupational gender gap in the labour market.

To encourage entrepreneurship and self-employment the regulation stipulates training, mentorship, as well as grants to support business ideas. Through a quota system, women can be supported to engage in entrepreneurship and overcome the above gap in entrepreneurship and self-employment that currently exists in Kosovo\*'s labour market.

However, the EARK has developed relatively few gender indicators. Addressing the gender gaps in the labour market through ALMMs and PES is crucial to narrowing the gender gap. As EARK is often dealing with the most vulnerable women, those who are unemployed, and most likely to be or become long-term unemployed, adopting a gender perspective can have a major impact on labour outcomes of women in Kosovo\*.

However, currently, the data collected and analysed do not offer opportunities to better target the ALMMs and develop policies that target women, and especially vulnerable women in the labour market. The Kosovo\* Labour Market Barometer, developed for and maintained by the EARK initially aimed to serve as a platform for employment data that would provide users with insights into Kosovo\*'s

labour market. The platform, however, only offers general data that are, for the most part, not gender disaggregated. Improving data collection and disaggregation, to be published through the platform is an important step to improving public information on gender differences in the labour market and make it possible to understand the labour market needs in Kosovo\*.

Studies on ALMMs in different developing economies show that the design and targeting of ALMMs play a crucial role in determining the impact it has on labour market outcomes of participants, and especially women. Todd (2013) finds that while the evidence indicates that active labour market measures have a positive impact on employment, the impact on income remains mixed). For women, wage subsidies have been successful in increasing their employment and ensuring employment for women who would otherwise remain unemployed. On the other hand, skills building and training programs, such as vocational training, can increase the employability of women, and in cases when they are carefully designed to meet the demand for labour, also increase income (Todd, 2013).

## 4.5.2 Monitoring and Evaluation of ALMMs

The regulation no. 01/2018 on active labour market measures also stipulates data collection for monitoring and evaluation of the ALMMs. The data and the analysis need to consider differences in the experiences of men and women when participating in these schemes, as well as monitor their subsequent job search. Monitoring and evaluation of the measures is the only way to ensure that successful measures are expanded, and unsuccessful ones are amended or suspended.

A 2018 study, assessing three ALMMs in Kosovo\*, Enterprise Training (ET), Internship Scheme (IS) and On the Job Training (OJT), found that participating in on-the-job training and internship scheme increased the probability of participants finding employment after completion, when compared to those participating in enterprise training (Jahja-Lubishtani, 2018).

However, the study further found that beneficiaries of on the job-trainings were more likely to end up employed in the informal sector. This finding is in line with studies in other economies. Moreover, the study finds that long run impact of ALMMs is more likely to be positive than the short run, however, it is difficult to attribute this outcome to participation in ALMMs alone.

Finally, Jahja-Lubishtani finds that certification received through ALMMs increases the likelihood of finding employment in the sector (2018). Although the study does not analyse all the vocational training programs offered in Kosovo\*, this finding suggests that engaging in vocational trainings can serve as a crucial steppingstone to finding employment.

## 4.5.3 Beneficiaries of ALMMs

Data from the Employment Agency on those individuals completing ALMMs are not currently sufficiently integrated and disaggregated to enable the full analysis needed for this study. However, with the existing data, it is important to look at the trends of different aspects of ALMMs.

There were a total of 9,463 completions from ALMMs in 2020, an output 18% lower than in 2019. Of the main types of ALMMs, in previous years, the highest number of participants were engaged in Vocational Training (36.3% of total completions). However, the in 2020 the highest number participated

in internship schemes (36.4%). The numbers on the internship scheme show an increase of 27% from the previous year. However, the highest increase is in the on-the-job training measure, where the number of participants was almost 3 times higher than in previous years. Given that studies show that on-the-job trainings and internship schemes tend to have the best impact in employment, the greater concentration of beneficiaries in these two measures is likely to increase the overall effectiveness of ALMMs in Kosovo\*.

*Table 16: Beneficiaries of ALMMs by type of measure, 2020*

Types of ALMM	2017	2018	2019	2020
Vocational Training	5979	5497	6603	3,436
Public job	873	680	827	540
Wage subsidy	713	336	445	51
Self-employment	35	390	214	96
Internship	728	1101	2705	3,446
On-the-Job training	478	493	420	1,498
Combined training in a company	367	197	322	396
Total	9,173	8,694	11,536	9,463

Source: The Employment Agency of Kosovo\*

In terms of the demographic breakdown of beneficiaries, the highest number (52%) are 25-29 years of age, followed by 15–40-year-olds at 40.4%. Only 6.2% are 40-54 and only 1.5% are above 55 years of age. Considering the importance of lifelong learning, Kosovo\* institutions need to address the low share of older age brackets in ALMMs.

Although women make up 45% of those registered with the EARK as unemployed in 2019, they make up 52% of those covered by ALMMs. The data show that of the registered unemployed, 9% of women and 7% of men were covered by ALMMs.

In the existing data, the highest share of people covered by ALMMs are those with vocational education and those with a general high school degree, 32.5% and 22.7% respectively. While people with no completed schooling make up only 11% of those covered by ALMMs. Training and upskilling within ALMMs need to be targeted at those who may benefit most from the change in their skills status.

*Table 17: Beneficiaries of ALMMs by age, gender, and level of education*

Active Labour Market Measures by age			
Age	ALMM	%	Change from 2019
15 – 24	2273	40.40%	78.60%
25 – 39	2924	51.90%	9.40%
40 – 54	347	6.20%	-38.00%
55+	87	1.50%	-17.10%
Total	5631	100%	22.10%

<b>Active Labour Market Measures by sex</b>			
<b>Sex</b>	<b>ALMM</b>	<b>%</b>	<b>Change from 2019</b>
Women	2915	51.80%	32.60%
Men	2716	48.20%	12.60%
Total	5631	100%	22.10%

<b>Active Labour Market Measures by education</b>			
<b>Education Level</b>	<b>ALMM</b>	<b>%</b>	<b>SHA</b>
No completed schooling	603	10.70%	0.70%
Primary education	626	11.10%	2.00%
Vocational education	1,829	32.50%	5.70%
High school	1,281	22.70%	12.10%
Bachelor	1,182	21.00%	10.70%
Master	110	2.00%	11.50%
PhD	-	-	-
Total	5,631	100%	3.30%

Source: The Employment Agency of Kosovo\*

#### 4.5.4 Recommendations

- Collect gender disaggregated data on those participating in and completing ALMMs, to be able to monitor and evaluate the effectiveness of the measures in terms of gender.
- Develop more gender responsive active labour market policies, through gender-based assessments.
- Assess and implement additional active labour policy measures which promote social support for employed women, through child and elderly care support facilities and upskilling. Reallocate resources within the portfolio of ALMMs to better match the needs of the labour market, based on monitoring and evaluation of their effectiveness.
- Revise Vocational Training curricula in collaboration with the private sector, to better reflect the skills and profiles that are needed by current and future employers.
- Invest in lifelong learning to increase the proportion of beneficiaries from older age brackets and reduce the potential burden from older unemployed people.
- Develop specific skill creation trainings aimed at the educated unemployed.
  - » Invest in the training of staff to better be able to implement the mandate of EARK.
- Improve coordination and collaboration between EARK, private sector, and education institutions, to continuously update a list of the skills and occupations needed in the labour market.

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- Implement a career guidance programme, by employing counsellors within EARK to support job seekers to make better choices for their future employment.
  - Develop clusters of companies and educational institutions to develop innovative solutions and products.

## 4.6 Entrepreneurship

Entrepreneurship and self-employment are a driving force for sustainable and innovative economic development. Through new ideas and approaches to production, entrepreneurs create new businesses and jobs in the economy, as well as opportunities for growth. However, women's share of the stock of entrepreneurship in Kosovo\* remains low. Even for women who become entrepreneurs, their businesses are smaller in size and less likely to engage in high added value sectors, that have high growth potential.

According to the ILO, women are owners of around 37% of firms globally; however, they only hold top management positions in 18% of companies and they are CEOs in fewer than 5% of the world's biggest companies (ILO, 2015). The Global Entrepreneurship Monitor shows that from the 224 million women owned businesses worldwide, 112 million of them employ more than one person, and only 12 million planned to employ up to six in the next couple of years (US Small Business Administration, 2017). Moreover, women-owned businesses are predominantly (67%) active in the consumer-oriented sector, compared to only 45% of men-owned businesses. The consumer-oriented sector is generally characterized by ease of entry, but high competitiveness (GEM, 2015).

In general, the main barriers women face in starting and operating businesses, range from a lack of financial means and access to finance, to cultural and societal barriers, to lack of time for engaging in entrepreneurship due to family obligations. This is no different in Kosovo\*, where studies show that women face numerous barriers, not only in entry, but also in running a business and growing it afterwards.

A 2016 study by Riinvest Institute found that around 94% of the businesses in Kosovo\* interviewed for the study were individual businesses, of which 29% were businesses with no workers, 64% micro businesses with less than 5 workers, and only 7% were small, with up to 10 workers (Mehmeti et al., 2017).

In terms of sectors, women's businesses operated predominantly in services (31%), trade (29%) and production sectors (15%). Around 88% of female entrepreneurs had established the business on their own, and more than half had used their own capital to do so (Mehmeti et al., 2017). The main motivators for women to start their own businesses was the potential for financial gain, unwillingness to work for someone else, as well a lack of alternative employment opportunities.

**Table 18: Active enterprises by gender of owner/administrator and economic activity, in (%) 2021**

	<b>Total women owners</b>	<b>% of enterprises owned by women by sector</b>
<b>Total</b>	21,888	20.00%
<b>Producers of goods</b>	2,258	17.00%
Agriculture, forestry, and fishing	800	33.00%
Industry	1,273	19.00%
Construction	185	5.00%
<b>Producers of services</b>		20.00%
Trade	3,815	18.00%
Transport and storage	131	4.00%
Accommodation and food service activities	881	14.00%
Information and communication	239	16.00%
Other Services	4,422	32.00%

Source: Tax Administration of Kosovo\*, 2021

Based on the data from the tax administration, women's businesses are concentrated in retail and wholesale trade, service activities, and manufacturing, in line with the findings from Mehmeti et al, 2017.

## 4.6.1 Barriers to women's entrepreneurship

Although societal prejudice against women's economic independence is one of the main factors that discourage women from starting businesses, especially in rural areas, women entrepreneurs in Kosovo\* face other barriers. Specific barriers that impact upon men's businesses, have a significant impact on women's ability to do business as well.

In line with findings from studies on the general business climate in Kosovo\*, women entrepreneurs consider high tax rates, small market size, and high administrative burdens as the main barriers to doing business. However, for around 50% of the women, responsibilities and care for family and children are also a barrier (Mehmeti et al., 2017). Moreover, what Mehmeti et al. find is that women, in general, consider all barriers to doing business as less severe than men do. Though this may be a reflection of women, on average, owning smaller businesses. Another major difference between women and men is in their perception of corruption as a barrier to doing business. For men this is the second highest barrier they face, whereas for women it is one of the lowest considered barriers (Mehmeti et al., 2017).

Another major barrier for women entrepreneurs is lack of property ownership. According to FAO, women in Kosovo\* own only 15% of all property, the lowest proportion in the region, but even more alarming is the fact that only 8% of women use their property as collateral (Tonchovska et al., 2014). Renunciation of property by women is still prevalent in families.

## 4.6.2 Institutional support to women's entrepreneurship

Kosovo\* still lacks a clear institutional support for women's entrepreneurship; however, some steps have been taken in supporting women, through active measures and grant support by ministries.

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Nonetheless, this support needs to be systematic and not donor-driven, as it often is.

### 4.6.3 Recommendations

- Develop access to finance programs to specifically support women entrepreneurs.
- Develop fiscal measures focused on areas that will impact on women to a greater extent. Specifically:
  - » Develop tax breaks for start-up businesses, to encourage entrepreneurship, especially among women.
  - » Develop a more progressive tax system, based on annual turnover of enterprises, in specific sectors, to ease women's fiscal barrier. Given that women consider taxes as one of the main barriers to doing business, and their over-representation in small and micro enterprises, such a policy would benefit women's enterprises disproportionately more.
  - » Develop tax incentives for micro-sized businesses to invest and channel their profits into future growth.
- Improve access to finance for women-owned businesses through better targeted support by the Kosovo\* Credit Guarantee Fund.
  - » Develop additional provisions which facilitate the support of the Credit Guarantee Fund for women businesses, especially for applications for smaller loans.
  - » Provide more opportunities for mentoring and financial counselling, which would result in improving women's financial knowledge and skills. Mentoring is seen as one of the most sustainable methods of supporting start-ups and small businesses and encourages further business development.
- Revise public procurement procedures, to allow for smaller lot-bids in public procurement. This way, as one of the main sources of businesses for enterprises, public procurement can be made more accessible to women owners of small and micro businesses, that currently often do not qualify for public procurement calls.
- Improve access to affordable childcare, as a means of overcoming women's barriers as entrepreneurs.
- Address market and institutional failures (restrictive social norms, access to information and networks etc.).
- Increase women's property ownership through legislative and outreach measures.
  - » Make renunciation of property more burdensome, such that it does not automatically apply.

## 4.7 Good practice

### 4.7.1 Community-based childcare centres in Prishtina

In studies of policy interventions in several transition and developing economies, researchers have found that childcare support has an undeniable positive impact on women's employment, entrepreneurship, and engagement in agricultural activities (Todd, 2013). This finding is found across economies with different levels of development, as well as across different age and education levels of women.

For women in Kosovo\*, employed, unemployed, inactive, or entrepreneurs, family and childcare obligations remain one of the main barriers to their economic activity. While a majority of women who are not working state this as a major barrier, women who work as well, consider that better access to childcare would improve their opportunities to work and move up the job ladder. In a Riinvest study in 2018, 52% of women, employed and unemployed, stated that access to affordable and quality childcare would facilitate their labour market outcomes (Dobranja et al., 2018).

Community-based childcare centres operate based on cooperation between communities and municipalities. Based on the Law on Preschool Education and the Administrative Instruction on Conditions and possibilities for the support of preschool education by community, Prishtina Municipality was the first to implement community-based childcare centres, which increased the number of childcare facilities at affordable levels and with assured quality.

Based on the Administrative Instruction on Conditions and possibilities for the support of preschool education by community, the community must first submit a request to the municipal assembly, proposing an increase in childcare facilities, during public hearings. Once the request is approved by the municipal assembly, the Directorate of Education in cooperation with the Property Directorate must identify all public facilities or lands that are registered as municipal property. Once an appropriate facility has been identified, the municipality should ensure that it has the potential to be renovated to adapt to the needs of childcare. Alternatively, if the municipality has land that can be used to build a centre, then it should seek support from donors or use municipal funds to do so.

In the second phase, the Municipality informs the community about the plans for opening a childcare centre. All parents whose children are of appropriate age are informed. The main users of the centre then elect the board of directors. The municipality remains responsible for supporting the community in organizing meetings, overseeing the educator selection process, and providing other support as needed.

The employment of staff is undertaken in accordance with the overall capacity of the childcare centre, based on the number of children that can be admitted. Through a public call issued by the Directorate of Education, candidates to run the centre can apply. The application procedure includes interviews with potential candidates, which are conducted in cooperation with the steering council, selected by the main users, and the Municipal Directorate of Education. Then, the elected chairperson together with the council selects the rest of the staff. The monthly payment paid by the parents and the municipal subsidies can be set by the centre's management and the board of directors based on the family income

of the child in question. For example, families earning more than 1,000 euros a month pay 100 Euros per child. Families earning between 500 euros and 1,000 euros pay 70 euros per child. Those who earn less than 500 euros per month, pay 50 Euros per child.

In 2014, Prishtina Municipality became the first to start operating community based childcare centres. Within three years, there were 5 community based childcare centres operating in Prishtina, with 519 children enrolled. The community-based childcare centres increased the non-private childcare opportunities by 30% in Prishtina.

Addressing one of most pressing barriers to women's economic activity through a cooperative mechanism between the community and the municipality has proven a success.



## 5 Conclusions and recommendations

Overcoming the gender gaps in the labour market, especially gaps in labour market participation and employment, are crucial to a healthy labour market and an inclusive economy. To achieve this, a multi-faceted approach is necessary. Institutions, international organizations, civil society, private sector, and citizens alike are all required to implement changes that reduce and eliminate gender differences in the labour market. The main gender gap in Kosovo\*'s labour market is that in labour force participation, and measures to reduce women's barriers in household work and dependent care should be developed. These policies should include both supply and demand side approaches, to improve women's likelihood of entry in the labour market, but also incentivize employers to hire women and offer women opportunities to progress up the job ladder.

### 5.1 Recommendations addressing gender gaps in the labour market

#### (I) Legal and regulatory framework

- The revision of the current Labour Law to address:
  - » Ensure that provisions regulating work from home and part-time work allow full-time workers to engage in working from home. These provisions are especially important in the light of the COVID-19 pandemic, but also especially important for women and men who return from maternity, paternal, or parental leave - to use part time work to transition back.
- The proposed Law on Maternity and Parental Leave to provide leave for mothers, fathers, and both parents combined, to minimize the discrimination women face in the labour market.
  - » The law could provide a more equal division of leave between parents, to eliminate women's burden in childcare, as well as reduce the existing appetite for discrimination in hiring of women, in line with the EU Work-Life Balance Directive.
  - » The law could clearly set forth a transition period, during which compensation for maternity, paternity, and parental leave remains the obligation of employers. However, this period needs to have an expiration date. In the future the establishment of a Social Security Fund will cover the compensation of new parents.

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## (2) Governance, functions, and human resources

- In all aspects, gender disaggregated data should be collected and published at all levels, to ensure that analysis of the economy and policies take gender sensitive approaches. Through this, institutions can ensure that policies and measures taken are tackling and targeting the main issues facing women in the labour market.
- Ensure a higher level of effectiveness of the labour inspectorate through an increase in the number of labour inspectors, to align better with the needs of the current labour market.
  - » Given that the private sector is the main employer of women, while it is also the sector with the highest level of non-compliance, including informality, it needs to be under more scrutiny in terms of labour law enforcement, especially when it comes to labour informality. Women working in the private sector often report working in conditions that are in violation of the labour law. These violations can be rectified by more frequent labour inspectorate visits, ensuring that conditions in the private sector are in line with the legal provision in the law on labour.
- Curricula revisions for training and certifications for skills that are identified as needed by the labour market.
  - » The focus of training should be in the sectors with the highest growth potential, such as ICT, services, and other specific specializations, and aim at greater recruitment of women, so that they are offered the opportunity for specializing in these areas and thus improving their career opportunities.
  - » Moreover, VETs and VTCs providing trainings in these sectors, especially in those where women are under-represented, should offer scholarship opportunities to attract a higher number of women.
- Increase scope of collections of gender disaggregated data on ALMMs, to be able to fully monitor and evaluate the effectiveness of individual measures in terms of gender, and in turn develop more gender responsive active labour market policies.
- Develop specific programs, provide access to finance and mentoring through programs designed to support women entrepreneurs exclusively.
- Ensure upskilling opportunities for female workers facing changes in the labour market requiring the acquisition of new skills and women returning to the labour market after taking breaks from economic activity.
- The Employment Agency to develop better targeted services to better serve the needs of women and help overcome the gender gaps in the labour market.
  - » Develop better outreach to share information on PES and ALMMs to target women especially. Furthermore, develop career counselling to tackle occupational segregation and promote women in non-traditional jobs.

- Target women to engage in on-the-job training initiatives develop better understanding of the needs of working in a particular sector.

### (3) Policies, programmes, and budgets

- The Economic Reform Agenda to adopt a gender perspective in action plans and approaches to addressing the structural barriers to competitiveness in Kosovo\*.
  - » ERP 2021-2023 foresees several actions to improve the business environment and reduce informal economy. In the subsequent ERPs, a clear gender approach to the business environment to be taken, ensure improved business opportunities for women as means to overcoming the current gender gap in business ownership.
  - » In terms of employment and labour market, ERP clearly acknowledges the need to address vulnerable groups, including youth and women, however this is only addressed through a general PES approach to increase skills and employability potential for these groups. Inclusion of specific measures to address gender segregation in occupations and sectors are now required.
- Data on different types of employment, including part-time employment, and other forms of atypical employment should be collected and published, given the higher likelihood of women finding themselves in these types of employment. Moreover, legal provisions that encourage employers to offer flexible and part-time working hours need to be drafted – in the occupations and industries where this is possible, either in the Law on Labour or through other legal documents.
- Kosovo\* should urgently implement a Time Use Survey, and follow up with continuous TUS data collection, to allow for policy makers to incorporate this information into their policymaking.
- Informality of employment needs to be better researched, better data collected, including data that allows for a gender analysis.
- Kosovo\* should publish compensation data for different levels of education, occupations, and sectors of employment. The presence of detailed pay data is crucial to assessing the gender pay gap and working towards reducing it.
- Ensure that gender equality is integrated as a horizontal agenda to impact all sectors in the new “National Development Strategy 2022-2030”.
- Develop a comprehensive labour market study, to analyse current needs of the labour market and forecast the needs for the upcoming decade. Use findings from the skills forecast to develop policies in labour market and education to best address the future needs of the market.
- Ensure that the budget allocation to labour market policies is sufficient to address the main issues in the labour market, especially address the marginalized groups, such as women and youths.

(4) Entry points for civil society

- Better and more comprehensive inclusion of women's organizations in decision making can be ensured through constructive and active participation of civil society organizations in the policy and decision-making processes.
- Improved cooperation of the PES with the civil society as means of raising awareness of the services offered by PES, especially targeting women. Through women's organizations, outreach for access to and use of the PES can be much greater and reach women of the most vulnerable groups.



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## 7 Statistical Appendix

*Share of employment by economic sector, 15+*

	Q1. 18	Q2. 18	Q3. 18	Q4. 18	Q1. 19	Q2. 19	Q3. 19	Q4. 19	Q1. 20	Q2. 20	Q3. 20	Q4. 20	Q1. 21
<b>Agriculture, forestry, and fishing</b>													
<b>GAP</b>	3.2	3.0	2.8	3.9	4.6	5.3	2.1	0.7	2.7	4.7	1.5	0.9	2.4
<b>Men</b>	4.4	3.8	4.1	4.6	5.2	5.6	6.6	6.3	4.6	5.7	5.8	5.5	4.0
<b>Women</b>	1.2	0.8	1.3	0.7	0.6	0.3	4.5	5.6	1.9	1.0	4.3	4.6	1.6
<b>INDUSTRY (total)</b>													
<b>GAP</b>	21.1	22.4	25.9	23.5	25.3	28.2	26.9	24.3	21.9	20.4	25.3	25.3	20.9
<b>Men</b>	30.1	29.8	32.3	32.6	31.0	35.0	35.0	33.1	31.9	29.1	35.1	35.6	32.5
<b>Women</b>	9.0	7.4	6.4	9.1	5.7	6.8	8.1	8.8	10.0	8.7	9.8	10.3	11.6
<b>Manufacturing Industry</b>													
<b>GAP</b>	4.0	5.1	7.4	4.7	8.8	9.5	8.6	7.2	5.4	5.7	4.9	6.5	5.2
<b>Men</b>	10.9	10.6	12.1	12.2	13.1	14.6	14.4	13.3	13.3	12.2	12.5	14.7	13.8
<b>Women</b>	6.9	5.5	4.7	7.5	4.3	5.1	5.8	6.1	7.9	6.5	7.6	8.2	8.6
<b>Construction</b>													
<b>GAP</b>	12.9	13.2	14.4	14.0	13.6	16.4	15.3	13.5	12.9	10.8	16.6	14.1	11.9
<b>Men</b>	14.3	14.4	15.4	15.2	14.6	17.1	16.8	15.0	13.7	11.4	17.3	14.8	12.6
<b>Women</b>	1.4	1.2	1.0	1.2	1.0	0.7	1.5	1.5	0.8	0.6	0.7	0.7	0.7
<b>Trade; transport; accommodation and food service activities</b>													
<b>GAP</b>	5.4	4.6	5.8	6.3	3.9	1.6	3.6	4.8	2.5	3.3	3.0	2.9	7.4
<b>Men</b>	27.7	27.4	28.6	29.5	27.7	28.3	28.4	27.2	28.1	27.3	28.0	26.2	28.6
<b>Women</b>	22.3	22.8	22.8	23.2	23.8	26.7	24.8	22.4	25.6	24.0	25.0	23.3	21.2
<b>Information and communication</b>													
<b>GAP</b>	-0.1	0.6	0.4	0.5	-1.7	-2.3	-1.4	0.5	0.7	-0.8	-1.1	1.0	0.9
<b>Men</b>	3.8	4.0	3.4	2.9	4.2	3.2	3.0	3.8	4.5	4.4	3.4	3.7	4.0
<b>Women</b>	3.9	3.4	3.0	2.4	5.9	5.5	4.4	3.3	3.8	5.2	4.5	2.7	3.1
<b>Financial and insurance activities</b>													
<b>GAP</b>	-1.7	-2.5	-1.0	-0.9	0.0	-0.8	-1.2	-0.2	0.3	-0.4	-0.9	0.0	0.5
<b>Men</b>	1.6	1.8	1.8	1.7	1.8	1.5	1.3	1.8	1.9	1.8	1.2	1.9	2.6
<b>Women</b>	3.3	4.3	2.8	2.6	1.8	2.3	2.5	2.0	1.6	2.2	2.1	1.9	2.1
<b>Real Estate Activities</b>													
<b>GAP</b>	0.1	0.1	0.1	0.0	-0.2	-0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2
<b>Men</b>	0.1	0.1	0.1	0.2	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.2
<b>Women</b>	0.0	0.0	0.0	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0

	Q1. 18	Q2. 18	Q3. 18	Q4. 18	Q1. 19	Q2. 19	Q3. 19	Q4. 19	Q1. 20	Q2. 20	Q3. 20	Q4. 20	Q1. 21
<b>Professional, scientific, administrative and support service activities</b>													
<b>GAP</b>	-1.3	0.2	-1.3	-1.5	0.5	-1.6	-0.3	-0.8	-0.3	-1.5	-3.3	-3.2	-3.7
<b>Men</b>	4.0	4.6	4.4	4.8	6.8	5.7	6.5	7.1	6.6	7.4	6.7	6.6	7.4
<b>Women</b>	5.3	4.4	5.7	6.3	6.3	7.3	6.8	7.9	6.9	8.9	10.0	9.8	11.1
<b>Public administration, education, human health</b>													
<b>GAP</b>	-19.5	-20.5	-26.3	-23.1	-24.0	-21.8	-23.8	-24.2	-23.1	-22.1	-20.7	-24.1	-26.7
<b>Men</b>	20.9	20.9	18.0	17.4	18.6	16.0	14.6	16.8	18.1	19.4	15.5	16.4	16.3
<b>Women</b>	40.4	41.4	44.3	40.5	42.6	37.8	38.4	41.0	41.2	41.5	36.2	40.5	43.0
<b>Arts, entertainment and recreation activities and other services</b>													
<b>GAP</b>	1.1	0.6	0.6	-0.9	-4.0	-3.2	-3.2	-4.0	-3.4	-2.1	-2.9	-2.4	-1.7
<b>Men</b>	6.8	6.7	6.1	5.3	3.7	3.3	3.2	2.8	3.2	3.4	2.9	3.1	3.6
<b>Women</b>	5.7	6.1	5.5	6.2	7.7	6.5	6.4	6.8	6.6	5.5	5.8	5.5	5.3

Source: Author's calculations based on Agency of Statistics data

#### Gender pay gap by sector, 2016

Economic Activity	Male	Female	Total	Cents for every €: women/men
<b>Agriculture, Forestry and Fishing</b>	€ 331.00	€ 162.00	€ 310.00	0.49
<b>Mining and Quarrying</b>	€ 498.00	€ 135.00	€ 485.00	0.27
<b>Electricity, Gas, Steam and Air Conditioning Supply</b>	€ 431.00	€ 284.00	€ 427.00	0.66
<b>Water Supply; Sewerage, Waste Management and Remediation Activities</b>	€ 350.00	€ 316.00	€ 349.00	0.90
<b>Construction</b>	€ 358.00	€ 328.00	€ 357.00	0.92
<b>Manufacturing</b>	€ 322.00	€ 207.00	€ 301.00	0.64
<b>Wholesale and Retail Trade; Repair of Motor Vehicles and Motor-cycles</b>	€ 320.00	€ 230.00	€ 289.00	0.72
<b>Accommodation and Food Service Activities</b>	€ 287.00	€ 239.00	€ 280.00	0.83
<b>Transportation and Storage</b>	€ 327.00	€ 287.00	€ 326.00	0.88
<b>Information and Communication</b>	€ 415.00	€ 339.00	€ 394.00	0.82
<b>Financial and Insurance Activities</b>	€ 379.00	€ 387.00	€ 381.00	1.02
<b>Real Estate Activities</b>	€ 306.00	€ 251.00	€ 293.00	0.82
<b>Professional, Scientific and Technical Activities</b>	€ 479.00	€ 379.00	€ 459.00	0.79
<b>Administrative and Support Service Activities</b>	€ 372.00	€ 303.00	€ 355.00	0.81
<b>Public Administration and Defence; Compulsory Social Security</b>	€ 395.00	€ 360.00	€ 391.00	0.91
<b>Education</b>	€ 421.00	€ 405.00	€ 415.00	0.96

<b>Economic Activity</b>		<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Cents for every €: women/men</b>
<b>Human Health and Social Work Activities</b>		€ 387.00	€ 361.00	€ 370.00	0.93
<b>Arts, Entertainment and Recreation</b>		€ 333.00	€ 114.00	€ 225.00	0.34
<b>Other Service Activities</b>		€ 301.00	€ 271.00	€ 294.00	0.90
<b>Activities of Households as Employers; Undifferentiated Goods and Services Producing Activities of Households For Own Use</b>		€ 393.00	€ 180.00	€ 357.00	0.46
<b>Activities of Extraterritorial organizations and Bodies</b>		€ 977.00	€ 528.00	€ 855.00	0.54
<b>Other</b>		€ 300.00	€ 172.00	€ 267.00	0.57

Source: Labour Force and Time Use Survey in Kosovo\*, Millennium Challenge Corporation, 2016

#### *Gender gap in employment by education level, Q1 2018 – Q1 2021*

<b>Gender</b>	<b>Education</b>	<b>Q1. 18</b>	<b>Q2. 18</b>	<b>Q3. 18</b>	<b>Q4. 18</b>	<b>Q1. 19</b>	<b>Q2. 19</b>	<b>Q3. 19</b>	<b>Q4. 19</b>	<b>Q1. 20</b>	<b>Q2. 20</b>	<b>Q3. 20</b>	<b>Q4. 20</b>	<b>Q1. 21</b>
<b>Gap</b>	Gap	33.7	32.8	33.9	32.5	29.7	32.2	34.9	32.8	29.9	24.1	31.8	29	26.9
	Low (levels 0-2)	10.5	10.5	12.5	14.1	9.1	10.4	15.1	16.0	13.1	10.0	15.5	14.6	11.8
	Medium (levels 3_4)	39.5	37.9	36.1	35.5	31.5	32.2	32.8	31.5	28.3	22.3	31.6	27.7	26.4
	High (levels 5-8)	16.7	21.4	21.5	22.3	17.4	20.1	27.9	26.9	24.8	19.5	21.6	22.1	20.6
<b>Male</b>	Total	45.5	44.8	46.5	45.2	43	45.9	49	47	44	36.2	46.2	44.8	42.8
	Low (levels 0-2)	13.8	13.3	15.1	16.4	12.6	15.4	19.0	19.0	15.7	12.2	19.1	17.7	14.0
	Medium (levels 3_4)	51.6	50.0	49.2	48.7	44.8	46.1	47.4	46.4	44.4	34.3	46.0	44.9	44.1
	High (levels 5-8)	74.9	75.6	75.4	73.8	70.5	73.0	74.4	74.6	74.7	66.6	70.5	70.2	69.6
<b>Female</b>	Total	11.8	12.0	12.6	12.7	13.3	13.7	14.1	14.2	14.1	12.1	14.4	15.8	15.9
	Low (levels 0-2)	3.3	2.8	2.6	2.3	3.5	5.0	3.9	3.0	2.6	2.2	3.6	3.1	2.2
	Medium (levels 3_4)	12.1	12.1	13.1	13.2	13.3	13.9	14.6	14.9	16.1	12.0	14.4	17.2	17.7
	High (levels 5-8)	58.2	54.2	53.9	51.5	53.1	52.9	46.5	47.7	49.9	47.1	48.9	48.1	49.0

Source: Author's calculations based on Agency of Statistics data

*Gender gap in employment by age, Q1 2018 – Q1 2021*

<b>Sex</b>	<b>Age</b>	<b>Q1. I8</b>	<b>Q2. I8</b>	<b>Q3. I8</b>	<b>Q4. I8</b>	<b>Q1. I9</b>	<b>Q2. I9</b>	<b>Q3. I9</b>	<b>Q4. I9</b>	<b>Q1. 20</b>	<b>Q2. 20</b>	<b>Q3. 20</b>	<b>Q4. 20</b>	<b>Q1. 21</b>
<b>GAP</b>	<b>I5 +</b>	33.7	32.8	33.0	32.5	29.7	32.2	34.9	32.8	29.9	24.1	31.8	29.0	26.9
<b>Men</b>		45.5	44.8	45.6	45.2	43	45.9	49	47	44	36.2	46.2	44.8	42.8
<b>Women</b>		11.8	12	12.6	12.7	13.3	13.7	14.1	14.2	14.1	12.1	14.4	15.8	15.9
<b>GAP</b>	<b>I5- 64</b>	33.7	32.8	33	32.5	29.7	32.2	34.9	32.8	29.9	24.1	31.8	29	26.9
<b>Men</b>		45.5	44.8	45.6	45.2	43	45.9	49	47	44	36.2	46.2	44.8	42.8
<b>Women</b>		11.8	12	12.6	12.7	13.3	13.7	14.1	14.2	14.1	12.1	14.4	15.8	15.9
<b>GAP</b>	<b>I5- 34</b>	20.5	20.8	22.7	23.9	21.3	22.4	24.2	22.9	20.6	14.2	22.1	19.7	17.5
<b>Men</b>		30.1	31.4	33.7	34.6	32.7	35.1	38	36.2	34	25.3	34.8	33.8	32.5
<b>Women</b>		9.6	10.6	11	10.7	11.4	12.7	13.8	13.3	13.4	11.1	12.7	14.1	15
<b>GAP</b>	<b>35- 64</b>	49.1	47.1	45.7	43.4	40.7	44.2	47.8	45.6	41.6	35.8	43.2	40.1	37.4
<b>Men</b>		63.2	61.1	60	58.2	56.2	59.5	62.7	60.9	56.9	49.4	59.7	57.9	54.7
<b>Women</b>		14.1	14	14.3	14.8	15.5	15.3	14.9	15.3	15.3	13.6	16.5	17.8	17.3

Source: Author's calculations based on Agency of Statistics data

*Forms of employment*

	<b>Q1. I8</b>	<b>Q2. I8</b>	<b>Q3. I8</b>	<b>Q4. I8</b>	<b>Q1. I9</b>	<b>Q2. I9</b>	<b>Q3. I9</b>	<b>Q4. I9</b>	<b>Q1. 20</b>	<b>Q2. 20</b>	<b>Q3. 20</b>	<b>Q4. 20</b>	<b>Q1. 21</b>	
<b>Employee</b>														
<b>GAP</b>	-8.8	-9.9	-11.8	-11.2	-12.1	-12.0	-13.9	-14.3	-13.6	-18.4	-14.5	-14.9	-15.2	
<b>Men</b>	70.6	71.2	70.1	69.2	71.2	69.6	68.7	70.8	71.8	65.7	69.4	70.7	72.2	
<b>Women</b>	79.4	81.1	81.9	80.4	83.3	81.6	82.6	85.1	85.4	84.1	83.9	85.6	87.4	
<b>Self-employed with employees</b>														
<b>GAP</b>	6.4	7.2	7.5	7.5	7.8	7.5	6.4	5.4	6.8	9.1	7.9	5.8	5.9	
<b>Men</b>	9.1	9.4	9.7	9.3	11.1	11.2	8.9	7.6	10.1	13.6	11.5	11.0	11.0	
<b>Women</b>	2.7	2.2	2.2	1.8	3.3	3.7	2.5	2.2	3.3	4.5	3.6	5.2	5.1	
<b>Self-employed without employees</b>														
<b>GAP</b>	2.7	2.3	4.0	3.4	2.6	2.7	7.7	10.4	7.3	8.2	7.9	10.2	8.1	
<b>Men</b>	14.2	13.9	14.7	15.9	11.4	13.4	17.4	17.0	13.3	15.9	14.7	14.6	13.1	
<b>Women</b>	11.5	11.6	10.7	12.5	8.8	10.7	9.7	6.6	6.0	7.7	6.8	4.4	5.0	
<b>Unpaid family worker</b>														
<b>GAP</b>	-0.4	0.5	0.2	0.3	1.8	1.9	-0.2	-1.7	-0.5	1.1	-1.3	-1.0	1.3	
<b>Men</b>	6.1	5.6	5.4	5.6	6.3	5.8	5.0	4.5	4.8	4.8	4.4	3.8	3.7	
<b>Women</b>	6.5	5.1	5.2	5.3	4.5	3.9	5.2	6.2	5.3	3.7	5.7	4.8	2.4	

Source: Author's calculations based on Agency of Statistics data

*Real growth rate, by sector (growth relative to the corresponding quarter of the previous year)*

	<b>Q1. 18</b>	<b>Q2. 18</b>	<b>Q3. 18</b>	<b>Q4. 18</b>	<b>Q1. 19</b>	<b>Q2. 19</b>	<b>Q3. 19</b>	<b>Q4. 19</b>	<b>Q1. 20</b>	<b>Q2. 20</b>					
<b>Agriculture, forestry, and fishing</b>	-9%	-3%	-17%	-14%	14%	11%	15%	25%	0%	-7%	-2%	2%	1%	10%	1%
<b>Manufacturing Industry</b>	5%	6%	3%	5%	2%	44%	5%	2%	3%	4%	3%	4%	4%	4%	9%
<b>Construction</b>	2%	3%	5%	5%	12%	98%	4%	9%	5%	-36%	1%	10%	11%	32%	-5%
<b>Trade; transport</b>	6%	5%	4%	5%	5%	39%	7%	6%	6%	-11%	-12%	2%	6%	23%	33%
<b>Information and communication</b>	9%	10%	13%	9%	3%	17%	2%	7%	0%	-7%	0%	9%	8%	11%	8%
<b>Financial and insurance activities</b>	2%	-1%	-3%	5%	15%	13%	18%	3%	6%	-4%	-4%	29%	5%	9%	8%
<b>Real estate activities</b>	17%	-2%	-7%	6%	-9%	-5%	7%	8%	-2%	-1%	5%	2%	-3%	0%	1%
<b>Professional, scientific, administrative and support service activities</b>	4%	3%	-2%	1%	-1%	-50%	4%	2%	9%	-4%	9%	13%	5%	4%	7%
<b>Public administration</b>	4%	12%	11%	9%	8%	10%	14%	1%	7%	-1%	-6%	10%	-1%	-1%	5%
<b>Arts, entertainment, and recreation activities</b>	19%	10%	-5%	5%	-30%	6%	-46%	-58%	-37%	-34%	-21%	-7%	14%	18%	18%
<b>GDP growth (total)</b>	5%	4%	2%	4%	5%	23%	7%	7%	1%	-11%	-7%	1%	5%	17%	17%

Source: Author's calculations based on Agency of Statistics data

*Number of registered unemployed jobseekers 15 – 64 by gender, education, and age groups*

<b>Registered unemployed by age</b>					
<b>Age</b>	<b>Registered Unem-ployed</b>	<b>(%)</b>	<b>Change in 2019</b>	<b>Women</b>	<b>Men</b>
15 - 24	28,130	16.60%	121.30%	12,799	15,331
25 - 39	67,844	40.10%	94.20%	30,431	37,413
40 - 54	50,950	30.20%	183.90%	23,200	27,750
55+	22,056	13.10%	324.70%	9,271	12,785
Total	168,980	100%	138.70%	75,701	93,279
<b>Registered unemployed by education level</b>					
<b>Education Level</b>	<b>Registered Unem-ployed</b>	<b>(%)</b>	<b>Change in 2019</b>	<b>Women</b>	<b>Men</b>
No school	83,317	49.30%	356.30%	38,880	44,437
Primary education	31,068	18.40%	80.70%	13,126	17,942
Vocational education	31,987	18.90%	57.70%	11,353	20,634
High school	10,579	6.30%	61.40%	4,709	5,870
Bachelor	11,069	6.60%	41.30%	7,075	3,994
Master	960	0.60%	42.60%	558	402
PhD	-	-	-	-	-
Total	168,980	100%	138.70%	75,701	93,279

Source: The Employment Agency

*Vocational Education by age and gender*

<b>Vocational Training by age</b>					
<b>Age</b>	<b>Vocational Education</b>	<b>%</b>	<b>SHT</b>	<b>Certified</b>	<b>SHC</b>
15-24	1300	37.80%	4.60%	895	68.80%
25-39	1586	46.20%	2.30%	1221	77.00%
40-54	514	15.00%	1.00%	409	79.60%
55+	36	1.00%	0.20%	30	83.30%
Total	3436	100%	2.00%	2555	74.40%
<b>Vocational Training by gender</b>					
	<b>Vocational Education</b>	<b>%</b>	<b>SHT</b>	<b>Certified</b>	<b>SHC</b>
Women	901	26.20%	1.20%	901	100%
Men	2535	73.80%	2.70%	1654	65.20%
	3436	100%	2.00%	2555	74.40%

Source: The Employment Agency



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