

Kosovo: new country, old problems

Abstract

Poverty in Kosovo is persistent and widespread: nearly half the population is estimated to live below the poverty line. Economic growth has been solid since the end of the war, but foreign assistance and remittances are declining while exports and foreign investment are not much improved. Kosovo remains one of the poorest countries in Europe: living standards are not improving; social assistance programmes seem to be inadequate; and exports are still facing legal problems with neighbouring countries. The number of people entering the job market is increasing but job opportunities remain low and the inadequate training and skills of job seekers add to long-term unemployment. The level of participation in compulsory education is not bad, but the quality of education is poor. In order to ensure equity and efficiency in social policy, economic growth should see a decrease in the poverty level while reducing unemployment implies the creation of new jobs. However, this requires better governance, improved infrastructure, foreign investors and encouragement for entrepreneurship and agriculture as well as investment in education.

Keywords: poverty, unemployment, social welfare programmes, migration, remittances, employment protection, labour law reform, skills, tertiary education, education reform

Introduction

Kosovo is the newest state in south-eastern Europe and the smallest in terms of territory. Kosovo shares its borders with Serbia, Macedonia, Albania and Montenegro. The last census in Kosovo was conducted in 1981. Hence, there is no single source that provides an accurate count of the population, but it is estimated to be about 2 million, of which the rural share is about 65 % and the urban share about 35 %. The capital city is Prishtina, with roughly 500 000 inhabitants.

Political developments in the last two decades are linked to today's poor social and economic situation in Kosovo. Part of Yugoslavia since 1919, Kosovo was given the status of Autonomous Province of Yugoslavia in 1974. Until 1989, when Slobodan Milošević stripped Kosovo of that autonomy, Kosovo enjoyed almost the same rights as the other six socialist republics that made up the Federation of Yugoslavia. Losing its autonomy had severe social and economic consequences for Kosovo. Unemployment among Kosovo Albanians mounted, a large number of ethnic Albanians working in socially-owned enterprises were expelled, students were no longer allowed to study in the Albanian language and ordinary people faced harassment by the Serbian authorities. A large number of people saw migration as an option for survival, economically as well as socially.

The 1998-1999 war resulted in many human victims and much property loss. The number of Kosovo Albanian victims was more than 8 700 dead and over 3 500 people declared missing.¹ In terms of property damage, it was estimated that around 120 000 houses were partially or totally destroyed throughout Kosovo.² From 1999 till 2008, Kosovo was a UN protectorate, under the official administration of the United Nations Mission in Kosovo (UNMIK). After the first national election of 2001, UNMIK helped in the creation of the Provisional Institutions of Self-Government (PISG). Gradually, the governing power was transferred from UNMIK to local institutions.

The Declaration of Independence in 2008 marked a new beginning of political history. The new state of Kosovo has so far been recognised by seventy countries, including 22 EU countries. Becoming a member of both the World Bank and the International Monetary Fund in 2009 was, perhaps, the best achievement of the new country. On the other hand, the high level of poverty, huge unemployment rates and slow economic growth are among the most pressing challenges that its people face every day. With such problems, EU integration, for the time being, remains but a dream.

The case for a trade-off in social policy

Around 45 % of Kosovo's population is considered poor. Slow growth, low incomes and tight expenditure constraints are among the factors that lead to such a large poverty rate. Living standards in Kosovo have stagnated, and little improvement is in sight. The World Bank (2010) estimates that 17 % of the population is considered to be extremely poor; these are individuals who have difficulty meeting their basic nutritional needs. One of the least capable countries in Europe of providing employment opportunities, Kosovo's unemployment rate has reached 48 %, while the employment rate continues to be extremely low (26 %). In August 2010, there were 335 347 job seekers officially registered with the Department of Labour and Employment.³

Compared to other neighbouring countries, poverty rates are very high. Other countries in southern Europe may have been growing faster, but Kosovo's economic growth in the past decade has been solid. With a *per capita* gross domestic product (GDP) of €1 760, the country remains one of the poorest in Europe.⁴ The employment rate stands at 26 %, but this does not mean that all those who are employed are free from poverty. In fact, around 70 % of the poor are either employed or inactive. Urban poverty has declined, but most of the poor (some two-thirds) live in rural areas.

1 IKS (2007) *Post war reconstruction – country description*.

2 *ibid.*

3 Ministry of Labour and Social Welfare (2010) *Data on Labour Market in Kosovo* August.

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

Table 1 – Real GDP growth

	Growth according to Ministry of Economy and Finance	Growth according to IMF
2009	4.4	3.8
2010	4.8	4.6
2011	6.1	5.9
2012	5.8	n/a
2013	4.9	n/a

Source: MEF and IMF

Table 2 – GDP in Balkan countries

	2005	2006	2007	2008	2009	GDP/capita (\$)
Albania	5.5	5.0	6.0	6.5	2.2	4 016
Bosnia and Herzegovina	5.0	6.2	6.8	5.4	-3.4	4 907
Croatia	4.2	4.7	5.5	2.4	-5.8	15 637
Republic of Macedonia	4.1	4.0	5.9	4.8	-0.7	4 650
Kosovo	3.8	3.9	5.0	5.4	4.0	2 618
Montenegro	n/a	8.6	10.3	6.9	-7.0	7 925
Serbia	n/a	5.2	6.9	5.5	-2.9	6 713

Source: World Bank

Living standards have not improved because neither have the macroeconomic conditions improved. The rapid economic growth in the post-conflict period, which saw a large influx of resources for reconstruction, began to slow down. The World Bank estimates that this is because industrial output has not yet recovered and because agriculture, which contributes a large share of GDP, remains a low-productivity activity. Agriculture, which provides a livelihood for the majority of the population, today faces high input costs and a poor infrastructure. Agricultural activity could be further developed by strengthening property rights, complementing the privatisation process and providing more active support to farmers. All of these activities are, however, currently developing very slowly.

On the other hand, social assistance programmes are inadequate. The difficult macroeconomic conditions create a challenge to the balancing of the huge investment

needs and social priorities, especially given a restrictive fiscal approach and conservatism. In this climate, many poor people do not benefit from public support.

Even the social assistance programme which does exist has low coverage due to the tight fiscal space; hence, over 60 % of the poor are not reached by this programme.⁵ Besides, even those who do benefit from it receive insufficient benefits. As such, the programme has not resulted in an improvement in the welfare of the population. Social assistance (a monetary transfer of €61 per month per household) is given only to those families meeting strict eligibility criteria (none of the family members is able to work due to age, disability, etc), although war veterans and families of civilian war invalids also benefit from social assistance spending.

The pensions system in Kosovo includes all people over the age of 65, regardless of previous earnings and contribution 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. Nevertheless, this group of people has often expressed its dissatisfaction with the low pension, which does not award people's working contributions and is not sufficient even to cover medical expenses.

Only 15 % of the population receives social assistance benefits, targeted at the poorest groups, but a significant part of the population benefits from remittances. Indeed, migration and remittances have been an effective mechanism for reducing poverty in Kosovo. Nearly one-quarter of Kosovars, around 400 000 people, have migrated abroad. The World Bank shows that one in four Kosovars report having at least one household member who is a migrant abroad.⁶ The same proportion report having received remittances from abroad. It is also reported that those with emigrants abroad have a higher level of consumption and are estimated to be less poor. Without migration (and remittances), poverty would be higher and more widespread, especially in rural areas. The World Bank also highlights that Kosovo is the third highest recipient of remittances in the western Balkans (after Bosnia and Herzegovina and Serbia) while, according to a 2004 survey, it is eleventh in the world, with remittances taking up a 13.6 % share of GDP.

So far, migration has proven vital to reducing poverty in the country. Its impact is immediate. However, the level of remittances has started to decline. In 2009, remittances were about €500m, 8 % lower than the previous year.⁷ One reason for the decline could be due to the global financial crises. Besides, the flow of migration has been slowing down since the traditional receiving countries have changed their policies on migration, making it harder to cross their borders. Remittances have aided in reducing poverty by helping individual families (they have mostly been private transfers); they have not been used to finance public investment in infrastructure, social services or job-creating mechanisms.

The slow growth of Kosovo's economy, associated with a high level of unemployment and poverty, has attracted the attention of international organisations, such as the

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

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

7 *ibid.*

World Bank, seeking to conduct intensive research in the pursuit of better policies. To improve living standards and make progress towards European integration, the World Bank has suggested strategies through which welfare gains can be made. The first priority is to generate high and sustainable growth. The World Bank considers that, if GDP grows by 5 % in the next five years, that would lead to a 38 % reduction in poverty. This is achievable, since many countries around the world with living conditions similar to Kosovo's have succeeded in reducing poverty on a massive scale when they have been able to generate high and inclusive growth. Albania, for instance, with a 6 % growth rate per year between 2002 and 2005, managed to reduce the percentage in poverty from 25 % in 2002 to about 18.5 % in 2005.⁸

Poverty reduction through growth can, inevitably, only be achieved as a consequence of strategies that lead to high employment-generating growth. It is estimated that a 10 % reduction in prevailing unemployment in the population is associated with a six percentage point reduction in poverty. The most important sectors in Kosovo that could generate employment include transport and communications infrastructure, construction and services. An improved investment climate for small and medium enterprises would also be beneficial.

Perhaps one of the main pillars for growth could be exports. Three production factors – labour, land and energy – are currently not being greatly utilised. Kosovo's products have free market access to the European Union and Central European Free Trade Agreement (CEFTA) countries, despite the political barriers blocking Kosovo's exports. However, taking goods outside its borders has become a major challenge for Kosovo exporters. Trucks with Kosovo licence plates can only enter Albania, Macedonia and Montenegro, while the customs stamp of Kosovo's Custom Authority is not recognised by Bosnia and Herzegovina, Serbia and Montenegro.⁹

With regard to equity versus efficiency, one may assume that economic growth is likely to be the best strategy to reduce the high level of poverty in the country. Indeed, the high percentage of the poor, the majority of whom live in rural areas, requires greater attention as well as a change of government and capital investment priorities. Rural provinces need better education opportunities, an improved infrastructure and subsidies to farmers to encourage agriculture. In rural areas there is, furthermore, a need to increase the quantity of investments, while the social assistance programme requires improvement in terms of quality. There are only a small number of people benefiting from it, and even they cannot meet even their most basic needs. This, too, requires a review of the spending of the national budget, especially with regard to the money spent on roads construction, which will cost €980m,¹⁰ more than one-half of the 2010 budget of €1.47bn.

In Kosovo, there is clearly a connection between poverty reduction, employment opportunities and remittances. The former cannot improve without there being improvements in the latter two. Hence, in the next section we will elaborate on the trade-off in employment policy.

8 World Bank (2007) *Kosovo Poverty Assessment*.

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

10 World Bank (2010b) *op. cit.*

The case for a trade-off in employment policy

The employment level in Kosovo is very low compared to that of neighbouring countries and those in the EU. In 2009, the employment rate in Kosovo was 26.1 %, which is quite a bit lower than Albania's 53.8 % (2008); Montenegro's 41.3 %; Serbia's 53.7 % (2008); and Bosnia and Herzegovina's 33.1 %.¹¹ On a wider scale, the employment level in Kosovo is very low when compared in particular to the 27 EU states – 64.6 %. Kosovo has the highest unemployment level in Europe and the greatest demand for job opportunities. Additionally, Kosovo has the youngest population in Europe: around 70 % of the population is younger than 30 and around 50 % is younger than 25.¹² That means that Kosovo has a workforce which, demographically speaking, is unrivalled. The World Bank predicts that the number of the workforce will continue to rise. In the next five years, roughly 200 000 people will reach working age, while the number of people reaching retirement age will be approximately 60 000.¹³ Youth unemployment is a problem in itself. This category of people accounts for 40 % of the pool of unemployed in Kosovo.

Even those who are employed are not protected properly, since employment protection regulations continue to be weak in Kosovo. Employment and labour relationships in Kosovo have, since 2001, been regulated by UNMIK Regulation 2001/27, named the Essential Labour Law, although the law is far from having been completed. This regulation prohibits discrimination at work; describes the minimum work age; prohibits forced labour; guarantees the right to labour union organisation, or other forms of collective organisation and agreement; defines labour relationships, employment contracts and the form of contracts; specifies rules on terminations of contracts; establishes methods of payment; limits working hours and sets down periods of annual leave and official holidays; specifies maternity leave, sick leave, unpaid leave or other cases of family leave; and outlines systems of inspections by authorities and fines where the employer has not followed the regulations.¹⁴

This regulation was approved in October 2001, before the provisional institutions of self-government (PISG) were established. After the establishment of PISG, the government and the Assembly tried to pass a more advanced labour law, but failed. Among the justifications for not doing so were the high financial costs of the law, the country's undeveloped economy, the lack of foreign investment, pressure from the IMF, etc. On 30 April 2010, however, the government of Kosovo passed a Draft Law on Labour. This was the third time, the others being in 2006 and 2008, that the government had passed a draft law, each time with some changes in the content. Currently, the Assembly is considering its final approval before the law will be consolidated with the first labour

- 11 Statistical Office of Kosovo (2010) *Statistikat Sociale: rezultatet e anketes se fuqise punetore 2009*.
- 12 GAP Institute (2008) *A review of private higher education in Kosovo*.
- 13 World Bank (2008) *Kosovo youth in jeopardy – being young, unemployed and poor in Kosovo*.
- 14 GAP Institute (2010) *Regulating employment in Kosovo – Labour law and its implementation*.

law passed by the Kosovo Institutions. Even if passed, the law was not intended to enter into force until January 2011.¹⁵

The government's draft, even if it is passed by the Assembly in its original form, without taking into consideration the criticisms and suggestions of civil society, will have major discrepancies: the current draft has major problems that relate to employment protection. First, it maintains that the employment contract may be in written or oral form. Oral contracts are not good practice since they allow ambiguity in cases of disputes between the two parties involved, and also leave room for abuses since they do not specify the type of work, working hours, working conditions, basic salary and other specific information found in written contracts. Second, maternity leave is set at twelve weeks of paid leave, including a period of six weeks compulsory leave from the day of childbirth. This period is very short, since twelve weeks does not even amount to three months, just two months and 23 days (i.e. 84 days leave). According to this draft article, an employee who gives birth needs to return to work in less than two months after delivery. This time-frame is medically contestable.

Other problems with the draft include: one article envisages a trial period of no longer than six months in which the termination of a work relationship can be carried out with prior notification of two days; overtime working is allowed, up to a maximum of eight hours at the request of the employer; and the employee is entitled to a daily break of only thirty minutes.

Even if the draft is passed and Kosovo finally obtains its own law regulating the employer and employee relationship, there is likely to be problems with the implementation of this law. One issue is the incapacity of the Labour Inspectorate. The Labour Inspectorate is a body within the Ministry of Labour which is responsible for supervising the application of the labour law in the field. This institution lacks human capital and institutional resources: there are only 49 inspectors operating throughout Kosovo responsible for inspecting the 99 647 businesses registered with the Agency for the Registration of Businesses in Kosovo. The Labour Inspectorate must inspect every business at least once a year so, on average, each inspector must inspect 2 033 businesses per year, which is practically impossible. Besides, the Labour Inspectorate faces technical problems; it has only ten cars available and lacks proper offices, computers, telecommunications devices, transportation, etc. These problems undermine the authority of this institution as the implementing authority of the Law on Labour.

Employment protection legislation, especially the set of rules governing the hiring and firing process, has yet to improve in Kosovo. With regard to hiring and firing procedures, Kosovo is not in a bad position as regards international rankings; it stands in 34th place. This is obviously much better compared to the overall ranking of 'most preferred countries to do business in', where Kosovo is ranked in 113th place.¹⁶ Criteria for such rankings include: minimum salary; working hours; employer obligations; collective dismissals; etc. It is hard to assess difficulty of dismissal, which shows whether

- 15 Editor's Note: The Law on Labour (2010/03-L-212) was indeed approved by the Assembly, on 2 November 2010, and promulgated by presidential decree on 18 November 2010. The comments in the next few paragraphs, however, refer only to the draft before the Assembly.
- 16 According to: .

a dismissal is 'justified' or 'fair', because there is no competent court in Kosovo to resolve employment disputes. Indeed, the lack of competent courts is a major problem related to the employment protection legislation. The Kosovo courts are overloaded with case files. Currently, there are 217 758 cases still to be resolved by the courts, 93.7 % of which belong to the municipal courts.¹⁷ Kosovo needs labour courts that will deal specifically with labour disputes, as are found in some OECD countries, including Germany, Finland, France, Italy, etc.¹⁸

The process for starting a business in Kosovo is very slow, leaving the country far behind OECD countries. Kosovo ranks 164th in terms of starting a business. On average, it takes 52 days to launch a business in Kosovo whereas in OECD countries it takes approximately thirteen days. In other words, it takes around seven weeks, plus costs and minimum capital which are substantial requirements. In comparison, starting a business in Macedonia takes less than four days and no minimum capital is required.¹⁹

This not only discourages the growth of firms, but also makes many firms operate in the informal sector. Thus, the private sector appears weak and unstable, while the public sector remains the largest employer in Kosovo, with 70 159 people employed.²⁰

Neither does Kosovo have a good ranking when it comes to protecting investors, as it is ranked at 172nd.²¹ This is not entirely due to a lack of investment opportunities, but rather to Kosovo's image being perceived negatively by foreign investors. Hence, improving Kosovo's image is quite essential. A World Bank survey²² on foreign investors shows that foreign investors have more or less the same concerns about Kosovo's investment climate as domestic firms. There is a perception among them that public administration is inefficient; there are complex regulations with regard to starting a business; and there is a fear of widespread corruption. The same perception is not shared by foreign firms already in Kosovo, who have a much more positive view of Kosovo's investment opportunities. However, foreign direct investment (FDI) has been declining in Kosovo. It is estimated that, in 2009, FDI dropped by 20.4 %, a trend which is continuing.

Long-term unemployment is yet another negative reality in Kosovo. Finding a job may take a long time, especially when the job seeker lacks experience or proper skills. The unemployment period is often defined as the period since one has lost his/her last job or has started looking for a job. According to the Kosovo Statistical Office in 2009, six out of seven unemployed people in Kosovo, male and female, have been unemployed for more than one year. This situation has not changed since 2004, which supports our conclusion that finding a job in Kosovo presents a real challenge.

17 GAP Institute (2010) *op. cit.*

18 OECD (2004) *Employment protection regulation and labour market performance.*

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

20 GAP Institute (2010) *op. cit.*

21 According to: .

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

With regard to the trade-off between equity and efficiency, much improvement is required in effective labour regulation. A more efficient labour law would improve labour relationships and guarantee better protection and more benefits for employees. The high level of unemployment in this country suggests that jobs are scarce and long-term unemployment is present. The problem is not only with the inefficient distribution of jobs, but also with the creation of job opportunities. The lack of foreign investment should be dealt with by improving the climate for investment. That requires improved governance and improvements being made to the country's image. Much should also be done towards increasing Kosovo's exports, since Kosovan exporters have suffered due to political disputes and customs disagreements with neighbouring countries. Lastly, the government needs to come up with special training programmes for the large number of job seekers who lack training skills and educational preparation.

Encouraging entrepreneurship is, at the same time, yet another good way to reduce unemployment. This, too, requires a good education which is why in the following section we direct our attention to the trade-off in the education sphere.

The case for a trade-off in education

Poverty reduction and growth require not only specific programmes for improving employability but also a well-educated, adaptable and healthy workforce. In Kosovo, access to primary and secondary education is quite satisfactory. Almost nine in ten children of primary education age, and about three in four children of secondary education age, are enrolled in school.²³ However, despite the high levels of enrolment, there are obstacles that are preventing the establishment of a well-educated population. First, there are differences in terms of enrolment between poorest and richest, as well as between urban and rural families. Second, the enrolment of girls in secondary education continues to be at least 20 % lower than that of boys. And the third reason is that the quality of schooling is generally poor, which is why drop-out rates are high.

Education is linked to one's employment opportunity. The Department of Labour and Employment shows that, out of 335 348 registered job seekers, 201 281 are unskilled while just 3 345 have a university degree. The employability of less well-educated people is very uncertain: statistics show that 64 % of less-skilled people will most likely remain unemployed.²⁴ Besides the lack of university qualifications, most of the unemployed, especially among young people, lack special training or job experience. The number of first-time job seekers is very high, especially among those aged 15-24. The 2009 statistics show that the majority of job seekers registered with the Labour Department have never worked before: 79 % of males and 87 % of females. The Ministry of Labour, on the other hand, does not provide any programmes of professional training.²⁵

The level of skill attainment of the population is another important factor in determining labour market performance. Demand for higher skills is increasing and many firms often find it difficult to find people with appropriate skills. The quality of tertiary

23 World Bank (2007) *op. cit.*

24 Statistical Office of Kosovo (2010) *op. cit.*

25 The Ministry's website does contain a section for professional training, but it is blank.

education among the population is far from satisfactory and it is estimated that only one out of every twelve Kosovars holds a tertiary degree.²⁶

The University of Pristina, the largest public university in Kosovo, had in the 2009/10 academic year 37 646 bachelor students and 3 532 masters students, together making 41 178 students.²⁷ This makes this institution the largest university in country, producing the largest number of graduates every year. Even so, the number of its recent graduates who find jobs is very small. One of the reasons for this is poor preparation for the job market. Studies show that there are certain problems with this university: it has failed to adopt modern teaching and evaluation methods; practical work or internships are not obligatory and the majority of students have never completed an internship during their studies; and proper text-books are either missing or not updated.²⁸ In contrast, there are around 19 000 students²⁹ enrolled in private colleges and universities. Private providers of higher education, which number eighteen accredited private colleges and high schools, tend to provide better preparation for the job market in the sense that they provide more attractive programmes that are more responsive to the demands of the job market. However, the general reputation of such private providers is low, making it very hard for their students to convince employers of the value of their qualifications. Perhaps the only exception is the American University in Kosovo, which provides higher teaching standards and whose graduating students are more likely to find jobs.

The lack of data makes it hard to make a proper assessment of equity versus efficiency when it comes to education. We have a rough number of the overall number of students in Kosovo, but it is hard to estimate how many of them manage to find a job after graduation. There is a general assumption among employers that graduate students lack professional training since the education system, especially in the largest public university, has been largely theoretical in the last few decades. Students of the University of Pristina have traditionally spent years memorising data and theories but are weak at implementing their knowledge in practice. The lack of training and skills is still a problem which undermines graduates' opportunities in finding jobs. Hence, job seekers with a degree obtained abroad or in private universities have some advantage.

In general, reforms are necessary as regards teaching methods at all levels of education. The active participation of students, the modernisation of education and more responsible public and private universities could help in creating a knowledge-based society and, hence, improve the social welfare of the country.

Conclusions

In every country there are links between social policy, the labour market and education. In Kosovo, these are even more connected.

Today, Kosovo can be characterised by slow economic growth, a high poverty rate, a poor standard of living and an unproductive tertiary provision. Above all, the high

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

27 Data obtained by GAP Institute from the University of Pristina.

28 BIRN (2009) *Situation and problems at the University of Pristina.*

29 GAP Institute (2008) *A review of private higher education in Kosovo.*

unemployment rate is worrying. Finding a job in Kosovo is more than a challenge, especially for less-educated and less-skilled job seekers. The number of university students is high and increasing, but only a small number of them manage to find jobs. Education standards need improvement, modernisation and more commitment from the government.

Being a country composed of different ethnic groups, Kosovo has been successful in retaining social harmony. The threat, however, comes from the socio-economic situation in which the country currently finds itself. The high unemployment level is a ‘ticking-time bomb’, posing a permanent threat to social instability. Creating jobs is a major challenge that needs an immediate solution. The government must share some of the responsibility for the current situation: it is the government’s responsibility to improve the country’s image and attract foreign investors. A precondition to that is in fighting corruption, improving employment protection regulation and easing business start-up regulations. Exporting Kosovo’s products is of paramount importance in order to boost domestic production. The lack of export opportunities discourages Kosovo farmers, especially in the horticulture sector which needs a wider market. This year’s protest of grape farmers, who had no adequate market in which to sell tonnes of grapes, should be a lesson that particular institutions need to engage more in cross-border co-operation.

Better policies are also required in improving social assistance since the dissatisfaction of those benefiting from social assistance is increasing. To do this, a more careful revision of capital investment is needed.

In short, generating economic growth, improving social policies and providing a better education are the most pressing challenges which must be addressed. These are not only necessary to create a better social welfare; they are also some of the cardinal requirements for European Union integration. The European Union Progress Report for Kosovo seems not to show improvement at all, while the visa liberalisation process has not yet started, making Kosovo the most isolated country in south-east Europe.

Kosovo might be a new country, but it is facing many ‘old’ problems.

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