UNEMPLOYMENT IN RELATION OF GROWTH POPULATION

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Abstract

The fact that employment is one of the immediate concerns for Kosovo, in the last years the creation of new jobs in the public and private sector has been at low levels as in other countries of Eastern Europe. So the Government of the country should improve employment. In general employment is a complex challenge so the creation of new jobs is a multi-sector phenomenon that includes macroeconomic policies, fair business policies, education policies, social policies etc. Through this paper we tried to present a real situation in Kosovo regarding to labor issues, employment, and unemployment and we handle policies that are related to the labor market developments. Through tabular forms we will present differences that are desperate where the most affected by unemployment are mostly young people. Urban and rural unemployment is increasing; particularly its level is alarming to the younger generation and this is a serious threat to a social and barrier development. Based on the demographic data until 2012 we see that the country is being increased year by year. The same data show that over 60% of the population in Kosovo are the working age, therefore it is necessary an immediate intervention of governmental power through its arteries to alleviate the current situation because with the addition of population is increasing unemployment, an issue which must always stand inversely in relation with each other.

Key word

Employment, Unemployment, population growth

1.1. The definition of problem

By the end of 1980s, Kosovo industry had begun to take quick steps in rise and economic development and impact on the workforce with the right degree of professionalism. This was also the period when the Kosovo industry tended to increase participation of industry in GDP in Kosovo, so in the late 1980s industry accounted about 45% of domestic product of Kosovo¹. However during the 1990’s there was a deindustrialization reverse process of Kosovo with discriminatory policies, so the involvement of industry in GDP in 2000 remained only about 15%. Kosovo labor market after 1990s has been characterized by low levels of employment, characteristic of countries in transition. Reduction of employment level in 1990s comes as a result of discriminatory policies. From this period until the present day, Kosovo industry is not recovered to play the role that should be played in the economic development that is affected by the direct employment. Unfortunately the deindustrialization process is not exceeded even after 1999 due to reluctance to initiate privatization process for several years after the war. Such reluctance has further contributed to the deepening of unemployment by not opening new working places. Thus delays in the process have created new difficulties for Kosovo.

A grave situation has already been inherited from the pre-war years but it was believed that it will begin a new chapter for the Kosovo economy. Continuation of further crisis of employment causes more problems in economy. However despite the situation people believe in improving of economic situation.

1.2. Historical regulation of labor relations in Kosovo

Kosovo as part of the former Yugoslav Republic until the early 1990s, relationship work was regulated by the Law of Fundamental Labor Relations. In 1990, Kosovo citizens were deprived of any rights including employment
relation. With the installation of international supervisory mission in Kosovo UNMIK, in 2001, the mission issued Regulation 2001/27. It is the only UNMIK regulation that holds the name of law or UNMIK Regulation Law for Essential Labour. It prohibits discrimination in employment, sets the minimum age of work; prohibits forced labor; guarantees the right of syndical organization or other forms of collective agreements; defines labor relations; employment contracts; cancels employment contract; method of obtaining the payment; schedule work; annual leave; holidays; maternity leave, sick leave, or other occasions; labor inspection by the competent authorities and penalties if employers do not comply with this regulation. This regulation was legitimated in October, 2001 before forming the local self-government institutions. After the establishment of the self governing institutions and the Assembly Government made some attempts to draw an advance work law but without success. The reasons that were given about not adopting a labor law were high financial cost of law, underdeveloped economy, foreign investment, International Monetary Fund pressure, etc. Natality of people usually moves up and down for some reason. The main reason is the stagnation of economic development, unemployment, major problems and social wrong policies, privatization, not achieving employment generations with superior education, movements, immigration, emigration, family planning, 10 years of war are among the main causes of destruction of the economy, and the decline of birth. Unprincipled policy towards people who live in foreign countries, scattered population during the last war and the beginning of the so-called transfer from one system to another system. Albanian people will have a larger number of people around the world, rather than in the peninsula, Albania, Kosovo, Macedonia, parts of minority people in Serbia, Montenegro, and Greece. A large part of blame carries the non-development policies, rampant democracy, imitation external factor, embracing cultural influence from the West, family planning, delays in marriage, young major divisions without crowned, unprepared for family creation, minimum conditions for living, birth and family creation are essential factors, which have contributed to the reduction of natality. Although in the socialist system and enclosure conditions, the birth rate was among the highest in world. The average age in Kosovo reaches 70 to 80 and it is proof of mortality with a change in the rural areas to urban areas. Thus life-prolonging age to 80 proves this.

2. Different effects of unemployment and employment impact on population growth

2.1. Psychological effects of unemployment and employment

Current state of economy continues to be a great stress. Unemployed workers experience psychological problems such as anxiety, depression and other psychosomatic symptoms (Paul & Moser, 2009). Like unemployment, even part-time employment (because they can not find full-time work) is distributed in the form of unequal to the whole population, so as the most affected parts appear mainly female sex, followed by young workers, who are not given a chance to experience their abilities that market demands, in order to be presented as equal to other workers who got the chance to create different experiences. Therefore a part time job though presented as involuntary job, is still becoming much more than necessary. Unemployment affects not only those who lose their jobs, it also affects the part of the workers who are employed but still can experience a greater weight of work and suffering from anxiety that will soon be unemployed. Unemployment and employment can also affect the domestic but also the community.

2.2. Effects on households

According to the Association of Study Social Issues Psychological Declaration Policy called "The psychological consequences of unemployment" shows that the stress of unemployment can lead to decrease birth rate of the population, so affects on individual families and their welfare. Unemployment can affect the welfare of children. Symptoms of stress and depression are associated with loss jobs and can negatively affect the practice such as increased penalties parents and arbitrary punitive action. As a result children report more anxiety and depressive symptoms. Depression of children and teenagers is associated with many negative outcomes, including academic problems, abuse with high risk substances, sexual behavior,
physical health problems, and social problems, as well increasing risk of suicide.

2.3. Effects on Communities
Widespread unemployment in the neighborhood reduces the resources which may result in inadequate housing and low quality, poor schools, limited access to services and public transport, limited employment opportunities and making it more difficult for people to return to work. Unemployed people lead to increased reporting of various negative effects. Such phenomenon occurs especially in areas where the number of unemployed is higher than in neighborhoods where a significant proportion of people are employed. High unemployment and inequalities in income growth are key factors in the climate of the social collapse². Many researchers claim that social growing inequality is driven by extended unemployment which will increase social unrest and tension. Increasing inequality in developed countries is fundamentally related to the norms which have increased physical, emotional, social and political disorder.

2.4. Unemployment and stress of various populations
Unemployment does not affect equally to all groups. Unemployed women report poor mental health and lower life satisfaction. Women are the ones who report such phenomenon mostly with justifications that have consumed food that is not good, or posed a meal as a result of stress. Women are also more likely to report physical symptoms of stress, including irritability, anger, fatigue and lack of interest or motivation and energy. In combination with other health inequalities, unequal impact of unemployment in some groups can have devastating effects on vulnerable communities. But as a result of population in thousands we can come to a conclusion that population has been increasing.

Figure. Population in thousands

Source: Statistical Office of Kosovo (SOK)
Regarding to the number of population for 8 years from 2002 to 2009 we have an increase. In 2002 the number of population moves closer to 2,000.00; 2003 runs close to 2,010.00; 2004 is near 2,050.00; in 2005 close to 2,065.00; 2006 arrives 2,100.00; 2007 near 2,120.00; 2008 reached 2,150.00; while 2009 reaches close 2,200.00.

Table 1. Natural movements of population
Movements of population, 2006

<table>
<thead>
<tr>
<th>Variables per inhabitant</th>
<th>1.000</th>
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<tbody>
<tr>
<td>Natality</td>
<td>16.3</td>
</tr>
<tr>
<td>Mortality</td>
<td>3.6</td>
</tr>
<tr>
<td>Natural growth</td>
<td>12.7</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>No of population</th>
<th>Increase</th>
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<tbody>
<tr>
<td>2003</td>
<td>2 016 000</td>
<td>25577</td>
</tr>
<tr>
<td>2004</td>
<td>2 041 000</td>
<td>28664</td>
</tr>
<tr>
<td>2005</td>
<td>2 070 000</td>
<td>30011</td>
</tr>
<tr>
<td>2006</td>
<td>2 100 000</td>
<td>26708</td>
</tr>
<tr>
<td>2007</td>
<td>2 126 000</td>
<td>26431</td>
</tr>
</tbody>
</table>

Source: Statistical Office of Kosovo (SOK)

If we focus more on these above statistics we can see that the number of residents is not the same for every year. This is best seen if we analyze the year 2005 where there is an increase greater than in 2003-2007. So 2005 is manifested by most of the population growth compared with other years.

Figure. Natural increase of population

Table 2. Illiteracy rate in Kosovo

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<tbody>
<tr>
<td>Male</td>
<td>94.8</td>
<td>74.5</td>
<td>46.9</td>
<td>39.0</td>
<td>29.8</td>
<td>21.3</td>
<td>9.0</td>
</tr>
<tr>
<td>Female</td>
<td>98.5</td>
<td>93.9</td>
<td>78.4</td>
<td>72.1</td>
<td>59.4</td>
<td>43.5</td>
<td>26.3</td>
</tr>
</tbody>
</table>

Regarding the analysis of the natural growth for 8 years from 2002 to 2009 we have different motion where the highest point is 2002 with over 30,000.00 then we have a significant decline in 2003 which falls under 26,000.00. The year 2004 results in a satisfactory increase with 28,000.00. Also in 2005 continued good growth which almost approaches the highest point with 30,000.00. Following years go in a significant reduction and for the next 4 years move close to each other. The year 2006 approaches 27,000.00, then 2007 falls close to 26,000.00, 2008 increased almost 27,500.00, and in 2009 again resulted with discount at 27,000.00.
Regarding the analysis of illiteracy rate in Kosovo we have a different dynamic illiteracy since 1921. If our analysis will be included in 1921 the rate of illiteracy in our country at that time was about 95.5%. This high percentage falls significantly from year to year so in 1981 the rate of illiteracy falls to 17.6%. Although we conclude that illiteracy rate falls from year to year, we consider that the high illiteracy rate has been in previous years otherwise the rate of 17.6% illiteracy results in 1981 is overwhelming. Even worse is that when we consider that the female gender is presented the most vulnerable in the face of this phenomenon. If you rate this percentage on the basis of gender we see that from 1921-1981 male illiteracy mitigated to 85.8%, whereas female gender to 72.2%. We could say that this situation is miserable because even today female gender contributes in the intellectual establishment of the family and mother plays an important role in education. Therefore it is of particular importance to work more on raising awareness and opportunities to fall the illiteracy rate.

Table 3. Distribution by age.

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage (%)</th>
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<tr>
<td>0-14</td>
<td>33%</td>
</tr>
<tr>
<td>15-64</td>
<td>61%</td>
</tr>
<tr>
<td>65-65+ year</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Statistical Office of Kosovo (SOK)

Lack of employment for this age affects negatively the labor market in our country and economy. Therefore the government of the country recommends working more in this direction in order to create new jobs especially for this age which affects the market economy by making more competitive in international markets.
3. The unemployment rate in Kosovo

According to the latest data from the final results of the census, unemployment rate in our country remains high and constant. In census results, it is said that 508,100 residents who are able to work, 44.9% were unemployed in 2009. Kosovo has 227,646 unemployed inhabitants while 280,454 people considered employed. Experts on economic issues say that unemployment creates social unrest and there is a danger that this situation will be manifested with social unrest in the country. According to them, with 44.9% of unemployment, Kosovo every day loses half of the power force.

"This is an alarming number, a record number for Kosovo, a worrisome number for any economic stratum of Kosovo. With over 44% of unemployment, it is estimated that we waste half of the workforce every day, not only value but we also have a burden to resolve. Now a large part of the workforce is unemployed in a long period3."

The Government efforts to reduce unemployment, according to experts on economic issues have not been successful because the problem of unemployment in the country is followed after the war. Meanwhile the latest data for the high unemployment rate was rejected by the representatives of the Labour Ministry and Social Welfare. They were not agreed with this percentage saying that this number is not real. However the experts of economy in the country say that it is surprising how Kosovo institutions still fail to understand this alarming situation of unemployment and prefer smaller figures. Although if we analyze, such number of unemployment is not surprising.

Our country is characterized as a country which has young population, so the power force is at the highest level, but again Kosovo has 35 thousand unemployed. Therefore, no doubt that such a facility unemployment rates have remained unchanged over the last four or five years. This 44.9 percent of unemployment is real enough for the current economic situation in our country.

Meanwhile in Kosovo, economic growth in 2010 was estimated to be over 5 percent but has fallen to 3.8 percent according to the latest Central Bank of Kosovo. This unemployment requires immediate solution. It is said that this solution should be done by favorable policies towards the private sector. Some researchers to reduce the unemployment rate say the policy should be created in terms of employment. In Kosovo, according to data of 2009 made by the World Bank, the poverty was 34 percent of the total population. According to this report, little more than a third of the population live below the absolute poverty line by 1.55 euro per day, while 12 percent live below the extreme poverty line by 1.02 euro.

3.1. Health status of population in Kosovo against unemployment rising.

Only 7 percent of the population belongs to the age of 65. Meanwhile, natality in Kosovo is decreasing, which means that the population is moving towards gradual aging. Health professionals say that World Health Day in Kosovo finds it in a bad situation. Experts claim that the health situation in Kosovo from year to year is improving. Meanwhile the National Institute of Public Health has made a research on this and knows precisely how Kosovo actually stands in health terms, which means that the state of general population is difficult. From the research with over 1860 respondents, it is clear that health state is difficult and they live in poor financial condition and then others in bad conditions. Based on these data we can conclude that we have to work more in improving their situation, especially financial situation.

3.2. Enabling application of maternity leave - effective element of unemployment impact and population growth.

After the disclosure of contents for the Draft Labor, one of the most contested articles has been the Article 48, which deals with maternity leave. According to many researches is shown that maternity leave plays a role on the impact of population growth but also unemployment statistics change. Female employees shall be entitled to 12 weeks of paid on maternity leave.

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3 Official Newspaper of Kosovo, August 2011
This leave may be extended on 4 weeks with paying if any medical evidence confirms any disease or complications resulting from pregnancy.

Female employee is entitled to extend her maternity leave for 12 weeks without fee. Maternity leave benefits under paragraph 1, 2 and 3 of this Article constitute 70% of wage realized in the last year. 12 weeks do not make 3 months, but 2 months and 23 days (84 days off).

These 84 days of maternity leave, 28 of them should be used before the birth and 56 after. According to this, a woman who has a baby has to get to work after less than 2 months. This term has been rejected by medicine angle. A doctor can’t recommend a professional view confinement that 2 months after birth to appear in the workplace. This is detrimental to the health of mother and child. And this is in contradiction with the law of the Assembly for the Promotion and Protection of Breastfeeding, under which health institutions should promote and protect breastfeeding. This is inconsistent with the Declaration of UNICEF “Ten Steps to Successful Breast Feeding.”

4 National Institute of Public Health
According to the "Innocent Statement ", which is supported by the law of the Assembly for the Promotion and Protection of Breastfeeding, recommends that breastfeeding should be applied especially in the first 4-6 months after birth. This situation is worsened even more because in Kosovo can not be found nursery for baby, but only kindergarten which accept babies from the age of one. Aside from the health point of view this regulation of maternity leave is challenged by demographic standpoint - Natality. According to advocates of this view, natality is already declining. There is a danger that this law stalls. According to the Statistical Office, the number of births has undergone fluctuations from year to year. With 23 in general it seems natality is falling. However, despite the collapse of the birth with 16%, Kosovo still remains the country with the highest birth rate in region. On the other hand, economic development in Kosovo remains one of the most underdeveloped in the region. And this contradiction in the short term is a problem for Kosovo. During contacts with employers' organizations and individual businesses we may say that businesses are aware of short period of time that is left in available to women on maternity leave. Businesses support raise for vacation time of leave if Government of Kosovo helps with a part. Otherwise private businesses can not afford to pay maternity leave for more than 3 months with a payment of 100%. For the rest of maternity leave the Government must take part through the creation of a special fund for this purpose. Any greater payment more than 3 months will push businesses to accept smaller number of female employees; discriminate in acceptance of women in certain age; or even informal employ in order to avoid legal obligations. 70,159 public sector workers, 38% of them are women.

The Government has allocated a fund of 300,000 Euros on maternity leave for female workers in the public sector. Women constitute 25% of the employees in PTK. Percentage of female employees in some of the private sector is even greater than in the public sector. The male-female report in commercial banks in Kosovo is 47% female and 53% male. 25 According to trust data, in this fund 73% of contribution payers are male and 27% are female. As we said above if we take for granted that all employees in the public sector are also paying contributions to the Trust, and the total number of employees in the public sector 38% or 26,545 are women, then we can estimate that many women who contribute payment to the Trust are employed in the private sector than in the public sector. According to this formula by the total number of 60,343 women payers, 26,545 are employed in public sector and 33,798 in private sector. This is due to the greater number of employees in the private sector because the private sector average wage is higher than in the public sector.

All this has a big impact on the number of population growth because the proper treatment of every developed country gives priority to basic, as well as to help us eliminate many different abnormalities that lead us to increase unemployment and apparent stagnation of growth. With this we realize that the country has started using key elements to help eliminate these negative phenomena, which do not help in improving status in Kosovo.

4. Identification of the main problems of unemployment in relation to growth population
1) Given that our country is characterized by continuous growth population while on the other hand is characterized by rising of unemployment, then we see that we are dealing with a harmful
phenomenon to the labor market. While population and unemployment should stay in an inverse proportion between them, our country is characterized with a fair proportion between these two phenomena: as much as unemployment rises, the number of the unemployed rises too, and we are not working to alleviate the proportion between them. This obviously sends the country more and more towards an unbearable chaos.

2) Another serious problem is economic stagnation. While our country has inherited backwardness in the period before the war, but the situation is even worse in the postwar period, where instead of strengthening the new capacity, are characterized as having the subsequent standoff off our economy. The privatization process is added as a burden of this phenomenon by pushing the country into a situation not at all favorable.

3) Natural growth of the population with all the effective elements of this field moves unpredictable and it highlights the unemployment problems which affect decline / increase country's economic which in 2002 touched the highest peak in the number of residents 30,500.00 inhabitants more than in other years and then for 8 years never reached that number but managed to pick up lowest point of 26,000.00 average people. The highest statistical point with the lowest is near 4-5,000.00 inhabitants, a figure far preferable to any potential development factor.

4) The problem is also the high level of illiteracy. Although different statistics show us a softening illiteracy rate from year to year, again its current rate should concern the policy makers, and they should work more in this direction.

5) The age distribution percentages clearly describe all problems of this topic because it shows that the age of “manpower” or age which positively affects the development of the country and it is affected by this phenomenon.

5. Recommendations

Negative effects of unemployment can be reduced. People, who face unemployment as well as those who report lower levels of subjective financial strain, reported better mental health and more fun than the lives of those who experience unemployment with few economic resources and a greater feeling of financial stress. Social support can also mitigate negative impacts of unemployment and employment. From all of this we realize that with opening of new jobs we have an impact on reducing of unemployment and this promotes natality. Awareness for the use of different educational possibilities helps us in professional development. So unemployment and population growth should be calculated in proportionately with economic growth because if we decrease unemployment and increase population, the number of labor increases, which directly leads to increased economy. However, if unemployment rises, financial difficulties directly diminish population growth and automatically fall economic growth and the country moves towards a road that leads to chaos. Therefore using staff that has appropriate qualifications which our country has enough to put the management positions for which there is a need for proper management to reduce unemployment such use will help the country move towards economic growth. So job opening opens many ways for a country to develop healthy people in all aspects.

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