

# The job crisis in Kosovo<sup>1</sup> – an assessment of the country's employment policy

## Abstract

Unemployment is one of the major challenges that every Kosovo government faces. Today, the unemployment level reaches the staggering figure of 39-48 %, depending on the source. With only 25 % of the population of working age in employment, Kosovo has the lowest employment rate in Europe. The public sector remains the highest employment agency, providing work for more than 70 000 people. The number of registered private firms continues to increase but the informal sector remains very strong, accounting for around 30 % of businesses. A social assistance programme does exist but, due to the tight fiscal space, it has low coverage and more than 60 % of the poor are out of reach. Some 30 000 people join the labour market annually, but those who reach retirement age are much fewer. With such an increasing number of job seekers, and with few work opportunities, the government should seriously think about more efficient active and passive employment policies in which a review of its employment strategy is a key starting point.

**Keywords:** growth, employment, unemployment, long-term unemployment, young people, school-work transition, migration, entrepreneurialism, social dialogue, informal economy, employment policy, entrepreneurialism, remittances

## Introduction

Kosovo is not in the same economic situation it was in during the late '90s. Significant progress has been achieved, but not to the level of expectations. The war in 1999 was devastating to Kosovo's economic and social life. From a national per capita income figure of € 2 000, it fell and then recovered quickly, from € 300 in 2000 to € 1 982 in 2010. The rapid economic recovery after the war was fuelled by the combination of extensive donor aid, incomes from the international presence and remittances from migrant workers. Despite this, Kosovo governments have failed to meet people's expectations: poverty remains high; living standards are not improving; unemployment has reached staggering figures; and social programmes seem inadequate. Furthermore, there remain many macroeconomic issues with which the government must deal. Economic growth has been solid over the years but, with a current GDP of € 4.2bn, Kosovo continues to be one of the poorest countries in Europe. The trade deficit remains very high, while foreign direct investment is low and remittances are in decline. Meanwhile, people's frustrations with their socio-economic conditions make many of them see migration as a solution for their survival.

1 *This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.*

Employment in Kosovo remains low. With only 25 % of the working age group in employment, Kosovo has the lowest employment rate in Europe. Unemployment remains one of the major challenges that every government has had to face. The level of unemployment has reached the staggering figure of between 39 % and 48 %, depending on the source. The picture with regard to long-term unemployment makes the situation even worse. Six out of seven unemployed people have been unemployed for more than a year. Unemployment among young people is a waste of human capital. Young people make up one-half of Kosovo's population, yet they constitute 72 % of the overall number of unemployed people. Some of them are working in the informal economy, another phenomenon that is undermining economic growth and social welfare.

The government has yet to come up with a concrete strategy on how to create jobs and reduce unemployment. Employment offices and training centres have been established throughout the country, but the total number of registered job seekers over the years shows that only a few have benefited from such services. The public sector remains the highest employment agency, providing employment for more than 70 000 people. The number of registered private firms has constantly increased, but most of them employ fewer than five people. Entrepreneurship has been largely promoted as a means to self-employment, and those who have the courage to create a company face bureaucratic procedures in registering their business and very high interest rates on loans from the banks.

The Labour Law, passed in late 2010, looks good and, in general, it does guarantee workers' rights. It is the duty of the Labour Inspectorate to make sure that the law is implemented. Social dialogue also needs to improve, as the current Economic and Social Council has failed to persuade the government on the minimum wage. Much has changed over the last decade, but more is needed.

## Labour market situation

Data and statistics are of paramount importance to policy-makers. When there are no data available, the examination of problem policy areas becomes a hard task. Accurate data, on the other hand, allow policy experts to come up with more accurate and effective policy recommendations. Available data are particularly essential when examining the unemployment situation of a country. In Kosovo, the issue of high unemployment has been addressed in studies conducted by the government and civil society and international organisations, such as the World Bank. In each study, there is more of a situational analysis than there are concrete recommendations on how to resolve the unemployment phenomenon. The government has, in response to the problems in the country, published its own strategy, which is called *Employment Strategy 2010-2012*.

The lack of census-based and accurate data on the specifics of the Kosovo population has been a major obstacle to researchers and policy-makers dealing with the situation on the labour market. After the thirty years since the previous census of 1981, Kosovo took a census of its population in early 2011. The census was badly organised and did not cover the entire population because it was boycotted by the Serb community living in the northern part of Kosovo. The preliminary results show that Kosovo's population is around 1.8 million. However, most research continues to be based on the

1981 census, which estimated that the resident population of Kosovo was between 1.8 and two million.

Kosovo's population is characterised as a young population. The young men and women of Kosovo represent around 50 % of the population. A young population is indeed a great asset for the new country but, at the same time, it also presents a pressing challenge since jobs are scarce and unemployment is rising.

### *Employment*

Employment in Kosovo remains very low. The economy has been gradually recovering since its major devastation during the war, but Kosovo has exhibited continuously high levels of unemployment. Despite rapid economic growth during 2003-2008, the employment level has remained stable and low. With an employment rate of around 25 %, Kosovo has the lowest employment level in Europe (World Bank, 2010).<sup>2</sup> The population of working age is increasing, while the number of people becoming employed remains very low. In 2006, just 29 % of the population of working age was employed and, in the ensuing years, this number decreased further: in 2007, it dropped to 27 %; and, in 2008, it reached 24 %, a level at which has remained ever since.

These figures not only show that finding a job in Kosovo is a very challenging task: they also indicate that, at a macroeconomic level, Kosovo is far away from the standards of the EU. Kosovo's employment rate of 25 % is significantly lower than the average for EU-27 countries (66 %) and definitely far from the Lisbon target of 70 % for EU countries. Kosovo lags behind EU candidate countries as well as behind neighbouring countries. Statistics for 2009 show that the employment level in Croatia was 57 %, while in Macedonia it was 43 %. Albania (in 2008) had an employment level of 54 %, Serbia had the same rate and Montenegro had an employment rate of 41 %.

Again, informality in Kosovo remains very high and the existence of an informal economy implies that employment is slightly higher than the official records. Nevertheless, comparative statistics show that Kosovo lags far behind EU standards.

### *Unemployment*

Unemployment remains one of the major challenges for the government today. There are different figures with regard to the total pool of unemployment in Kosovo. The World Bank (2010) estimates that the unemployment level stands at 48 %, which identifies Kosovo as having the weakest employment track record in Europe. Figures from the government show a slightly lower level of unemployment: according to the Ministry of Labour and Social Welfare, the unemployment level is between 39 % and 41 %. Either figure might not be particularly accurate because Kosovo's economy is characterised by a large informal sector in which, according to the Ministry of Labour, around 30 % of businesses operate overall.

Another problem associated with unemployment is that many people who are jobless stay idle. In 2008, it was estimated that two-thirds of the jobless are not even looking

2 World Bank (2010a) *Unlocking growth potential: strategies, policies, actions*.

for a job.<sup>3</sup> These are discouraged workers who are out of employment and out of any schooling or training.

### *Youth unemployment*

This is a major problem within the wider problems of unemployment in Kosovo. The issue of youth unemployment has been studied extensively in the last decade. Youth is considered as a temporary phase in the life-cycle, occurring during the ages of 15 to 25, characterised by the transition from school to work. Young people are seen as inexperienced workers, eager to find a job and start a career, whilst being at the same time new workers with a certain lack of determination who may, or may not, stick to their jobs.

Kosovo is characterised by a very young population which, comparatively speaking, means Kosovo has the youngest population in Europe. Around 50 % of the population is younger than 25. This category is among the least employed in Kosovo. According to estimates from the 2009 Labour Force Survey (LFS), young people aged 15-24 make up only 9 % of the overall employed labour force, but 72 % of overall unemployed people.<sup>4</sup> The low percentage in employment could be the result of young people pursuing higher education, but it could also be a result of the difficulties encountered by job seekers in entering the job market for the first time.

Youth unemployment requires special attention, especially as many young people will enter the job market in the next few years. In 2008, the World Bank estimated that around 200 000 young people would reach working age in the following five years, while the number of people reaching retirement would be around 60 000. Youth unemployment in Kosovo is five times higher than in EU countries.

Without any serious plans on the table to address this issue, the government needs to realise that neglecting the high number of unemployed young people may have political, social and economic consequences for the entire country. First of all, it represents a loss of human capital as the lack of work skills, little training, the absence of experience and the low amount of working time decreases an employee's value on the labour market. Unquestionably, it is also a waste of youth potential, since they are not being given a chance to show their strength, enthusiasm and energy. This kind of unproductive youth is additionally a burden on the country's economy due to the lack of income they generate for the state and the inability to push their own children into a good education and career. An unproductive youth is more likely to be a target for recruitment by urban gangs and criminal organisations and, furthermore, an educated and yet unemployed youth cohort could lead towards social unrest. More education means higher frustration for unemployed people. Kosovo's greatest asset – its young population – could be a socially destabilising factor; it could even be considered as a 'ticking time bomb'.

### *Long-term unemployment*

On a definition of 'long-term' as being unemployed for a period longer than one year, long-term unemployment is a common phenomenon in Kosovo. According to the

3 *ibid.* p. 56.

4 Statistical Office of Kosovo (2009) *Labour Force Survey*.

2009 LFS, six out of seven unemployed people in Kosovo, both male and female, have been without a job for more than one year. This phenomenon of long-term unemployment has not changed for years in Kosovo. This implies that it is equally difficult to find a job for a person who loses a job as for a person who is looking for work. In other words, the chances of finding a job in general are slim.

Long-term unemployment usually affects adults, but this phenomenon is also affecting young people. In fact, around 44 % of all unemployed young people in Kosovo could be categorised as long-term unemployed.<sup>5</sup> The youth of Kosovo additionally face a long transition from school to work, since it takes approximately ten years for young males to make the transition from school to work.<sup>6</sup> This is indeed a long period compared, for example, to Macedonia, where it takes four to five years; or compared to developed countries where it takes even less time for young entrants to get a stable job.

Another characteristic of young workers in Kosovo is that they are usually prone to discrimination with regard to their labour rights. Labour relations are regulated by the labour law, but young workers often tend to work more than the allowed working hours; they lack a proper employment contract; they are not entitled to paid leave; and most of them are not registered for social security. A low quality of jobs usually affects young people from poor and vulnerable groups. This is the result of poor enforcement and low awareness of the labour law, as well as of a lack of jobs in the formal sector. A high level of unemployment is the main factor that makes young people accept a job in the informal sector, assuming that the experience of work may contribute to eventually getting a job in the formal sector.

### *Gender imbalance*

This is also present among employed people in Kosovo. It is difficult for people of either sex to find a job, but employment among women is relatively low, and lower than among men. Only 11 % of working-age women are employed (according to the 2009 Labour Force Survey), which is significantly lower than the percentage of men, which stands at 36 %. This is the lowest rate in the region and very far from the Lisbon target for female employment (60 %). This large gender discrepancy is related to different factors, starting with the scarcity of jobs itself, women's level of education, the nature of the jobs available and cultural norms. However, judging from the number of job-seekers, women are as equally interested in finding jobs as men. Out of 336 126 registered job seekers, 162 224 are women, i.e. almost one-half of the total number of job-seekers.

Increasing female employment would have major advantages as it may contribute to poverty reduction, since women in Kosovo make up 49 % of the total population and around 48 % of the working age population.

### *Level of education and location*

These two factors are equally significant as regards the labour market in Kosovo. The unemployment rate among people living in rural areas is higher than it is for people

5 World Bank (2008) *Kosovo youth in jeopardy*.

6 *ibid*.

living in urban areas. In the latter, people would seem to have greater job opportunities, since the employment level of people living in urban areas is 31 %, whereas it is 20 % in rural areas.

The level of educational background also makes a difference in terms of employment opportunities. The employment level of people with lower secondary education or less is only 9 %; a significant difference from those who have tertiary education, which make up 76 % of those in employment.

### *Informal economy*

The informal economy is another widespread phenomenon in Kosovo. Informal working does indeed undermine economic growth and social welfare. However, the informal sector accounts for a significant share of economic activity in Kosovo. A 2007 estimate based on household consumption data indicated that informal activities accounted for between one-quarter and one-third of GDP (Sen and Kirkpatrick, 2009). The informal sector is characterised by a 'grey' and 'illegal' component. The former consists of legal activities that are hidden or not recorded in taxation or regulation, while the latter consists of income generation from illegal activities. A significant number of registered companies are believed to be operating in the 'grey' economy. Many companies do not declare their real number of employees. Despite the existence of the Labour Inspectorate, whose duty is to observe the implementation of the labour law, many private companies do not declare all their employees in order to avoid taxation.

### *Social assistance programmes*

It is clear that not all of these reach all the poor. The World Bank (2010) estimated that 45 % of the population is considered to be poor while 17 % is extremely poor. Nevertheless, social assistance programmes are inadequate. The difficult macro-economic conditions create a challenge in balancing the significant investment needs and social priorities, especially given the restrictive fiscal rule and conservatism. Due to this, many poor people are not protected by forms of public support. Even the existing social assistance programme has, as a result of the tight fiscal space, only a low level of coverage, with over 60 % of the poor not touched by the programme.<sup>7</sup>

In addition, even those who do benefit from it see only a low level of benefit. Consequently, the programme has not resulted in an improvement of the welfare of the population. Social assistance (a monetary transfer of €61 per month per household) is given only to those families who meet strict eligibility criteria (none of the family members is able to work due to age, disability, etc.). War veterans and the families of civilian war invalids also benefit from social assistance expenditure.

The pensions system in Kosovo includes all people over 65, regardless of their previous earnings and contributions history. The basic pension is €45 per month. However, those who can prove at least fifteen years of contributions under the former Yugoslav pension system are entitled to an additional €35.

7 World Bank (2010b) *Kosovo public expenditure review*.

### *Active and passive labour market policies*

Employment in Kosovo today is either in the form of hired labour or in the form of self-employment, while assisting or working in a family business is also a characteristic of many 'employed' people in Kosovo.

Employment policy consists of various forms, mechanisms and instruments that affect labour force supply and demand, either directly or indirectly. Employment policy plays an essential role given Kosovo's shortage of jobs. Typically, employment policy may be divided into two types of policies: active and passive. Active policies apply various forms and mechanisms having a direct impact on labour supply and demand, including as regards both the primary and secondary labour market. The objective of active policies is, first and foremost, to activate employment by preserving existing jobs and, at the same time, to encourage job creation and self-employment in the form of individual entrepreneurship. Passive policies aim at securing a social living standard for unemployed people. Policies in this area seek to prevent unemployment or, at least, to make easier the consequences of remaining jobless. For passive policies to be effective, people must go through various registration regimes and fulfil the conditions for gaining access to the systems established to provide unemployment benefits and welfare support. Keeping evidence of job-seeking activity also increases people's opportunities for earlier employment.

### *Current employment situation in Kosovo*

Employment policy can help to improve employment opportunities, or at least facilitate the transition for job-seekers. Active policies from the government can help society by narrowing the gap between supply and demand as well as assisting with the re-integration of specific groups, especially those less well-represented on the job market. Active policies, in other words, aim at the preservation of existing jobs and, at the same time, encourage job-creation. Job creation is possible in the public sector through government programmes; in the private sector through foreign and domestic companies and through self-employment and entrepreneurship. In the following sections, we provide a general picture of employment in both sectors, public and private.

### *Public sector*

The public sector is one of the largest employment agencies in Kosovo. In 2010, a total of 70 326<sup>8</sup> people (38 % of whom are women) were employed in the public sector. Only 28 915 of these were employed in central institutions, while the remainder were dispersed across local government. In the education sector alone, there are more than 30 000 employees. The civil service in Kosovo also employs a significant number of people; this is where, at present, around 24 000 civil servants are employed. The average salary in the public sector is €371.

8 Ministry of Public Administration (2011) *Quarterly Bulletin of General Statistics* July.

### *Private sector*

The private sector in Kosovo is dominated by small firms and is mostly oriented towards retail and low-income services. According to the Business Registration Agency, there are currently 106 555 firms registered in Kosovo, although not all of them are active; the Tax Administration of Kosovo reports that fewer than 70 000 fiscal numbers have been issued to operating businesses. Due to the high level of the informal economy, it is hard to know exactly how many people work in the private sector. One way to have an estimated guess is to look at the number of contributors to the Kosovo pensions saving fund, known as Trust.

Trust is an institution that manages the obligatory pensions savings for all employees in Kosovo, both from the public and the private sector. In 2010, the total number of pensions contributors in Trust was 234 729.<sup>9</sup> Due to the high level of informality, we cannot say that this number represents the real number of employees in Kosovo. It is worth mentioning, however, that there is a positive trend in the sense that the number of contributors is increasing every year. This is a result either of their becoming employed or otherwise because they have decided to declare themselves for the first time in the formal economy. In 2010, there were 23 782 new contributors who did not exist in a previous Trust register. If all employees in the public sector (70 326) were, at the same time, contributors to Trust, this means that the remaining 164 362 contributors were employed in the private sector.

The foreign banks that operate in Kosovo have been a good source of employment, especially for fresh graduates. In 2010, all the banks together employed some 3 796 employees.<sup>10</sup> *Bechtel-Enka* employed around 2 600 local workers in building the national highway. A significant number of people have found jobs in the major public enterprises. Kosovo Post and Telecommunications (PTK) has more than 2 500 employees and the Kosovo Energy Corporation (KEK) employs around 8 000 people. Both enterprises are, however, on the list of the government's priorities for privatisation, which will, most probably, entail a loss of jobs.

Most of the registered firms in Kosovo are micro enterprises and most of these employ fewer than five people. Half of them are engaged in trade, hotels and restaurants and only 2 % are engaged in agriculture, despite this sector being a very important field that could generate jobs. In the last decade, private firms have faced many problems with shortages in the energy supply, although this has recently improved considerably.

### *Entrepreneurialism*

This is a new concept that has been promoted intensively in recent years, especially from foreign donor agencies like USAID. A form of self-employment, entrepreneurship has been greatly encouraged by USAID programmes, which have helped train many young people on how to start a business or expand an existing one.

Creating a business in Kosovo is not that easy. Bureaucratic and financial problems are two discouraging factors. The pace of starting a business in Kosovo is very slow,

9 Trust (2010) *Annual Report*.

10 GAP Institute (2010) *Regulating employment in Kosovo*.



leaving the country far behind OECD countries. Kosovo ranks 164<sup>th</sup> in terms of starting a business. On average, it takes 52 days to launch a business in Kosovo, while in OECD countries it takes approximately 13 days. In other words, it takes around seven weeks to start a business in Kosovo, plus costs and meeting the minimum capital requirement, which are substantial. In comparison, starting a business in Macedonia takes fewer than four days, while no minimum capital is required.<sup>11</sup> This not only discourages the growth of firms, but it also makes many firms operate in the informal sector.

In addition, small and new firms, especially those in rural areas, have difficulties in getting loans. Banks do provide business loans, but only at a high interest rate of somewhere between 15 % and 24 %. This is unbearable for many businesses and very discouraging. Better interest rates could generate more new businesses as well as allow existing ones to expand their activities and the number of people they employ.

Assisting in family businesses is also very common in Kosovo. This may not constitute regular employment, but it does help many unemployed people gain some job skills. This is most usually manifest during summer, when people find seasonal jobs especially in construction and agribusiness.

### *Registration of job seekers and training*

In 2001, the Ministry of Labour established a service for keeping track of job-seekers. The Public Employment Service has a network of employment institutions and training centres whose function it is to keep records of job-seekers; provide information about the job market; and provide training and career consultancy. There are 206 employees who work in seven regional employment centres, a total of 23 offices throughout Kosovo municipalities and eight centres of professional preparation.<sup>12</sup> By the end of July 2011, there were 336 126 job-seekers registered in all of the employment offices in Kosovo. Almost one-half of them are women. The number of job-seekers has not changed much since January 2008, when the number of registered job-seekers was 335 732.

A general perception is that registering in Public Employment Service offices does not guarantee you a job and, indeed, the Public Employment Service does need some organisational reforms. The Service does not have a credible system of information as regards labour market developments which, very often, makes its career advice irrelevant.

It is worth mentioning that, in each year since 2009, the Ministry of Labour, in association with the Kosovo Business Alliance, has organised employment fairs in Kosovo's major municipalities. At this event, firms, both local and international, are invited to present their business and hire a number of people. At the same time, job-seekers are invited to apply. In 2011, out of 6 836 applications that were filed, only 969 people were hired. Most of these were hired in the agribusiness sector, construction and IT. In 2009, 530 people had been hired via the Employment Fair, whereas in 2010, the number increased to 780.

11 World Bank (2010a) *op. cit.*

12 Kosovo Government *Employment strategy, 2010-2012.*

One particular thing worth mentioning is that, in 2011, companies promised an even greater number of jobs but they could not find sufficient skilled candidates. It is indeed worrying that, despite a large number of applicants, most lack proper training or job skills.

### Migration and remittances as country specifics

For decades, migration has been an option for the political and economic survival of many Kosovars. After 1999, emigration has been the case mainly for economic reasons: either for sustaining families or in search of a better life. The World Bank estimates that Kosovo is among the countries with the greatest levels of migration in Europe (and in the world).<sup>13</sup> It is estimated that around 400 000 Kosovars live abroad: that is, one-quarter of Kosovo's 1.8 million population. One in every four households in Kosovo has at least one family member living outside Kosovo, with Germany and Switzerland being the main destinations.

The expectation as regards future migration is that it will remain high. About 3.5 % of the working population, i.e. those aged 15 years and older, report that they are likely to migrate during the next twelve months (World Bank, 2010a). In 2007 alone, 11 000 migrants left Kosovo. Despite the staggering figures, Kosovo as yet has no policy to deal with the migration issue which, in other words, could be considered as a massive brain drain. In 2011, however, the Kosovo government established a Ministry of the Diaspora, whose aim is to address the problems and issues of the Kosovo community living abroad.

The number of Kosovar asylum seekers, on the other hand, has reached staggering figures. Kosovars are currently the fifth largest group of asylum seekers in the EU, with more than 14 000 requests in 2009 (only Afghanistan, Russia, Somalia and Iraq had more).<sup>14</sup> This situation is in the interests neither of EU governments nor that of Kosovo, especially now that Kosovo is asking EU governments to abolish visa requirements as regards Kosovo. Kosovo is the only country in south-east Europe that has been denied visa liberalisation. However, the Kosovo government has signed several re-admission agreements with EU member states and even adopted a Law on Re-admission in 2010. This obliges Kosovo to take back its citizens found to be residing illegally in an EU country. From Germany alone, 21 852 persons were forcefully repatriated between 1999 and mid-2009 (in addition to 92 240 voluntary returnees).<sup>15</sup>

Nevertheless, migration continues to be an important aspect of Kosovo's economic reality. Kosovo migrants have played a significant role in the country's economic growth as well as in its poverty reduction strategy. In this area, Kosovo has received large sums of remittances, which make up one of the largest external sources of financing for Kosovo. In 2009, remittances made up 12.9 % of GDP although, in 2006-2007, this had been even higher, at 15 %.<sup>16</sup> The World Bank also reports that

13 World Bank (2010a) *op. cit.*

14 European Stability Initiative (2010) *Isolation confirmed: how the EU is undermining its interests in Kosovo.*

15 *ibid.*

16 World Bank (2010a) *op. cit.*

Kosovo is the 3<sup>rd</sup> highest recipient of remittances in the western Balkans (after Bosnia and Herzegovina and Serbia) and, according to a 2004 survey, eleventh in the world, with a 13.6 % share of GDP. A great proportion of remittances comes from Kosovo workers in Afghanistan and Iraq. It is believed that around 1 000 Kosovars are working in Afghanistan and the remittances from Afghanistan are believed to reach around €60m annually.

Families with emigrants abroad have a higher level of consumption and are estimated to be less poor. Without migration (remittances), poverty would be higher and more widespread, especially in rural areas.

### Conclusions

None of the governments in Kosovo's new history has been able to deal with the high level of unemployment. So far, no government employment strategy has proven to be successful. Unemployment, especially among young people, remains one of the greatest challenges to policy-makers. Comparative statistics rank Kosovo at the bottom of the employment list in Europe. With its employment rate of 25 %, Kosovo is behind its neighbours and is also far from the European Employment Strategy, an inseparable part of the EUROPE 2020 Strategy, of achieving a 75 % employment rate among people aged between the ages of 20 and 64. With its current pace of economic growth, this is unlikely to be achieved.

Unemployment in Kosovo is also characterised by long-term unemployment. Around 30 000 people join the labour market every year, while the number of those who reach retirement age is much lower. This is mainly due to Kosovo's young population. The transition from school to work is very long, while the time in between is wasted time since most unemployed people remain idle. In general, finding a job is challenging since there are only a few programmes that would enable mass re-employment, such as the construction of the national highway.

The level of poverty remains high, while living standards are not improving as expected and the poor socio-economic conditions have made many people search for a better life via migration. One-quarter of Kosovo's population lives outside Kosovo's borders and many more are willing to migrate. Kosovo's emigrants, however, have turned out to be a great contributor to the overall income of the country. Remittances from migrants make up 15 % of GDP, although this is a trend that has been slowly declining.

Investment in education, although it is among the most expensive of government programmes, is lower compared to public investment in education in other countries. Both public and private education exist. In public education alone, there are nearly half a million students. University programmes have, nevertheless, not been very successful in equipping students with the necessary skills for the job market. This makes the task of finding jobs for recent graduates even more difficult.

The staggering figures for unemployment in Kosovo, ultimately, show the need for better active employment policy from the government.

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