



The Impact of the COVID-19 Pandemic on the Labor Market



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Executive Summary

As a result of the coronavirus pandemic and the shutdown of businesses, a large portion of Kosovo citizens suddenly lost their jobs. This has led to a significant increase in the number of citizens registered as unemployed at employment offices. In April 2020 alone, the Employment Agency and its 34 local offices registered a total of 32,377 new jobseekers. This has increased the number of jobseekers registered for the period January-April 2020 to 37,392. Nearly half of them (16,820) are women. Given the very high rate of women's economic inactivity to begin with and other employment barriers, the unemployment rate among women may rise even further.

To help businesses and citizens that were financially affected by the pandemic, on March 30, 2020, the Government of Kosovo approved the Emergency Fiscal Package worth roughly 179 million Euros. Four days later, the Ministry of Finance and Transfers also approved the Operational Plan for the Fiscal Emergency Package, containing procedures and requirements for persons to benefit from the 15 measures aimed at helping certain categories of society directly affected by the pandemic. Among the target categories, which are the main focus of this study, are the people who lost their jobs as a result of the ban on business activities by order of the Ministry of Economy dated March 23, 2020.

In addition to the monthly assistance in the amount of 130 Euros for three months for citizens who lost their jobs due to the Pandemic (Measure 8) and the monthly assistance in the amount of 130 Euros for three months for unemployed citizens in dire social conditions (Measure 15), the Emergency Fiscal Package also provides financial support for companies whose activity has declined during the Pandemic, covering the monthly salary expenses of their employees in the amount of 170 Euros for two months (Measure 3.a) and the pension contributions for those salaries (Measure 3.c).

This state aid has prompted a large number of applications. The number of companies that have applied for compensation of 170 Euros for their employees is 37 thousand, while the total number of employees involved in this measure is 133 thousand. However, verification commissions have found numerous shortcomings in these applications, and resulted in only about 41,000 beneficiary employees in April. On the other hand, Measure 14 of the Emergency package that foresees financial support of 130 Euros for two months for companies which during the time of Pandemic register workers with employment contracts of one year, lead to increase in the number of new workers in the private sector for roughly 15 thousand people.

Using the latest data from the Employment Agency, the Pension Fund and the Ministry of Finance and Transfers, this report aims to provide an early analysis of the impact of COVID-19 Pandemic on the labor market, with an emphasis on the impact of government intervention measures in mitigating the risks of unemployment. Seeing the positive trend of registration of new employees in order to take advantage of the Emergency Package, this report concludes that some of the interim government measures could be transformed into long-term policies to reduce the informal economy.

The Increase of Unemployment as a Result of the Public Health Emergency Situation

Since the first cases of infection with COVID-19 in Kosovo on March 13, 2020, the number of infected people has been steadily increasing. According to the National Institute of Public Health (NIPH), to date, 1,048 cases of Coronavirus have been reported in Kosovo, while the number of those cured has reached 801.¹ Meanwhile, an average of about 250 individuals are tested for signs of the virus daily. One of the immediate consequences of the pandemic outbreak in Kosovo was the high increase in the purchase of food and medicinal products since the citizens of Kosovo aimed to secure reserves for a prolonged period of time.² The increased prices of some essential products such as wheat flour have had an immediate impact on poor classes.

The Government of Kosovo has taken strict measures to limit movement of individuals and the operation of businesses in order to reduce the number of infected. On March 23, 2020, the Ministry of Economy, Employment, Trade, Industry, Entrepreneurship and Strategic Investments (MEETIESI) decided to ban a large number of economic activities.³ Among the types of businesses most affected since the beginning of the pandemic were gastronomy, big malls and accommodation sectors. Even businesses and services with permitted operations, such as grocery stores, bakeries, and pharmacies, were required to adhere to strict hygienic measures during operation.⁴

The restriction on the movement of citizens and the shutdown of businesses resulted in a slowdown of the economy. Even in a normal situation, the labor and employment market in Kosovo is characterized by a high unemployment rate (25.7%), a low employment rate (30.1%), a very high rate of working age population who are not economically active (59.5%), a high youth unemployment rate (49%), a very low employment rate of women (14%), and long-term unemployment where 62% of those registered have been unemployed for a long-term (over 12 months).⁵

The data show that the spread of pandemic in Kosovo, accompanied by the restriction of movement and the shutdown of many business activities, had an immediate impact on unemployment in the country. Even the data of the Tax Administration of Kosovo (TAK) show great fluctuations before and after pandemics.⁶ For example, the industry that employs the most workers in Kosovo - that of wholesale and retail trade - has seen drastic reduction in number of workers. As seen in Figure 1, while in March 2019 this industry employed about 80 thousand employees, in March 2020 this number dropped to about 43 thousand. The reduction in number of workers also occurred in the construction industry, where in the same comparative period the number dropped from 21 thousand to only 10 thousand, as well as in the processing industry where we had a decrease from around 34 thousand to around 22 thousand.

1 National Institute of Public Health. 28. May 2020. Source: <https://bit.ly/2zCT6w7>

2 Ariana Kasapolli-Selani, "Qytetarët Shtojnë Blerjet Duke Grumbulluar Rezerva Ushqimore" [Citizens Increase Purchases by Piling Food Reserves], Radio Free Europe, March 12, 2020. Source: <https://bit.ly/2WBkzGe>

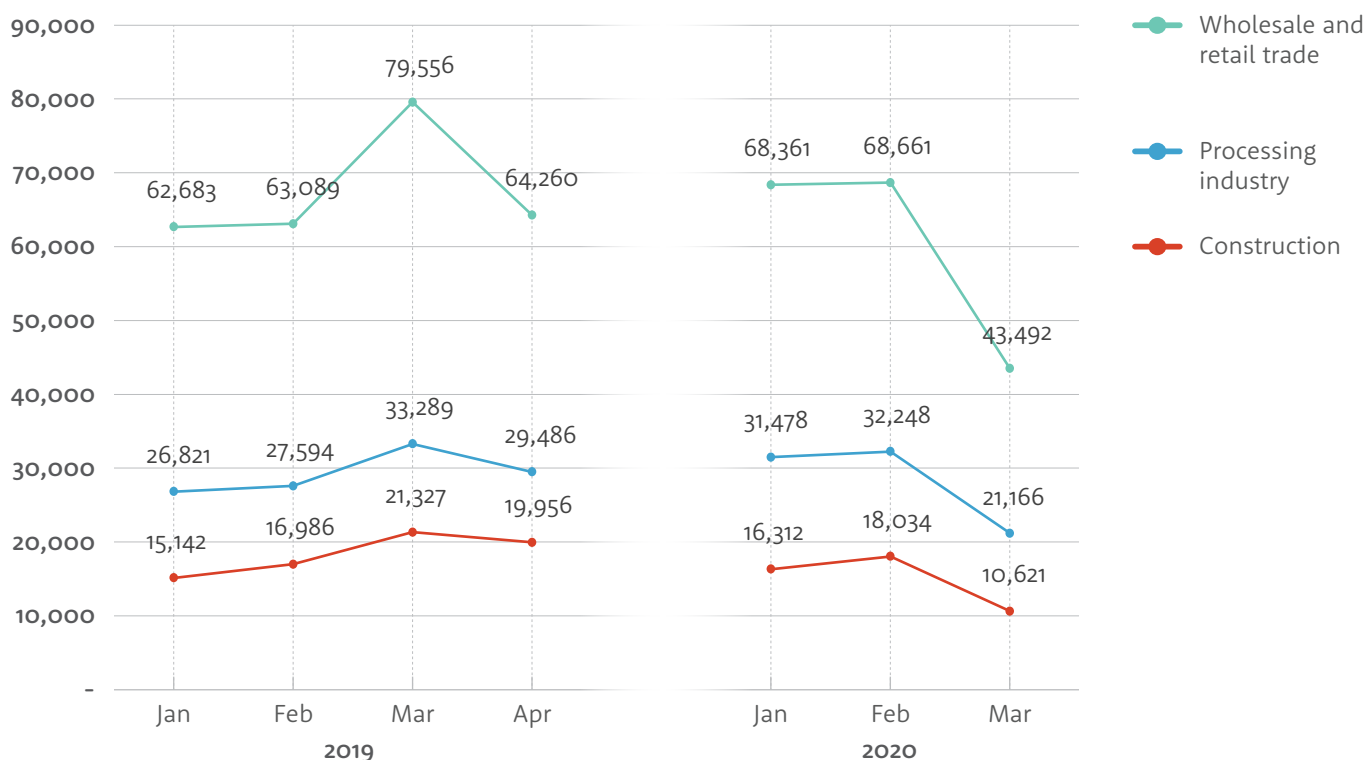
3 List of all activities prohibited by MEETIESI on 23.03.2020. Source: <https://bit.ly/2X2l2Bw>

4 "Business Guidelines on Coronavirus Prevention Measures," MEETIESI, March 15, 2020. Source: <https://bit.ly/3dkZDKr>

5 "Labor Force Survey 2019." Kosovo Agency of Statistics. 2019. Source: <https://bit.ly/2ZoFVzQ>

6 Note: Because the Ministry of Finance and Transfers has extended the tax declaration until the end of April 2020, the exact number of workers in these industries cannot be determined at this point in time <https://bit.ly/3erSUPl>

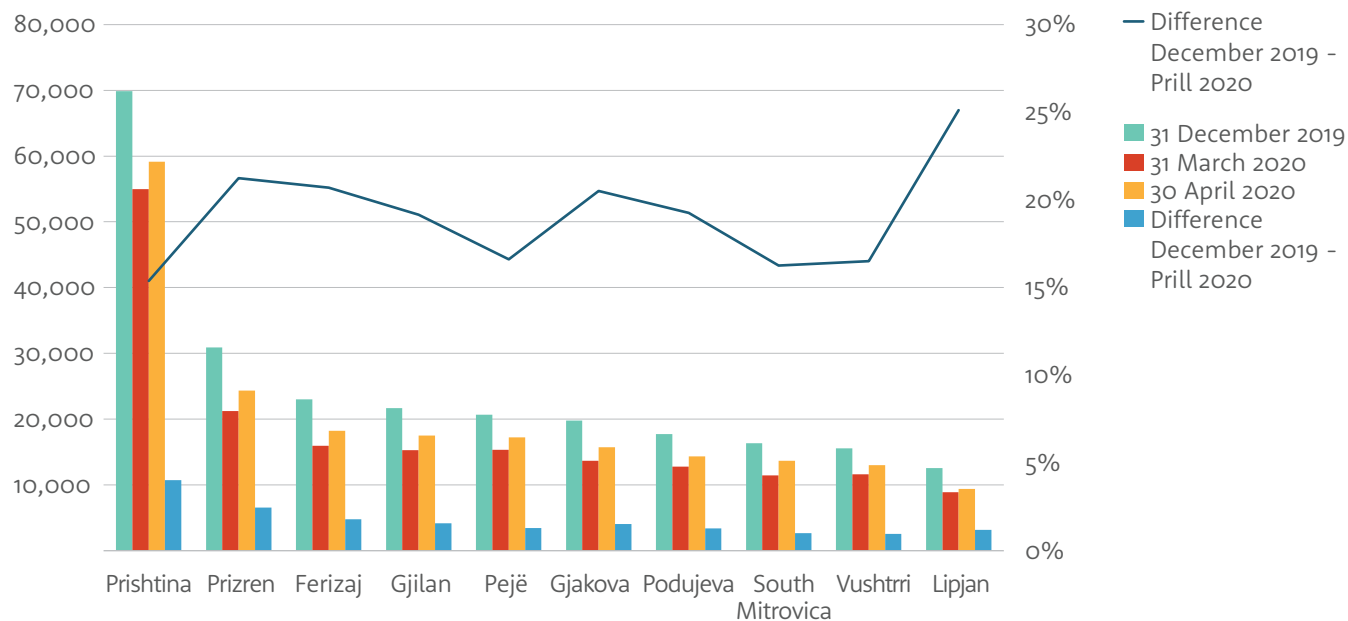
Figure 1. Number of workers in the industries employing most workers during 2019 and 2020



Source: Tax Administration of Kosovo

In addition to TAK data, data from the Kosovo Pension Savings Trust Fund (Trust) also show a significant decrease in contribution payers during April this year. Figure 2 shows that municipalities such as Prizren, Ferizaj and Gjakova saw a 20% decrease compared to December 2019.

Figure 2. Ten municipalities with the highest declines in contribution payers during April 2020



Source: Kosovo Trust Fund. Calculation: GAP Institute

In terms of the type of enterprises, most of them have experienced a significant decrease during April 2020 compared to December 2019, where budget organizations, limited liability companies (LLCs) and individual businesses suffered a more than 20% decline in numbers of contribution payers, while non-governmental organizations and partnerships saw a decline of more than 40%.

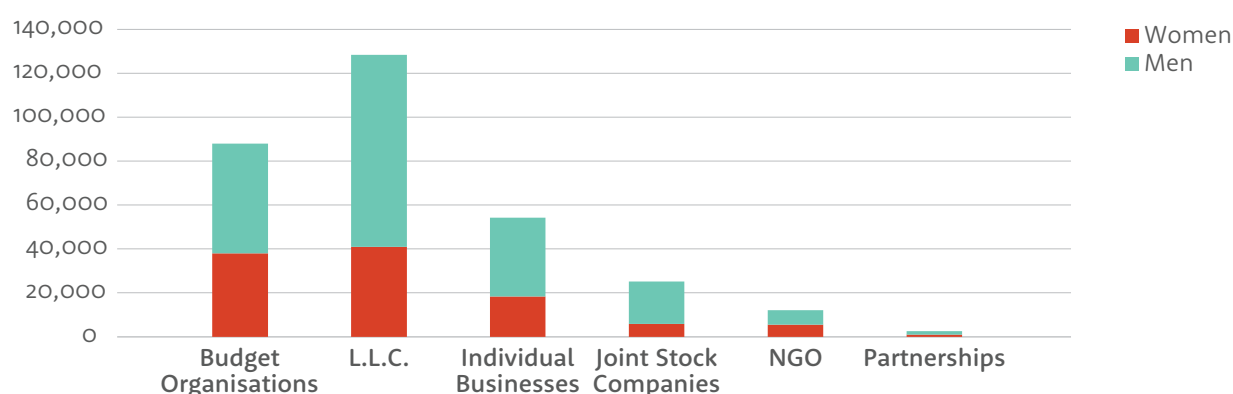
Table 1. Contribution payers during December 2019 - April 2020 based on the type of enterprise

Type of enterprise	31 December 2019	31 March 2020	30 April 2020	Difference Dec. 2019 - Apr. 2020	Difference in % Dec. 2019 - Apr. 2020
Budget Organizations	119,736	86,753	87,939	31,797	27%
Limited Liability Companies (LLC)	168,289	117,003	128,425	39,864	24%
Individual businesses	71,361	48,643	54,201	17,160	24%
Joint stock companies	30,386	24,525	25,196	5,190	17%
Non-Governmental Organizations (NGO)	22,726	9,755	12,040	10,686	47%
Others	8,099	5,390	5,801	2,298	28%
Partnerships	4,234	2,382	2,535	1,699	40%
Political parties	3,463	307	338	3,125	90%
Religious Communities	1,290	993	1,012	278	22%
Chambers of Commerce	481	208	227	254	53%
Trade Unions	340	201	341	0	0%
Embassies	190	178	184	6	3%
Foreign Government Agencies	152	149	149	3	2%
Limited partnerships	27	22		-	-
Consortiums	16	12	12	4	25%
Fiscal representatives	6	5	5	1	17%
Representation offices in Kosovo	5	6	8	-3	-60%

Source: Kosovo Trust Fund. Calculation: GAP Institute

In most of the aforementioned activities, during April 2020, the contribution payers were mainly men, who represent 57% of the contribution payers of budget organizations, 68% in Limited Liability Companies (LLCs), 66% in individual businesses and 77% in Joint Stock Companies.

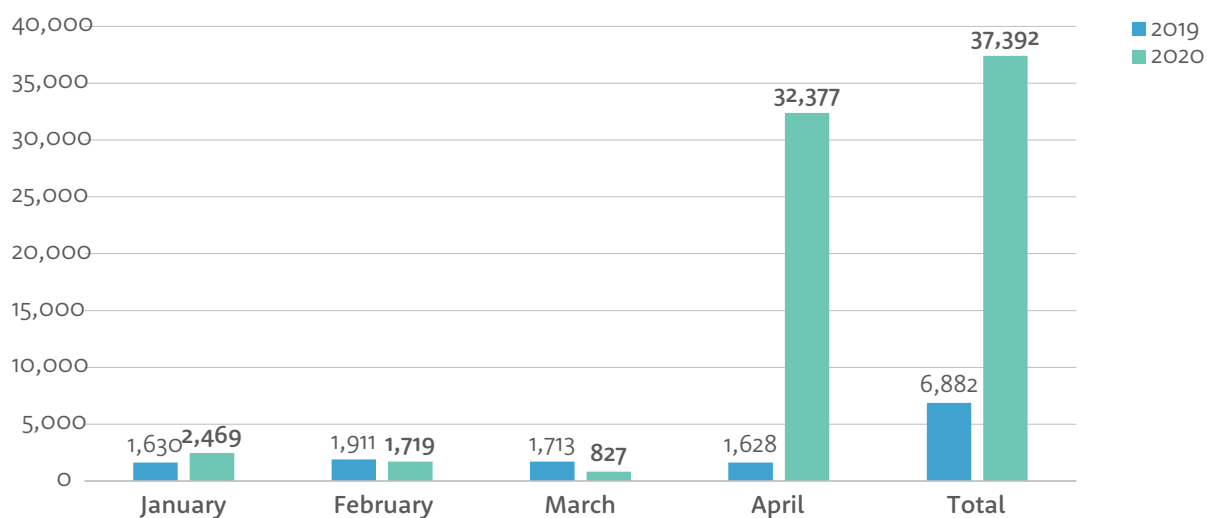
Figure 3. Contribution payers to the Kosovo Trust Fund during April 2020



Source: Kosovo Trust Fund

On the other hand, data from the Kosovo Employment Agency show a rapid increase in the number of unemployed. Given that Coronavirus Pandemic caused reduction of number of workers in various industries, the Emergency Fiscal Package was a step in the right direction to reduce the effects of Pandemic on Kosovo's economy. However, since Measure 15 of the package provides for a monthly allowance of 130 Euros to citizens registered as unemployed at the employment offices (and those in dire social conditions or those that are not beneficiaries of any monthly income from the Budget of Kosovo), this has led to a very high growth in numbers of jobseekers registered during April 2020. More precisely, since March, the number of jobseekers has increased by 31,550 or multiplied by nearly 40 times. This caused the total number of jobseekers at the Employment Agency to reach 37,392 by April 2020, an enormous increase compared to the last four-month period of 2019 when the number of jobseekers was only 6,882.

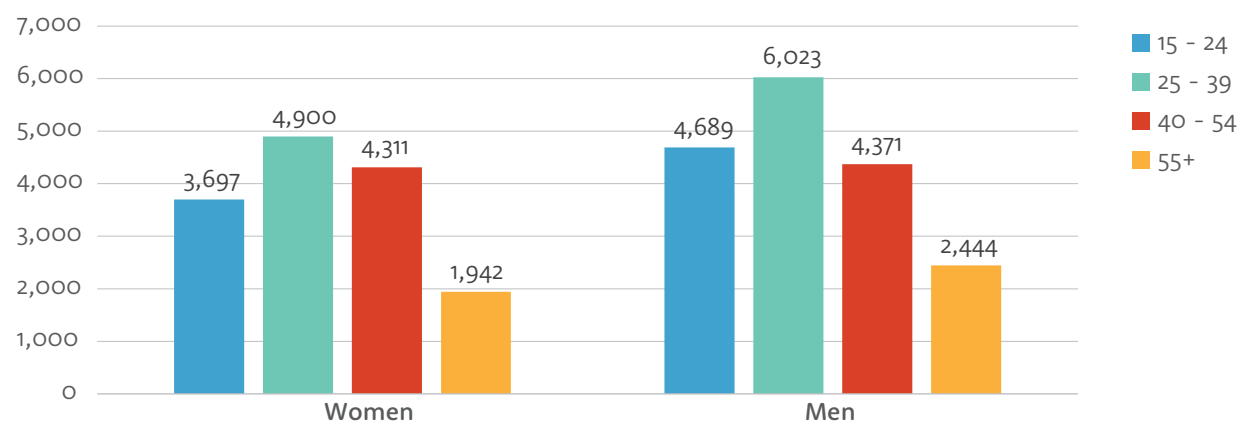
Figure 4. The trend of jobseekers during 2019 and 2020



Source: Employment Agency of the Republic of Kosovo

In 2020, young job seekers were mostly men in the age group of 25-39 (6,023), with women from the same age group taking second place (4,900). The least number of job-seekers come from the age group of over 55, where we see more men (2,444) than women (1,942), as shown in Figure 5.

Figure 5. Age and gender of jobseekers during April 2020



Source: Employment Agency of the Republic of Kosovo

Table 2 shows that the highest number of jobseekers currently registered are between the ages of 25-39 (62%), while the category from 15-24 constitutes a significant one, reaching 48%.

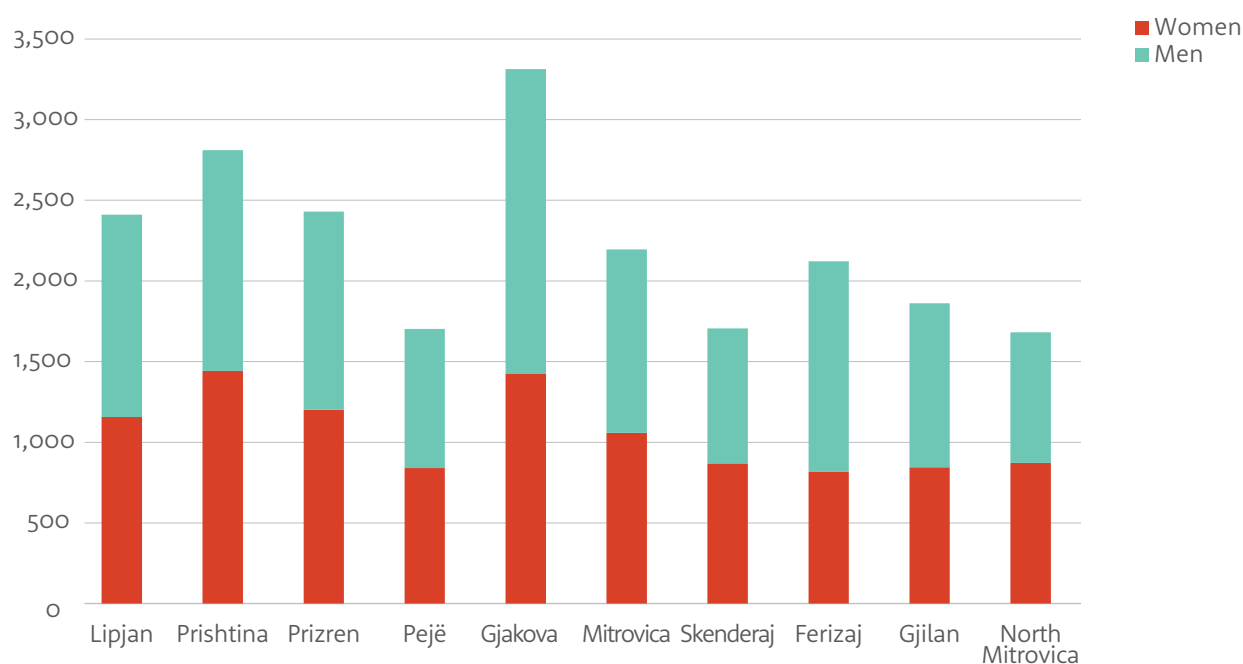
Table 2. Jobseekers registered by age and gender January-April 2020

Age group	Total	Women	Men
15 - 24	10,176	4,312	5,864
25 - 39	13,083	5,713	7,370
40 - 54	9,456	4,726	4,730
55+	4,677	2,109	2,568

Source: Agjencia e Punësimit e Republikës së Kosovës

Prishtina (1,443) and Gjakova (1,423) have the most registered men jobseekers, while Peja (841) and Ferizaj (817) have the least. While on the other hand, Gjakova (1,891) and Prishtina (1,368) have the most registered women jobseekers, whereas Peja (861) and Skenderaj (837) have the least. Only in the municipalities of Prishtina, Skenderaj and North Mitrovica we have more women jobseekers than men, as shown in Figure 6.

Figure 6. Ten municipalities with the most new jobseekers during January - April 2020



Source: Employment Agency of the Republic of Kosovo

Nevertheless, there are registered jobseekers in all municipalities of Kosovo as shown in Table 3.

Table 3. Jobseekers registered during January-April 2020 divided by municipality

Municipality	Total	Women	Men
Fushë Kosova	172	82	90
Glogovac	887	385	502
Graçanica	607	242	365
Lipljan	2,411	1,157	1,254
Novo Brdo	156	81	75
Obiliq	564	269	295
Podujeva	1,466	755	711
Prishtina	2,811	1,443	1,368
Dragash	917	367	550
Malisheva	822	226	596
Mamusha	18	1	17
Suhareka	1,654	676	978
Prizren	2,430	1,202	1,228
Istog	532	217	315
Klina	177	65	112
Pejë	1,702	841	861
Deçan	305	106	199
Gjakova	3,314	1,423	1,891
Junik	52	15	37
Rahovec	613	164	449
Leposavić	452	258	194
South Mitrovica	2,195	1,059	1,136
Skenderaj	1,706	869	837
Vushtrri	996	506	490
Zubin Potok	712	360	352
Zveçan	480	250	230
Ferizaj	2,121	817	1,304
Hani i Elezit	256	75	181
Kaçanik	527	121	406
Shtërpce	77	31	46
Shtime	580	226	354
Gjilan	1,862	846	1,016
Kamenicë	445	150	295
Klllokot	248	121	127
Partesh	150	79	71
Ranillug	265	134	131
Vitia	1,029	369	660
North Mitrovica	1,681	873	808
Total	37,392	16,861	20,531

Source: Employment Agency of the Republic of Kosovo

Most jobseekers are in basic professions, including cleaners or assistants, workers in agriculture, mining, assistants in gastronomy, transportation, or road services (20,982) and workers in crafts (4,982), while the least number in armed forces related professions (11) and managers (202).⁷ Jobseekers mainly chose basic professions (10,757) and services and sales (1,889), while the least number of jobseekers chose armed forces (7) and factory operators (39). Meanwhile, jobseekers also chose mainly basic professions (10,225) and crafts (4,115), and the least number in the armed forces (7) and factory operators (400). There are more women jobseekers than men for professions in the armed forces or as professionals, as shown in Table 4.

Table 4. Professions chosen by new jobseekers between January–April 2020

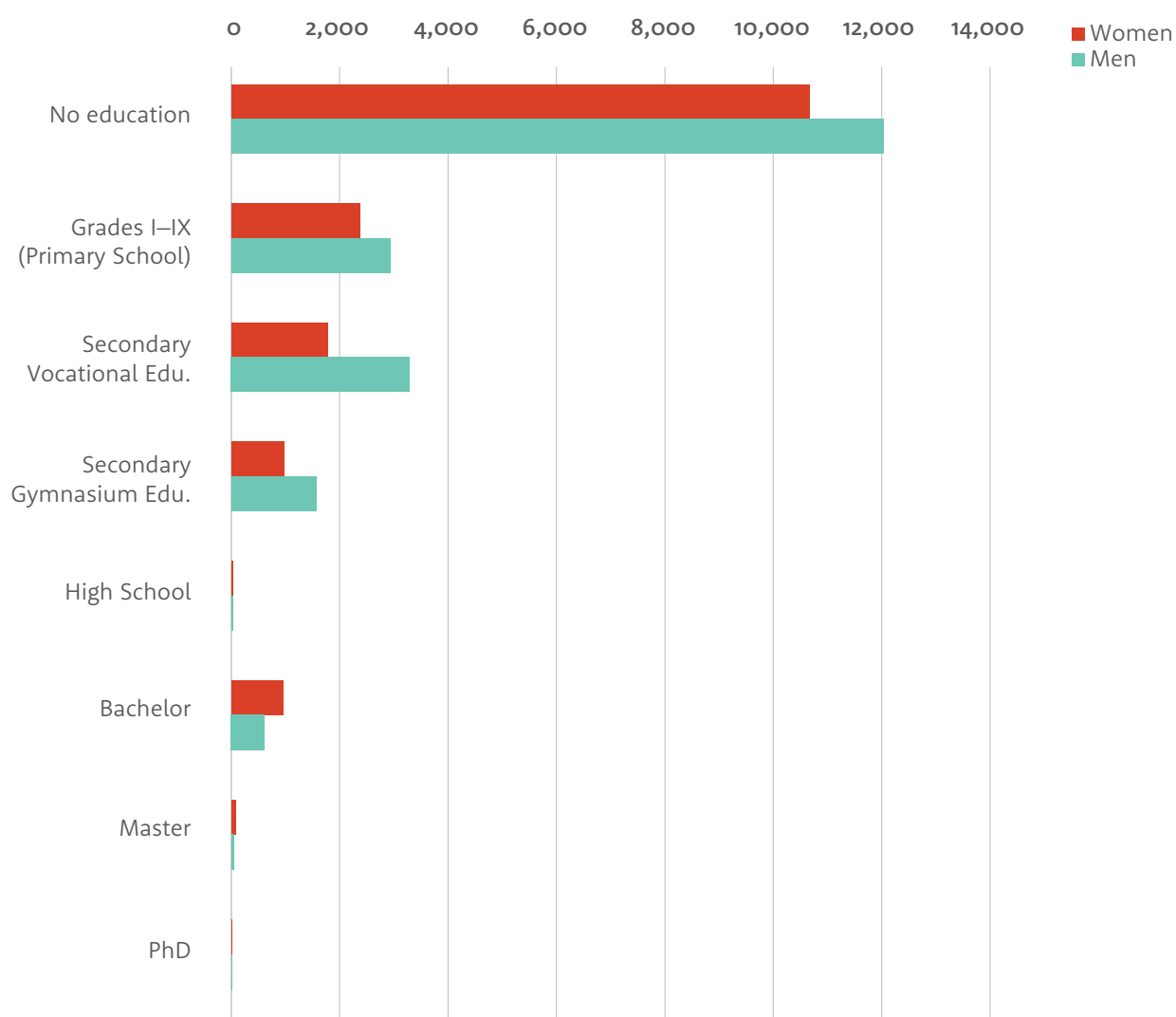
Profession	Total	Women	Men
Professions in armed forces	11	7	4
Managers	202	94	108
Professionals	2,678	1,553	1,125
Technicians and professional associates	2,297	927	1,370
Office workers and assistants	1,425	640	785
Workers for services and sales	3,782	1,889	1,893
Skilled workers in agriculture, forestry and fishery	648	142	506
Crafts workers and similar professions	4,928	813	4,115
Operators and installers in factories and cars	439	39	400
Elementary professions	20,982	10,757	10,225
Total	37,392	16,861	20,531

Source: Employment Agency of the Republic of Kosovo

7 Division of professions, ILO. Source: <https://bit.ly/36zNSxv>

Regarding the education of jobseekers, the vast majority or 60% of these jobseekers are uneducated, while 29% have completed primary and secondary vocational education. About 7% graduated in secondary education, while 4% have higher education. Of the uneducated jobseekers, with primary and secondary education, most are men, except for jobseekers with Bachelor, Master or PhD degrees that are women. Differences between men and women in terms of the level of education suggest that even amongst unemployed individuals with higher education, there will be more women than men. This may be due to the high criteria women encounter when looking for a job that is adequate or inadequate for their field of education, which can lead to a mismatch between them and a lower participation of women in labor market in general.⁸

Figure 7. Level of education of new jobseekers between January-April 2020



Source: Employment Agency of the Republic of Kosovo

8 "Analizë e shkurtër mbi mospërputhjen e arsimit dhe profesionit në Kosovë" [Short analysis on the mismatch between education and profession in Kosovo] GAP Institute, April, 2020. Source: <https://bit.ly/3dsLtgS>

Emergency Fiscal Packages for the Mitigation of Unemployment Risks

In order to reduce the socio-economic consequences of the pandemic, the Government of Kosovo received financial assistance of around 52 million Euros from the International Monetary Fund (IMF), around 70 million from the European Union (EU)⁹ and aid from other states and organizations¹⁰. Likewise, the Government of Kosovo has approved initiatives to negotiate loan agreements between the Ministry of Finance and Transfers and a number of international financial institutions. At the same time, as a mitigating measure, the Central Bank of Kosovo (CBK) decided to enable the suspension of loan installment payments for citizens and businesses from March 16 to April 30, 2020.¹¹

Meanwhile, through Decision No. 01/19, of March 30, 2020, the Government of Kosovo approved the Emergency Fiscal Package which contains 15 measures (Figure 7) for immediate financial intervention in the situation created as a result of COVID-19 Pandemic.¹² Four days later, the Ministry of Finance and Transfers also approved the Operational Plan for implementation of the Emergency Fiscal Package.¹³ The Emergency Fiscal Package is over 179 million Euros. Similar measures have been undertaken by countries in the region, such as Albania, Serbia, North Macedonia and Montenegro, with funding to restore the health system and small businesses, increase the social scheme, support exporters and more.¹⁴

The European Commission has also launched a temporary instrument - Support to Mitigate Unemployment Risks in an Emergency (SURE) - worth € 100 billion in order for EU Member States to have the possibility of taking loans to mitigate unemployment caused by COVID-19 Pandemic.¹⁵ More specifically, loans will facilitate the creation of short-term employment schemes in order to stop the rise of unemployment. If a European country considers it reasonable to create an employment scheme for businesses or self-employed persons who have suffered a decline in activity or income as a result of pandemic, that country can apply for a loan through the SURE instrument to cover the expenditures of public funds as a result of job creation. Subsequently, the European Commission will define the loan requirements together with the relevant country, on the basis of increased public expenditures. The final step is in the hands of the European Council, which decides whether to accept or reject the loan. In addition to the family income that will be subject to protection, this program also aims to preserve labor market stability and productivity of economy

9 Augustin Palokaj, "BE-ja ndihmon Kosovën me afër 70 milionë euro për t'u përballur me pasojat e koronavirusit" [EU helps Kosovo with close to 70 million Euros to deal with the consequences of Coronavirus] KOHA, March 25, 2020. Source: <https://bit.ly/2zkdh1B>

10 "FMN aprovoi financimin për Kosovën në vlerë prej 52 milion [The IMF approved funding for Kosovo in the amount of 52 million], Ministry of Finance and Transfers, April 10, 2020. Source: <https://bit.ly/2zfcjUB>

11 "Komunikatë e përbashkët nga Banka Qendrore e Republikës së Kosovës dhe Shoqata e Bankave të Kosovës [Joint release from the Central Bank of the Republic of Kosovo and the Association of Kosovo Banks] Central Bank of the Republic of Kosovo, March 15, 2020. Source: <https://bit.ly/2yyUyiP>

12 Decision of the Government of Kosovo. Source: <https://bit.ly/3bCWLr4>

13 Ministry of Finance and Transfers. Source: <https://bit.ly/2WA8uT3>

14 "Policy Responses to COVID-19," IMF. Source: <https://bit.ly/3dh9Ves>

15 "A European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE)," European Commission. Source: <https://bit.ly/3g6OdMu>

Table 5. Emergency Fiscal Package of the Government of Kosovo in the amount of € 179,650,000

Measure	Description	Value in Euros
Measure 1	Double payment of the amount of the social scheme (2 months)	7,650,000
Measure 2	Additional payment of 30 Euros per month for all beneficiaries of social and pension schemes below 100 Euros (3 months)	13,000,000
Measure 3	Financial support for companies (coverage of monthly employee salary expenses in the amount of 170 Euros (2 months), rent subsidy up to 50% of the value of rent for small and medium enterprises, coverage of the amount of pension contributions for salaries related to measures foreseen in this decision)	61,000,000
Measure 4	Ensuring interest-free lending for public enterprises (return until the end of 2020)	20,000,000
Measure 5	Ensuring financial support for Municipalities of the Republic of Kosovo.	10,000,000
Measure 6	Ensuring salary bonus in the amount of 300 Euros for employees of essential sectors (2 months)	15,000,000
Measure 7	Salary bonus of 100 Euros for employees of grocery stores, bakeries and pharmacies (2 months)	3,000,000
Measure 8	Payment of monthly assistance of 130 Euros for citizens who lost their jobs (3 months)	4,000,000
Measure 9	Supporting initiatives and projects aimed at improving the lives of non-majority communities in the Republic of Kosovo.	2,000,000
Measure 10	Ensuring financial liquidity for micro-enterprises and the self-employed in the amount of up to 10 thousand Euros for a period of 2 years.	15,000,000
Measure 11	Increase of budget for grants and subsidies for the Ministry of Agriculture, Forestry and Rural Development to increase agricultural production.	5,000,000
Measure 12	Increase of budget for grants and subsidies for the Ministry of Culture, Youth and Sports to overcome the situation created by the state of emergency of public health in sports and cultural activities.	5,000,000
Measure 13	Support for exporters in the Republic of Kosovo after the end of the public health emergency situation.	10,000,000
Measure 14	Financial support for companies that register employees with employment contracts of at least one (1) year during the period of emergency public health situation, in the amount of 130 Euros for two months after the registration.	6,000,000
Measure 15	Payment of monthly assistance in the amount of 130 Euros for citizens with dire social conditions, declared as unemployed in the competent institution, who are not beneficiaries of any monthly income from the Kosovo Budget (3 months)	3,000,000

A part of the emergency package in Kosovo is dedicated either to subsidize the salaries of those who have lost their jobs as a result of the pandemic or as a form of social assistance for persons who are unemployed and in difficult social conditions. Although it is too early to measure the effect of each measure separately, below we will briefly analyze only four of these measures related to work and employment.

Measure 3 provides financial support for companies by covering the monthly salary expenses of employees in the amount of 170 Euros for two months, as well as the amount of pension contributions for those salaries. Only for salaries, the package envisions a sum of 41 million Euros.¹⁶ To take advantage of this measure, as of May 6, 2020, 37 thousand enterprises have applied and the total number of employees involved in this measure is 133 thousand.¹⁷ Had all applications been successful, the total cost of compensation for this measure would have reached around 43 million Euros, slightly more than the amount provided for this measure.

However, a number of applications were rejected by the Ministry of Finance and Transfers either due to errors in entering data into the system or due to tendencies for misuse as was the case with many supermarkets, pharmacies and bakeries that applied for salary reimbursements despite the fact that they have been open all the time or as in the case of private educational institutions which have conducted online activities.¹⁸ By April 30, 2020, a total of 41,177 employees have benefited from this measure, after the approval by the commission authorized to review such applications.¹⁹

However the execution of this measure is envisaged in two different forms. If the employer, despite the financial difficulties, paid full salaries for March, the payment of 170 Euros for the employees is credited to the employer's account as reimbursement of expenses. Whereas the April salary is credited to the employee's account.²⁰ This crediting duality has caused unclarity among employers and employees, which has led the latter to complain that businesses had benefited on their behalf.²¹

Measure 8 provides a monthly payment of 130 Euros for three months for citizens who have lost their jobs due to the pandemic. This measure has foreseen the amount of four million Euros.²² To benefit from this measure, workers had to be on the payroll in February. Also, former workers must have been laid off as a result of the decline in the activity of the enterprise they worked in. Although the exact number of people whose employment contracts were terminated during the pandemic is still unknown, the fact that during April we have over 32,000 new unemployed people registered with employment offices means that some of them belong to this category. However, in order to benefit from this measure, the beneficiaries cannot be beneficiaries of other schemes.²³

16 Government of Kosovo. Emergency Fiscal Package. Source: <https://bit.ly/35Zj9cW>

17 Ministry of Finance and Transfers, <https://bit.ly/3gwkuwR>

18 Ministry of Finance and Transfers, <https://bit.ly/3c9Mrro>

19 Ministry of Finance and Transfers, <https://bit.ly/2zDWml2>

20 Ministry of Finance and Transfers, <https://bit.ly/2XbOzKt>, accessed on 24.05.2020

21 Kallxo.com. "I lene punetoret pa rrogat e qeverise, pronarë aplikuan me llogari të bizneseve"[Workers left without government salaries, owners applied with business accounts], <https://bit.ly/2M6zivV>

22 Government of Kosovo. Emergency Fiscal Package. Source: <https://bit.ly/35Zj9cW>

23 Ministry of Finance, <https://bit.ly/2yFoZky>

Table 6. Workers who benefited from measure 14 according to municipalities

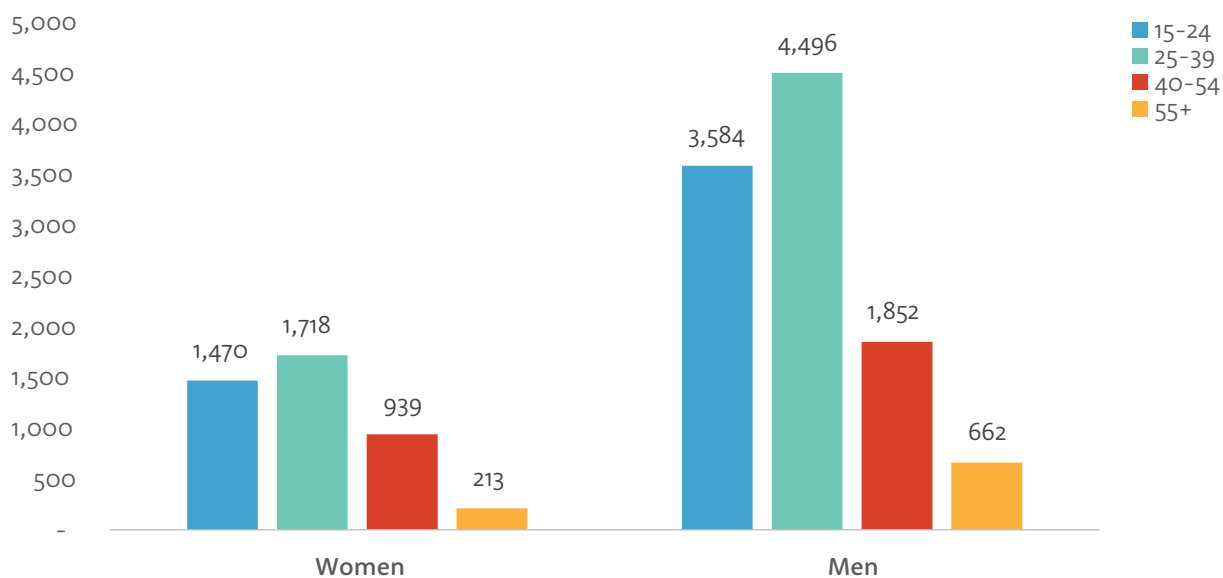
Municipality	Women	Men	Beneficiaries in total
Prishtina	1,386	2,423	3,809
Ferizaj	404	1,253	1,657
Prizren	409	809	1,218
Gjilan	298	822	1,120
Pejë	282	502	784
Fushë Kosova	193	468	661
Gjakova	180	389	569
Suhareka	102	412	514
Lipljan	97	381	478
Malisheva	70	353	423
Podujeva	102	293	395
Vushtrri	98	284	382
South Mitrovica	89	264	353
Vitia	73	194	267
Kaçanik	57	187	244
Glogovac	75	159	234
Istog	51	164	215
Kamenicë	48	162	210
Klinë	51	159	210
Shtime	32	136	168
Skenderaj	42	122	164
Rahovec	42	116	158
Obiliq	22	127	149
Graçanica	56	84	140
Dragash	12	112	124
Deçan	27	72	99
Hani i Elezit	9	49	58
Shtërpce	5	28	33
Klllokot	3	27	30
Partesh	10	11	21
Mamusha	1	15	16
Junik	5	10	15
Novo Brdo	4	4	8
North Mitrovica	2	1	3
Zveçan	1	2	3
Zubin Potok	2	0	2
Total	4,340	10,594	14,934

Source: Ministry of Finance and Transfers.

Measure 14 provides financial support of 130 Euros for two months for companies which during the period of public health emergency register workers with a work contract of at least one year. This measure has a financial value of up to six million Euros.²⁴ In order for the employer to benefit from this measure, the contract had to be signed after the start of pandemic in Kosovo and last for not less than one year.²⁵ According to the Ministry of Finance and Transfers, nearly 15,000 workers applied to benefit from Measure 14. Most people are employed in the following municipalities: Prishtina (3,809), Ferizaj (1,657), Prizren (1,218), and Gjilan (1,120). In most municipalities, workers were mostly men.

The workers who applied to benefit from Measure 14 were mainly young people, dominated by workers aged 25-39 (6,214), followed by people in age group 15-24 (5,054), age group 40-54 (2,791) and finally age group of over 55 (875).

Figure 8. Beneficiaries of Measure 14 by age



Source: Ministry of Finance and Transfers

Of the beneficiaries of Measure 14, the vast majority or 23% of all workers come from the wholesale and retail trade industry, followed by 19% of workers from the manufacturing industry, 18% from construction, and 17% from accommodation and food service. When it comes to industries, most of them are dominated by men, such as the processing industry with 75%, or construction with 93%. However, in some industries this is balanced, such as in wholesale and retail trade where 41% or almost half are women. In fact, there are industries where women dominate, such as education (82%) and healthcare and well-being (71%).

In terms of positions, there is a difference when it comes to gender. The dominant positions amongst men are waiter, driver, and construction worker, while the most common positions amongst women are cook, cleaner, and saleswoman. So, according to the Ministry of Finance and Transfers, the number of new employees in the private sector registered during the period April-May 2020 is 14,939.²⁶ This measure may have affected the formalization of the employment sector. Therefore, a more detailed analysis of this measure could produce a long-term policy incentivizing private businesses to register their employees.

²⁴ Government of Kosovo. Emergency Fiscal Package. Source: <https://bit.ly/35Zj9cW>

²⁵ Ministry of Finance and Transfers, Measure 14, <https://bit.ly/2M8QCZA>

²⁶ Data provided by the Ministry of Finance and Transfers reflect the number of applications until May 20, 2020,

Table 7. Applicants who benefited from Measure 14 according to industries

Industry	Women	Men	Beneficiaries in total
Wholesale and retail trade	1,416	2,007	3,423
Processing industry	702	2,062	2,764
Construction	197	2,461	2,658
Accommodation and food service	653	1,825	2,478
Transportation and storage	107	666	773
Professional, scientific and technical activities	174	302	476
Other services	244	208	452
Administrative services	137	221	358
Information and Communication	110	201	311
Education	228	49	277
Extracting industry	19	217	236
Health and well-being	164	67	231
Agriculture, forestry and fishery	80	101	181
Art, entertainment and recreation	28	80	108
Water supply	6	40	46
Finance and insurance	26	17	43
Public administration and defense	14	19	33
Real estate	13	16	29
Power, gas, and steam supply	12	15	27
Missing activity	8	16	24
Natural persons	2	4	6
Total	4,340	10,594	14,934

Source: Ministry of Finance and Transfers

Measure 15 provides for the payment of monthly assistance in the amount of 130 Euros for three months for citizens registered as unemployed with dire social conditions and who are not beneficiaries of any monthly income from the Kosovo budget. The financial amount of this measure is three million Euros.²⁷ The amount of 130 euros is actually intended for the family and not for the individual, provided that the family representatives are registered as unemployed at the employment offices and that the family is not a beneficiary of social and pension schemes.²⁸ From the number of applications for this measure, a total of 5,559 have been approved so far.²⁹

²⁷ Government of Kosovo. Emergency Fiscal Package. Source: <https://bit.ly/35Zj9cW>

²⁸ Ministry of Finance and Transfers, Measure 15, <https://bit.ly/3cad4vK>

²⁹ Ministry of Finance and Transfers, <https://bit.ly/3dcZdpJ>, accessed on 21.05.2020

Conclusion

The emergency health crisis caused by the COVID-19 pandemic has directly affected the labor market in almost all countries of the world. Movement restrictions led to a drastic decline in business activities on the one hand, and a complete shutdown of many industries has left many workers unemployed. The rate of economic inactivity and the unemployment rate in Kosovo have been at high levels even before the pandemic, in particular youth unemployment, women unemployment and graduate unemployment. Data from the Employment Agency show that the number of jobseekers increased by 40 times in April. In the first four months of 2020 alone, Kosovo registered over 37,000 unemployed persons. Without a comprehensive economic recovery plan, the number of unemployed could rise further in the coming months.

Easing of restrictive measures and gradual opening up of business activities does not mean that there will be an immediate return to the pre-pandemic situation. Firstly, not all economic activities are expected to open immediately. Secondly, not all activities that will be opened will have the same demand for goods or services. And thirdly, the post-pandemic world may require new economic activities and services that also require new skills. Therefore, together with the plan for economic recovery, Kosovo needs to do more to bring the labor market demands closer to vocational education and training.

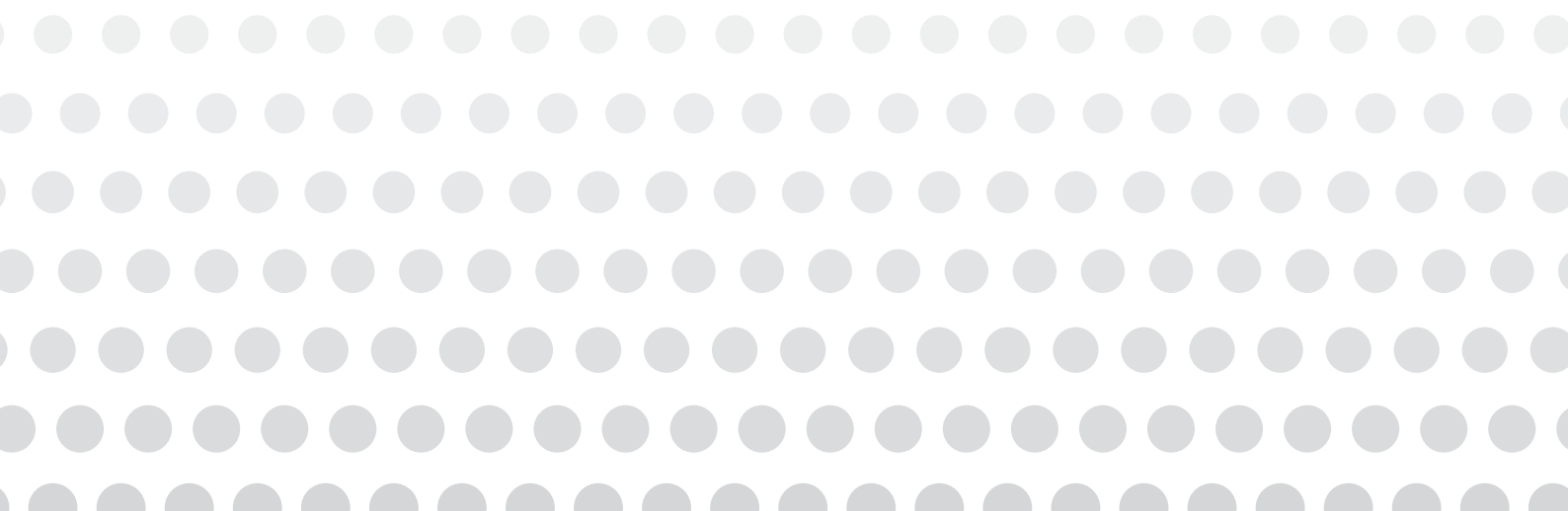
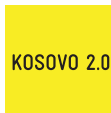
On the other hand, the pandemic situation could be exploited to test some new policies related to social protection. With an accurate calculation of the financial cost, some of the measures undertaken by Kosovo institutions could be transformed into long-term government policies. Enterprises that register new employees with one-year contracts could enjoy financial support from the state, as support for their contribution to formalization of the economy, as in Measure 14. Employees who have been employed for a certain period of time could enjoy the right to a monthly allowance in the event of a job loss, similar to Measure 8.

Finally, the labor market may not be the same any longer as it was before the pandemic. Therefore, the post-pandemic period could be a new beginning for many public policies, including those of social welfare.



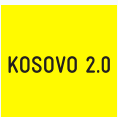
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