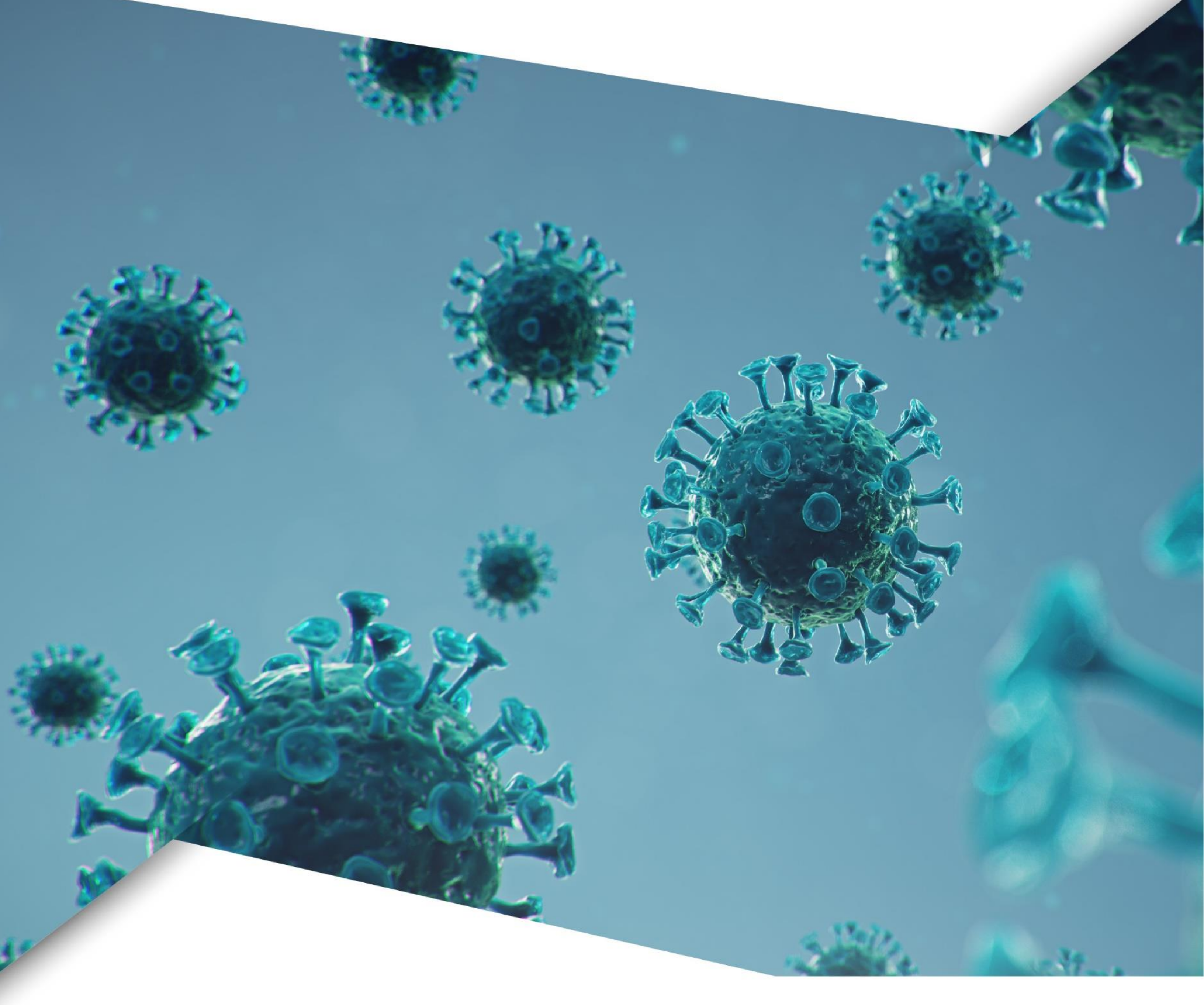

REPORT

RAPID SOCIO-ECONOMIC IMPACT ASSESEMENT OF COVID-19 IN KOSOVO

June 2020

UNITED NATIONS
KOSOVO TEAM

UN WOMEN

UNFPA

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D P

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1. Executive Summary

Disclaimer

The views expressed in this document are those of the opinion poll respondents who took part in the Household Survey as well as the Business Survey in Kosovo, and do not necessarily represent the views of either UNDP, UNFPA or UN Women.”

The spread of the coronavirus COVID – 19 has impacted households and businesses in Kosovo[1] in various ways, including how they deal with the possibility of the contraction of the virus; how they take care of their health or their employees' health; how and whether they conduct business or work; how and what they buy, sell or produce; among others. Governments worldwide have had different approaches to combat the coronavirus pandemic which has yielded different results. Besides the devastation of sweeping entire countries and changing their whole course of action, people, businesses, and other institutions have had to adjust to the new reality, which is now being examined, albeit not yet fully understood.

The Kosovo institutions have introduced a series of measures starting from 13 March 2020 when it quarantined Klinë/Klina and Viti/Vitina municipalities where the first cases were confirmed; closed inter-urban transportation, and closed land borders for non-Kosovo citizens, and imposed a two-week quarantine for all citizens coming in.[2] With time, Kosovo institutions adjusted to the new developments by imposing other municipality-based quarantines; halting all business activity besides that of essential workers; relaxing the measures; offering financial support to people losing their jobs and those who were working without a salary; offering some support to businesses regarding rent payment, postponing tax declaration and payment; postponing interest payments on loans, etc. Moreover, restrictions on movement were imposed TV and online learning was initiated to help pupils and students to continue learning home-based.

To understand the impact on households and businesses, the United Nations Kosovo Team (UNKT), specifically the United Nations Development Programme (UNDP), the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), and the United Nations Population Fund (UNFPA), decided to undertake a rapid assessment on the socio-economic impacts of the COVID-19 pandemic and the effectiveness of the immediate response measures.

The objective of this study was to rapidly examine the impact of COVID-19 pandemic on households and businesses and understand on which areas to focus the assistance to individuals, households, and businesses. Some of the key findings regarding information on COVID-19, employment and conduction of businesses, income and revenue changes, access to basic services, coping mechanism, and future outlook are presented below.[3]

The household and business survey first focused on understanding where both parties rely for **information related to COVID-19** to understand, prevent, and protect themselves, their family members, or employees from it. Generally, Kosovo people inform themselves mainly on radio, television, and newspaper (89%), internet and social media (74%) to get their COVID-19 related information. At the same time, about 64% of the businesses use the internet and social media as the main channel to obtain information regarding COVID-19 related risks, recommended preventive actions as well as coping strategies.

When assessing the effect of COVID-19 on children's access to **distance learning**, most of the children of the households interviewed were able to attend regular distance learning (96%), whereas only approximately 4% of them missed the lessons most commonly due to equipment being used by some other household member or problems with internet connection. A portion of these respondents mentioned that some children missed distance learning due to the teacher not holding the class or quality of the lessons. On average, respondents agreed that the quality of distance learning was quite good, with a 3.8 score out of 5.

[1] References to Kosovo shall be understood to be in the context of Security Council Resolution 1244 (1999)
[2] Government of Kosovo. Office of the Prime Minister. DECISION for additional measures after confirmation of positive cases with Corona Virus Covid-19 <https://bit.ly/2Lzg2iB>
[3] There is limited applicability of comparisons with the Public Pulse 2020 data, due to the differences in methodology, the formulation of the questions and answer options, as well as the time of data collection.

When examining **the employment status** of respondents and primary income earners of households, the majority of men (54%) and 29% of women have been employed and working at least a week prior to COVID-19 pandemic. After the COVID-19 outbreak in Kosovo, around 40% of those who were employed were able to keep their jobs, but are currently not working at all, while 22% report reduced hours of paid work. About a fifth of respondents report that they continued working the same hours as before the pandemic (22%). Only 8% of the respondents lost their job due to COVID-19. It should be noted that the biggest loss of jobs was seen in the construction sector (23%) and the food and accommodation (hospitability) sector (14%), two sectors where about a fifth of the main income earners of households work in.

Regarding **business activity**, a lot of businesses (56%) had to close, and many (31%) were working at a lower capacity, while only 13% were operating as normal.

Relating to this, businesses were also asked about **the employment of their staff** after COVID-19, where those who did not fully stop their operation (11%) claimed they had to reduce the staff. However, the larger the business size the more likely it seems that the workforce had to be reduced. Approximately 40% of the medium-sized (more than 50 employees) companies reduced their staff due to the pandemic.

Most of businesses **stopped their activity** due to government measures (81%), but also due to shortage of clients (24%) and problems with salary payments (16%). Nonetheless, around 60% of businesses support to a certain extend the imposed government measures.

Around half **of the households** (49%) experienced a drop of income due to the pandemic, while 44% declared that their household income has not changed. Businesses too had issues with **revenue levels** as 63% of which reported a decrease in them. Besides, more than half of businesses (56%) reported a decrease in sales and costs.

Examining modifications **in the physical place of work**, 27% of individuals were working from home during the quarantine. While there are only around 15% of businesses who declared that they allowed their employees to work from home.

On an individual level, 28% of respondents experienced effects on their psychological, mental or emotional health due to the pandemic. The most affected group seem to be people of age 25-44. Whereas, in terms of the region, Gjakovë/Đakovica (53%) and Prizren (46%) reported to have had their psychological, mental or emotional health affected the most. Regarding **distribution of household chores and social dynamics**, women's time on unpaid domestic work has increased much more than that of men. Women dedicated more hours (57%) to cleaning after the COVID-19 outbreak than men (39%). Moreover, 56% of women and 27% of men declared to spend more hours for cooking and serving meals. Besides, women (37%) also spend more time with children through games, reading and discussions, compared to men (29%).

More than half of respondents claimed to have had difficulties in accessing a number of basic social and health services. About 50% of the respondents claimed they had issues getting food and even more had difficulties in getting supplies for personal protection(59%). More than 30% had difficulties accessing hygiene and sanitary products and around 20% of the respondents faced difficulties in accessing health services and social assistance. In terms of gender differences, 53% of women and 46% of men have had difficulties in accessing food and 57% of women and 51% of men have had difficulties accessing medical supplies for personal use.

More than 50% of the respondents think that there is an increase of **domestic violence** since the start of COVID-19 outbreak. Respondents from Mitrovicë/Mitrovica South and Mitrovicë/Mitrovica North[4] (79%) had the highest number on those who believe that domestic violence is increasing. A higher number of youth (57%), individuals living in urban areas (61%), as well as K-Serb respondents (68%) in comparison to their reference groups reported to believe that there is an increase in domestic violence. It is concerning, however, that 35% of respondents do not know where to seek help in case of domestic violence.

If the **coronavirus related measures persist**, many (59%) respondents feared that it would be difficult to keep up with basic expenses, and about half of the respondents would turn to help from the local government or family and friends and responded that it would be difficult to pay the rent. On the other hand, **about a third of businesses seem uncertain about how much longer they can afford the current situation** with Coronavirus. Only a little over a fourth of businesses indicated that they did not consider taking a loan due to unfavourable interest rates (for small and micro businesses) and due to not needing it (for medium sized businesses).

Regarding **unemployment benefits or other financial support from the government or municipalities**, only 3% of those who have lost their jobs reported to have received unemployment benefits from the government, and 2% to have received financial support from the municipality.

About 35% of the businesses had **plans for investments** prior to the COVID-19 pandemic, but 84% of them have changed their plans and are not investing due to the current situation. Almost none of the surveyed businesses see new business opportunities related to COVID-19.

Most businesses did not have any suggestions for the government, but those who did, suggested financial support and release, not postponement, of tax obligations. Whereas, businesses suggested that International Organisations should provide financial assistance via grants to businesses and advice to the government on how to handle the economic consequences.

[4] We use the phrase Mitrovica South and North since the analysis in this report is done on a regional level and includes respondents from all municipalities within the region.

2. Introduction

2.1. Project Background

COVID-19 pandemic has led to strict measures taken by the Kosovo institutions to prevent the virus from spreading. Some of the measures include the shutdown of all public and private education institutions, the progressive shutdown of all physical retail businesses, eatery and service industry, the cancellation of all flights and shutdown of all land borders. The final measure taken was the limitation of movement of citizens and private cars within specific timeframes. The crisis is expected to have major social and economic impacts, as service industry and trade have been hit significantly. The central institutions have taken measures to support the businesses including the proposal of a 170-Million-Euro fiscal stimulus package to support the recovery from the crisis for the private and public sectors.

As the crisis unravels and depending on the length of it, the social and economic implications will be significant. The impact will vary from increasing unemployment, aggravated poverty, income loss, job insecurity, industry-specific inequalities, to education lag, and the stalling of efforts to reduce the gender gap in Kosovo.

The challenges will be particularly harsh for the vulnerable households, living on day-to-day income sources. A rapid socio-economic impact assessment of COVID-19 is therefore important to understand the extent and differentiation of the systemic impacts of the crisis, its impact on the poor and the vulnerable groups, as well as the local economy. The assessment utilises a combined approach to reach out to vulnerable groups and local economy and include:

1. Rapid assessment of the socio-economic impact of the crisis on Kosovan households, with special focus on vulnerable groups (i.e. financial losses, the effect of the quarantine in social dynamics, educational and gender gap burden, etc.).

2. Short-term impact assessment on the performance of small and medium-sized enterprises, opportunity losses and business recovery needs

The findings of this report identify needs and allow for targeted support by central and local authorities as well as development partners to buffer the effect of the crisis and increase community resilience.

The objective of this study and report is to define the nature and extent of the systemic impact of the COVID-19 crisis and identify its scope, intensity and threat to vulnerable groups and the local economy. Thus, the assessment aims to analyse the socio-economic impact of the crisis by utilising a combined collection of primary data from (1) Kosovo households and (2) local businesses, and finally develop recommendations covering short and medium-term support from government and development partners. The development of the household survey was based on the UN Women rapid gender assessment tool.

The assessment is rapid in nature to allow for design and delivery of response measures to reduce negative impacts for households and businesses. The research findings allow for a better understanding of who is impacted the most, the range of resource needs, as well as for better targeting of service provision and access gaps.

2.2. Methodology

In order to explore the impact of COVID-19 on the general public, with special focus on vulnerable groups, as well as businesses in Kosovo, UNDP commissioned IDRA Research and Consulting Kosovo to conduct two surveys with the following samples:

1. Household survey, N=1,412 interviews
2. Business survey, N=202 interviews.

Household Survey

The data collection for the household survey was conducted via CATI (Computer Assisted Telephone Interviewing) method. A system which randomly generates mobile numbers was used as a first step of selection of the respondent. The system has "built-in" algorithms which detect segments of mobile numbers which are in use based on the information given by the operator when the randomly generated number comes out to be non-existent. Throughout years of operation of the system, information has been constantly added to the database about the geographical locations of numbers that have been called for surveys in the past. Hence there is a possibility to predict the "location" of the number that will be called after being generated. This tool ensures the contacts are generated randomly.

Once the number is generated, a screening questionnaire was used to determine whether the respondents are suitable for the sampling requirements:

- Geographical location (municipality)
- Urban/Rural
- Age
- Gender
- Education level
- Employment status

Once the quota was checked and verified, then the main interview was conducted. The interviews for the Household Survey were conducted from 1 May to 9 May 2020. Whereas the interviews for the business surveys were conducted from 1 May to 8 May 2020. The screening helps the monitoring of data collection phase as it ensures each interview conducted fits in the planned distribution of interviews.

Sample distribution

Sample distribution of interviews is based on official data from Kosovo Agency of Statistics[5]. The percentages in the table which show the proportion of population (18+ years old) are obtained by Census 2011 data. Also, settlement type, gender and age distribution was based on Census 2011 data, as shown in the tables below.

[5] Kosovo Agency of Statistics. Population breakdown by age, gender, settlement type, employment status. Source: <https://bit.ly/36ICPCw >;

Based on these data, the interviews per each region were projected:

Table 1. Sample Distribution by Region

Region	Percentage	Interviews
Gjakovë/Đakovica	11%	152
Prishtinë/Priština	27%	382
Gjilan/Gnjilane	10%	143
Prizren	17%	246
Pejë/Peć	10%	132
Ferizaj/Uroševac	10%	139
Mitrovicë/Mitrovica South and North	15%	218
Total	**100%**	**1,412**

Table 2. Sample Distribution by settlement type

Settlement type	Percentage[6]	Interviews
Rural	55%	783
Urban	45%	629
Total	**100%**	**1,412**

Table 3. Sample Distribution by Gender

Gender	Percentage	Interviews
Women	50%	704
Men	50%	708
Total	**100%**	**1,412**

Table 4. Sample Distribution by Age

Age	Percentage	Interviews
18-24	19%	274
25-34	25%	348
35-44	21%	292
45-54	16%	222
55-64	10%	142
65+	10%	134
Total	**100%**	**1,412**

The data collection process was closely monitored in order to reach a sufficient distribution regarding the employment status as the unemployed are perceived a particularly vulnerable group. The below tables show the calculations for the number of interviews.

Table 5. Sample by Employment

Status	Percentage	Interviews
Self-employed	10%	139
Contributing family workers and working abroad	1%	10
Employees	41%	583
Unemployed	10%	141
Pupils, students, further training, unpaid internship	5%	72
In retirement or early retirement or has given up business	10%	143
Permanently disabled	1%	7
Fulfilling domestic tasks	10%	148
Discouraged /other inactive	12%	169
Total	**100%**	**1,412**

The margin of error for a total sample of 1,412 interviews in Kosovo is calculated with ±2.6%.

Business Survey

A survey was also carried out with N=202 micro, small and medium sized businesses. The data collection was also conducted by applying CATI (Computer Assisted Telephone Interviewing).

A multistage sampling procedure was used in order to identify suitable businesses. The businesses were identified from the Kosovo Business Registration Agency (KBRA), which consists of the following information:

1) NIPT (equivalent to tax identification number)
2) Name of Business
3) Date of Registration
4) Type of Business (Ltd, JSC, Physical Person, etc.)
5) Location Address
6) Founding Capital
7) Legal Representative
8) Status (Active, Passive, under bankruptcy)

Based on this database, businesses were randomly selected by location and then went through a Screening procedure which is as follows:

1. Contact the business (using different sources of contacts from databases, extracts from NRC (National Research Council), Chambers of Commerce, yellow pages, etc.)
2. Screen the business (through e mini survey over the phone) in terms of:

    a. Size
    b. Region

3. If the business suited the quota, (interlocking quota – region, size, ownership) then an appointment was set for the main questionnaire.

It should be noted that Kosovo's business sector is made up almost entirely of MSMEs (Micro, Small and Medium Enterprises). There are around 38,000 registered enterprises operating in Kosovo;

- 93.1% of which are micro enterprises,
- 5.9% are small and
- 0.9% are medium sized.
- Only 0.1% of the total business population are classified as large enterprises.

Kosovo's classification of MSMEs is defined by the law on foreign investment which entered into force in 2014. Regarding the geographic distribution of enterprises, around one-third of all registered enterprises are located in the district of Prishtinë/Priština. Below is the distribution of businesses in Kosovo, according to the Kosovo Agency of Statistics (2018).

Table 6. Distribution of Businesses in Kosovo

Region	Micro (1-9)	Small (10-49)	Medium (50-249)	Large (250+)	Total	Share
Gjakovë/Đakovica	3,408	162	17	2	3,589	9%
Gjilan/Gnjilane	3,580	233	20	0	3,833	10%
Mitrovicë/Mitrovica South and North	3,069	146	23	2	3,240	8%
Pejë/Peć	3,189	185	23	2	3,399	9%
Prizren	5,625	317	34	3	5,979	16%
Prishtinë/Priština	12,605	1,111	216	47	13,979	37%
Ferizaj/Uroševac	3,898	231	28	1	4,158	11%
Kosovo	**35,374**	**2,385**	**361**	**57**	**38,177**	**100%**

Source: Statistical Agency of Kosovo, 2018

As illustrated by the tables above and the one below, if the sample distribution were based on the official data, then it would not be possible to analyse the data by business segment (micro, small and medium) due to a very low number of interviews for small and medium companies proportionally. Hence, in order to accurately reflect the business landscape in Kosovo, the following quotas and weights were applied for the business survey sample. In addition to the business size, quotas were implemented for regional distribution as well as for the main business activity or industry. The quota approach allows to analyse and provide findings for all three business segments separately. Hence, in this report, the overall results are weighted. The weighting procedure ensures that the results represent the business landscape in Kosovo, meaning that the business segment contributes with the same share or weight that it overall has in Kosovo.

Hence, the following quotas and weights were applied for the business survey sample.

Table 7. Sample and Weighting for Business Survey Sample

Business size	Percentage of businesses in Kosovo (official data)	Survey (interviews)		After Weighting[7]
		Percentage	Businesses	Percentage
Micro (1-9)	93.1%	45%	91	93.1%
Small (10-49)	5.9%	35%	70	5.9%
Medium (50+)	1%	20%	41	1%
Overall	**100%**	**100%**	**202**	**100%**

[7] Overall results in the graph are shown as weighted.

3. Research Findings

3.1. Household Survey

This chapter of the report presents the research findings gathered through CATI (Computer Assisted Telephone Interviewing) survey with 1,412 individuals in Kosovo, answering individual and household related questions regarding the socio-economic impact that the Coronavirus pandemic has had.

3.1.1 Household Profile and Demographics

The household survey has 50/50 gender representation, whereas 19% of the respondents fall in the age category of 18-24, 25% in the age category of 25-34, 21% in the age category of 34-44, 16% in the age category of 45-54, 10% in the age category of 55-64, and, lastly, 9% are in the 65+ age category.

Figure 1 Gender of respondents

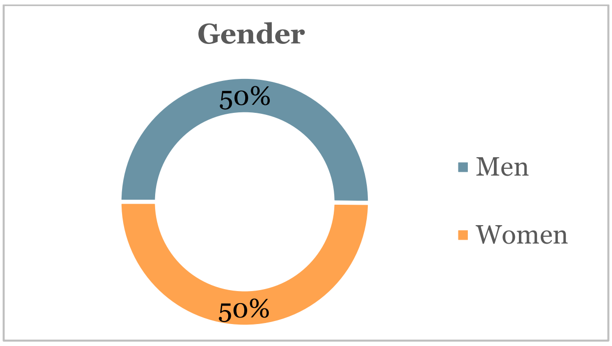
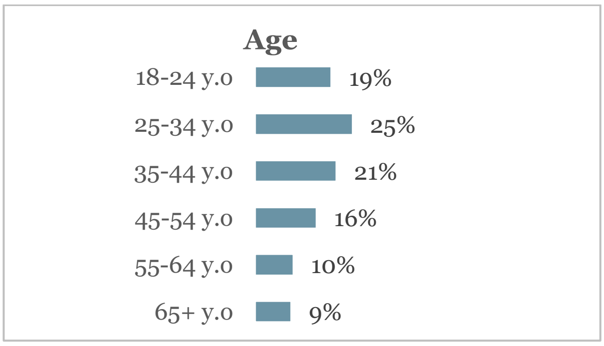


Figure 2 Age of respondents



Regarding regional distribution, the sample is also representative of the Kosovo population, where 10% of the respondents are from Ferizaj/Uroševac, 11% from Gjakovë/Đakovica, 10% from Gjilan/Gnjilane, 15% from Mitrovicë/Mitrovica South and North, 9% from Pejë/Peć, 27% from Prishtinë/Priština, and 17% from Prizren. It is noteworthy that the Mitrovicë/Mitrovica South and North region is slightly overrepresented because it has a sub-sample of the Kosovo Serb (K Serb)[8] ethnicity of 96 individuals besides the representation of Kosovo Albanian (K Albanian) ethnicity. Meanwhile, 45% of the respondents reside in urban areas and 55% the respondents reside in rural areas.

[8] The terms "K Albanian" and "K Serb" relate to those Albanians and Serbs who are citizens of Kosovo

Figure 3 Location of Households

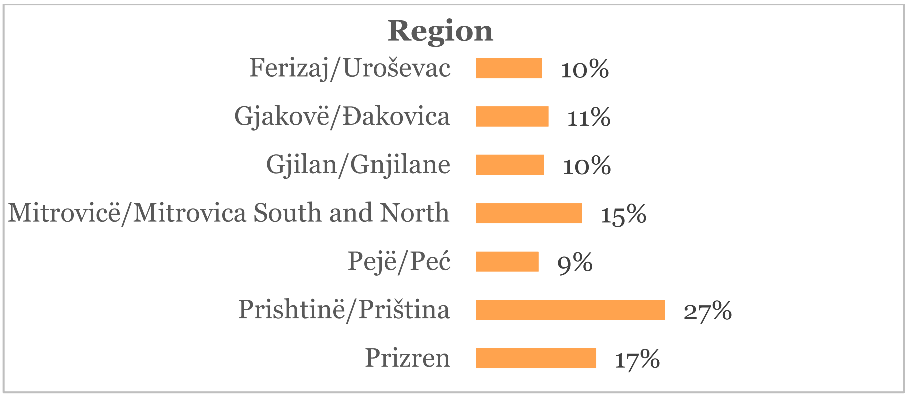
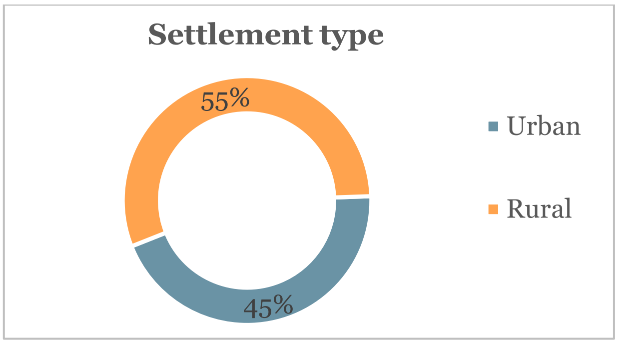


Figure 4 Households in urban vs. rural areas



Concerning the education level, 1% of the respondents have not completed any education; 21% have completed primary education; 47% have completed secondary education or equivalent; 26% have completed university (bachelor) level education or equivalent; and 4% have completed a post-graduate degree (masters or higher.

Regarding ethnic composition of respondents, there are K Albanian respondents (92%), K Serb respondents (7%) and other non-majority populations (1%), close to the actual population composition.

Figure 5 Education level of respondents

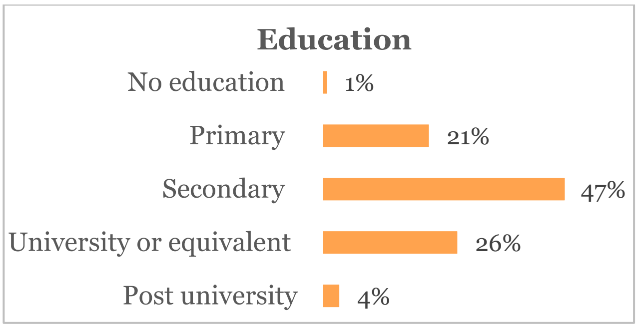
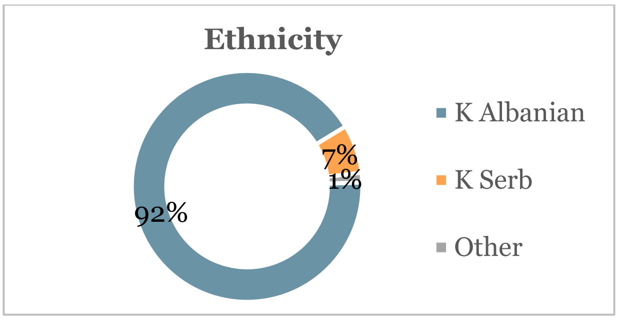
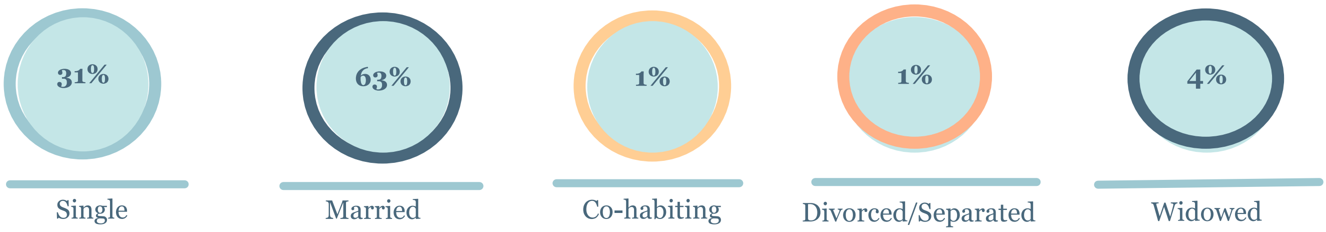


Figure 6 Ethnicity of respondents



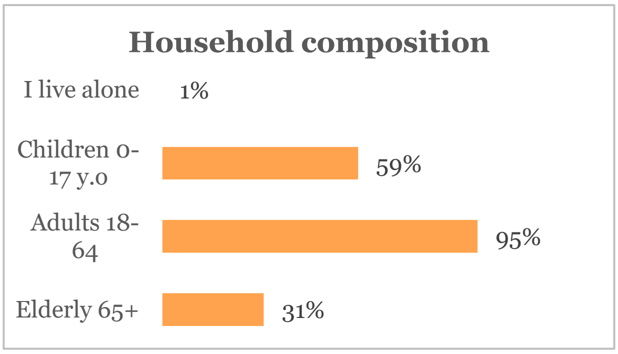
Whereas, regarding marital status, 31% of the respondents are single, 63% are married, 1% are co-habiting, 1% separated or divorced, and 4% are widowed.

Figure 7 Marital Status



The survey also examined household composition. In this regard, only 1% of the households consist of one-person family, 59% of the households have children up to 17 years old, 95% of the households have adults from 18 to 64 years of age, and 31% of the households have senior citizens aged 65 or more. Regarding the average of each of these categories in a household, there are approximately 2.2 children up to 17 years old, 3.6 adults, and 1.4 elderly members. However, since the composition of households varied and there were a few households that had much higher than average family members; it shall be emphasised that the most repeated number of family members per category was two children, two adults, and one elderly. Whereas, there were 4% of households that had a pregnant woman.

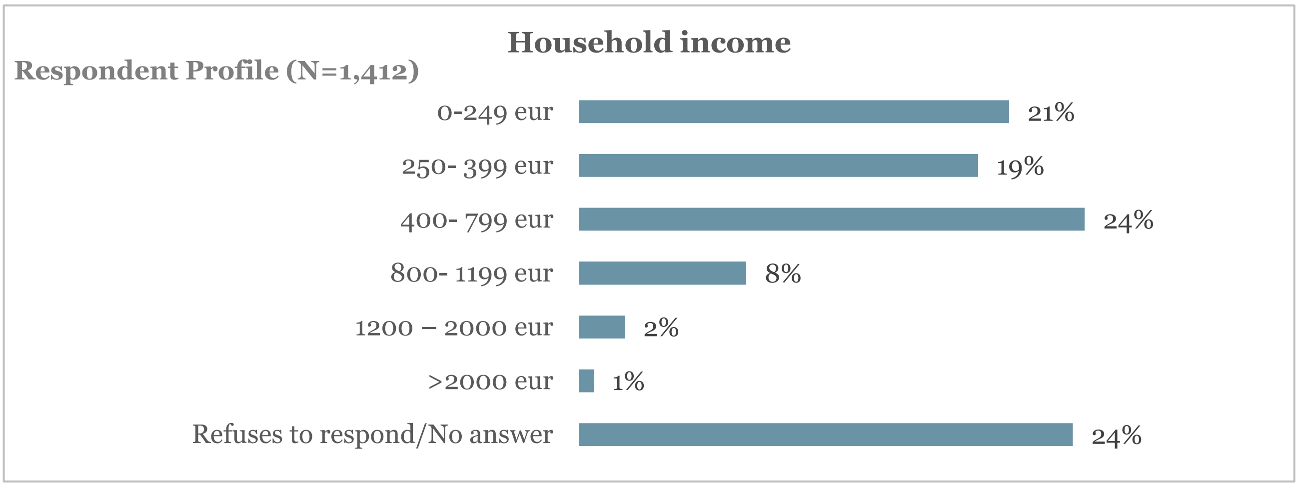
Figure 8 Household composition



Household composition		
	Average	**Mode**
Number of children 0-17	2.2	2
Number of adults 18-64	3.6	2
Number of elderly 65+	1.4	1

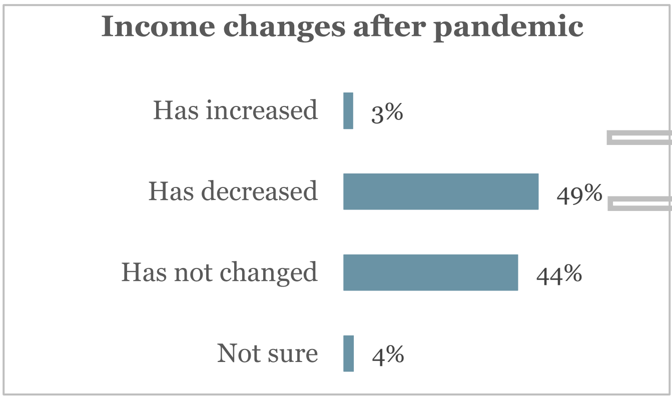
Regarding household monthly income, 21% of families have a monthly cumulative income up to 249 Euro, 19% of families live with a monthly income from 250 up to 299 Euro, 24% have an income between 400 799 Euro, 8% have a monthly household income from 800-1,199 Euro, 2% have a monthly family income from 1,200-2,000 Euro, and 1% live with a monthly income of more than 2,000 Euro. However, 24% have not disclosed their household monthly income.

Figure 9 Household income



When asked if the income level of the household has changed as a result of COVID-19 pandemic, 3% claimed that their household income increased, 49% claimed that their household income has decreased, 44% claimed that their household income has not changed, and 4% are not sure. The respondents that declared an increase in family income have experienced an increase of 107 Euro a month on average, whereas the most frequently recurring value declared in this group was an increase of 30 Euro in monthly income. On the other hand, almost half of the households have experienced a decrease of 406 Euro a month on average, where the most recurring value of the decrease in income is 400 Euro per month.

Figure 10 Changes in income after the pandemic

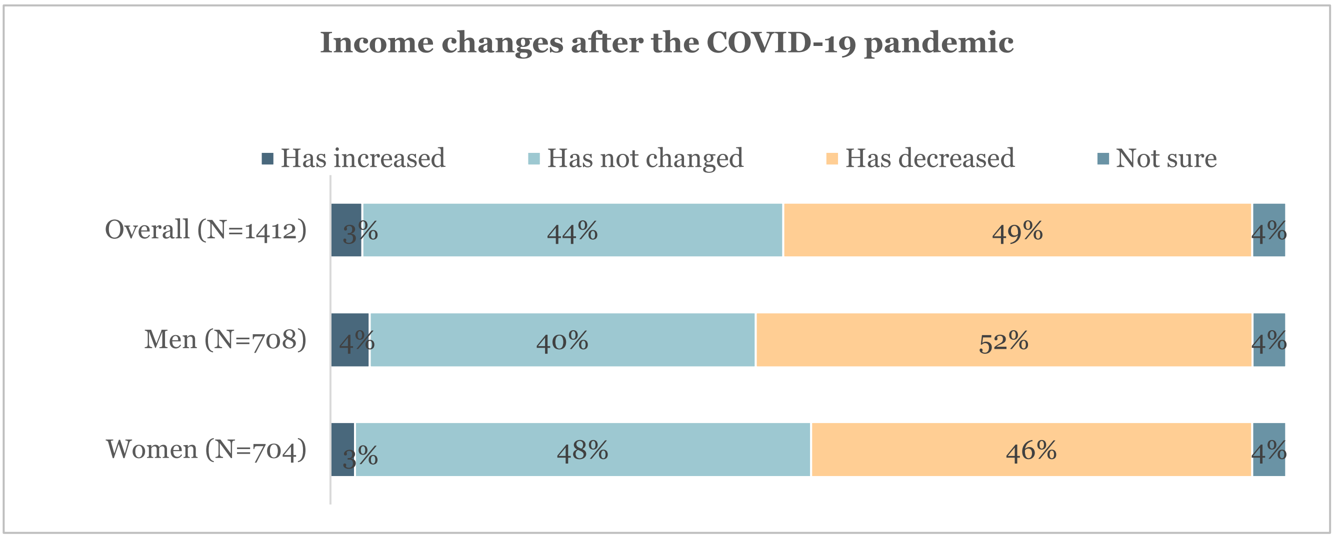


Family income

	Average	Mode
Has increased (Monthly)	107 Euro	30 Euro
Has decreased (Monthly)	406 Euro	400 Euro

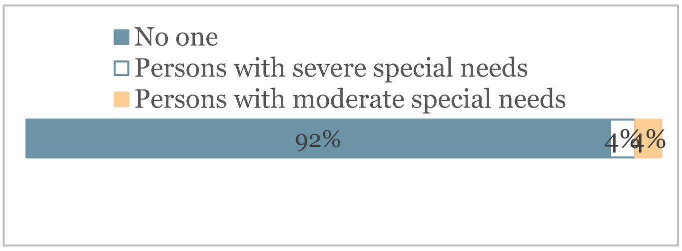
Analysing this issue by gender, 52% of men and 46% of women had their level of income decreased after the pandemic. Whereas, 40% of men and 48% of women did not experience any change in income. A small portion of men (4%) and women (3%) have experienced an increase in income after the COVID-19 pandemic.

Figure 11 Changes in income after COVID-19 pandemic, by gender



Most (92%) of the surveyed households do not have any family members with severe or moderate special needs. However, about 4% of those have family members with severe special needs, and another 4% have family members with moderate special needs. On average the households have 1.1 family members that have moderate or severe special needs.

Figure 12 How many people with special needs live in your household?



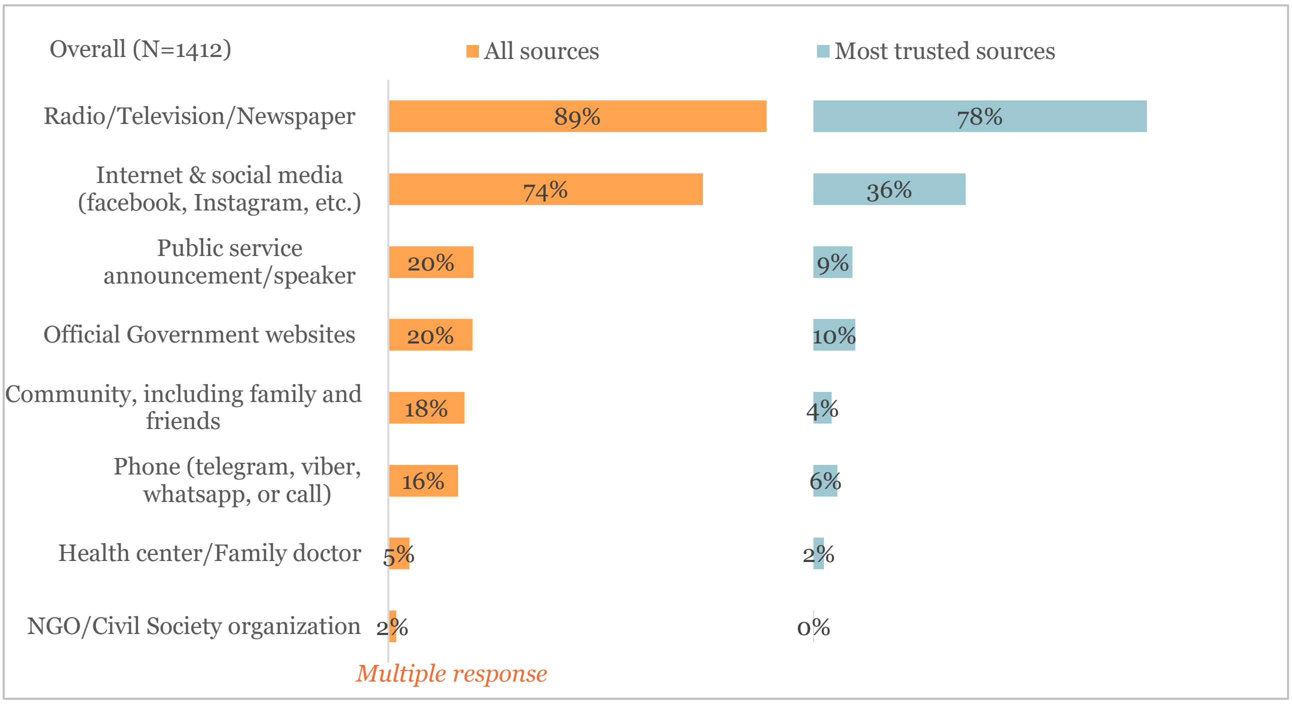
Persons with severe special needs		**Persons with moderate special needs**	
Average	Count	Average	Count
1.1	56	1.1	59

3.1.2 COVID-19 Awareness and Information

The objective of this section is to understand how Kosovo citizens are being informed about the COVID-19 virus including the risks it entails, recommended preventative action, and coping strategies.

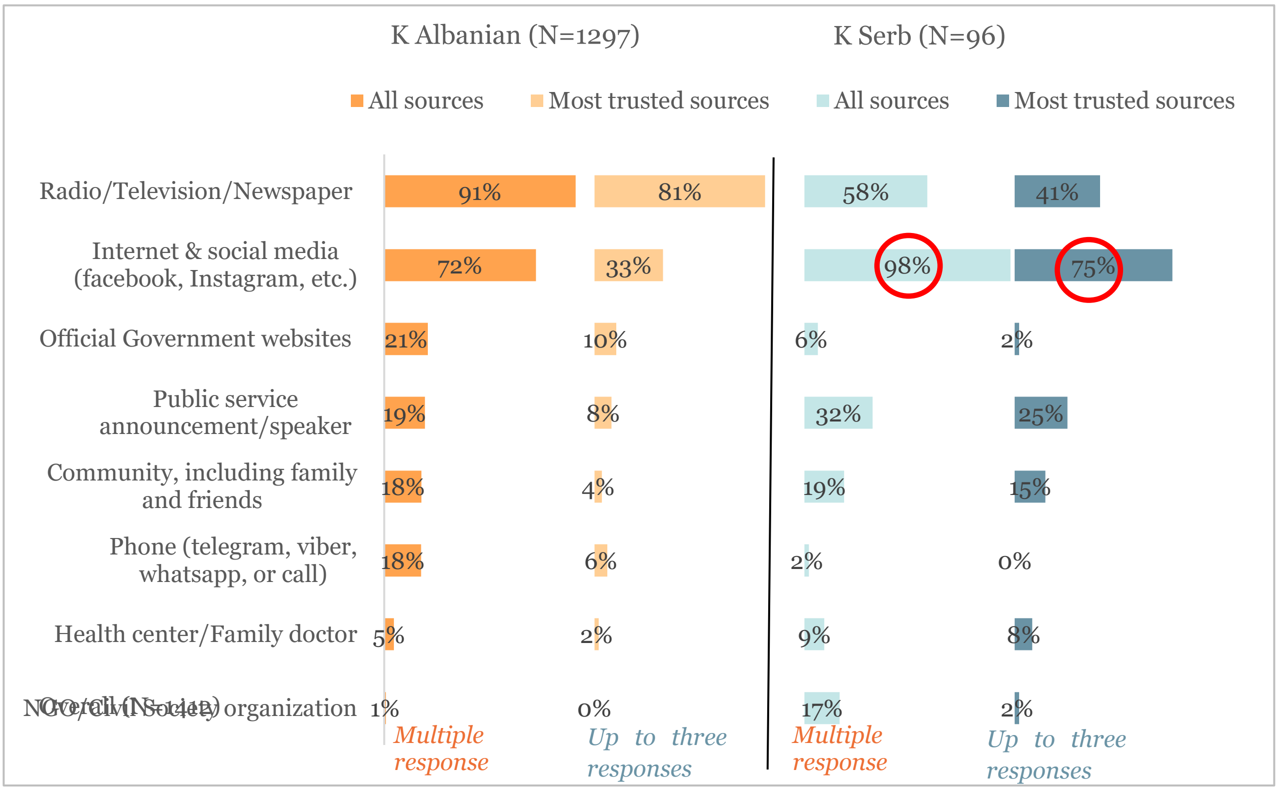
Overall, Kosovo citizens rely mostly on radio, television, and newspaper (89%), internet and social media (74%) to get their COVID-19 related information. Less frequently do they turn to public service announcements (20%), official government websites (20%), or their community of family and friends (18%), and phone (16%) to inform themselves on the topic. Whereas, out of those most frequently cited as main sources of information, the most trusted sources are radio, television, and newspaper (78%) and internet, including different social media (36%).

Figure 13 Main sources of information and most trusted sources of information



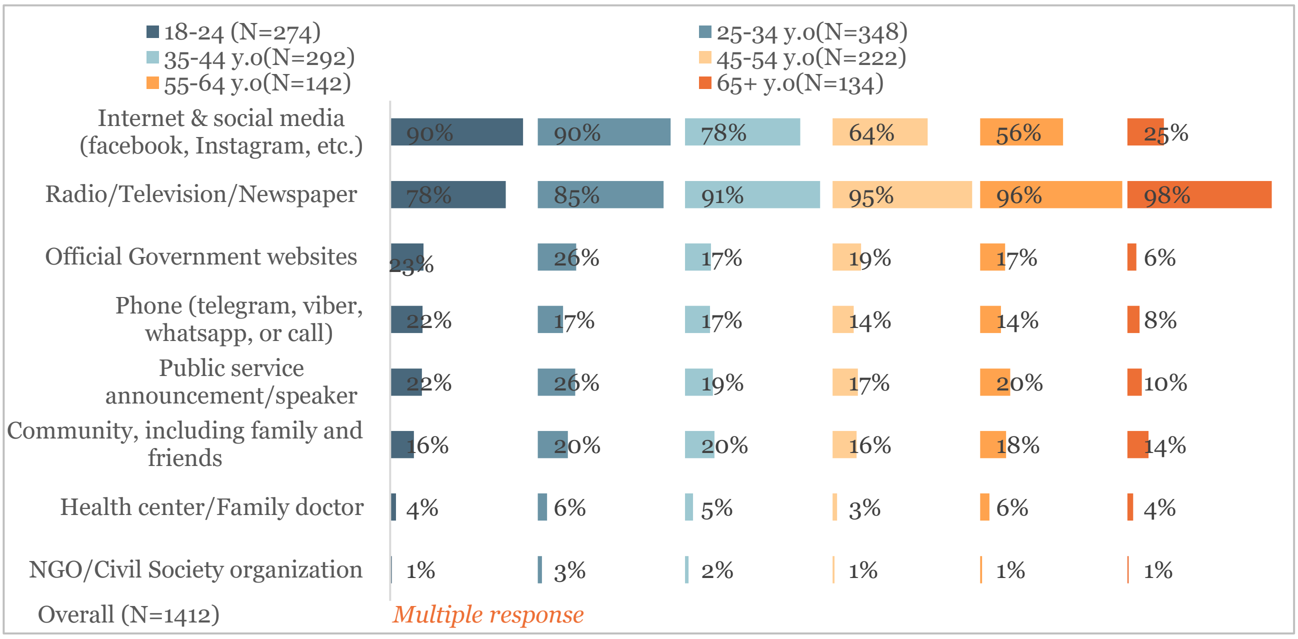
However, when compared by ethnicity, the survey reveals that K Albanians use radio, television, and newspapers (91%) as their main source of information and, 81% of them trust it the most. Dissimilarly, K Serbs use social media (98%) as their main source of information within Kosovo, and 75% of them trust it the most. Less K Serbs declare radio, television, and newspaper as the main or most trusted source of information.

Figure 14 Main sources of information and most trusted sources of information, by ethnicity



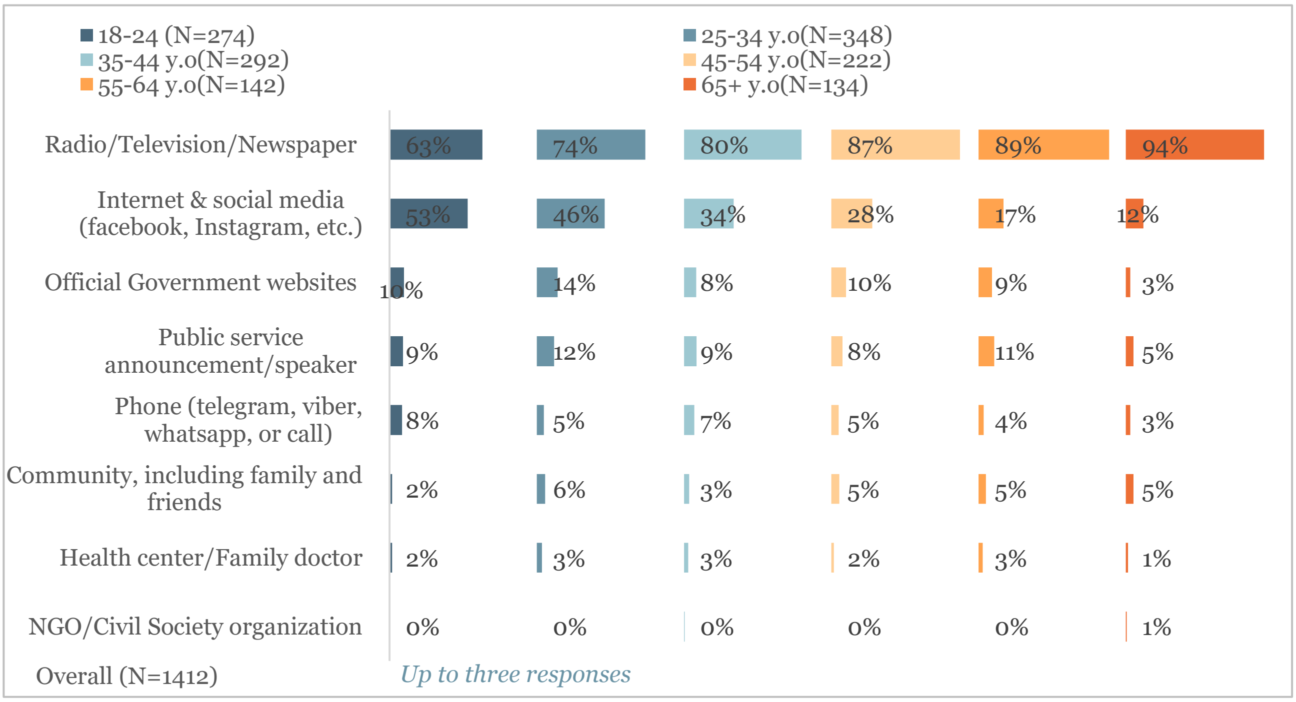
Youth and adults up to 34 years old use the internet and social media as their main source of information, whereas those 35 to above 65 years old prefer radio, television, and newspapers.

Figure 15 Main sources of information, by age



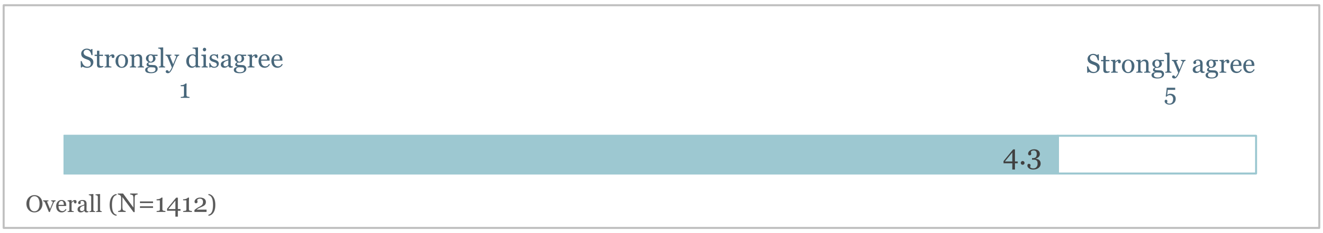
However, regarding what type of media is the most trustful for information regarding COVID-19, radio, television, and newspapers are listed first for all age groups. For people aged 18-44, internet and social media come to a close second, and for people 45 and above, this source of information comes second - but to a much smaller extent.

Figure 16 Most trusted source of information, by age



The survey also intended to understand whether COVID-19 information that was dispersed throughout a variety of media channels was useful to respondents. Onn average, the respondents agreed quite strongly that COVID-19 information helped them protect themselves and family from the virus, rating it at a 4.3 out of 5 scale of agreement.

Figure 17 Agreement with the statement: "COVID-19 information helped me protect myself and family from the virus"?



3.1.3 Distance Learning

One of the measures that the government of Kosovo undertook during the quarantine, one was offering distance learning by transmitting it via the public broadcaster. There were 51% of households in this survey who had children that go to school. Of those, 96% of respondents claimed their children were able to attend distance learning and 4% claimed the children in their households were not able to attend distance learning.

Figure 18 Does the household have children that go to school?

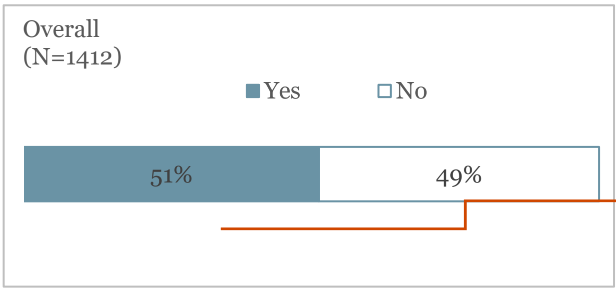
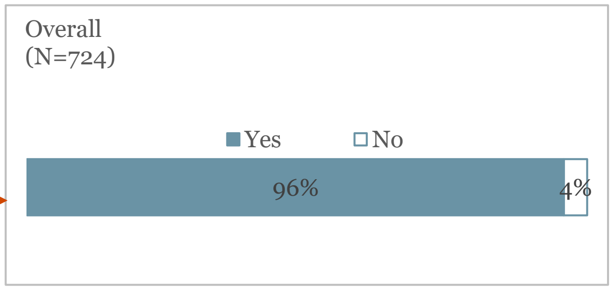


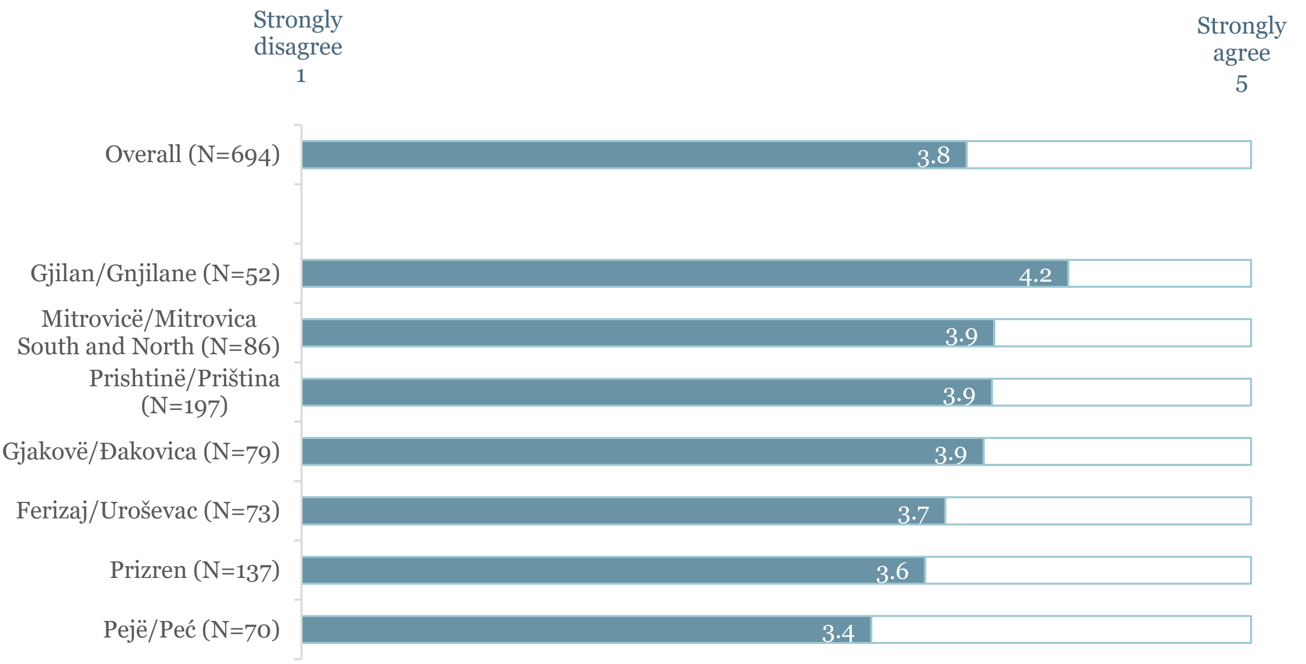
Figure 19 Was/Were the child/children able to attend distance learning?



Although a small number (4%) of respondents claimed their children missed distance learning, there could have been one or a combination of reasons for that. In this respect, when asked what were the reasons behind missing distance learning, 30% claimed that more than one child had to use the same equipment, 21% lacked internet connectivity, 17% did not have any equipment, 13% had no TV signal, 3% did not know how to access distance learning, and 3% claimed another household member needed the equipment to work from home and thus were not able to lend the equipment to the children. The 23% who cited other reasons said that the quality of learning was not good, the teacher did not hold the class, the child goes to a special school for children with special needs, and, in one instance, they simply said they did not attend distance learning albeit having the necessary technical equipment. However, it should be noted that the overall sample of these responses is very small, thus these factors preventing access to distant learning should be cautiously analysed further.

In regard to the quality of education offered through distance learning, the respondents were asked to rate on a scale from one to five how much they agree that the quality of the education offered through distance learning was good. On average, respondents agreed with the statement quite strongly (3.8/5). The respondents from the region of Gjilan/Gnjilane (4.2/5) agreed the most and respondents from the region of Pejë/Peć (3.2/5) agreed the least.

Figure 20 Agreement with the statement "The quality of the education offered through distance learning was good"?

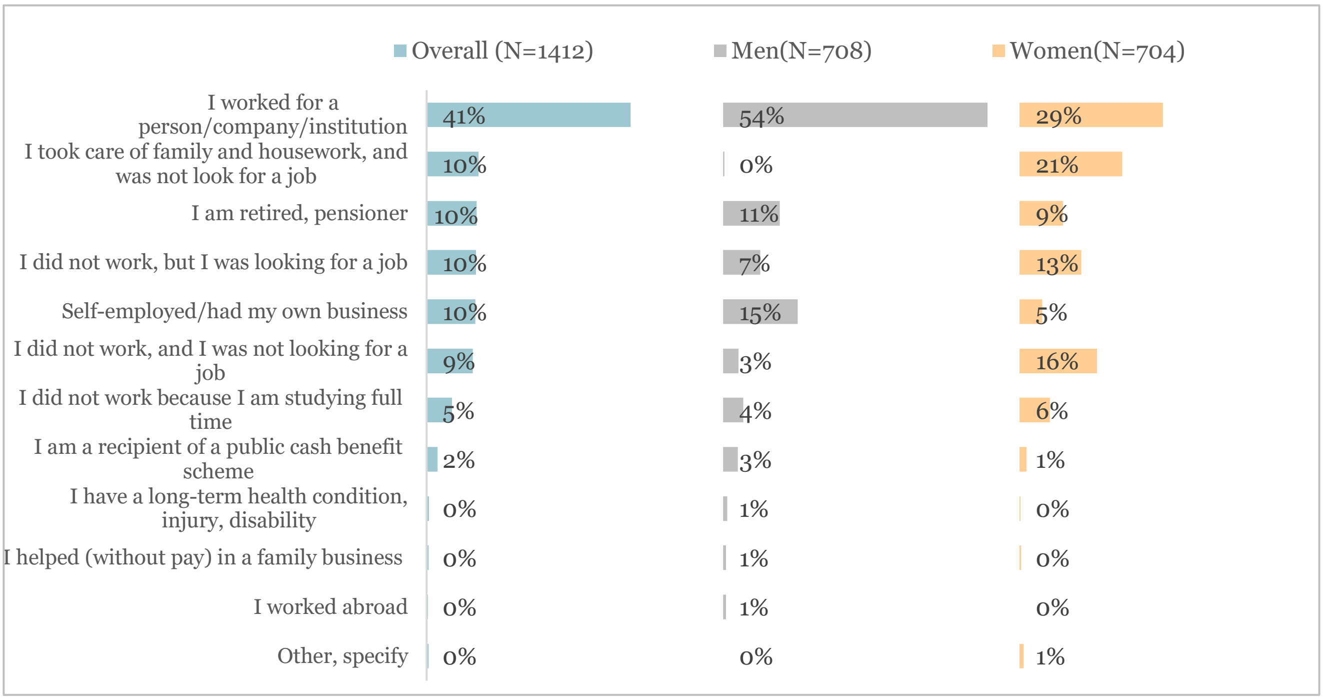


**Only those whose children attended distance learning*

3.1.4 Employment and Livelihood

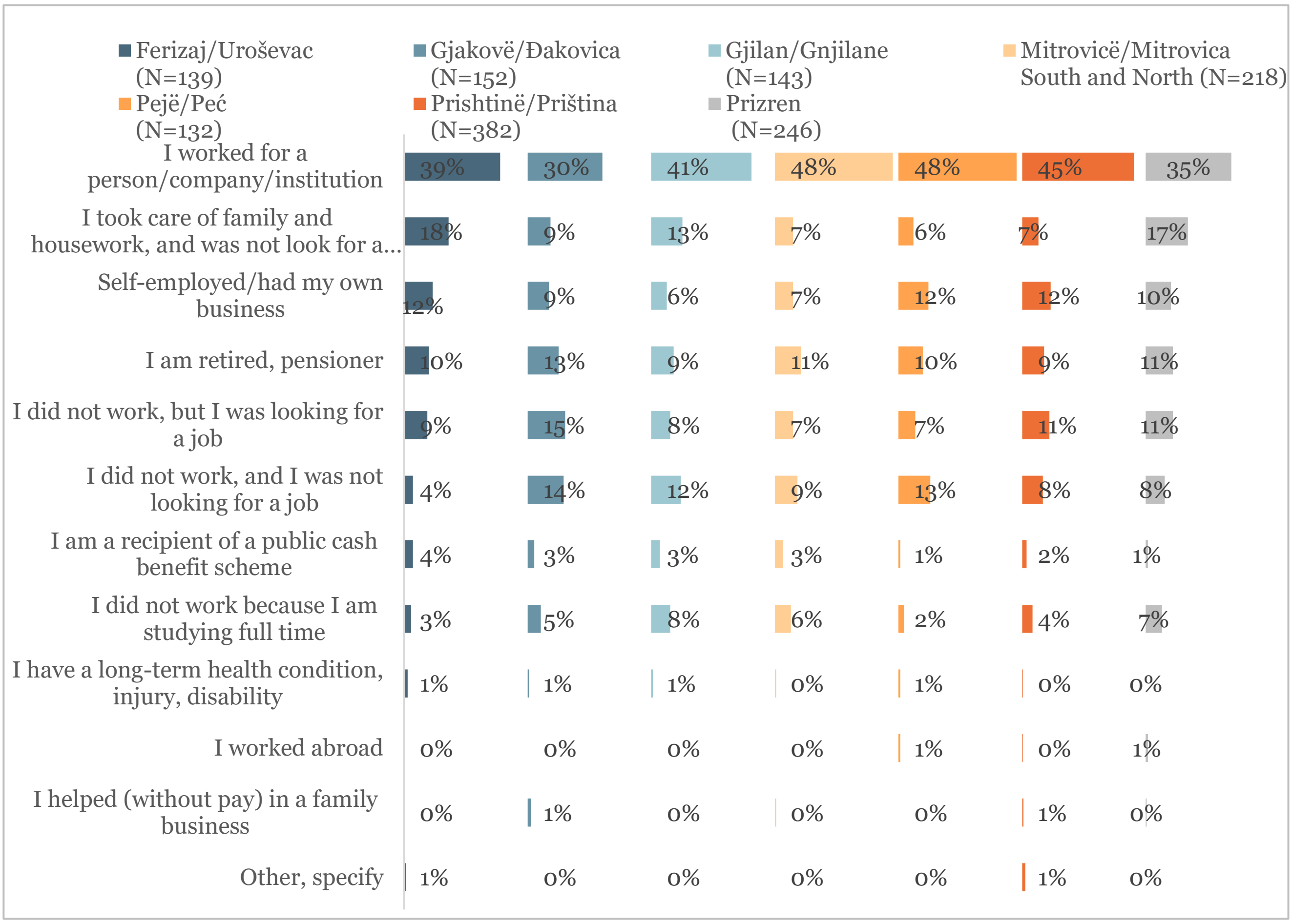
This section examines how employment and livelihoods of individuals and households have differed after the coronavirus pandemic. At least a week before the pandemic, 54% of men and 29% of women worked in an institution or a company, while, 15% of men and 5% of women claimed to have been self-employed or owning their own business. Only, about 1% of men were helping in a family business without pay. Some 7% of men and 13% of women were unemployed, and 3% of men and 16% of women were discouraged workers who were not looking for a job. Whereas, 4% of men and 6% of women were not working because they were full time students. There were also pensioners, of which 11% were men and 9% were women. Although not working, 3% of men and 1% of women were recipients of a public social assistance scheme. Some 1% of men and almost no women claimed to be unemployed due to a long-term health condition. Lastly, for men, being in charge of domestic work and family care was not a barrier to employment compared to 21% of women.

Figure 21 Employment status before COVID-19, by gender



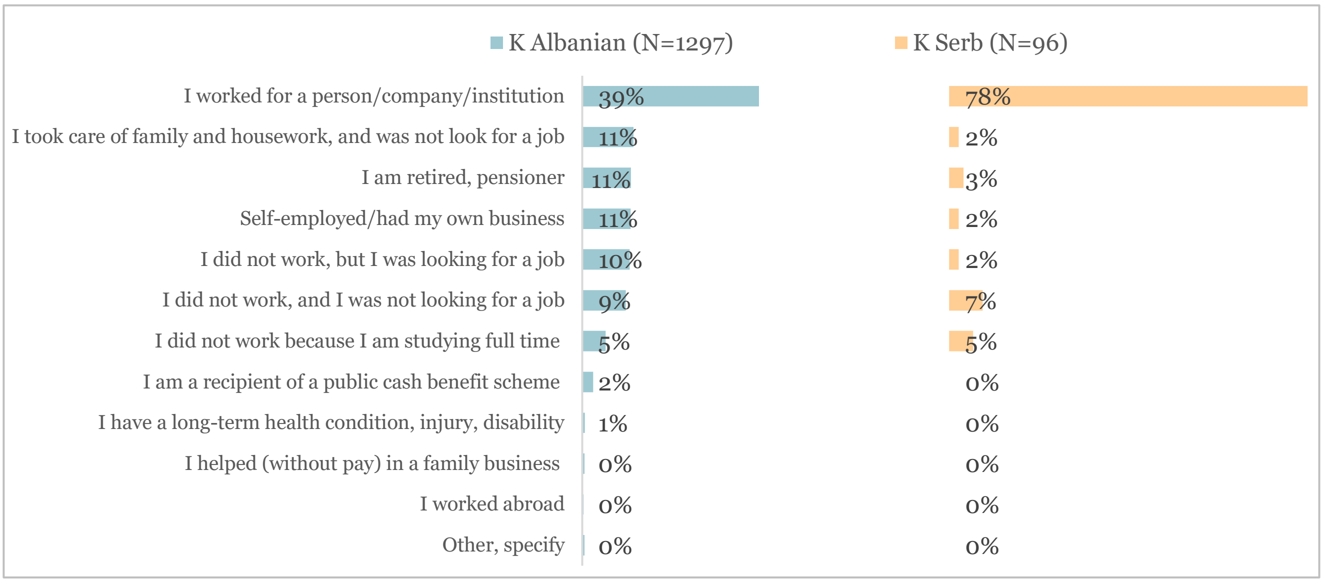
Comparing employment status of respondents by region, there does not seem to be a huge difference in each category. Pejë/Peć and Prishtinë/Priština (48%) have the highest shares of respondents working for someone, company, or an institution whereas Gjakovë/Đakovica (30%) and Prizren (35%) have somewhat lower shares of respondents within this type of employment. Regarding individuals not working due to housework and family care, Ferizaj/Uroševac (18%) and Prizren (17%) have higher shares of respondents by at least 10 percentage points than other regions. Regarding unemployment and discouraged workers, Gjakovë/Đakovica stands out with bigger shares by 15% and 14% in each, accompanied by Pejë/Peć (13%) and Mitrovicë/Mitrovica South and North (12%) with close shares of discouraged workers.

Figure 22 Employment status before COVID-19, by region



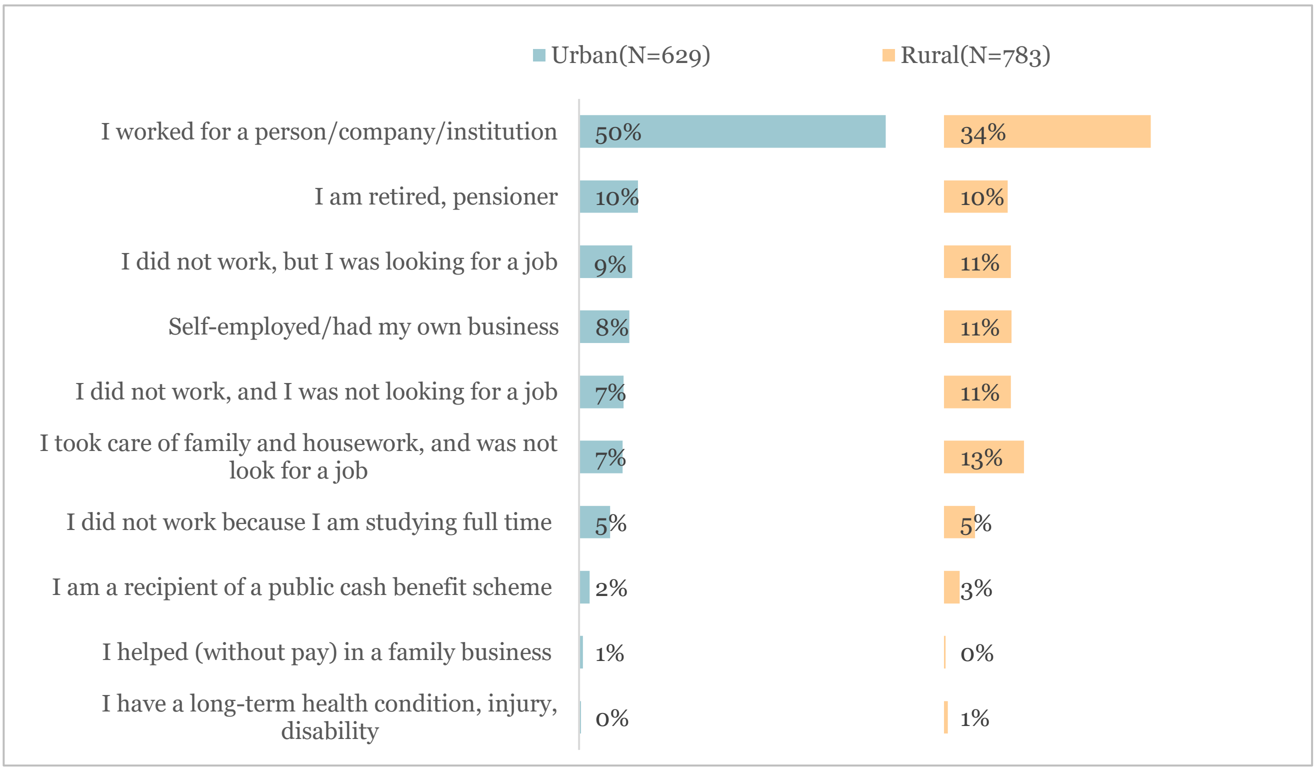
In terms of ethnicity, K Serbs (78%) have a higher rate of being employed in a company or institution or working for a person than K Albanians (39%). However, it should be noted that the sample of K Serbs was based on 'quota sampling' where a majority of respondents who agreed to participate in the survey were working for the public sector. The portion of unemployed workers and students are closer in share, is similar for both K Albanian and K Serb ethnicities; whereas, the share of K Albanian citizens taking care of the family, working in a personal business, retired, or discouraged workers than K Serbs is greater.

Figure 23 Employment status before COVID-19, by ethnicity



Compared on basis of urban/rural living place, halve of the urban dwellers, work for someone, a company or institution. In rural areas, this share is 34%. On the other hand, in rural areas, there are more (13%) people taking care of family and housework than in urban areas (7%), as well as more discouraged workers, with a difference of 4 percentage points compared to urban residents. Whereas, regarding other statuses of employment, the differences between urban and rural areas are minor.

Figure 24 Employment status before COVID-19, by settlement type



Out of those who work in institutions or companies, there are no major regional differences in terms of employment sector. Nonetheless, it should be noted that Gjakovë/Đakovica (25%), Gjilan/Gnjilane (25%), Pejë/Peć (25%) and Prishtinë/Priština (26%) have about one fourth of individuals working in the public sector; whereas Ferizaj/Uroševac (21%) and Prizren (19%) have about one fifth of citizens working in the public sector. Mitrovicë/Mitrovica South and North has a larger share of individuals working in the public sector, more than one third; however, it should be noted that this can be largely attributed to a high number of K Serb respondents working in the public sector.

Figure 25 Employment Sector, by ethnicity

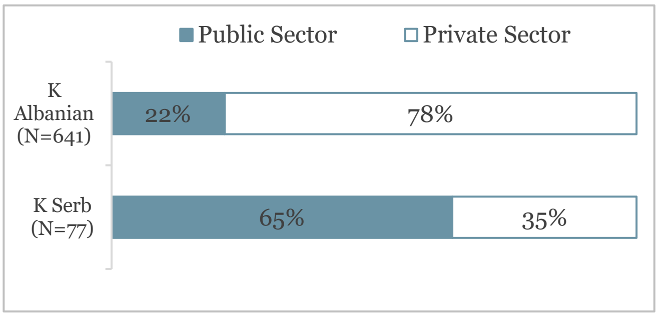
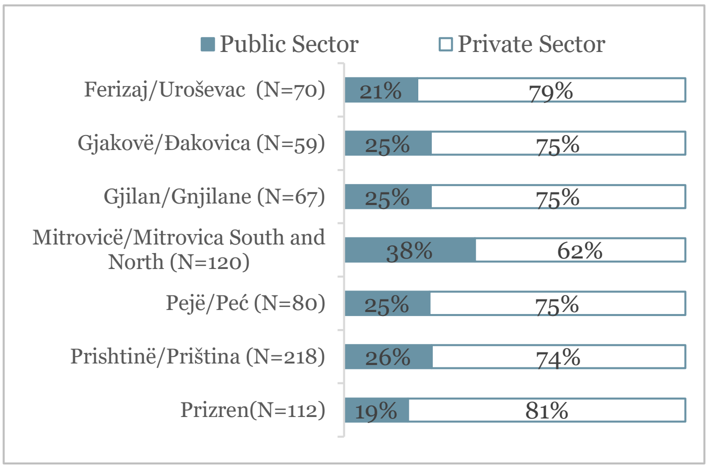
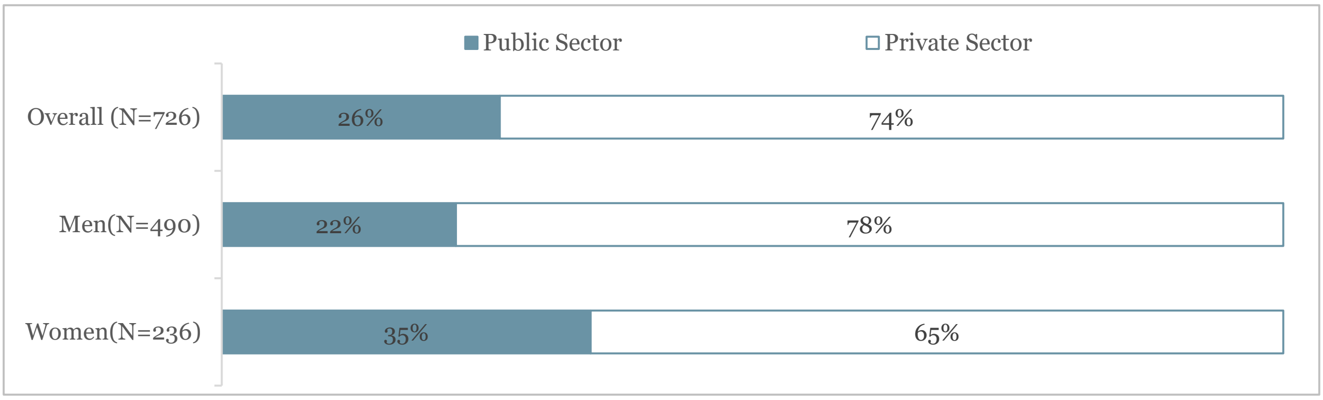


Figure 26 Employment Sector, by region



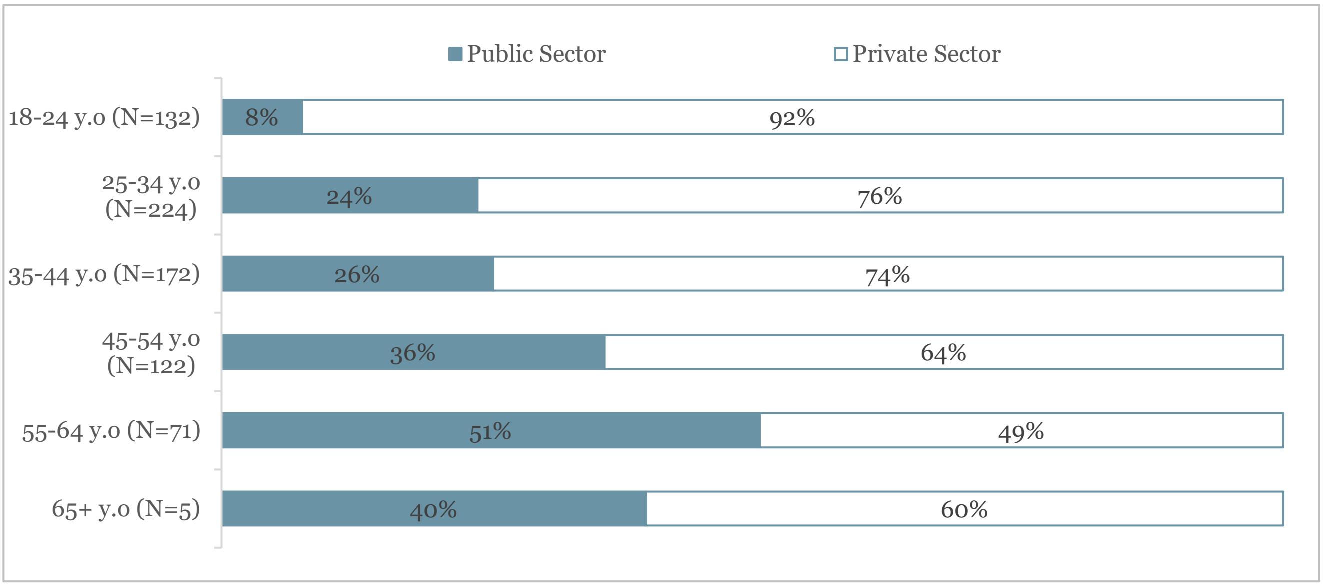
Compared by gender, more than a third of women respondents work in the public sector, while about one fifth of men work in the public sector. Two thirds of women and four fifths of men work in the private sector (see Figure 27).

Figure 27 Employment Sector, by gender



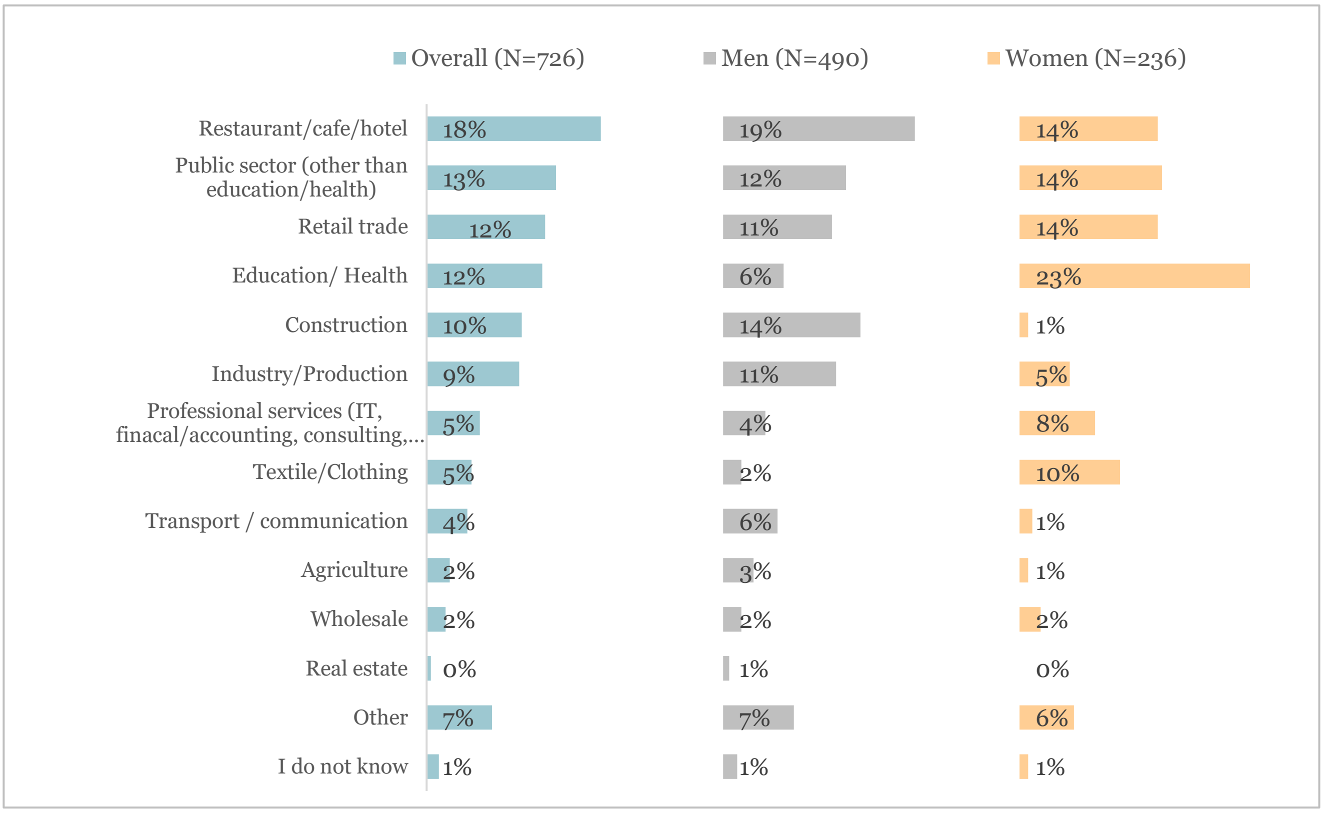
There are more differences by sector of employment when comparing different age groups. The younger the individuals, the more they tend to work in the private sector. This does not hold true for individuals who are more than 65 years old, as there are only five who are still employed and might be near retirement. Youngest adults who are 18-24 years old that are presumably in their early careers, work much more (92%) in the private sector compared to the public sector (8%). The next group of individuals that are 25-24 34 years old tend to work in the public sector more (24%) than the previous group, but they are largely employed in the private sector (76%) as well. Whereas, for those in the age group 55-64 years old the difference between public and private sector is almost fifty-fifty.

Figure 28 Employment Sector, by age



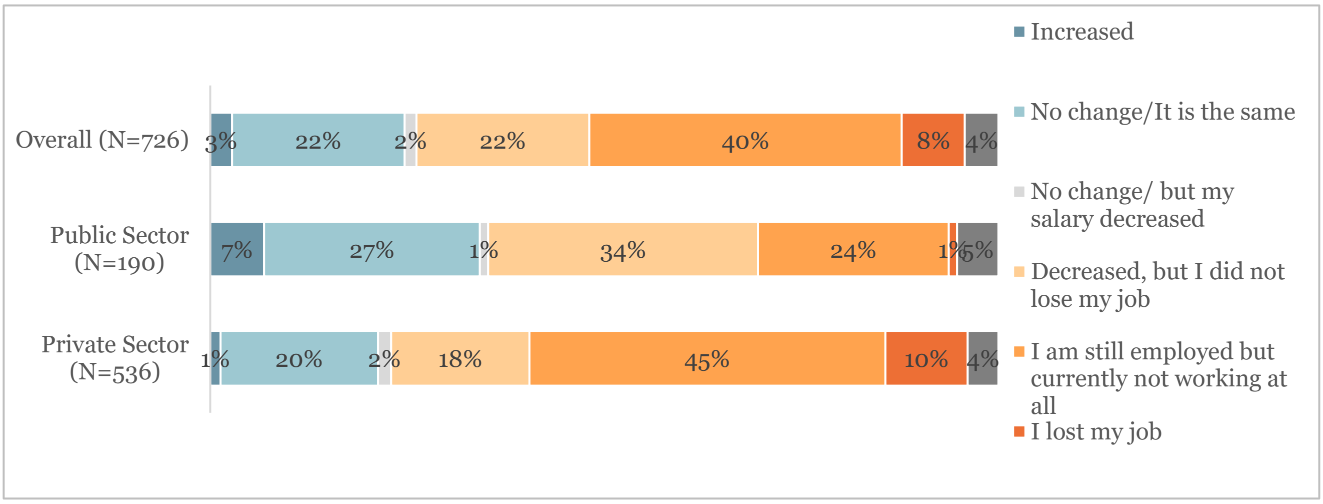
In terms of employment by industry, there are some larger differences by gender in certain industries. There are more men (19%) than women (14%) working in restaurants, cafes, or hotels. While, there are much more women working in education and health (23%) compared to men (6%). Regarding production and construction industries, men (11% and 14% respectively) again make up a much larger share than women (1% and 5%). Women are more represented in public sector, retail, and textile than men.

Figure 29 Employment industry, by gender



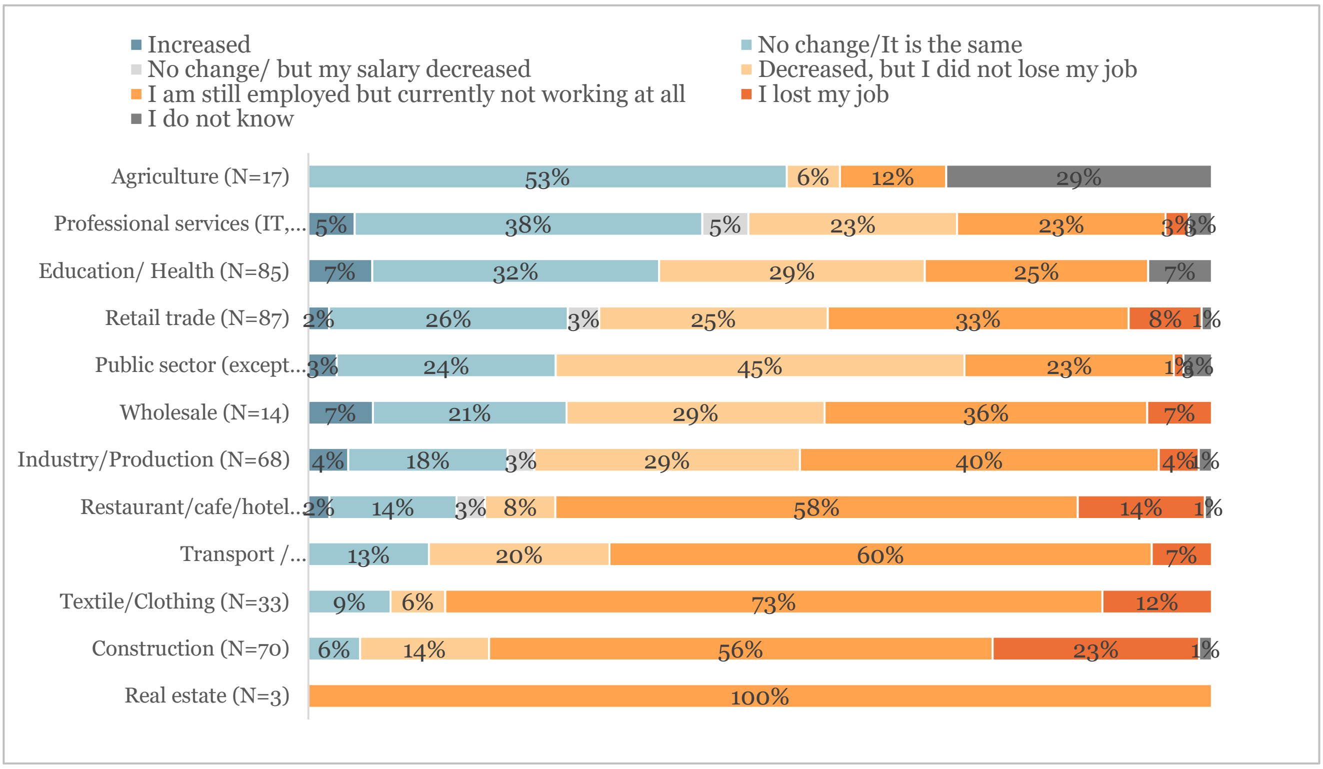
The employment type, sector, and industry regarded the period at least a week before the outbreak of the COVID-19 pandemic. However, in a follow up question, respondents were asked if the hours devoted to work changed after the pandemic and, in general, 3% said they increased, 22% said they remained the same, 2% said they remained the same but they experienced a decrease in salaries, 22% said that the hours decreased but they are still employed, and 40% said that they are still employed but currently not working at all, while 8% said that they lost their job.

Figure 30 Changes in hours devoted to work due to COVID-19 pandemic, by employment sector



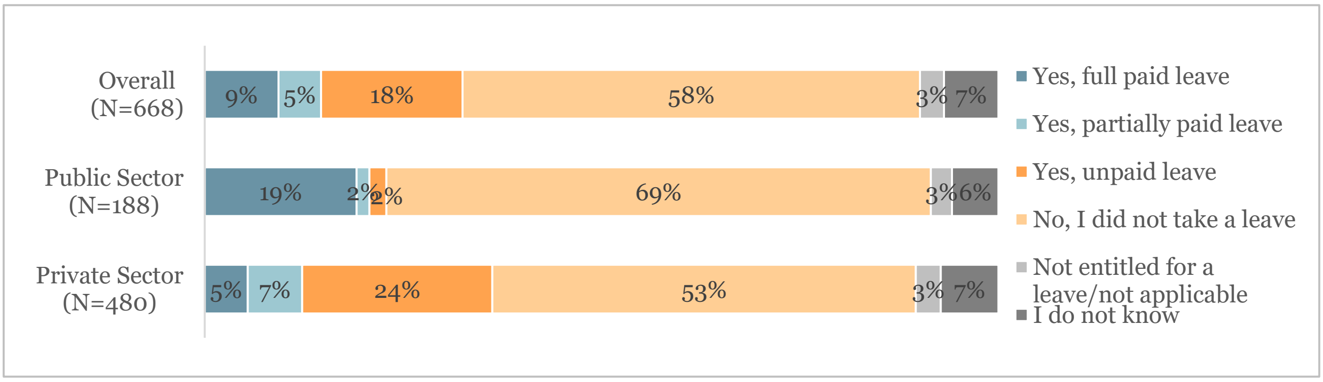
The impact of COVID in the working hours varies based on the industry. The hardest hit workers are in the real estate sector, construction, and textile. When comparing by employment industry, 7% of respondents in the wholesale and education/health industries, 5% working in professional services, 4% in production, 3% in the public sector and 2% in restaurants/café/hotel and retail trade claim to have their hours devoted to work increased. In the agriculture industry, 53% claim to not have changed the hours devoted which is the largest share compared to other industries.

Figure 31 Changes in hours devoted to work due to COVID-19 pandemic, by employment industry



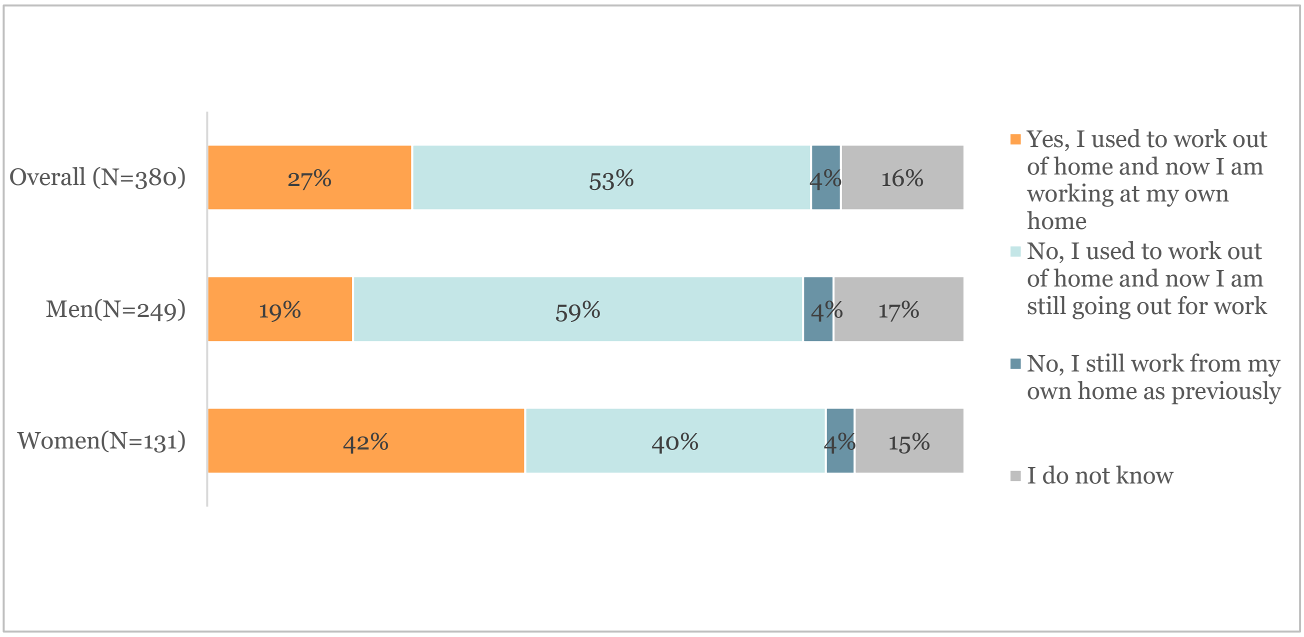
To understand the work dynamic and coping mechanisms of different institutions and companies with their employees, the respondents were asked if they were imposed to take a leave due to the pandemic. Of those who were still employed after the pandemic in the public sector, 19% took a fully paid leave, 2% a partially paid leave, 2% an unpaid leave and 58% did not take a leave. Whereas in the private sector, 5% had fully paid leaves, 7% partially paid leaves, 24% unpaid leaves, and 53% did not take a leave. There were also 3% of respondents who claimed to not be entitled to a leave in either sector. Although the reasons behind this were not further scrutinised via the survey, some of these responses could be due to the type of the contract employees have in each sector.

Figure 32 Imposition to take a leave due to the pandemic, by sector



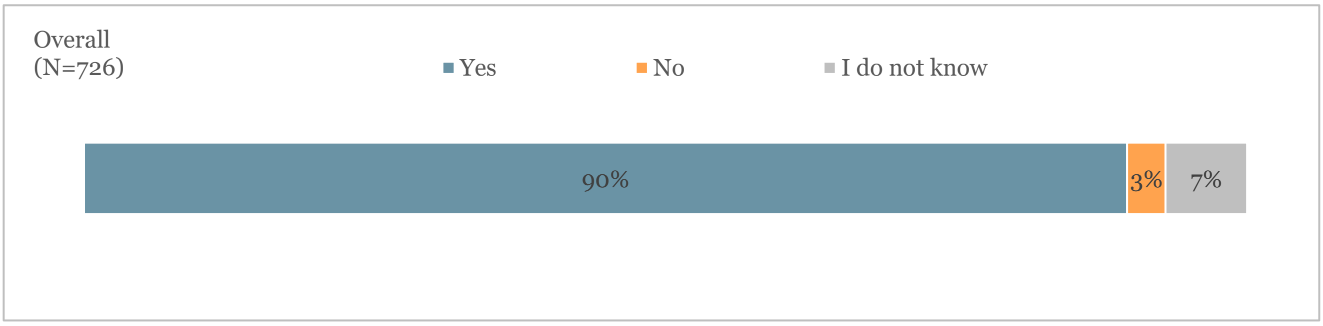
It was also important to examine whether the physical place of work has changed among respondents to reflect the reality in Kosovo. According to the survey results, 27% of respondents changed their place of work where now they conduct it via their own homes. It should be emphasised that much more women (42%) than men (19%) work from home rather than their physical place of employment. In line with this, 59% of men and 40% of women continue to work out of home. Whereas, there are no gender differences or changes in typical place of work for those whose place of work was their home even before the pandemic.

Figure 33 Changes in typical place of work, by gender



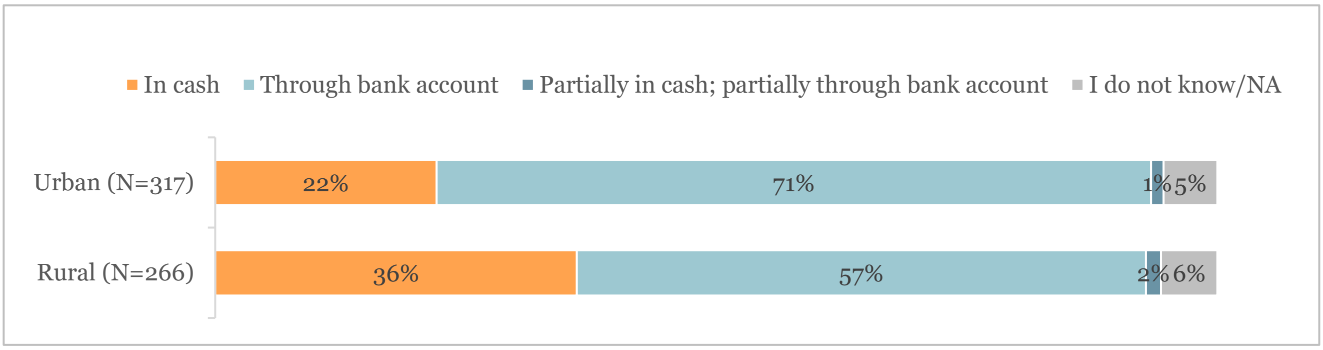
However, 90% respondents who were and continue to be employed, representing a little over half of the sample size are optimistic about their employment prospects after the pandemic. Only a few (3% and 7%) believe they will not continue to work or are not sure if they will.

Figure 34 Expectations regarding employment possibility after COVID-19 pandemic



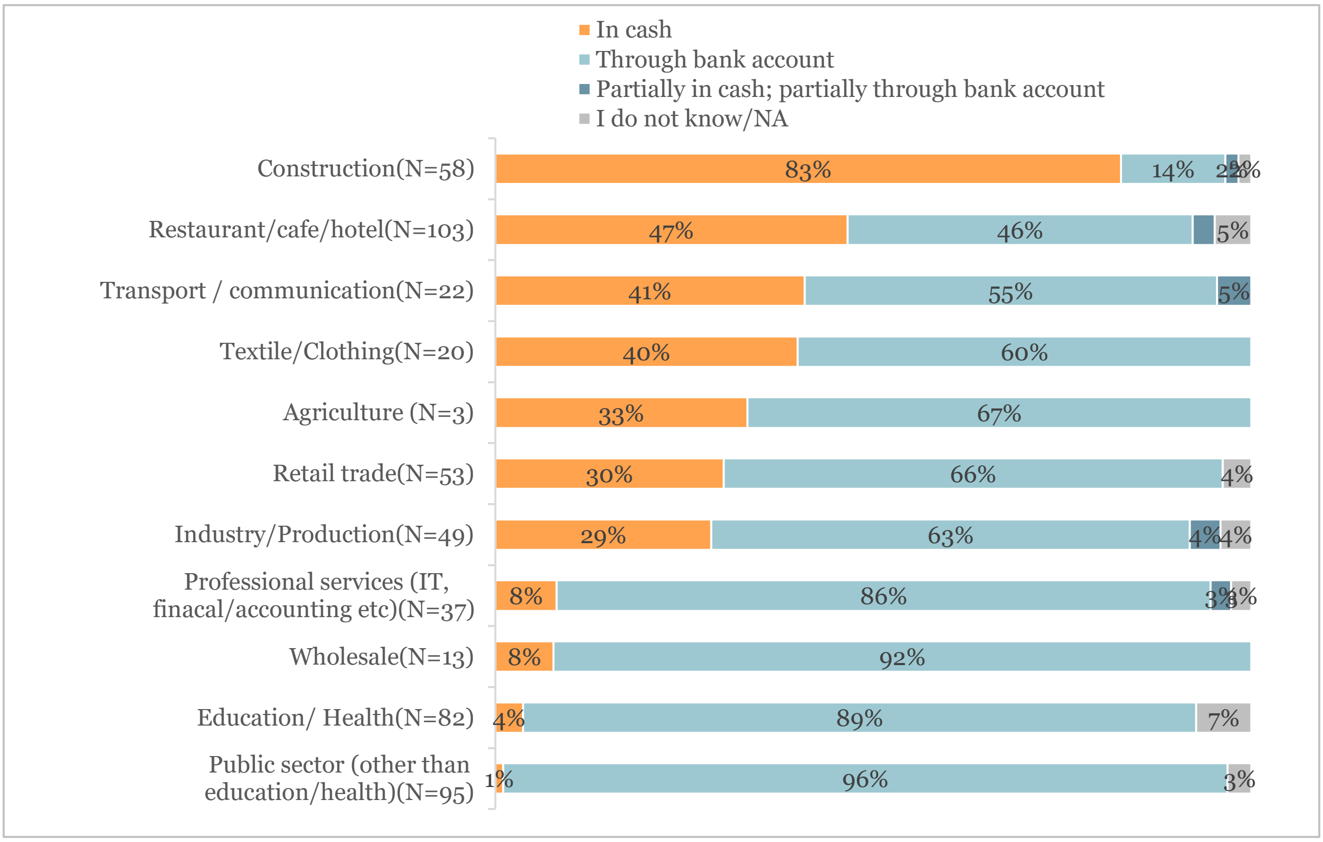
In terms of means of receiving the salary by sector, there are 22% of individuals who work in urban areas compared to 36% of individuals working in rural areas that received their salaries in cash before COVID-19, and about 1% and 2% respectively received some of their salaries in cash and some through a bank account.

Figure 35 Means of receiving the salary before COVID-19, by settlement type



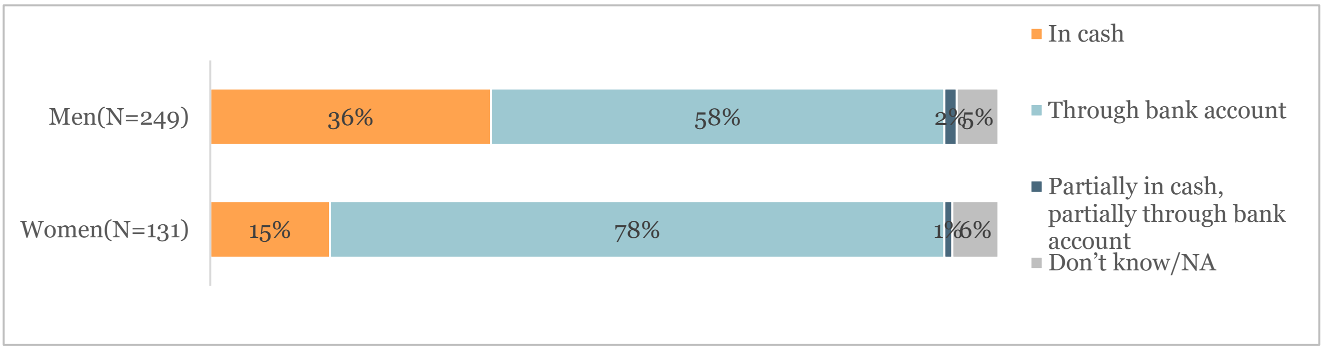
While the hardest hit by informality is the construction industry where 83% of respondents claimed to receive their salaries in cash, followed by workers in restaurants, cafes, and hotels (47%), in transportation and communication (41%), and textile and clothing (40%). The least informal sectors in this regard seem to be professional services (8%), wholesale industry (8%), education and health industries (4%) and public sector (1%).

Figure 36 Means of receiving the salary before COVID-19, by industry



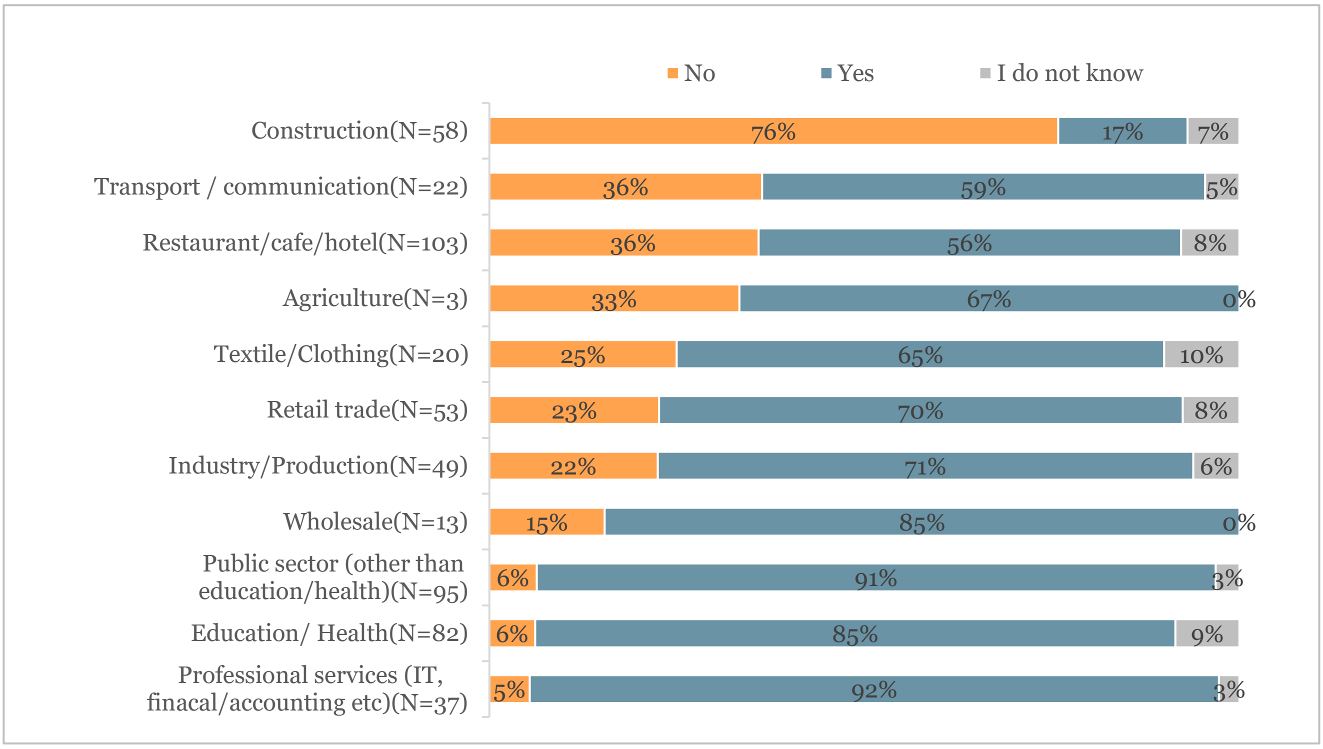
Men seem to be more vulnerable in terms of informal employment than women. While 58% of men and 78% of women were paid through a bank account; there were more men (36%) than women (15%) who were paid in cash. Only a small number of men (2%) and women (1%) were paid partially in cash and partially through a bank account.

Figure 37 Means of receiving the salary before COVID-19, by gender



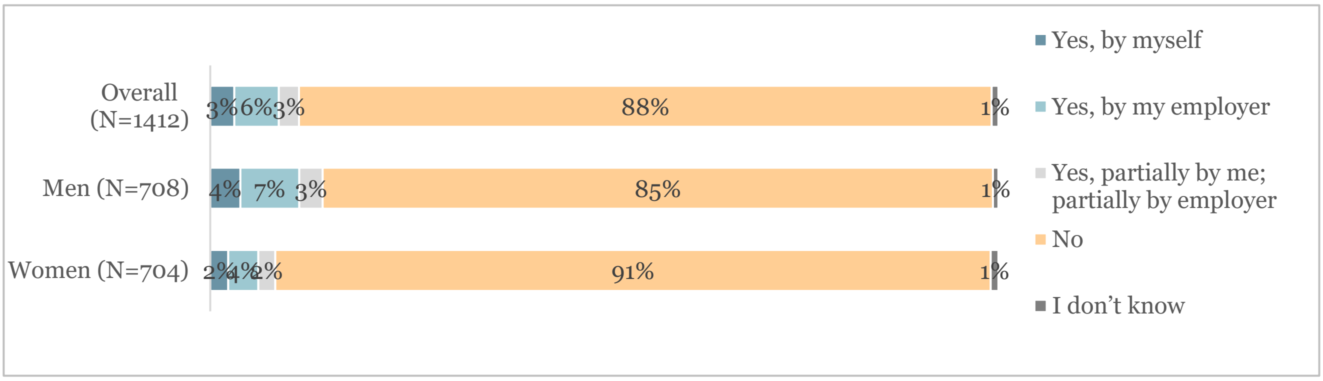
Similarly, the majority of construction workers' employers (76%) do not pay pension contributions for them as required by law. However, this happens in other sectors as well where at least a third of employees do not have employers that pay pension contributions for them – namely, in transport/communication (36%), restaurants/café/hotel (36%) and agriculture (33%). About a fifth or a fourth of workers' employers do not pay their pension contributions in textile/clothing, retail trade and production either.

Figure 38 Employer Contribution Payments before COVID-19, by industry



The survey also intended to understand whether the respondents were covered by any type of health insurance or health plan in Kosovo. The majority of women (91%) and men (85%) do not have health insurance. More men (7%) than women (4%) have health insurance which is covered by their employer. Moreover, more men (4%) than women (2%) pay for their own health insurance. Whereas, a smaller portion of men (3%) and women (2%) have health insurance which is partially covered by them and partially covered by their employer.

Figure 39 Health insurance or health plan coverage, by gender



Of those who are themselves employed or at least have a family member who is employed, 48% claimed not to be the main income earner in the family. The sector of employment of the main income earner in an K Albanian household is 28% in the public sector, and 72% in the private sector. Whereas, for K Serbs, 78% is in the public sector and 22% in the private sector

Figure 40 Are you the main income earner in your household?, by gender

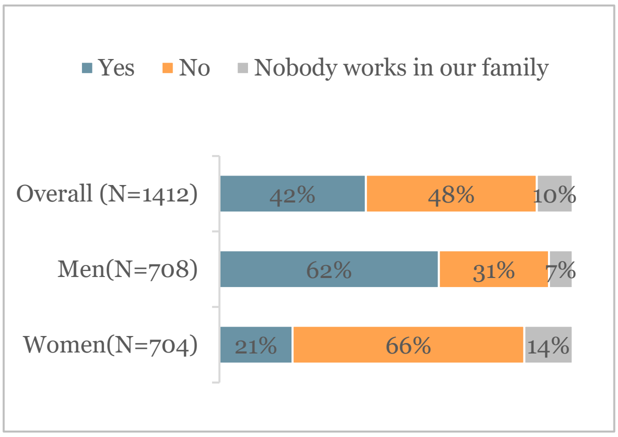
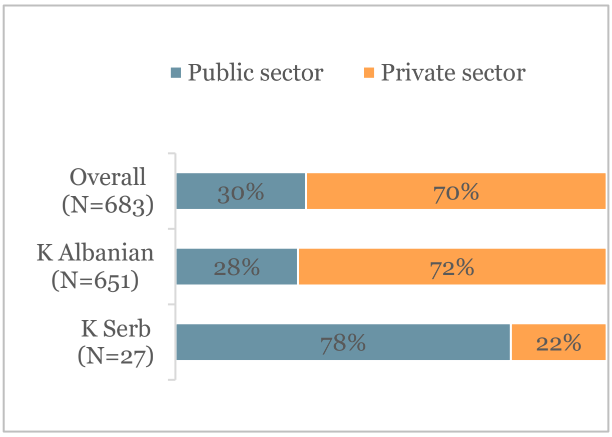
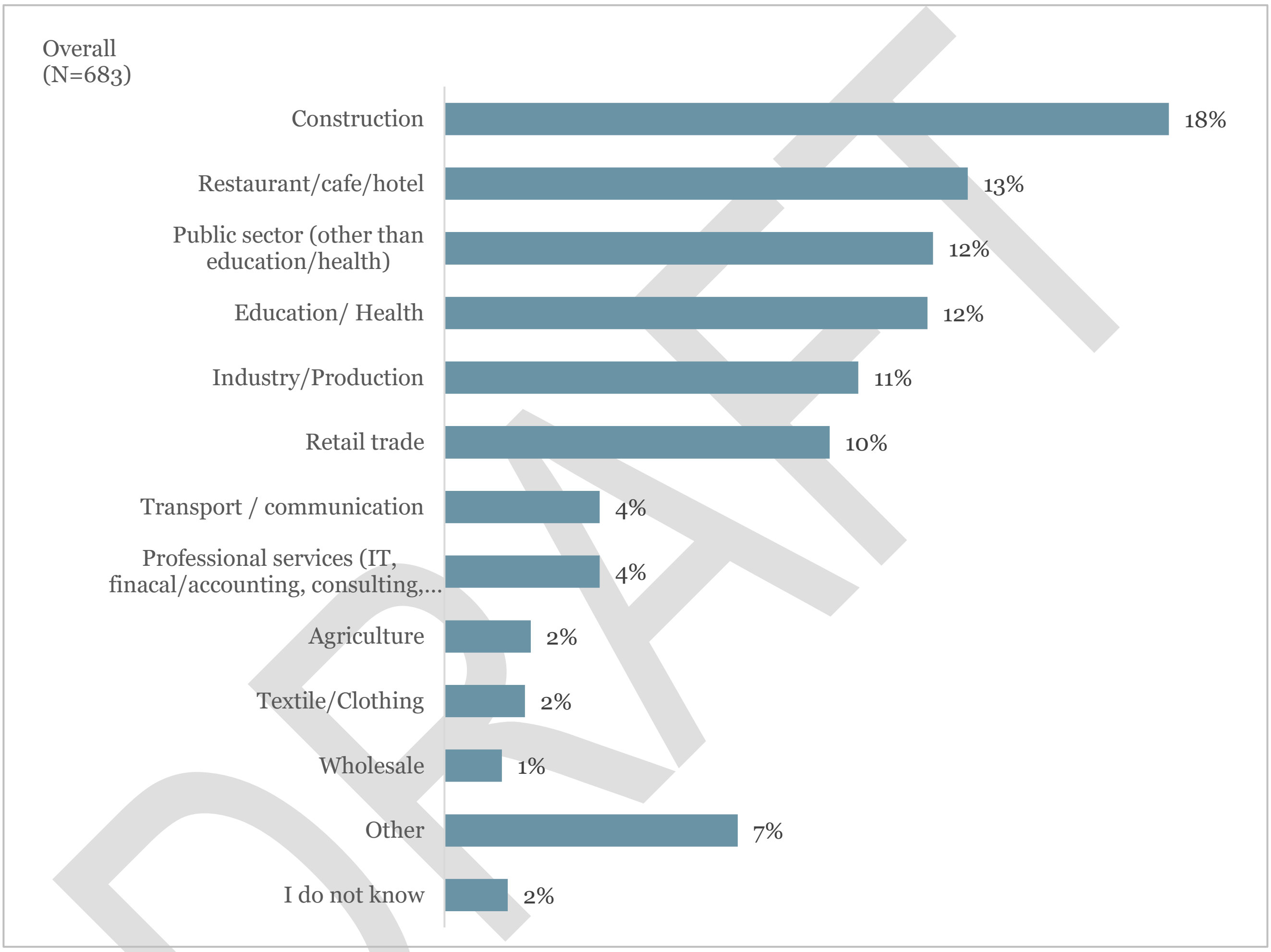


Figure 41 Employment sector of the main income earner, by ethnicity



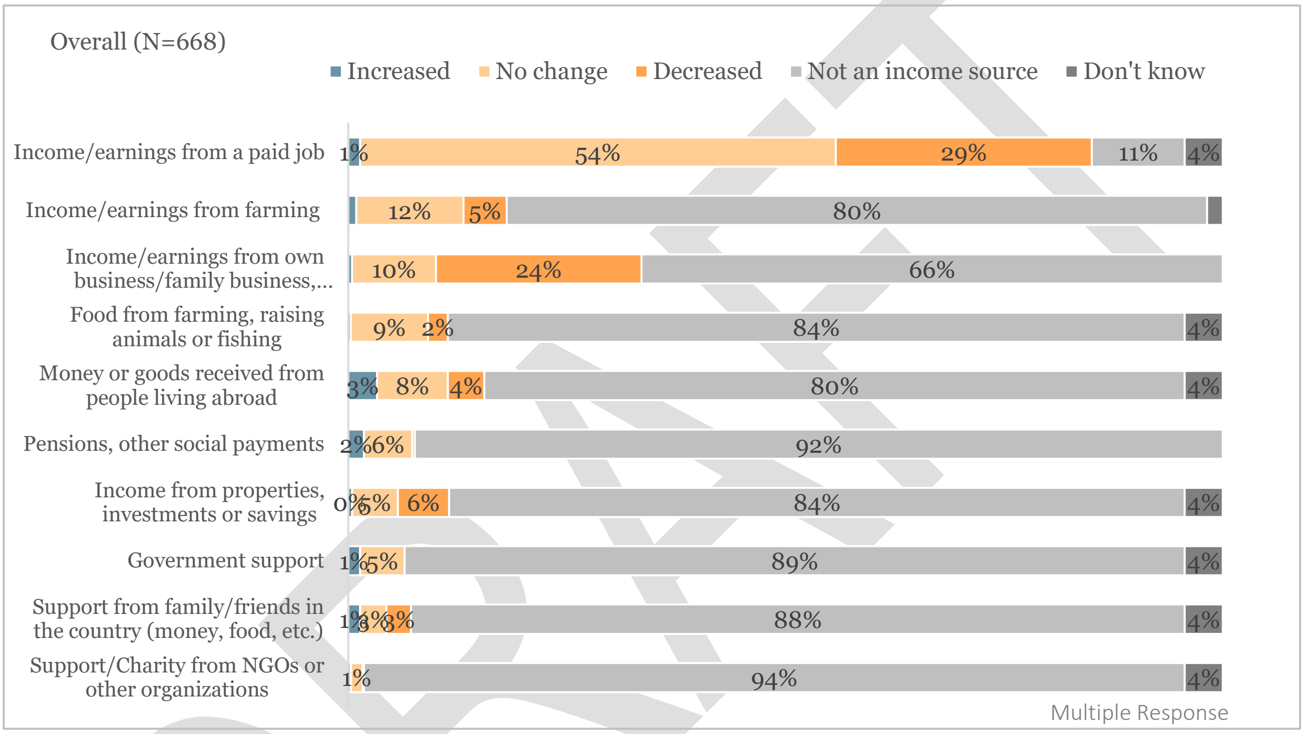
Of those households, where the main income provider is not the respondent, the employment industry of the main income earners are the construction sector (18%), the restaurant, café, or hotel sector (13%), and public sector, education and health (each 12%). The smallest share of main income earners are employees in agriculture (2%), textile/clothing (2%), and wholesale (1%).

Figure 42 Employment industry of the main income earner



Given that citizens' employment has changed, it was of utmost importance to understand whether their personal income from different sources has been affected. It was found that 54% of respondents had no change in income from a job, 39% had a decrease, and 1% experienced an increase through this source of earning. However, overall, there are 29% and 24% of respondents that claim their income earned via a job and via a business has decreased. The majority of respondents does not receive an income through NGO support (94%), government support (89%), family support (88%), farming (80%), remittances (80%), personal properties, investments or savings (84%), and family business (66%). However, for those who do, there was a 5% decrease in income from farming, 4% from remittances, 6% from personal properties, investments or savings, and 3% from family support.

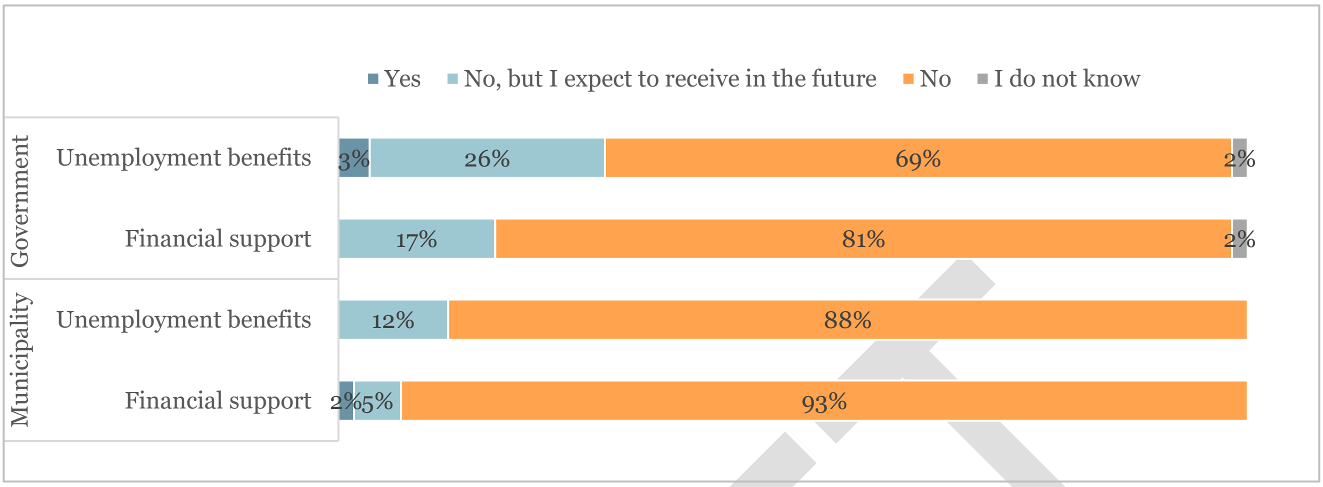
Figure 43 As a result of COVID-19, how each of the following PERSONAL resources have been affected?



**Only those who were employed before the spread of COVID-19 and have not lost their job*

For those who have lost their jobs (8%) after the pandemic, 3% claimed to have received unemployment benefits from the government, and 2% to have received financial support from the municipalities. Some 26% and 17% expect to receive unemployment benefits and financial support from the government, respectively. Whereas, 12% and 5% expect to receive unemployment benefits and financial support from their municipalities.

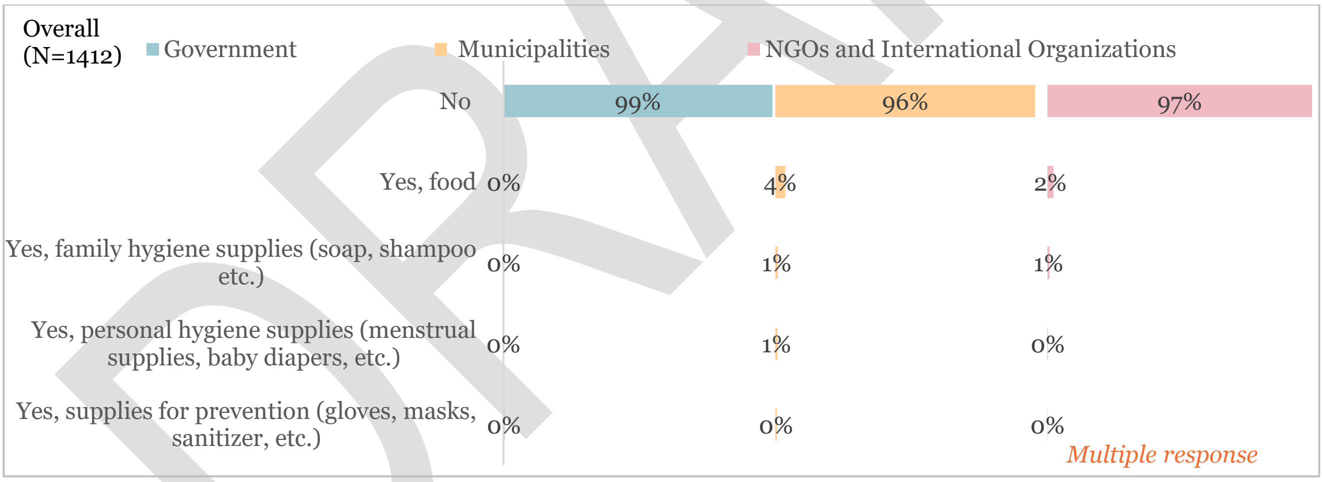
Figure 44 Do you receive any unemployment benefits and/or any financial support from the Government and/or the municipalities since the spread of COVID-19?



**Only those who lost their job*

Most respondents did not receive any in-kind support from the government (99%), municipalities (96%) or NGOs and International Organisations. However, some 4% received food, and 1% received family and personal hygiene supplies from municipalities; whereas, 2% received food and 1% family hygiene supplies from NGOS and/or International Organisations.

Figure 45 Do you receive any in-kind support from the Government, municipalities, NGOs and International Organisations since the spread of COVID-19?

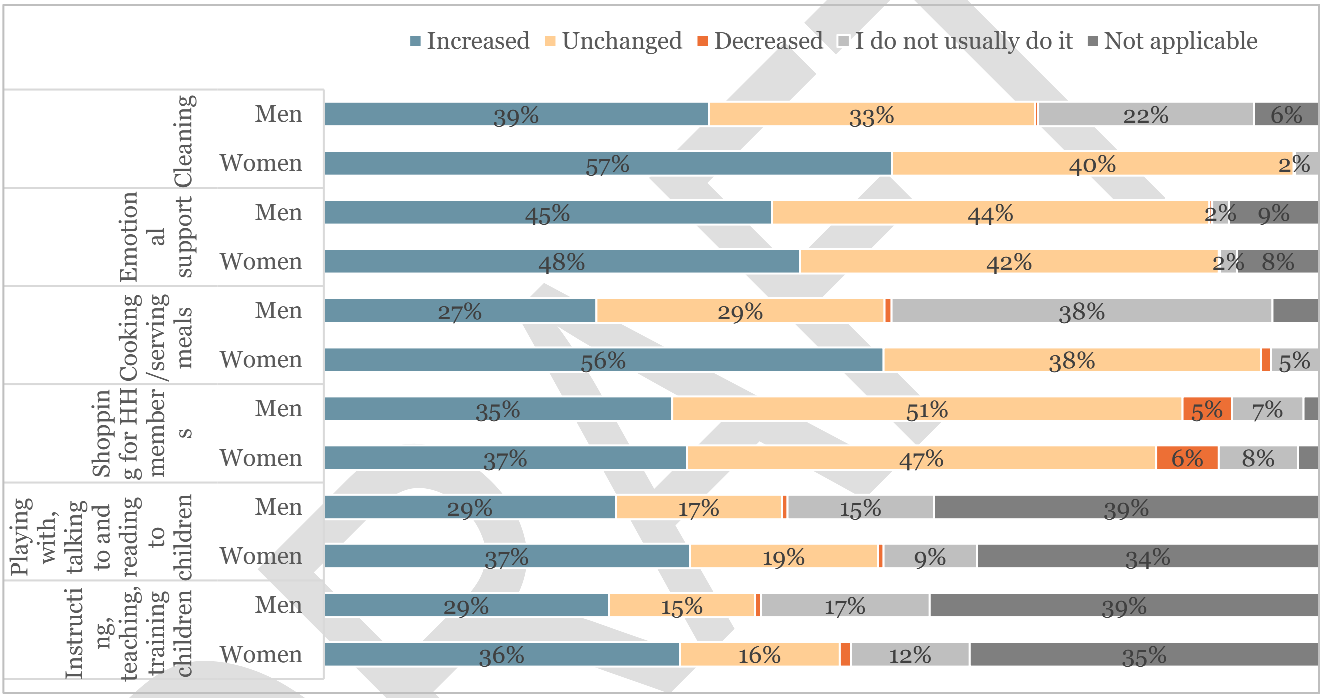


3.1.5 Distribution of Household Chores and Social Dynamics

While household responsibilities have increased for both genders as a result of COVID-19, working hours dedicated for cleaning, cooking, and serving meals have increased much more for women. Women's hours dedicated to cleaning has increased by 18 percentage points more compared to men and for cooking and serving meals by 29 percentage points more than men. They also play, talk, or read to children and care for children by 8% and 9%, respectively, more than men.[9]

The only household duties that men spend more time in than women are pet care and farming activities by 3% and 7% difference in each.

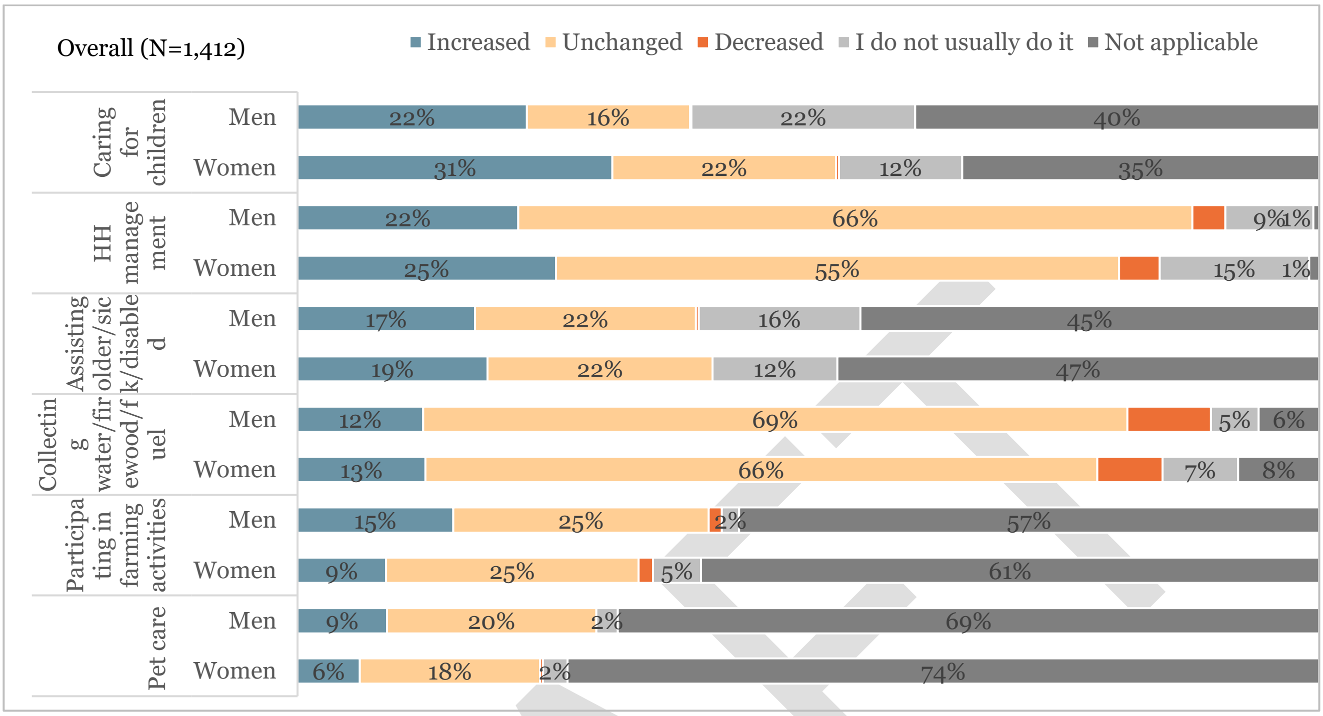
Figure 46 As a result of COVID-19, has the number of hours you devote to the following activities changed? – by gender



**sorted by 'increased'*

[9] The 'not applicable' percentages include people for whom some of the options do not apply to, for instance, for people without children or partners 'taking care of HH members and children' options do not apply.

Figure 47 As a result of COVID-19, has the number of hours you devote to the following activities changed? – by gender

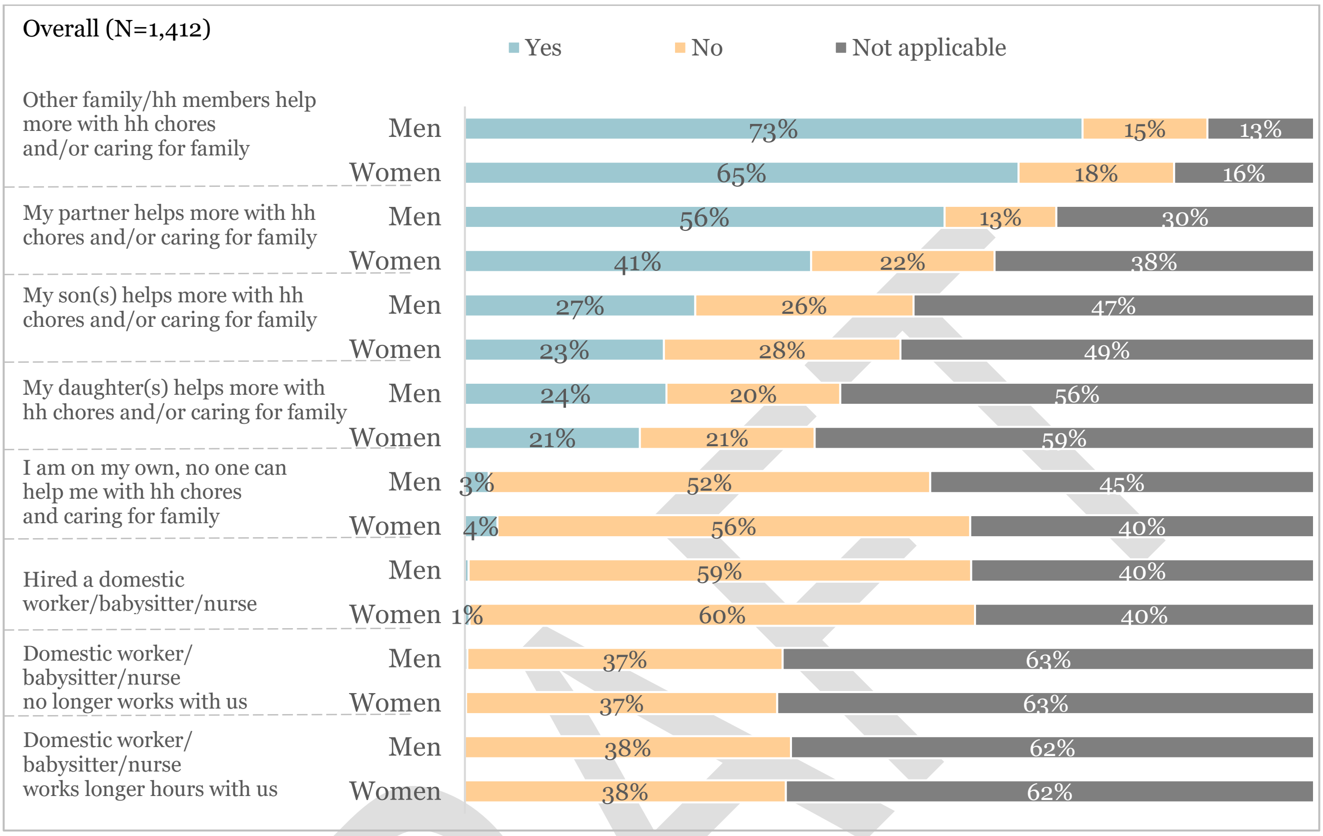


**sorted by 'increased'*

Nevertheless, some women claim that their partner (41%), sons (23%), and daughter (21%) help more with household chores and caring for the family than before the pandemic. Nevertheless, more men (56%) claim that their partners (i.e. women, unless in a same gender partnership) help more with household and family care before the pandemic asserting the extra burden that women undertake with house chores.[10]

[10] The 'not applicable' percentages include people for whom some of the options do not apply to, for instance, for people without children or partners, taking care of HH members and children options do not apply.

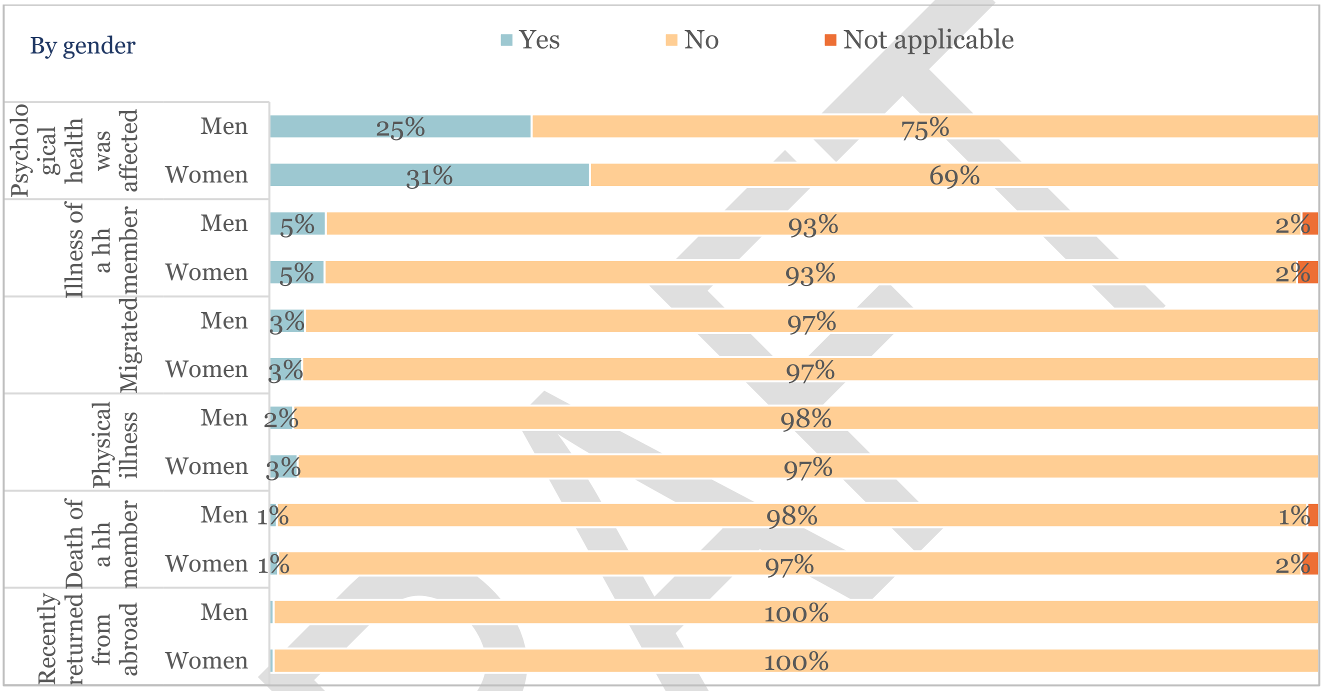
Figure 48 Since the spread of COVID-19 have roles and responsibilities within the household been affected? - by gender



3.1.6 Access to Basic Services and Safety

Changes in the daily routine seem to have resulted in psychological effects for citizens in Kosovo. In this respect, 25% of men and 31% of women claim to have personally experienced some sort of psychological or emotional effects due to the pandemic. While about 2% of men and 3% of women have had their physical health affected. Five percent of each have experienced illness of a family member, whereas one percent of each have experienced the death of a family member.

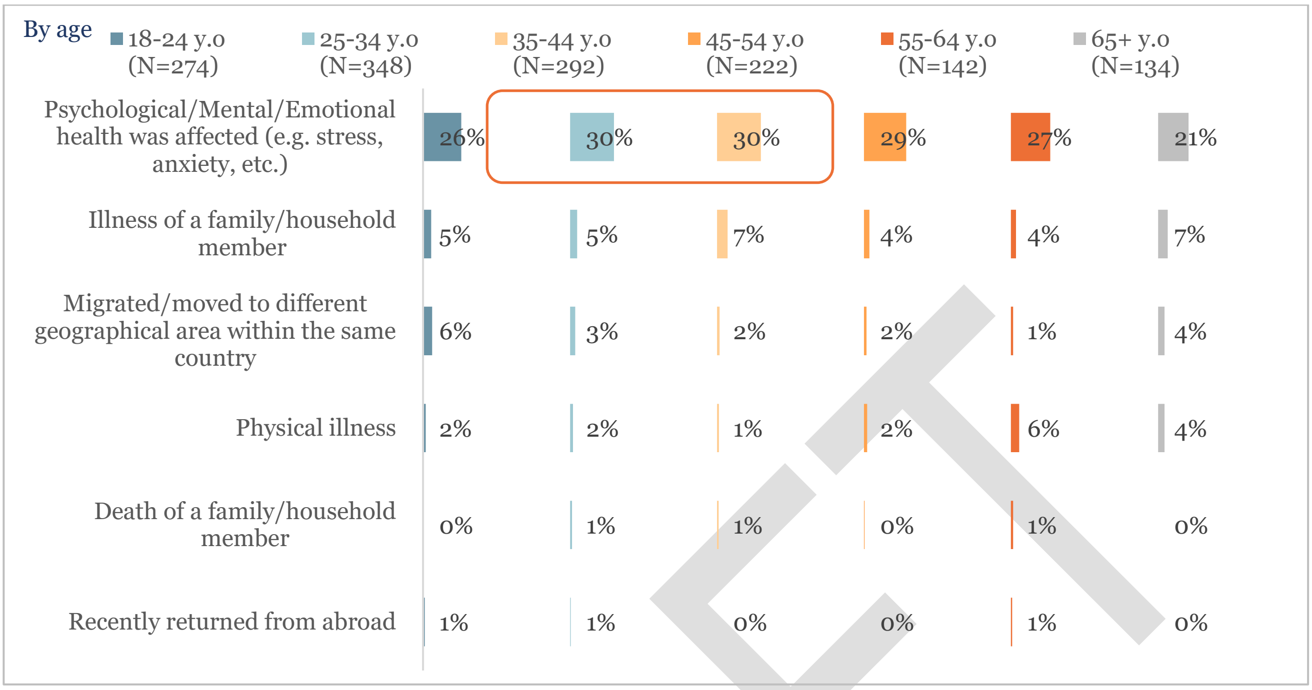
Figure 49 As a result of COVID-19, did you (personally) experience any of the following – by gender



Only showing 'yes' category

Those affected the most by mental health, either experiencing stress, anxiety or other psychological issue are 35-54 years old (30%). However, all other age groups seem to have been affected similarly, except older people (65+) who are impacted slightly less (21%). While people aged 35-44 and those over 65 have had the most cases of household member falling ill (7% each), people aged 55-64 years have experienced a physical illness the most (6%) compared to other age groups.

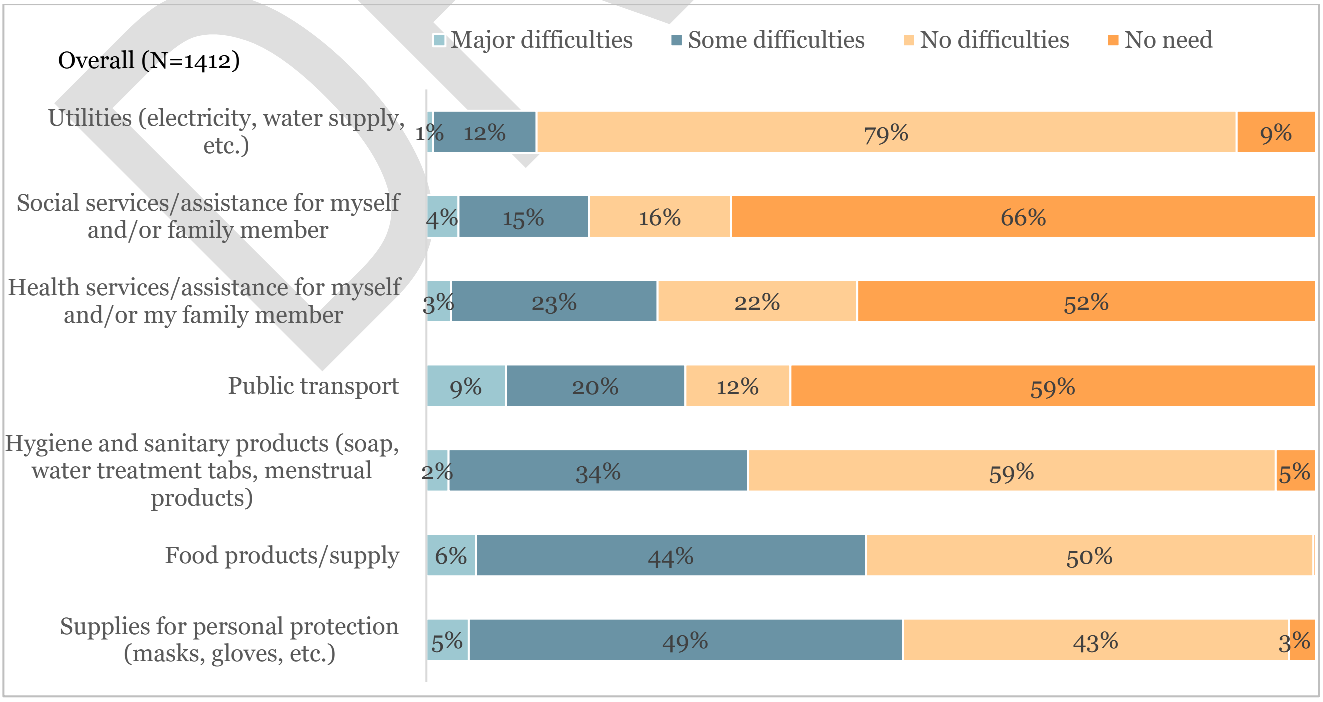
Figure 50 As a result of COVID-19, did you (personally) experience any of the following – by age



Only showing 'yes' category

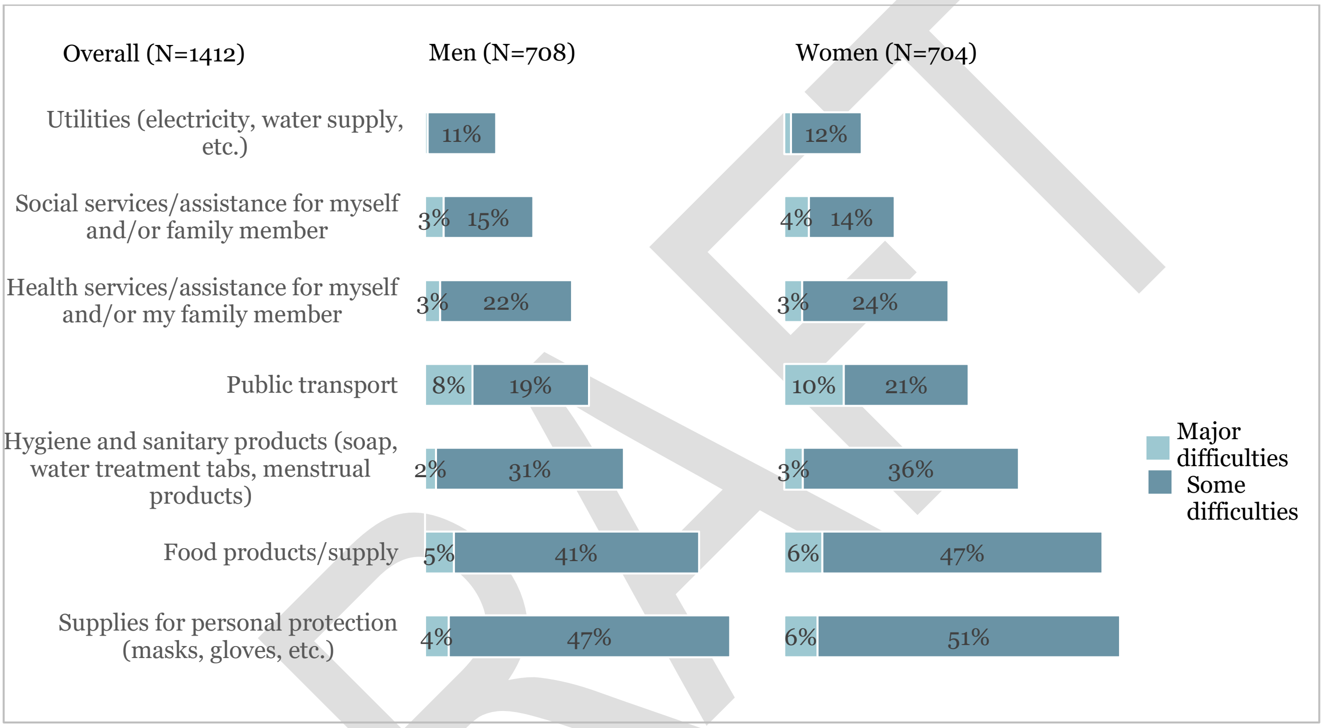
Access to basic utilities, social and health services, public transportation and basic health products was also explored within this survey. It is noteworthy that 13% of all respondents claimed to have had major or some difficulties accessing utilities, including electricity and water supply. Moreover, 19% of respondents have experienced major or some difficulties accessing social services and 26% have had difficulties accessing health services for themselves or their family members. About a half of all the respondents have experienced difficulties accessing supplies for personal protection and food products; about a third of respondents have experienced major or some difficulties accessing public transport and hygiene and sanitary products.

Figure 51 As a result of COVID-19, did you (personally) experience difficulties in accessing basic services:



There were few gender differences regarding access to basic services. Of the 13% of all respondents, there were 11% men and 12% women who had major or some difficulties accessing utilities, including electricity and water supply. Moreover, 25% of men respondents and 27% of women respondents have experienced difficulties accessing health services for themselves or their family members. While, 33% of men respondents and 39% of women respondents had difficulties accessing hygiene and sanitary products. Nonetheless, there were some bigger gender differences when it comes to food and medical supplies for personal use. About 46% of men and 53% of women have had difficulties in accessing food and 51% of men and 57% of women have had difficulties accessing medical supplies for personal use.

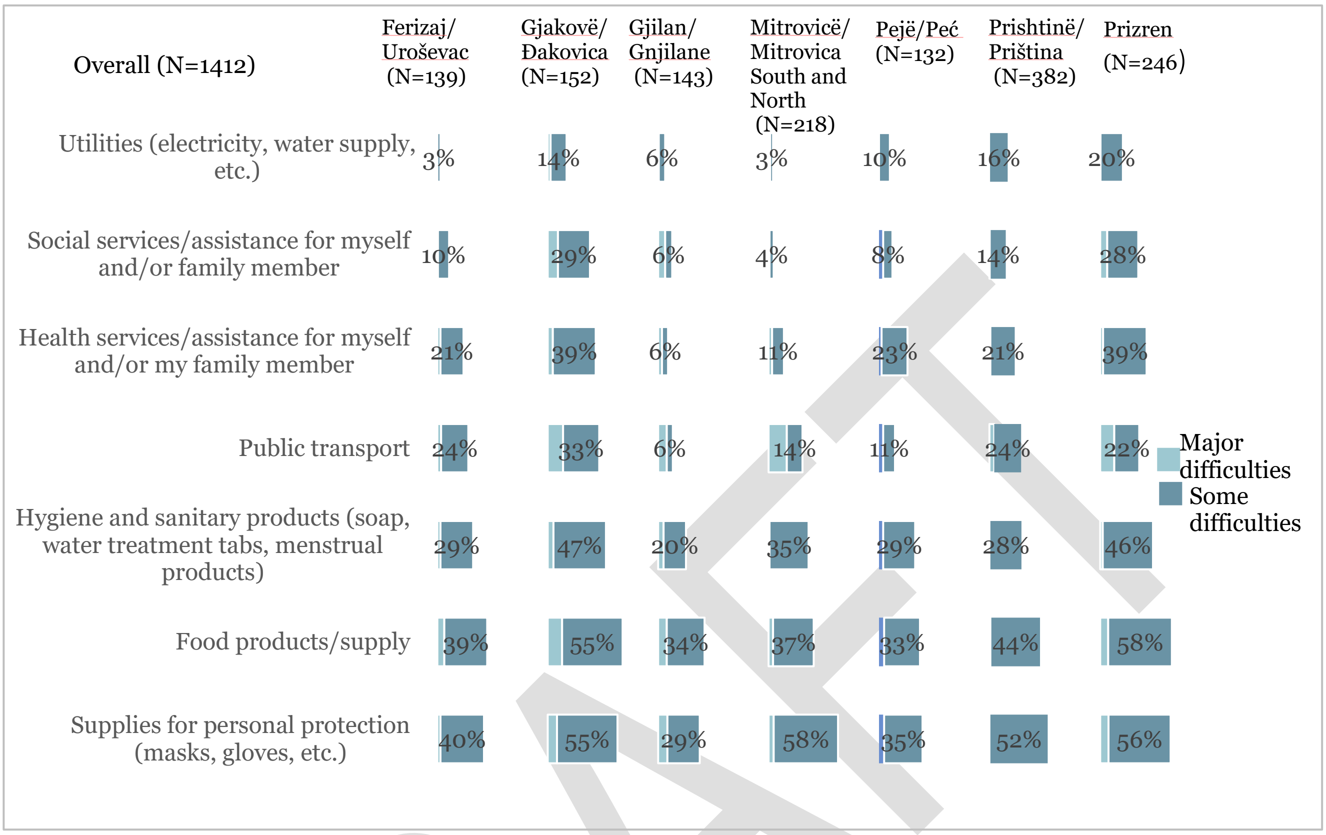
Figure 52 As a result of COVID-19, did you (personally) experience difficulties in accessing basic services, by gender



Only showing 'major and some difficulties' category

When scrutinising access to basic services by region, more respondents from Gjakovë/Đakovica (55%), Mitrovicë/Mitrovica South and North (58%), and Prizren (56%) claimed to have difficulties in accessing medical supplies for personal use. Gjakovë/Đakovica (55%) and Prizren (58%) have higher claims of difficulties in food supplies. Overall, these two municipalities have experienced the highest levels of difficulties in all basic social and health services. Whereas, all municipalities have had high levels of difficulties with hygiene and sanitary products, food, and medical supplies for personal use.

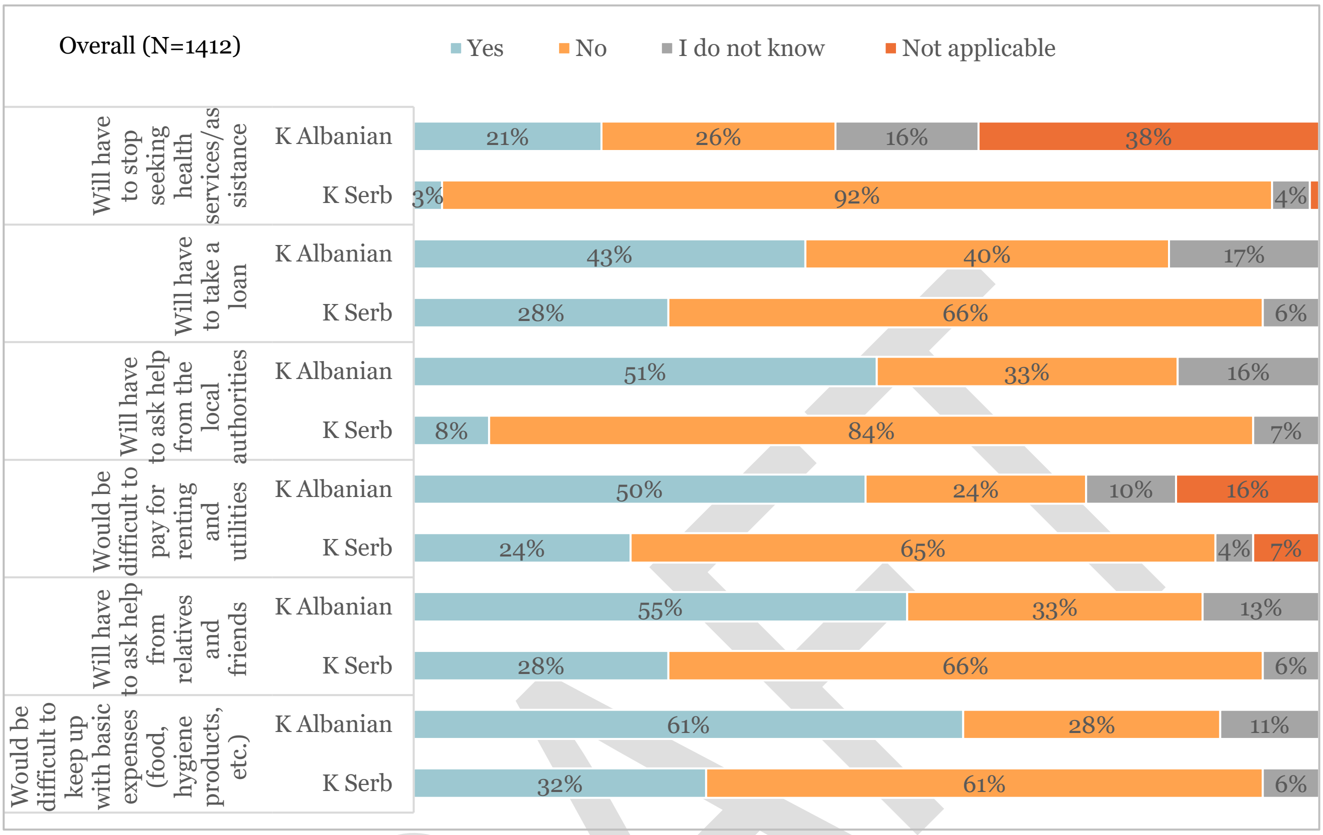
Figure 53 As a result of COVID-19, did you (personally) experience difficulties in accessing basic services: - by region



Only showing 'major and some difficulties' category

Regarding financial security of households if restrictive measures of COVID-19 persisted, there are a number of actions that respondents will have to undertake. Compared by ethnicity, some 21% of K Albanians and 3% of K Serbs claimed they might need to stop seeking health services. More K Albanians (43%) than K Serbs (28%) consider that they will have to take a loan. Moreover, 59% of respondents believe they will have to ask for help from local authorities, but out of those only 8% K Serbs compared to 51% K Albanians. At least half of K Albanians and a third of K Serbs believe they will have trouble paying rent and utilities, will have to ask help from relatives and friends, and that it will be difficult to keep up with basic expenses.

Figure 54 If restrictive measures related to spread of COVID-19 continue, what would most likely to happen to your household financial situation? – by ethnicity



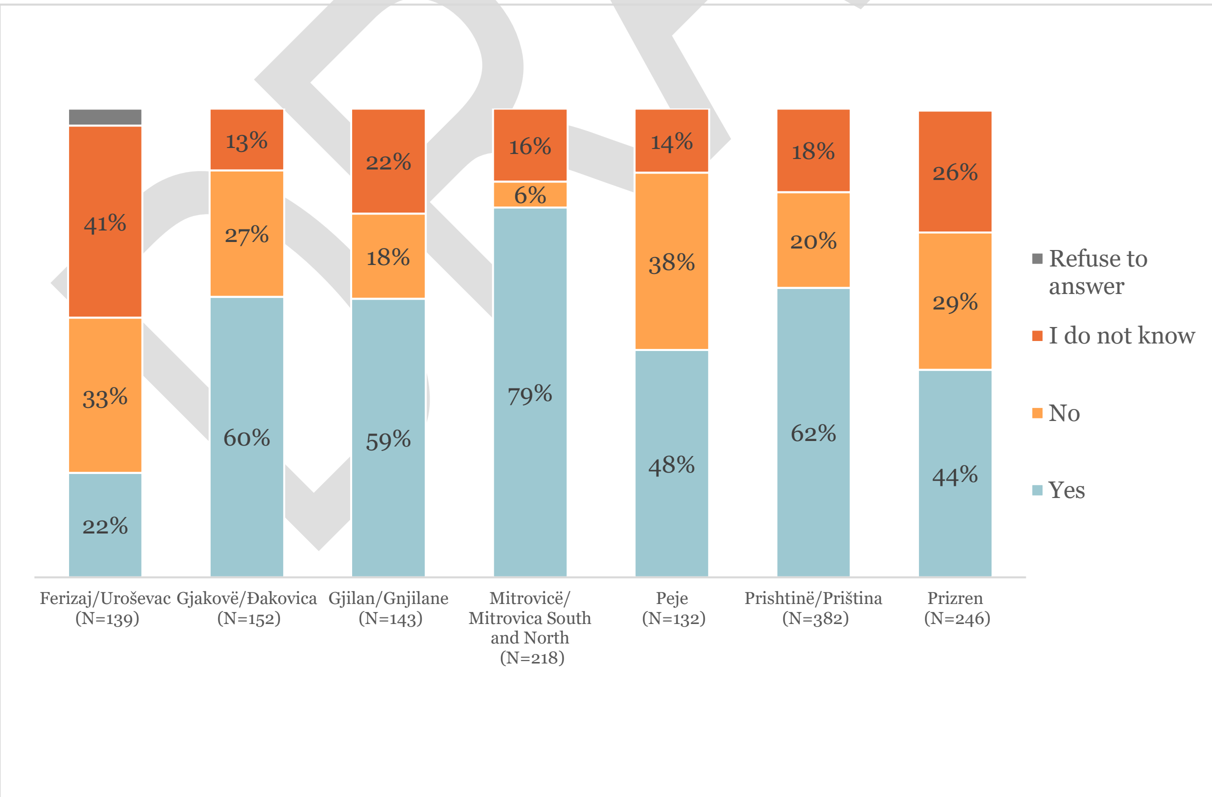
Another issue that was examined in the survey is the potential increase of domestic violence due to the pandemic. Police reports show nearly 650 cases of domestic violence to have been reported across Kosovo in 2020, which represents a 22% increase compared to the same period of 2019.[11] Due to the sensitivity of the topic, the domestic violence related questions were based on the perception of an increase in domestic violence and whether respondents have experienced it themselves. Overall, 56% of all respondents think there is an increase of domestic violence and 64% of them know where to seek help in case they or someone experience domestic violence.

[11] Prishtina Insight. Reports of domestic violence increase in 2020. May 2020. https://prishtinainsight.com/reports-of-domestic-violence-increase-in-2020/ Last accessed on 2020.05.21

Figure 55 Domestic violence related issues

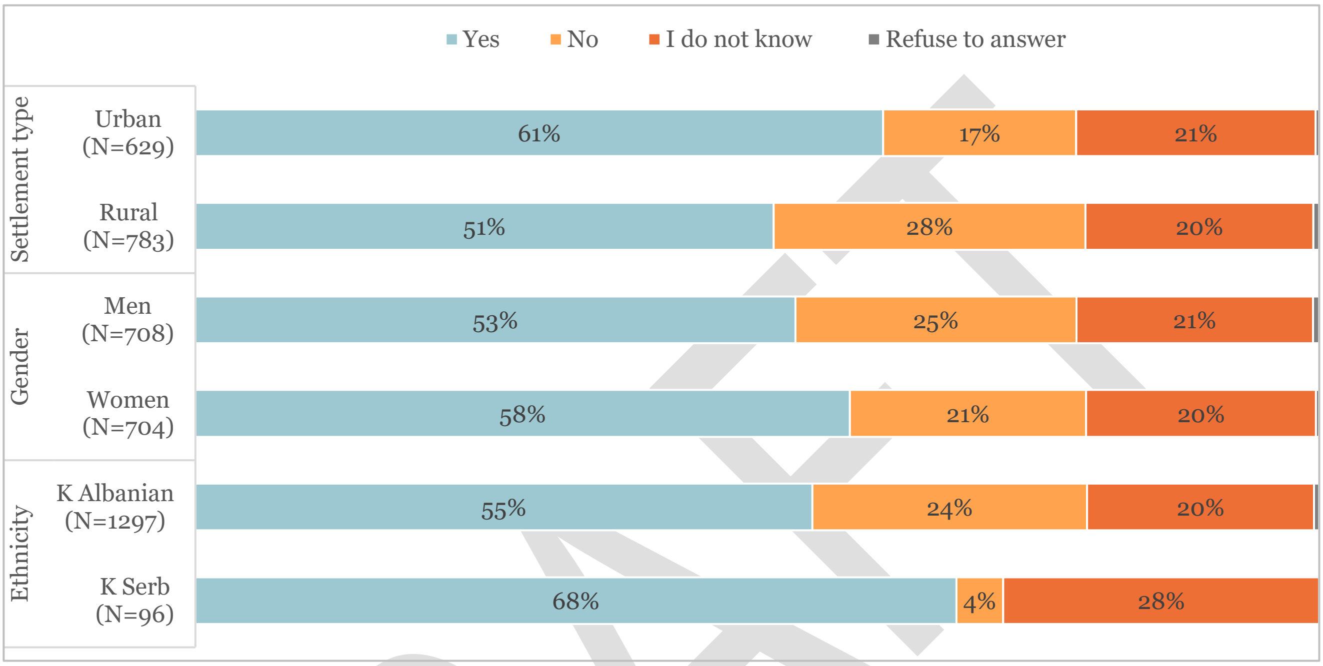
Regionally, 79% of respondents in Mitrovicë/Mitrovica South and North, 62% of respondents in Prishtinë/Priština, 60% of respondents in Gjakovë/Đakovica, 59% of respondents in Gjilan/Gnjilane, 48% of respondents in Pejë/Peć, 44% of respondents in Prizren, and 22% of respondents in Ferizaj/Uroševac believe that there is an increase of domestic violence in Kosovo since the spread of the virus.

Figure 56 Do you think that there in as an increase of domestic violence since the spread of COVID-19? - by region



It is important to note that more respondents residing in urban areas than rural areas know where to seek help and support in case of domestic violence by a 10% difference while more men (69%) than women (60%) know where to seek help. And, lastly, about 84% of Serbs vs 63% of Albanians know where to seek domestic violence help.

Figure 57 Do you know where to seek help and support in case of someone experiencing domestic violence such as hotlines, psychological and police support?

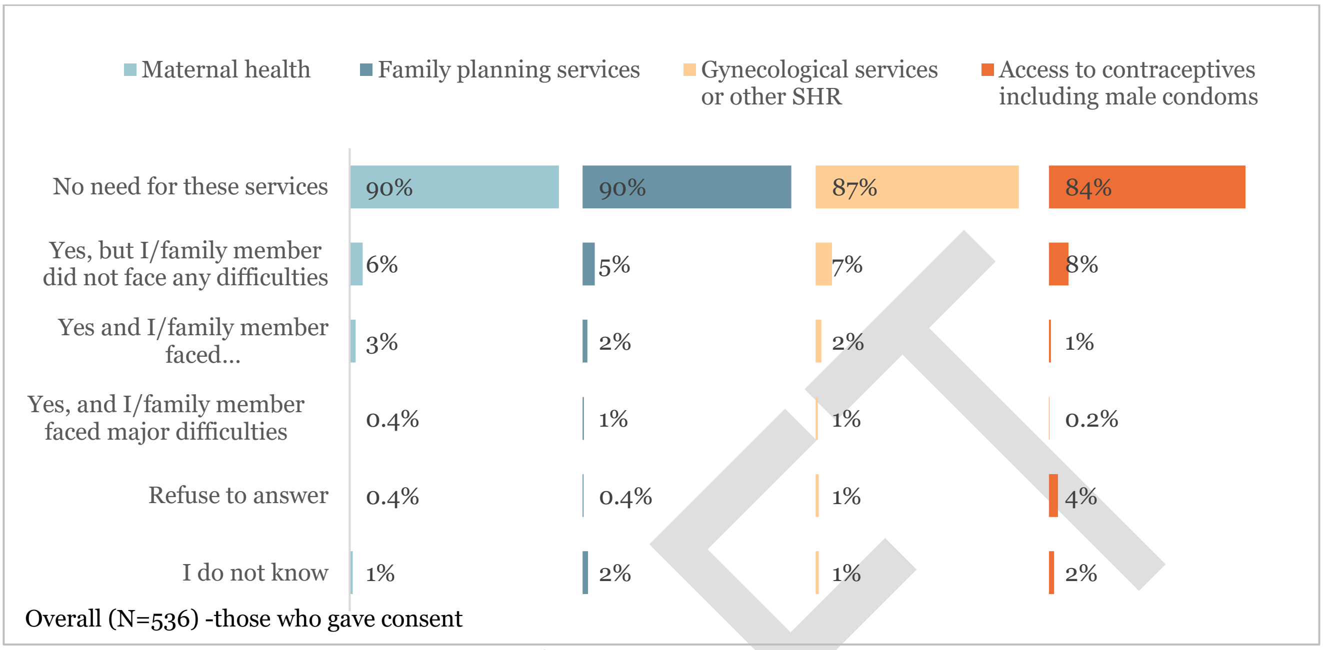


3.1.7 Sexual and Reproductive Health

Last in the household survey respondents were asked whether they personally experienced difficulties in accessing sexual and reproductive health services as well as contraceptive for themselves, their partner or other family members. Out of the overall sample, 526 respondents were willing to offer responses for this topic.

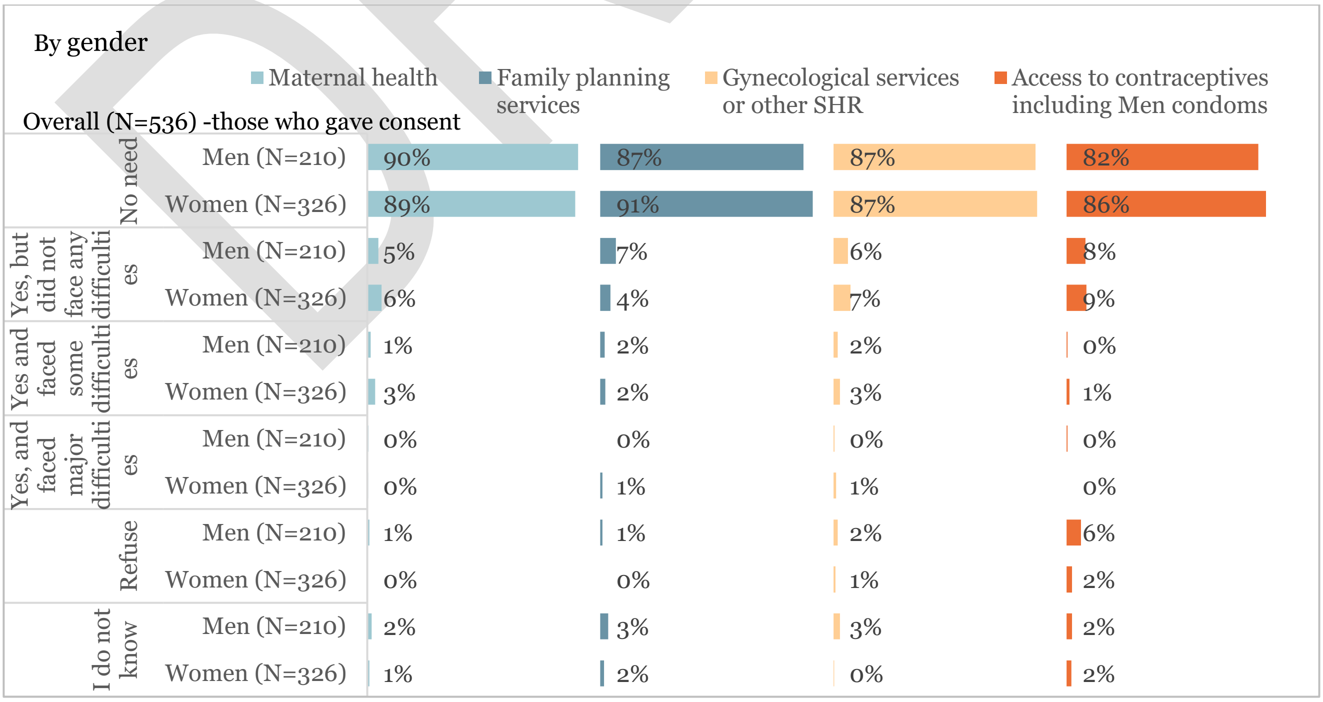
The great majority declared that they or any of their family members do not have the need to access maternity health services (90%), family planning services (90%), gynaecological services (87%) or contraceptives (84%). Some who made use of said services, did access them without difficulties, in very few cases respondents or family members experienced difficulties.

Figure 58 Since the spread of COVID-19, did you personally need to access and experience difficulties in accessing the following sexual and reproductive health services and contraceptive for yourself, your partner or other family member



When disaggregated by gender, there are minor differences in responses regarding access to sexual and reproductive health services and contraceptives. About 7% of men respondents and 4% of women respondents claimed to have needed family planning services, but have not experienced difficulties in accessing them. Whereas, 2% of men and 3% of women have needed and faced some difficulties accessing gynaecological and other sexual and reproductive health services. No men and only some women (1%) had some difficulties in accessing contraceptives, including condoms.

Figure 59 Since the spread of COVID-19, did you need and personally experience difficulties in accessing the following sexual and reproductive health services and contraceptive for yourself, your partner or other family member



3.2. Business Survey

This section of the report presents the data results gained from survey with N= 202 businesses in Kosovo. It is divided into sub-sections based on the questionnaire used to conduct the survey.

3.2.1 Business Profiles

Matching the overall business landscape in Kosovo around one third of businesses are located in the region of Prishtinë/Priština (36%), while 15% are based in the region of Prizren. Around 10% are in other regions. For meaningful data analysis, disaggregation by region is divided into "Prishtinë/Priština" and "Non-Prishtinë/Priština" based businesses. Around 45% are micro businesses (1-9 employees), while 35% are small in size (10-49 employees) and 20% belong to the medium category (50+ employees).

The majority of businesses are limited liability enterprises (70%), while 28% are sole proprietorships. Around one third of respondents have a business tenure of about one to five years, while 59% are in business for more than five years.

Figure 60. Regional Business Distribution

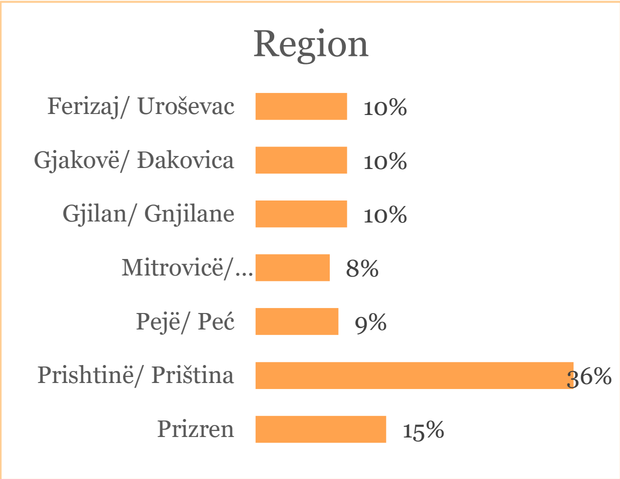


Figure 61. Business Size

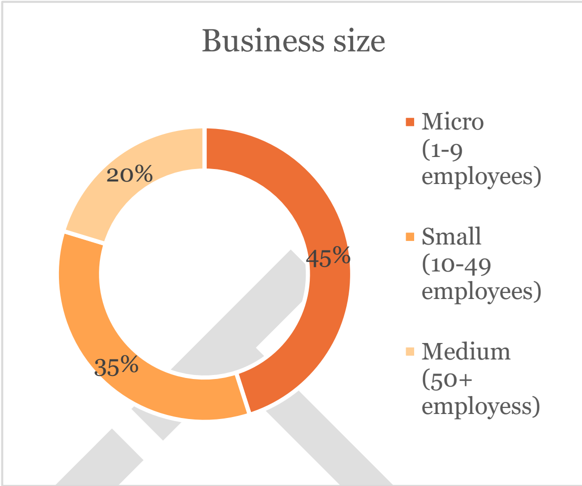


Figure 62. Business Legal Status

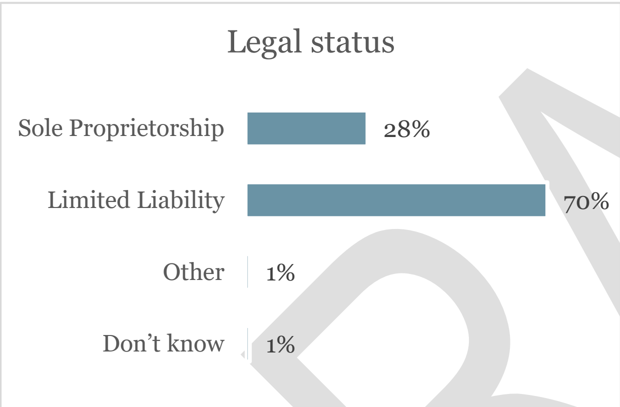
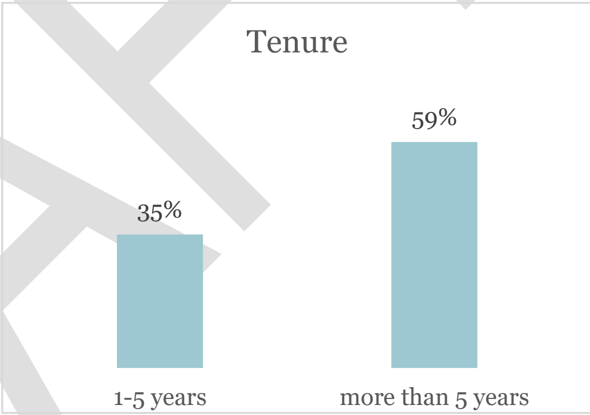


Figure 63. Business Tenure



The three sectors surveyed businesses are most commonly active in, are retail trade (26%), industry/production (21%) and construction (12%). The great majority of businesses that took part in this survey do not export goods or services (85%).

Figure 64. Business Sector Distribution

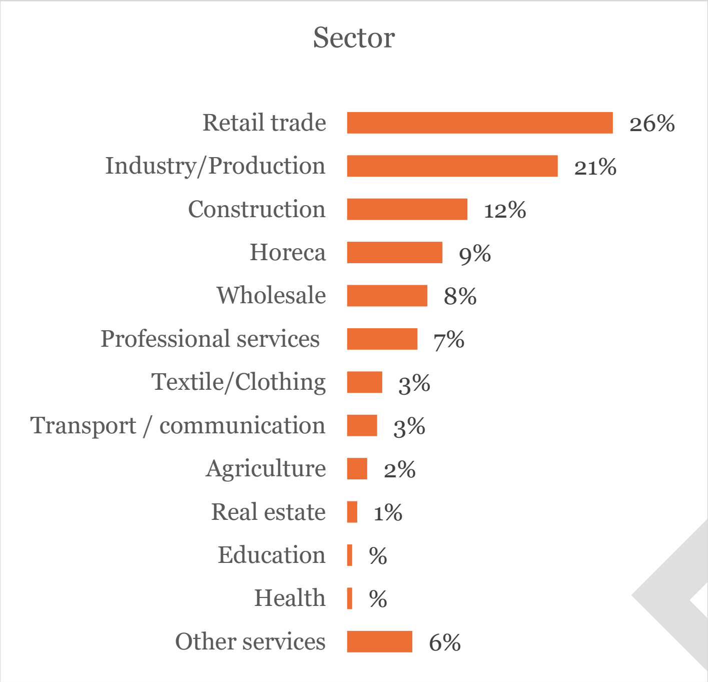
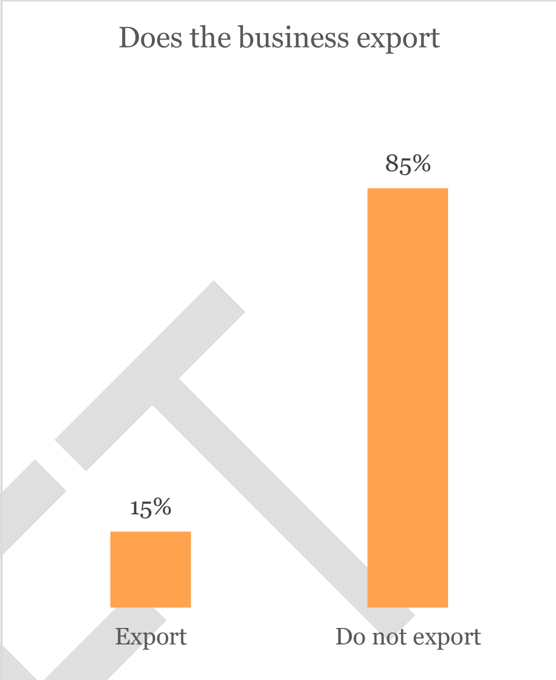


Figure 65. Businesses engaging with export



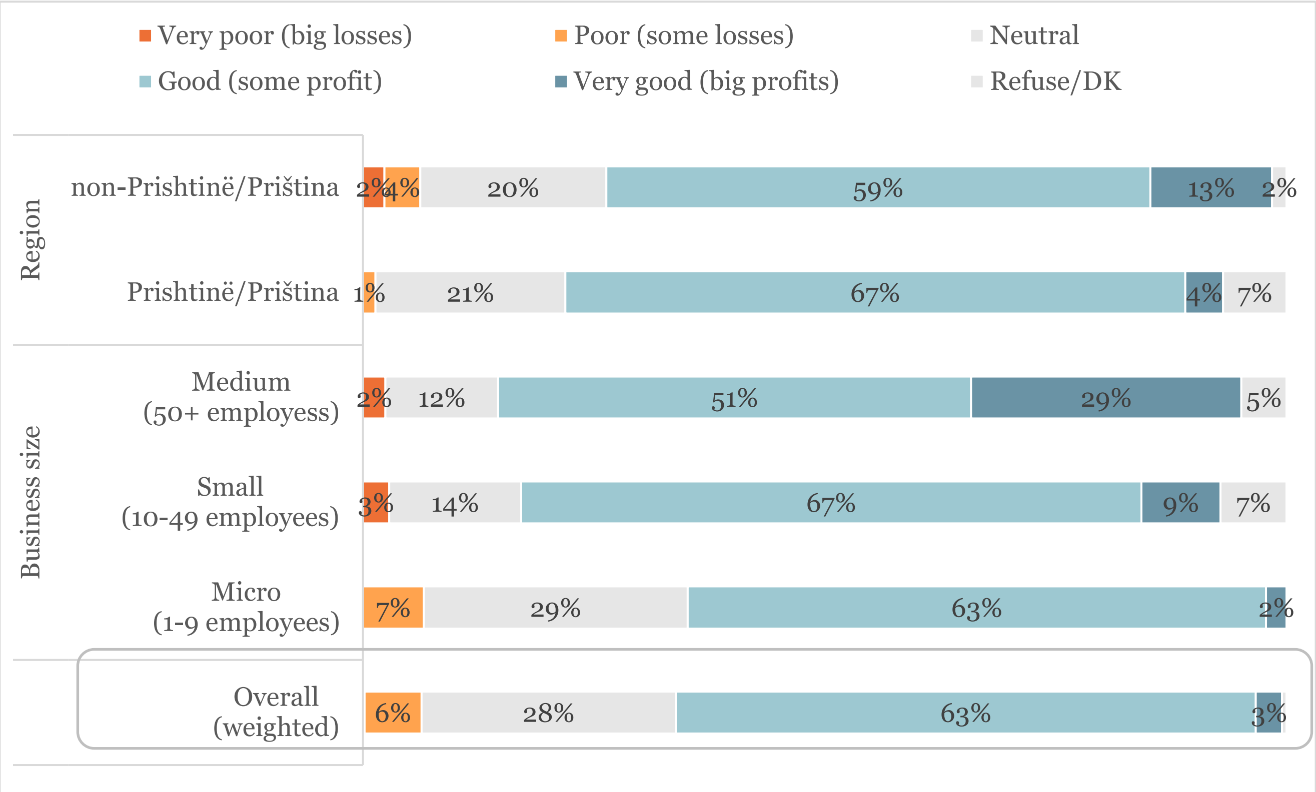
3.2.2 COVID-19 Impact on Businesses

This section explores how businesses in Kosovo are impacted by the COVID-19 pandemic. It analyses the extent of impact as well as how the impact manifests itself.

Before the COVID-19 pandemic emerged, nearly two out of three surveyed businesses described their financial performance as good (63%). Around 28% considered their pre-COVID-19 financial performance as neutral and only 6% reported poor performance.

The bigger the business in size, the higher the likelihood that big profits were made prior to COVID-19. While more Prishtinë/Priština -based businesses report good financial performance (67%), those located in other regions show slightly more variety with a higher outcome of businesses that either made big profits (13%) or experienced big/some losses (6% combined).

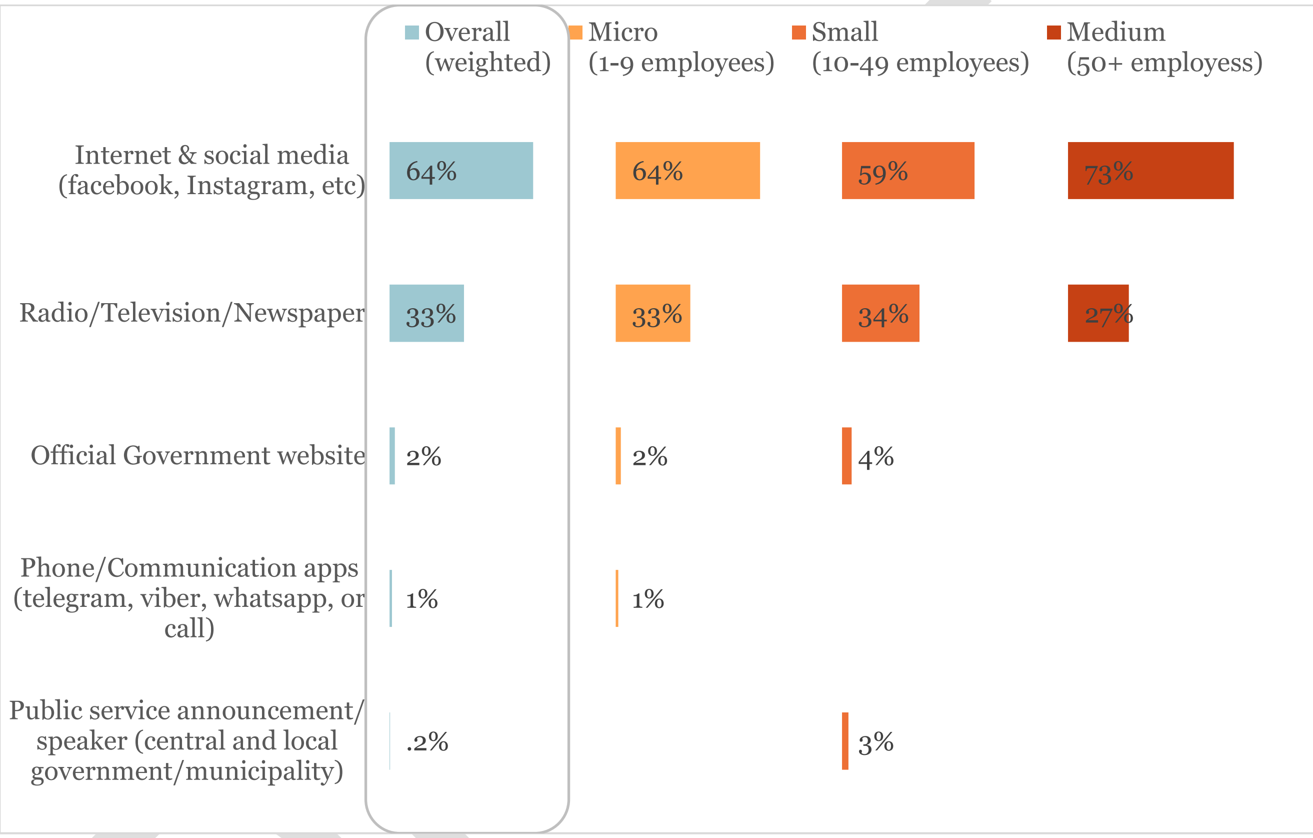
Figure 66. How would you describe your company's financial performance before COVID-19?



Around two thirds of the businesses use the internet and social media as the main channel to obtain information regarding COVID-19 related risks, recommended preventive actions as well as coping strategies (64%). One third use radio, television, and newspapers (33%). Medium-sized businesses show the highest usage of internet and social media as their main channel for information.

It should be noted that no business reported the community (including friends and family), health centres/family doctors and NGOs as their main channel for obtaining COVID-19 related information. Very few make use of official government websites (2%).

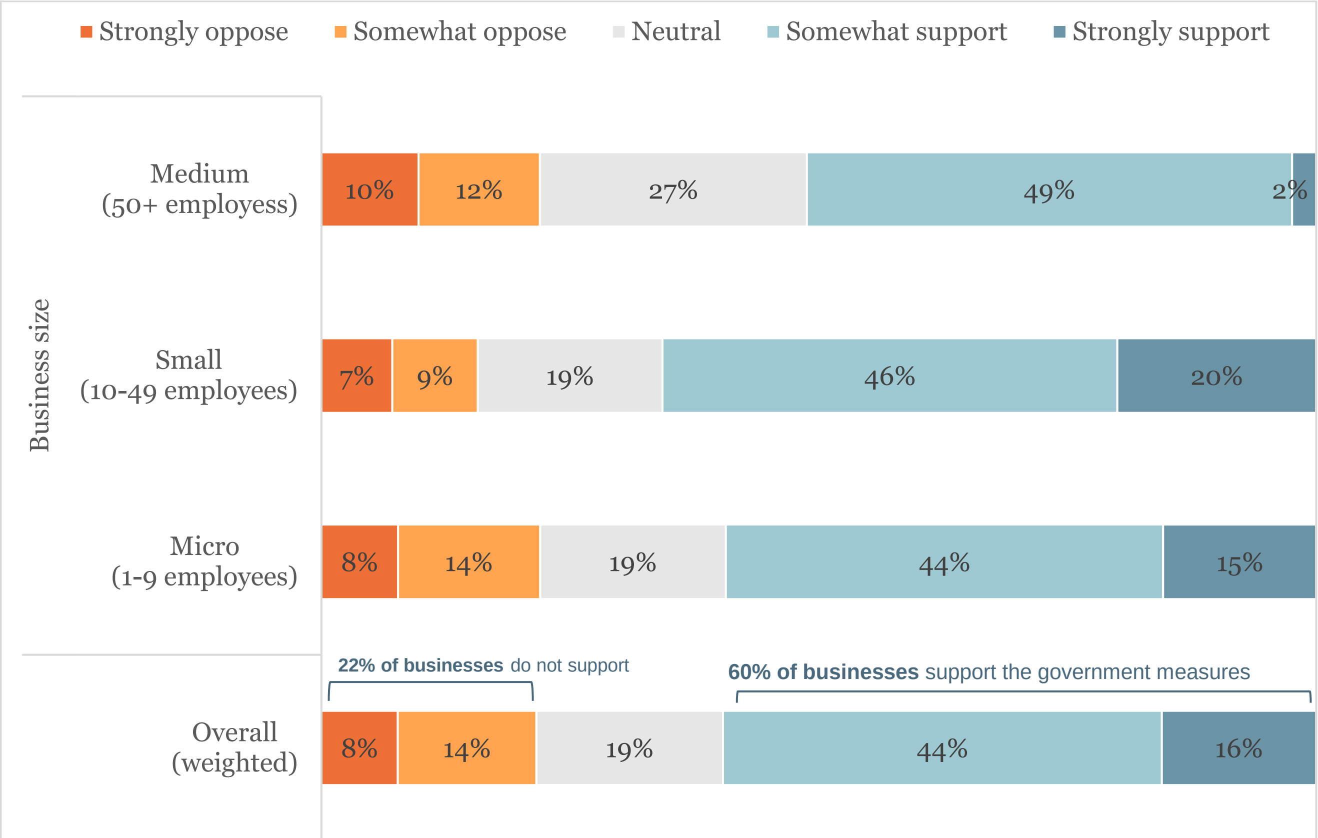
Figure 67. What is your main source of information regarding COVID-19 (risks, recommended preventive action, coping strategies)?



The support for the government measures to close or limit business activities in order to slow down the spread of COVID-19 seems relatively high among businesses. Around 60% either somewhat or strongly support said measures, while only 22% somewhat or strongly oppose them.

Strong support is more visible among small and micro businesses (20% and 15% respectively), while medium businesses appear more likely to be neutral (27%) or to oppose the measures (22%).

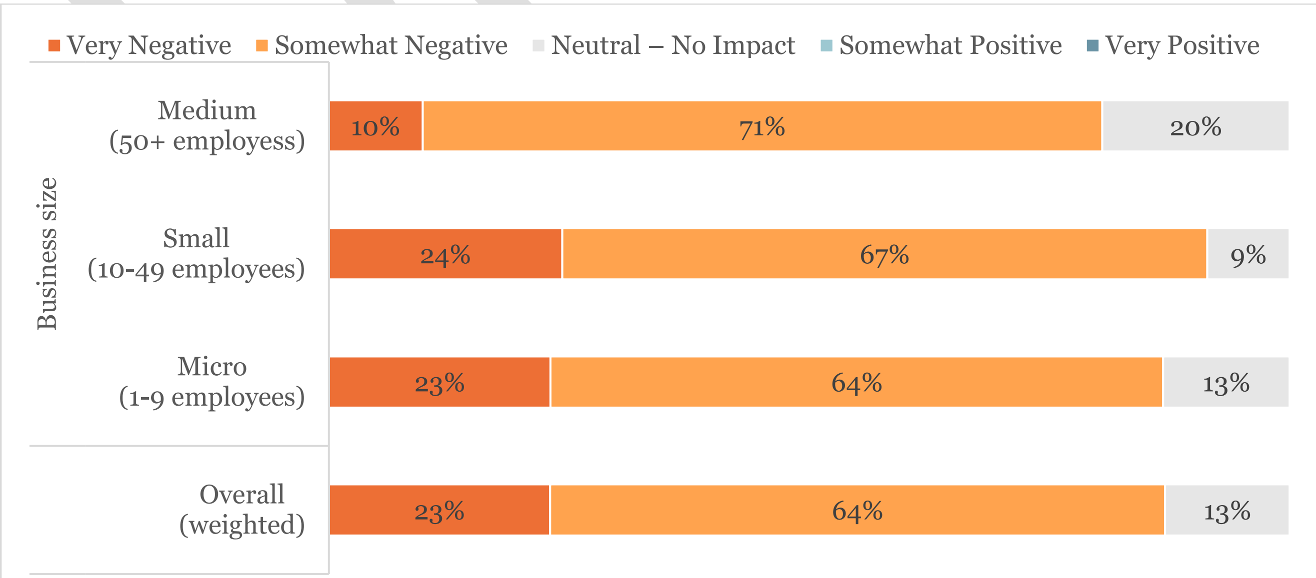
Figure 68. To what extent do you support the current government measures to close/limit business activity in order to slow down the spread of COVID-19?



Overall, nearly two thirds of the surveyed businesses would assess the impact of COVID-19 as somewhat negative (64%), while 23% assess it as very negative. More small and micro businesses (24% and 23% respectively) than medium businesses (10%) assess the impact as very negative.

Around 20% of medium business asses COVID-19 to have no impact for their business situation, while only 13% of micro businesses and 9% of small businesses stated the same. No business felt that COVID-19 had a somewhat or very positive impact on their business.

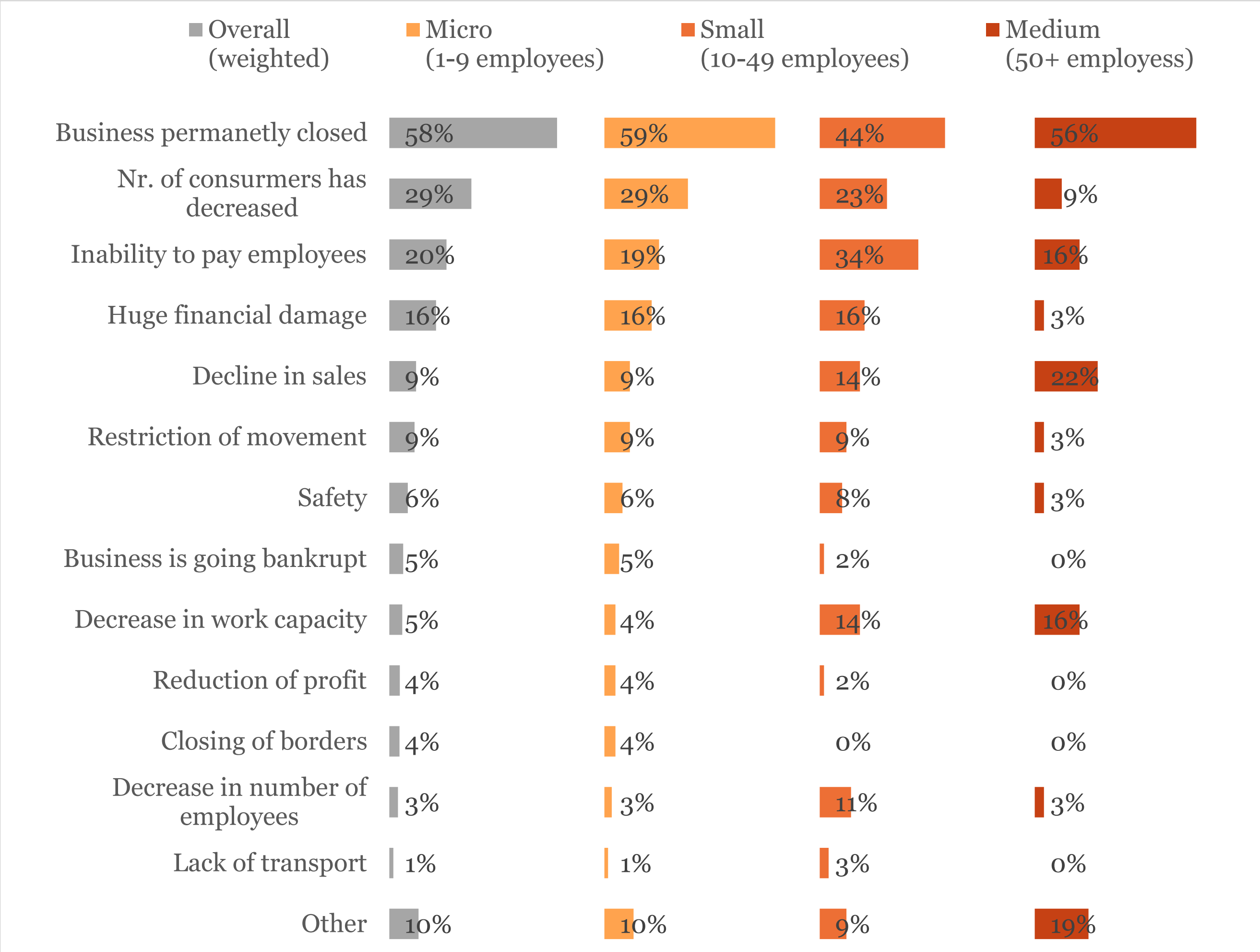
Figure 69. Overall, how would you assess the impact of the COVID-19 situation for your business?



Next, respondents were asked for three reasons why the current situation has a negative or very negative impact on their business situation. Over half mentioned the closure of the business as reasons for COVID-19 having a negative or very negative impact (58%). Permanent closure seems to be especially an issue for micro companies (59%) and medium companies (56%), and slightly less for small companies (44%).

On the other hand, small businesses appear to struggle more with the inability to pay their employees (34%) than micro (19%) or medium businesses (16%). Moreover, medium businesses witness a higher decline in sales (22%) than small (14%) or micro businesses (9%).

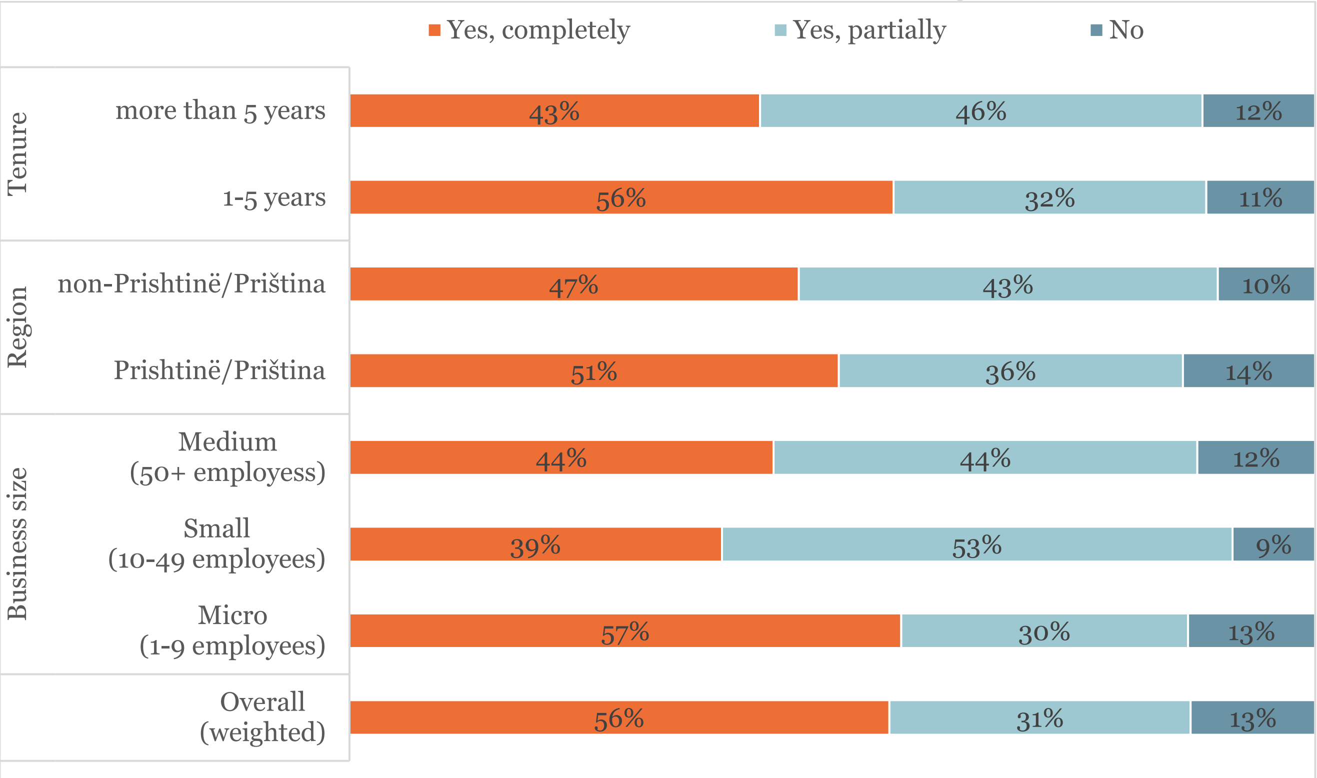
Figure 70. Reasons for very negative and negative impact



Over half of all surveyed businesses had to completely stop their activity because of the COVID-19 situation (556%), while nearly a third was forced to partially stop (31%). Only % is13 operating as normal.

Micro businesses and businesses with a tenure of one to five years were more often forced to fully stop their activity (56% and 54% respectively), than those businesses with a tenure of more than five years (43%) or small and medium businesses (39% and 44% respectively). However, at the same time more micro businesses (13%) were able to continue to operate normally than small (9%) or medium businesses (12%).

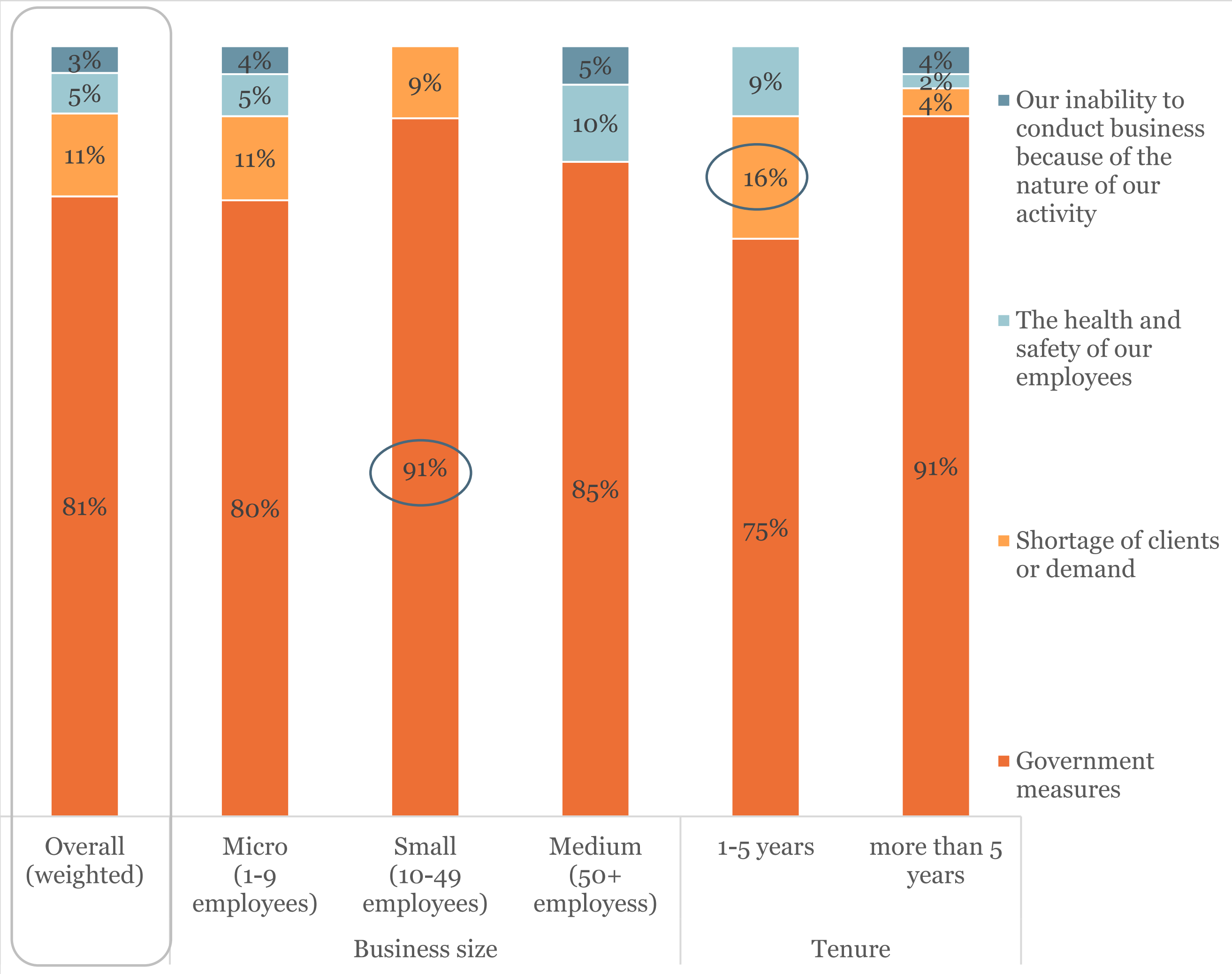
Figure 71. Did your business have to stop the activity (be it full or partial) because of COVID-19 situation? (only those that reduced the capacity)



According to the great majority, government measures are the main reasons why businesses had to stop their activity (81%). This appears to be especially the case in regard to small businesses (91%). Micro businesses and businesses with a tenure of one to five years seem to struggle more with a shortage of clients or demand compared to others (11% and 16% respectively).

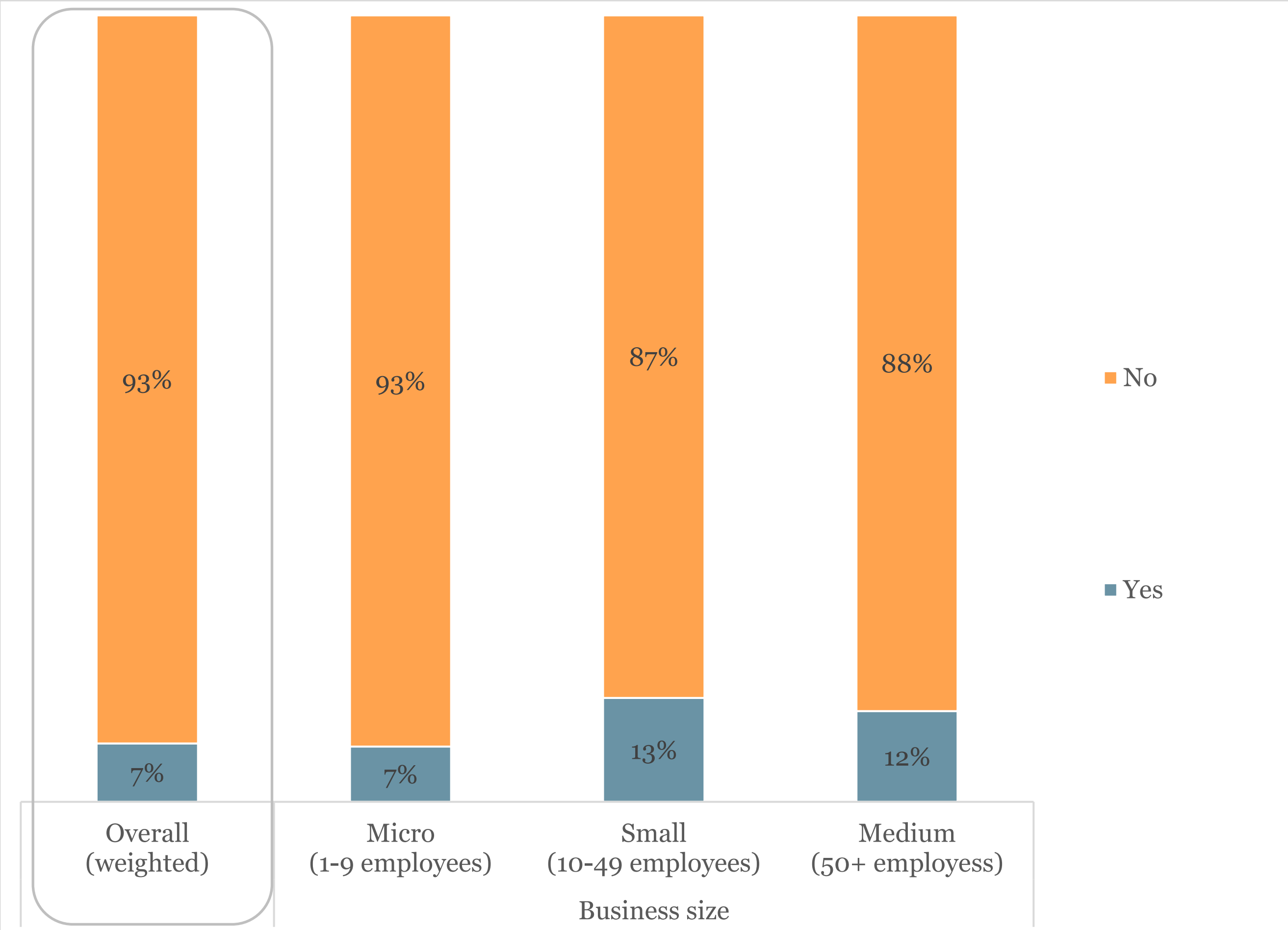
The health and safety of the employees or the inability to conduct business because of the nature of activity are only mentioned by few.

Figure 72. Which of the following is the MAIN reason for stopping your business activity?



Data further reveals that the great majority of business did not halt their activity before the government announced its measures (93%). It should however be noted that 13% and 12% of small and medium businesses respectively did halt their activity already before measures were put in place, while only 7% of the micro businesses did the same.

Figure 73. Did you halt business activity before government announced measures?

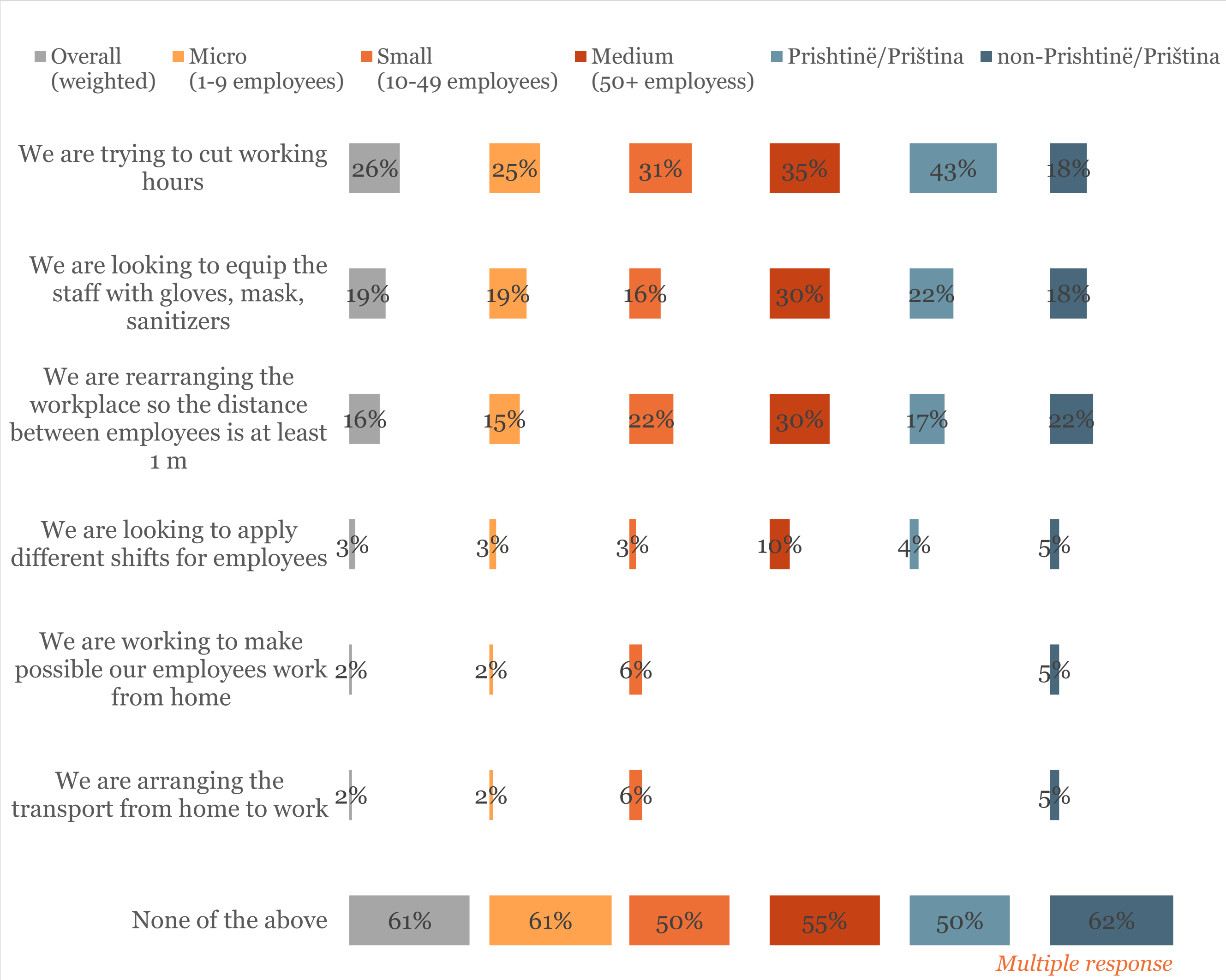


Business respondents were next asked whether they make any efforts to start conducting business again during the time of the pandemic/quarantine. Around 26% are trying to cut working hours, while 19% are equipping their staff with gloves, masks and sanitiser Arranging appropriate distance between workers is only observed by 16% of all surveyed businesses.

Medium and small businesses appear to make more efforts to start operating again through planning to cut working hours and trying to arrange appropriate distance between workers than micro businesses. However, more micro business appears to plan to provide their staff with protective equipment than small businesses (19% vs 16%). Prishtinë/Priština based businesses also make significantly more often efforts in trying to reduce working hours (43%) than those based in other regions (18%).

It should be noted that the majority of all businesses do not engage with any of the listed efforts (61%), especially micro businesses and those located in other regions than Prishtinë/Priština stand out in this regard.

Figure 74. Considering this situation might take longer than a month, are you making any efforts to start conducting business again during the pandemic/quarantine?

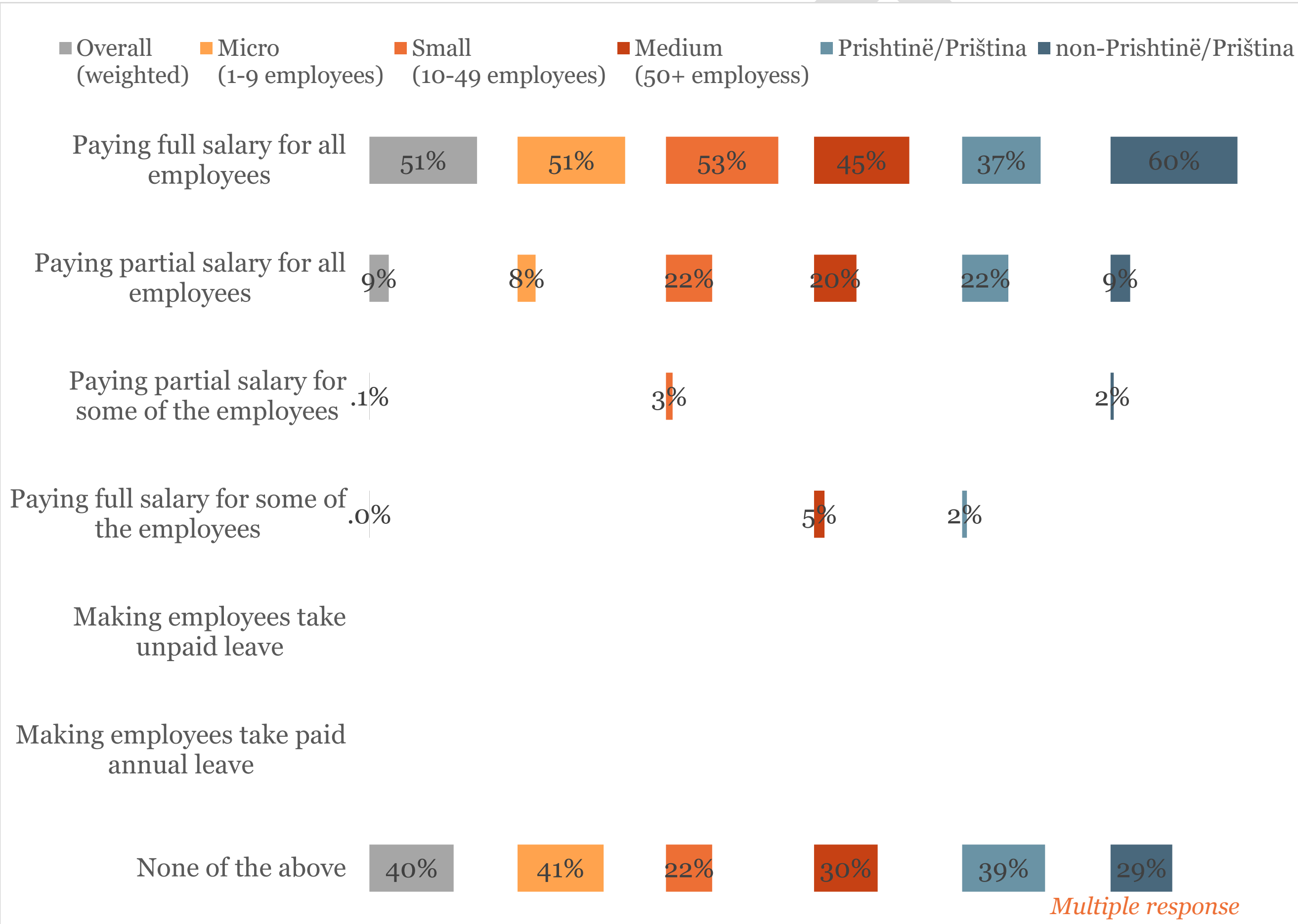


Only around half of all surveyed businesses, which had to halt their activity, are paying the full salary for all employees (51%). Micro and small businesses appear slightly more likely to be paying full salaries (51% and 53% respectively) than medium sized businesses (45%). Around 20% of small and medium sized businesses are paying partial salaries for all their employees, while only 8% of micro businesses do the same.

A significant difference can be observed between businesses from different regions. Only 37% of Prishtinë/Priština based businesses who had to stop their business activity are paying full salaries for their staff, while significantly more do so in other regions (60%).

Overall, 40% did not feel that any of the listed actions apply to their respective businesses. It furthermore should be noted that no business declared to have forced employees to take unpaid leave or paid annual leave.

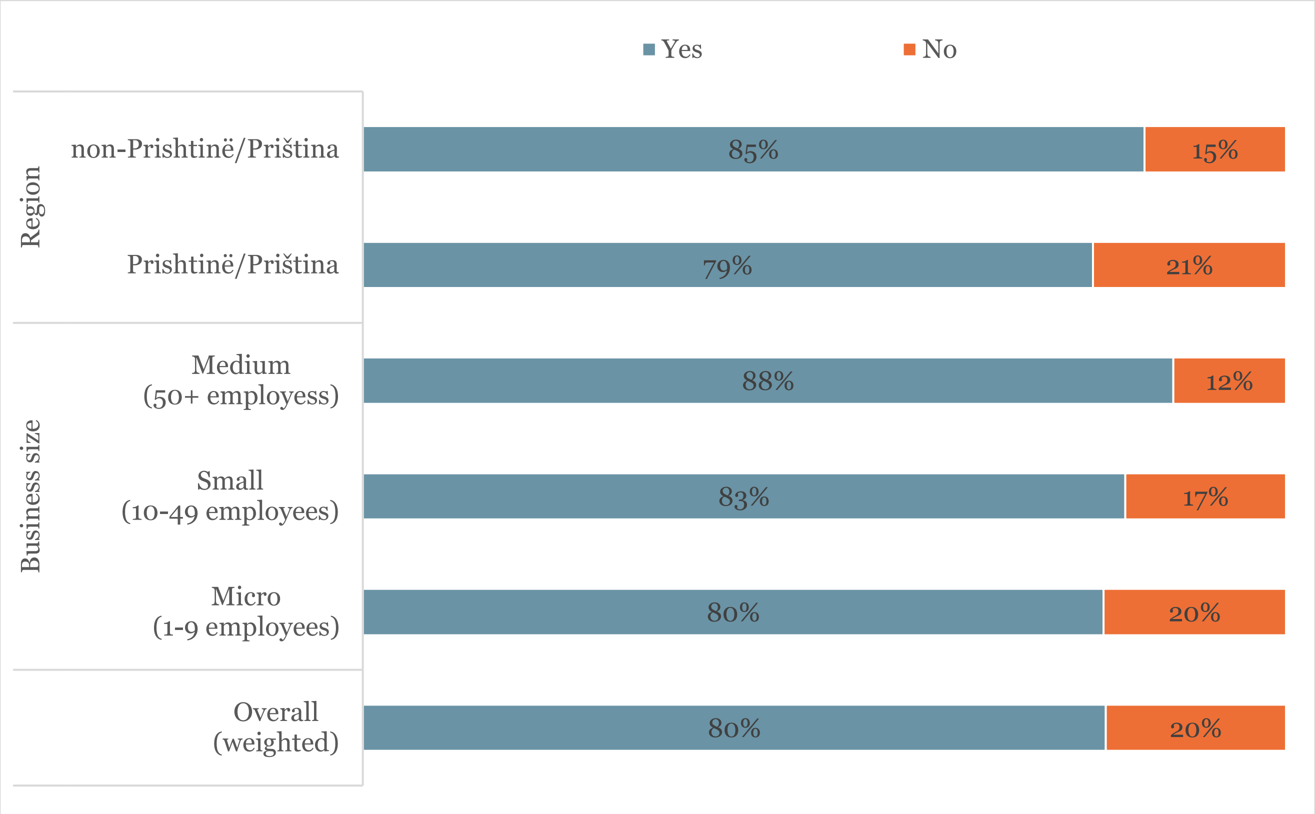
Figure 75. Since you halted your business activity, you are:



While the vast majority of businesses continues to pay pension contributions for their employees amid the COVID-19 situation (80%), a considerable number does not pay those contributions in the same manner as before the emerging pandemic (20%).

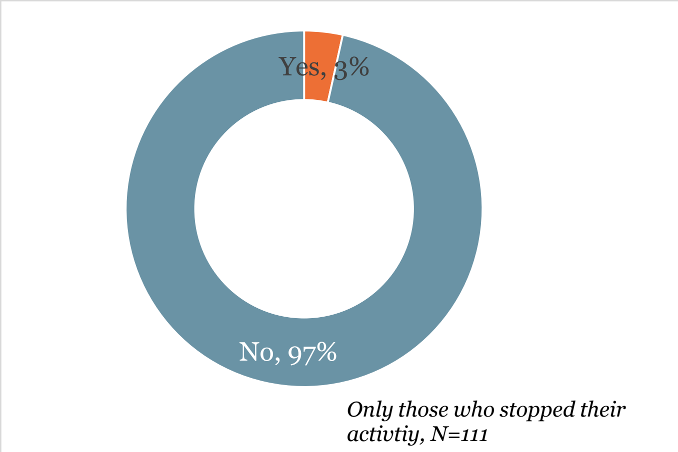
Micro businesses (20%) as well as those located in the Prishtinë/Priština region (21%) stand out with higher numbers of businesses who do not pay said contributions as prior to COVID-19, when compared to businesses located in other regions (15%) or businesses of bigger sizes (small 17% and medium 12%).

Figure 76. Does your company continue to pay pension contributions for its employees as before COVID - 19?



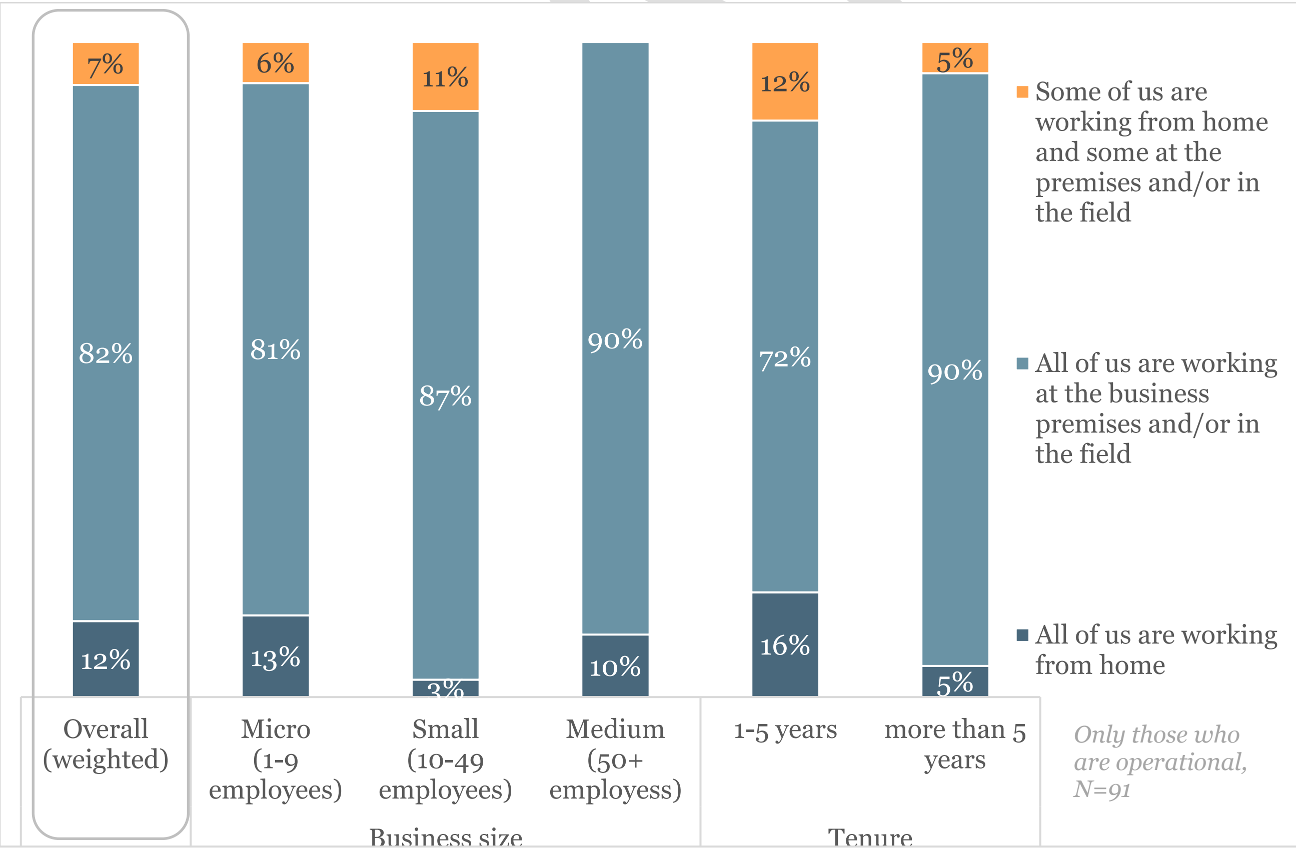
Only 3% of the surveyed businesses, who stopped their activity, had employees resign from their job. In two cases this was due to inability of paying the salary and two cases for other reasons.

Figure 77. Did any of the employees resign from their jobs?



Employees of the businesses which are currently operational mostly work in the business premises/in the field (82%). Only 12% are working from home, while 7% state that some work from home and others from the office. More employees of micro and small offices are working from home (9% and 11% respectively) than those who are part of a medium business (0%). [12]

Figure 78. Which of the following applies in your case?

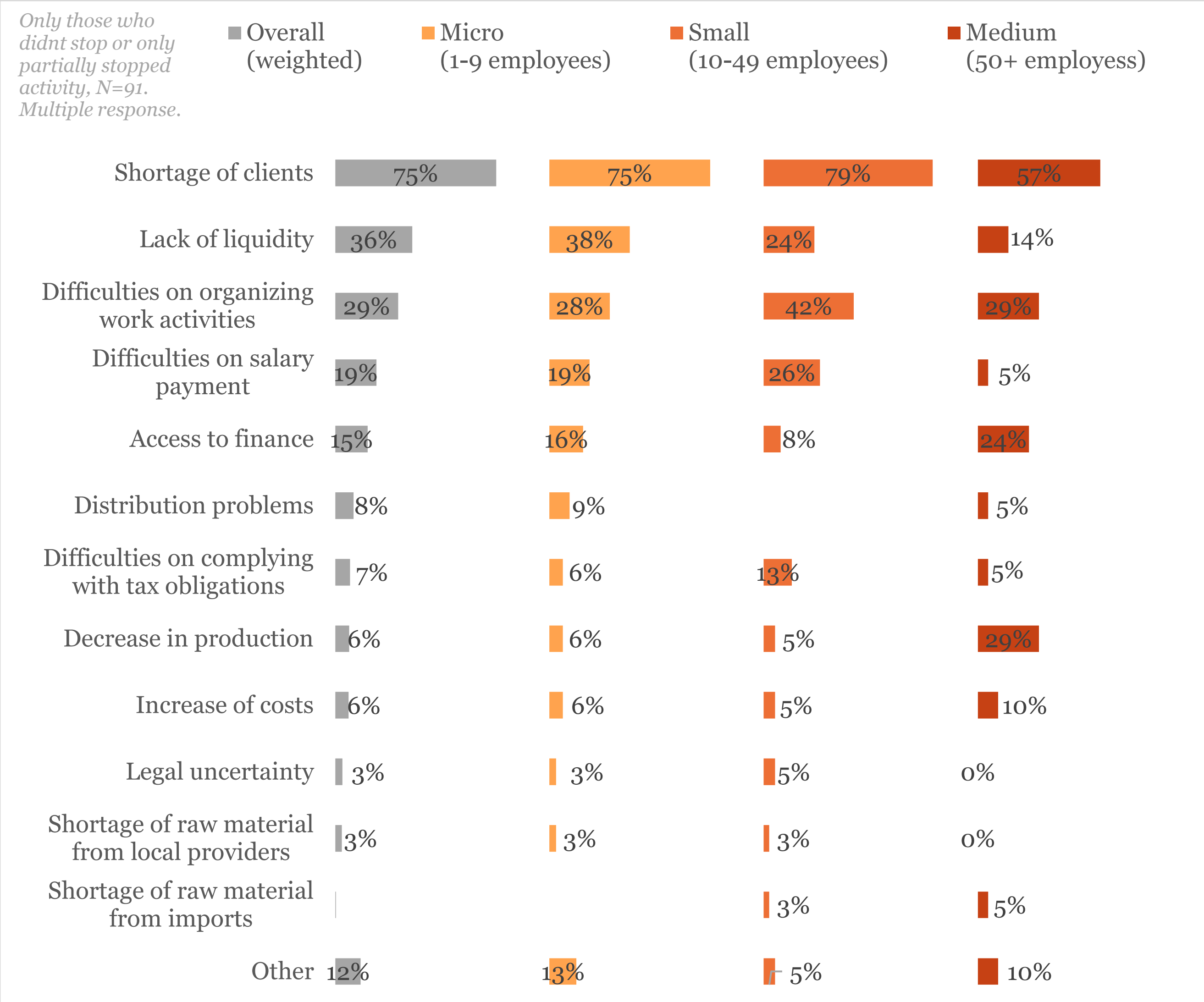


[12] It should be, however, noted that the results in this disaggregation for medium businesses and for business with a tenure of one to five years are only indicative due to a low number of cases (N=21 and N=25 respectively).

Three out of four businesses, who either partially stopped their activity or didn't stop their activity, view the shortage of clients as an issue given the current COVID-19 situation (75%). Over one third mention the lack of liquidity (36%). Small and medium businesses struggle less with this issue compared to micro businesses. Small businesses seem more prone to view difficulties with organising work activities as an issue (42%) than medium (29%) or micro businesses (28%).

Regional data results in this regard showed that businesses based in other regions than Prishtinë/Priština struggle more with the shortage of clients and the organisation of work activities than those located in Prishtinë/Priština.[13]

Figure 79. Which of following is an issue for your company given the current situation with COVID-19?



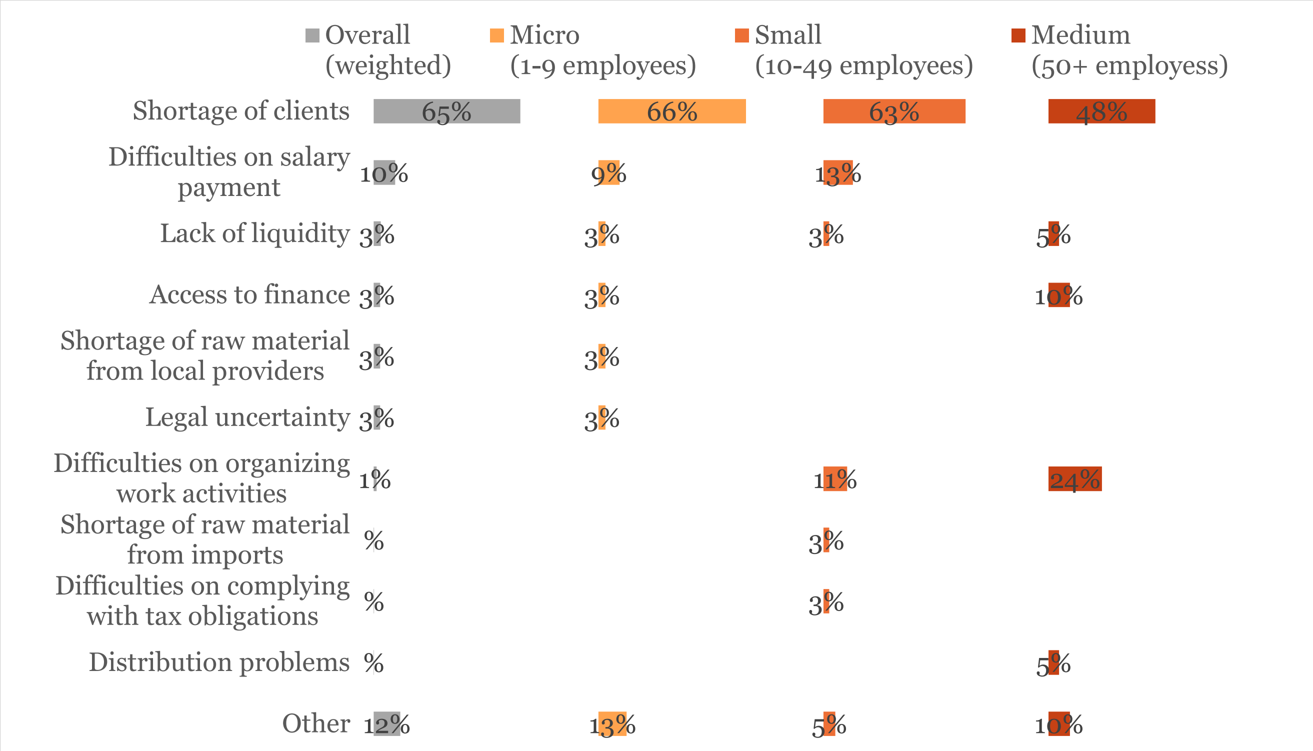
[13] Please note that the results for medium businesses is indicative only due to the small number of cases, (N=21)

Business which did not fully stop their operations were next asked about the main concerns should the COVID-19 situation continue to spread over the next two to three months.

Around two thirds of the businesses view the shortage of clients as their main concern (65%). Micro businesses appear more concerned about this issue, than small or medium sized businesses. Only 10% view difficulties related to salary payments as a concern. Medium enterprises (24%) appear more concerned about difficulties with the organisation of work activities than small (11%) or micro businesses (0%).

When comparing data results between the above issues mentioned for the current situation (multiple choice, see figure 79 above) vs which is the main issue envisioned for the coming months (single choice, figure 80 below), it can be observed that the highest concern lays within the shortage of clients.

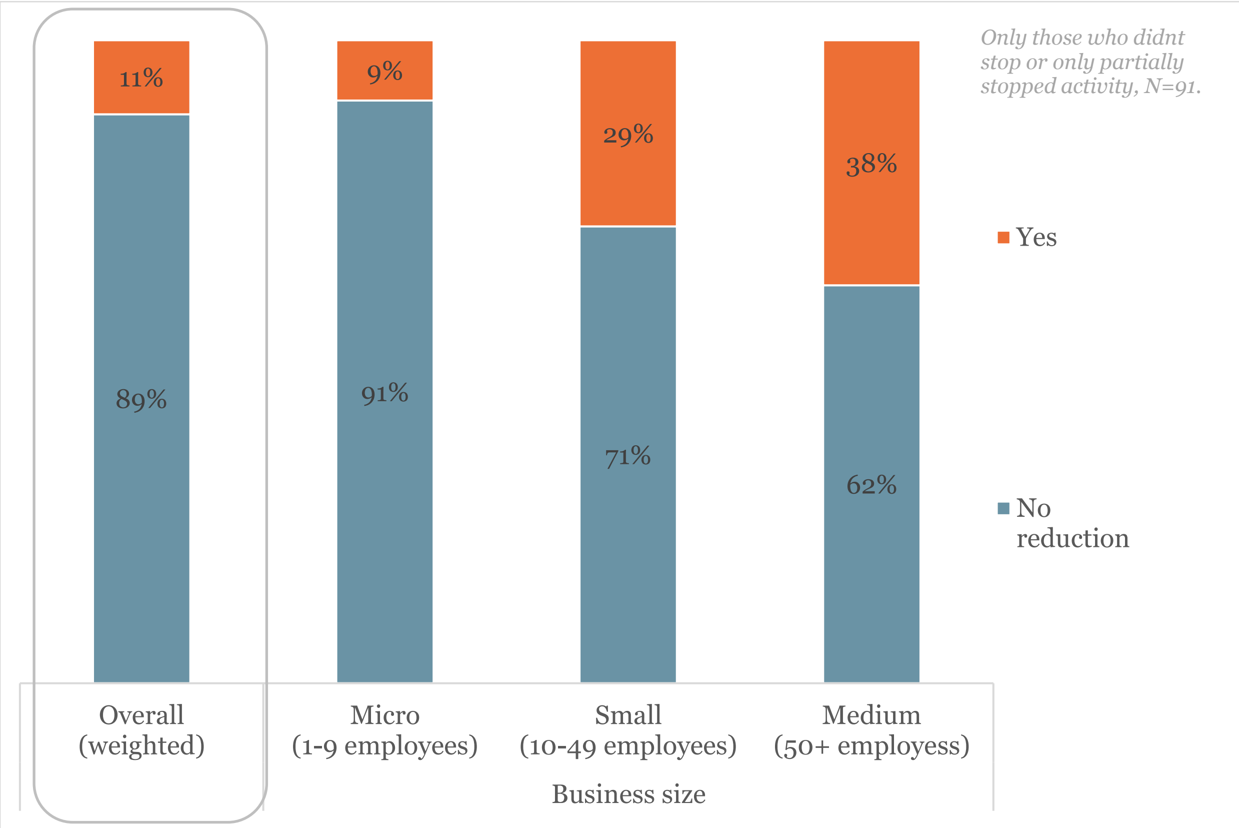
Figure 80. If COVID-19 continues to spread over the next two to three months, which of the following would be the main concern for your business?



Businesses who did not fully stop their operation were also asked whether they had to reduce workforce because of the current situation and the great majority responded with no (89%). However, the larger the business size the higher the share of workforce reduced. Nearly 40% of the medium companies did reduce their workforce due to the current situation (38%). [14]

[14] Please note that the results for medium businesses is indicative only due to the small number of cases, (N=21).

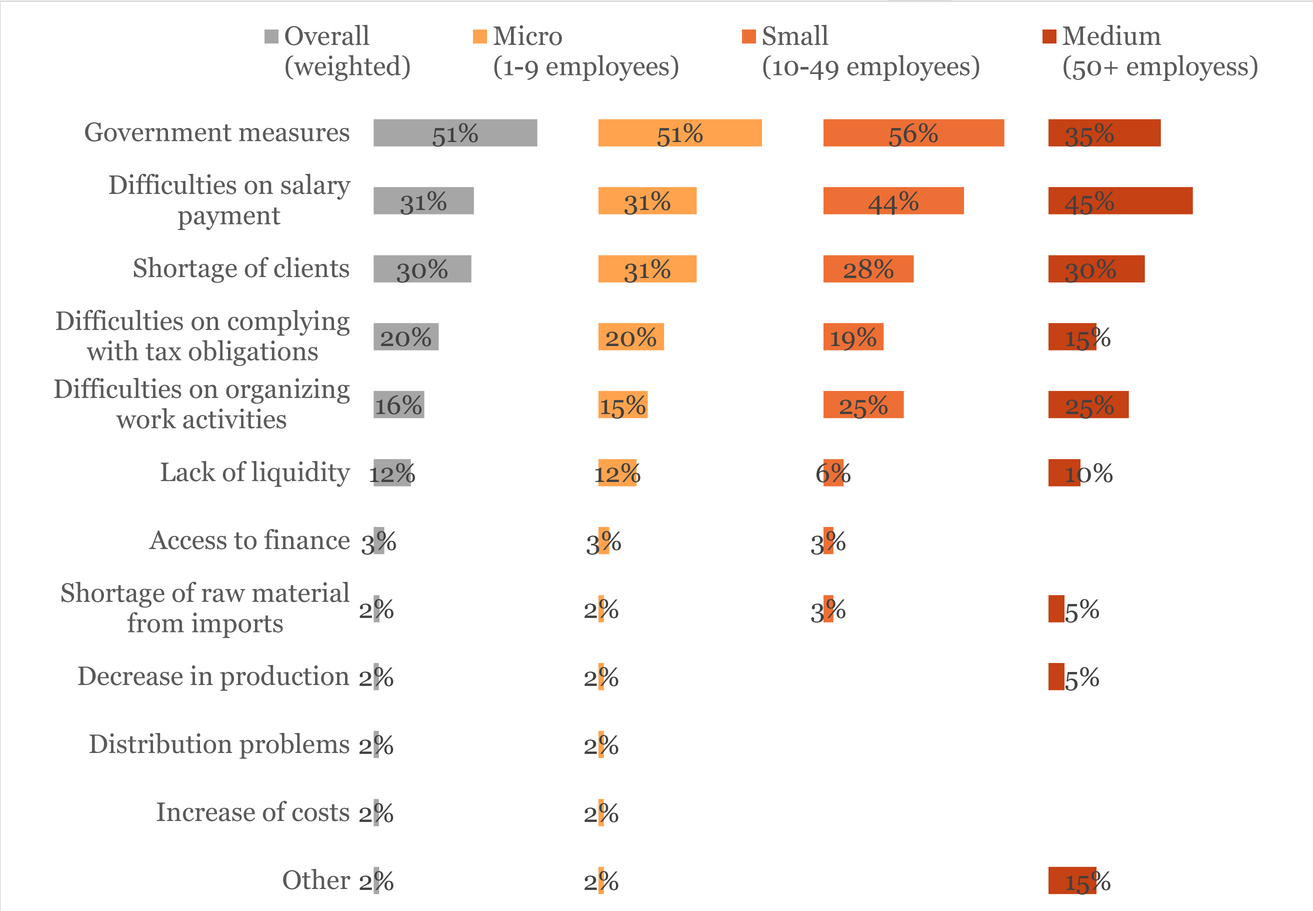
Figure 81. Has your business had to reduce workforce because of the current situation?



The businesses who were forced to stop their operations (N=111) were next asked about the issues leading to the closure. It should be noted here that "government measures" were not an option to choose from in the questionnaire for this particular question; however, 51% stated this issue under the "other" response option.

Next to the implementation of government measures nearly one third each mention the shortage of clients and the difficulties of paying the salaries of their staff (30% and 31% respectively) as reasons why they had to close their business. Around 20% state to have difficulties with complying with tax obligations. Closed small and medium businesses appear to have more often difficulties related to salary payments than micro businesses.[15]

Figure 82. Which of following were issues that forced you to close business activity? (Multiple Response)



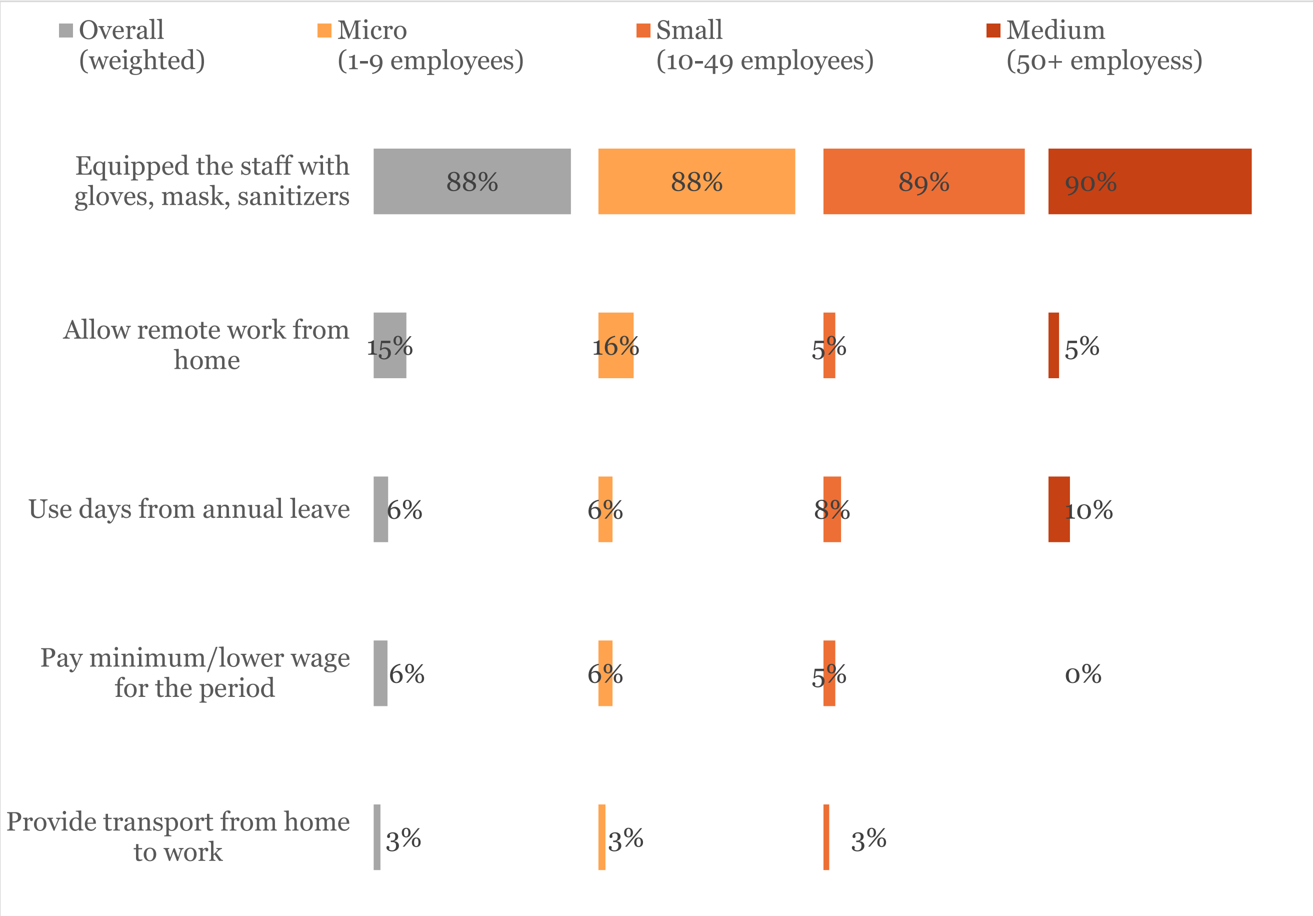
When asked about the **main** issue (single response) which forced the business to stop their operations government measures (51%), shortage of clients (24%) and difficulties to pay salaries (16%) stand out as the top three in respective order.

[15] Please note that the results for medium businesses is indicative only due to the small number of cases, (N=21)

Measures related to providing safety equipment for their staff (i.e. gloves, masks, and sanitiser) are most commonly taken by those businesses who only partially or not at all halted their operations (88%).

Around 15% allow their employees to work from home. Only few took measures related to the usage of annual leave days or paying lower wages (6% each).

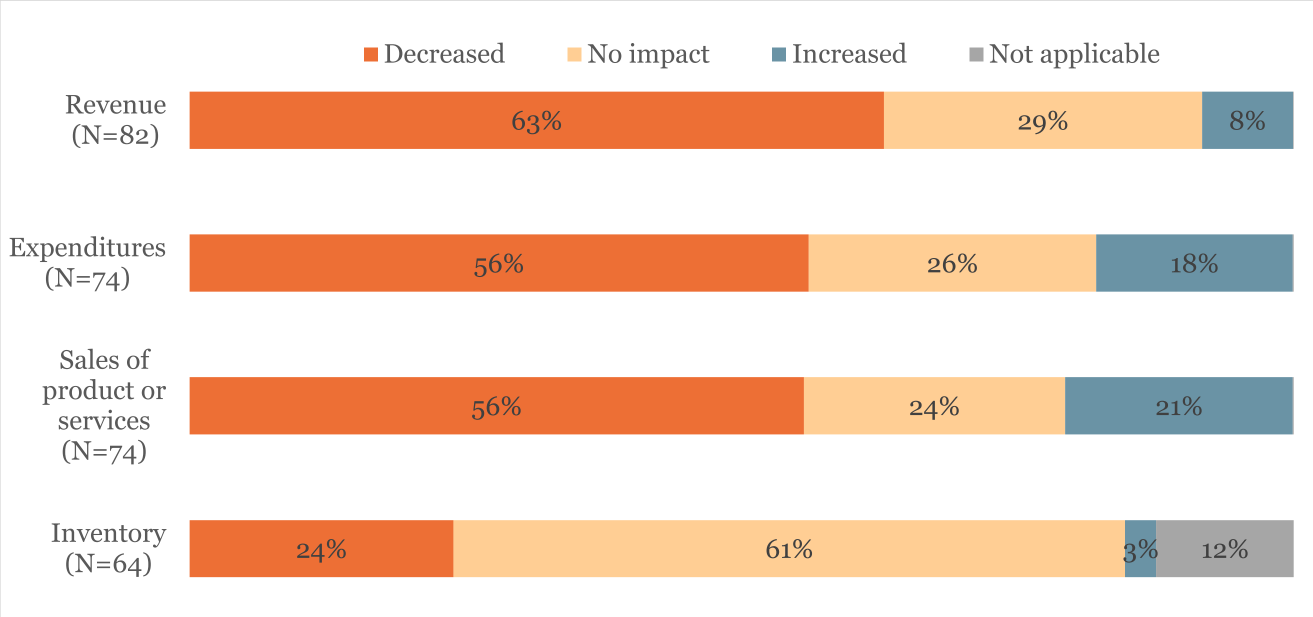
Figure 83. Has your business had to take other measures for employees? Which of the following would apply?



Business who are still operational (or partially operational) were further asked whether their revenues, expenditures, sales and inventory have decreased, increased or stayed the same since the emerging of COVID-19.

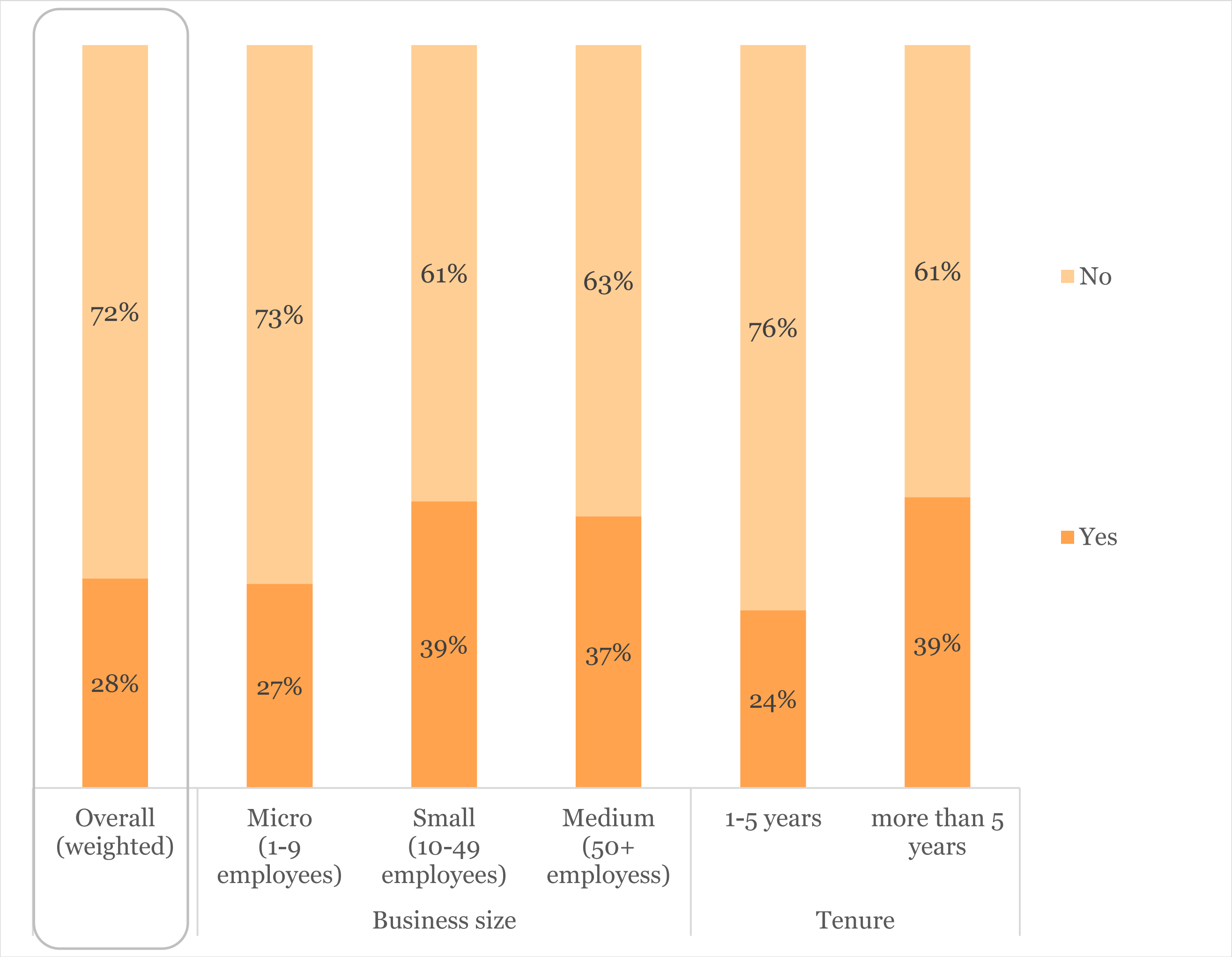
The majority reported decreases in revenues (63%), sales (56%) but also expenditures (56%). The inventory was not impacted for 61% of the surveyed businesses which are still operational (or partially operational).).

Figure 84. Impacts on revenues, expenditures, sales and inventory



Taking a loan in order to cope with the current effects of COVID-19 does not appear a common consideration among the surveyed businesses. Only 28% stated that they are thinking about taking a loan. Small businesses and businesses with a tenure of more than five years seem more likely to consider a loan than others.

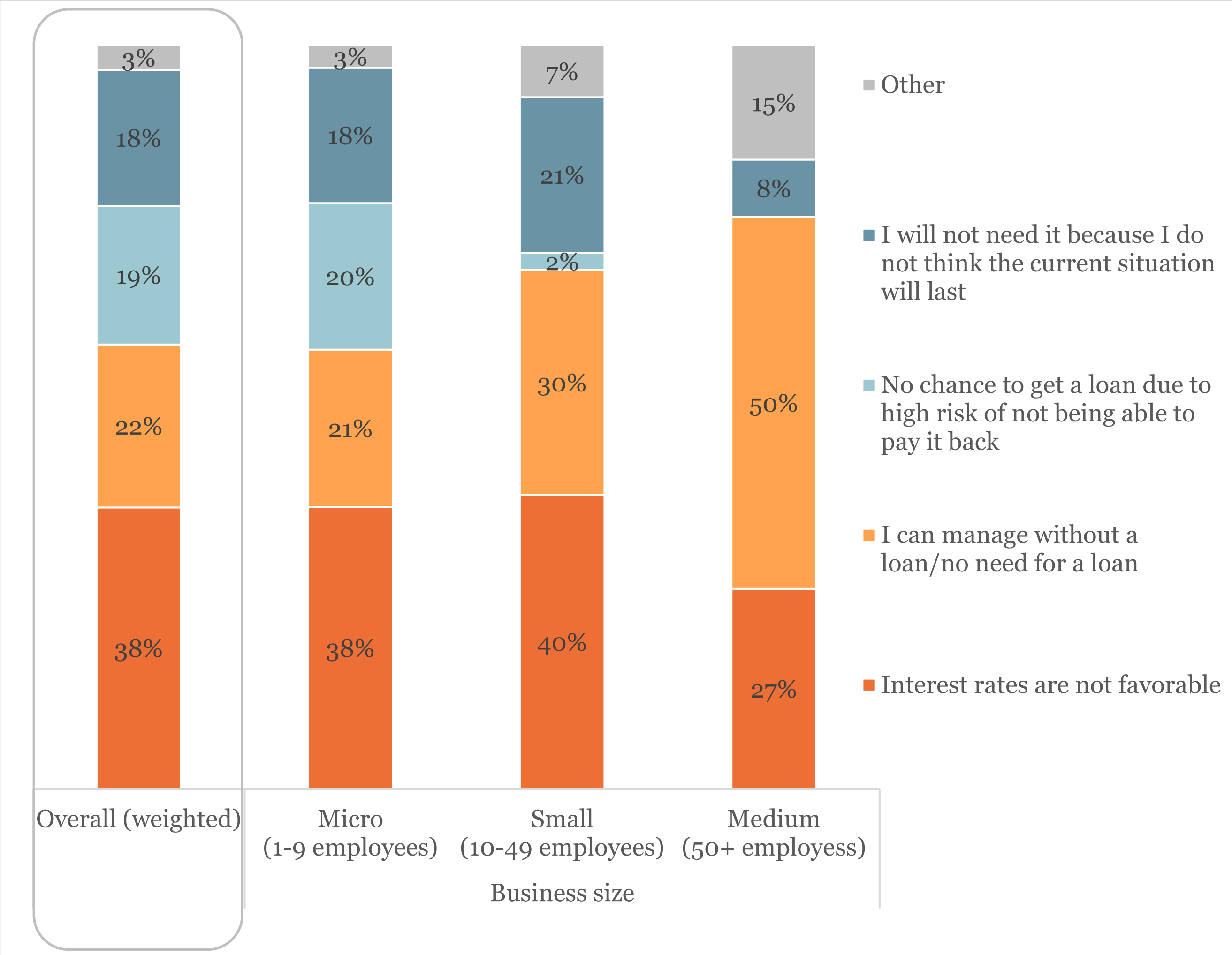
Figure 85. Is your business thinking to get a loan to deal with the current effects of the COVID-19 situation?



Businesses who stated that they do not consider making use of a loan were asked for the respective reasons. Unfavourable interest rates are the reasons most commonly mentioned by micro and small businesses (38% and 40% respectively), while most medium businesses don't see the need for a loan (50%).

A considerable number of micro businesses (20%) feel that they would not be able to get a loan due to the high risk of not being able to pay it back, while around 18% don't see the need for a loan and do not expect the current situation to last.

Figure 86. If no, what is the main reason?

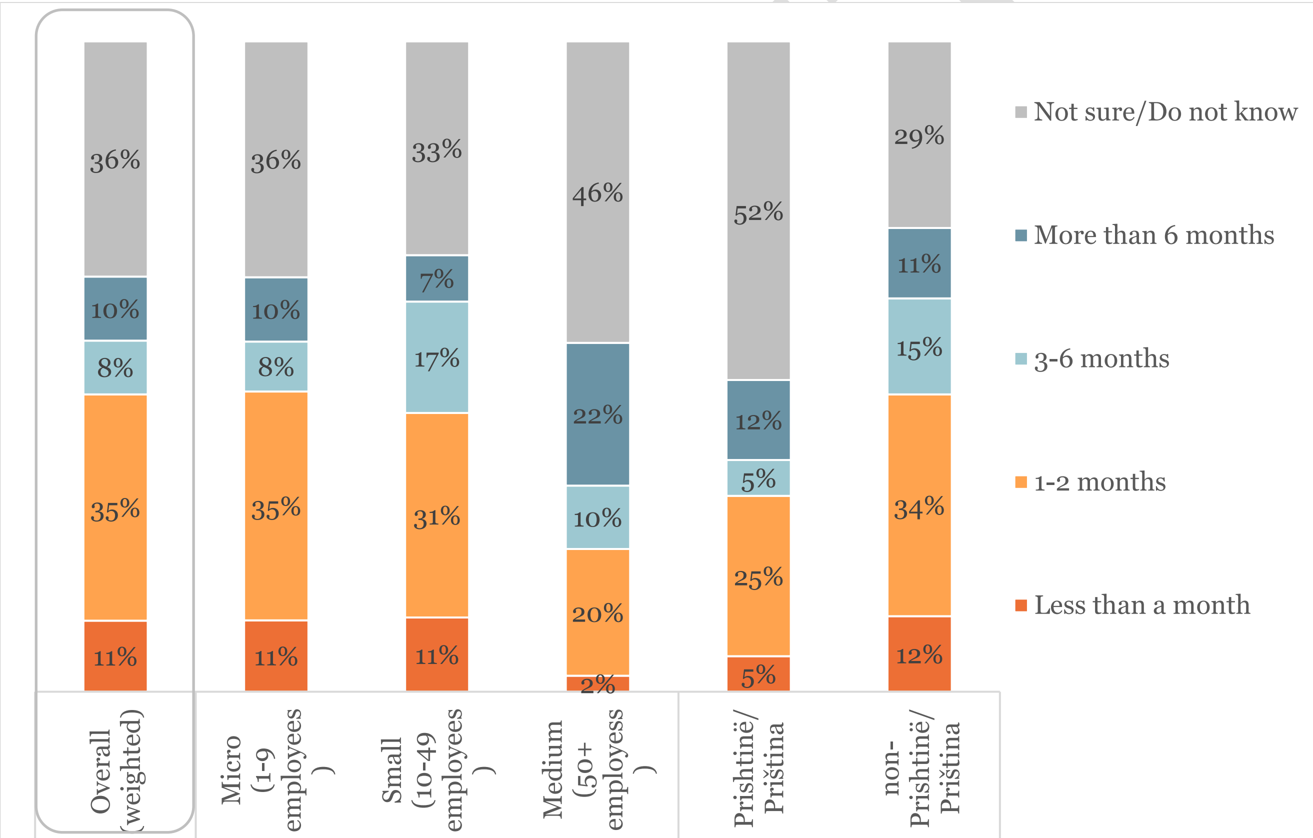


3.2.3 Future Outlook

This section engages with questions, among others, related to the future of businesses during the ongoing pandemic, government measures and their impact as well as suggestions on how businesses could better be supported in this current situation.

When asked how much longer the businesses can afford the current situation, more than one in three did not know an answer (36%). Uncertainty seems especially high among medium businesses (46%) and businesses located in the region of Prishtinë/Priština (52%). Nearly as many estimate that their businesses can afford the situation for one to two more months (35%).[16] Around 11% estimate it to be less than a month. Medium companies appear more likely than other to be able to afford the situation for more than six months.

Figure 87. All considered, how much longer do you think your business can afford this situation?



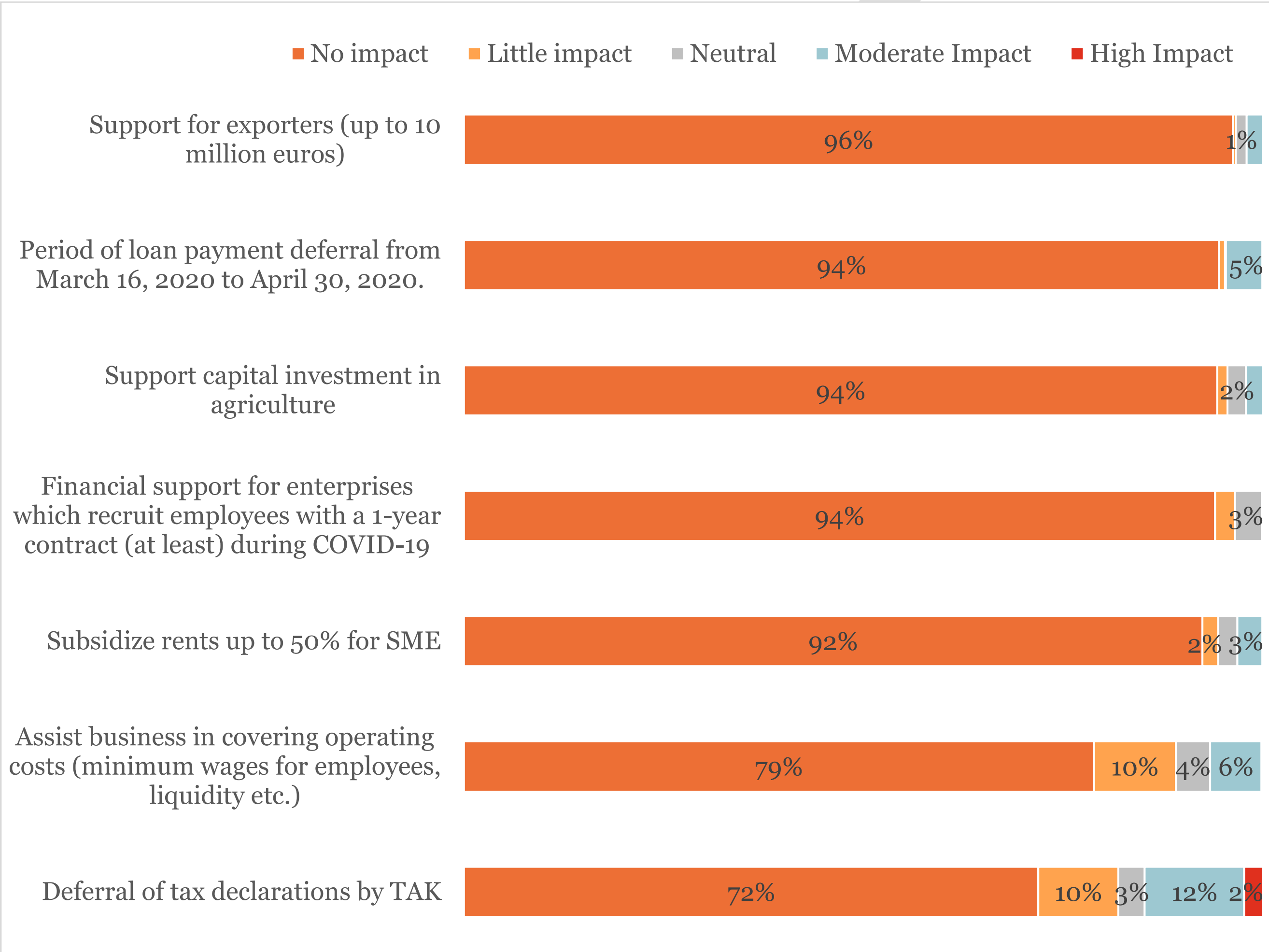
[16] The business survey was conducted between 1st and 8th of May 2020.

Interestingly, when asked what kind of impact a variety of government measures could have on the surveyed businesses, over 90% would see no impact in regard to five out of seven listed measures.[17]

Only in regard to assistance for businesses on covering operating costs as well as deferral of tax declarations by TAK a worth mentioning number of businesses felt that it would have little impact (10% each) or moderate impact (6% and 12% respectively). Further disaggregation of these results by business size indicated that the small businesses assess the impact slightly higher in regard to the aforementioned two measures.

Data indicated that overall businesses appear to feel that the listed measures are not effective for their needs.

Figure 88. What kind of impact would the following government measures have on your business?

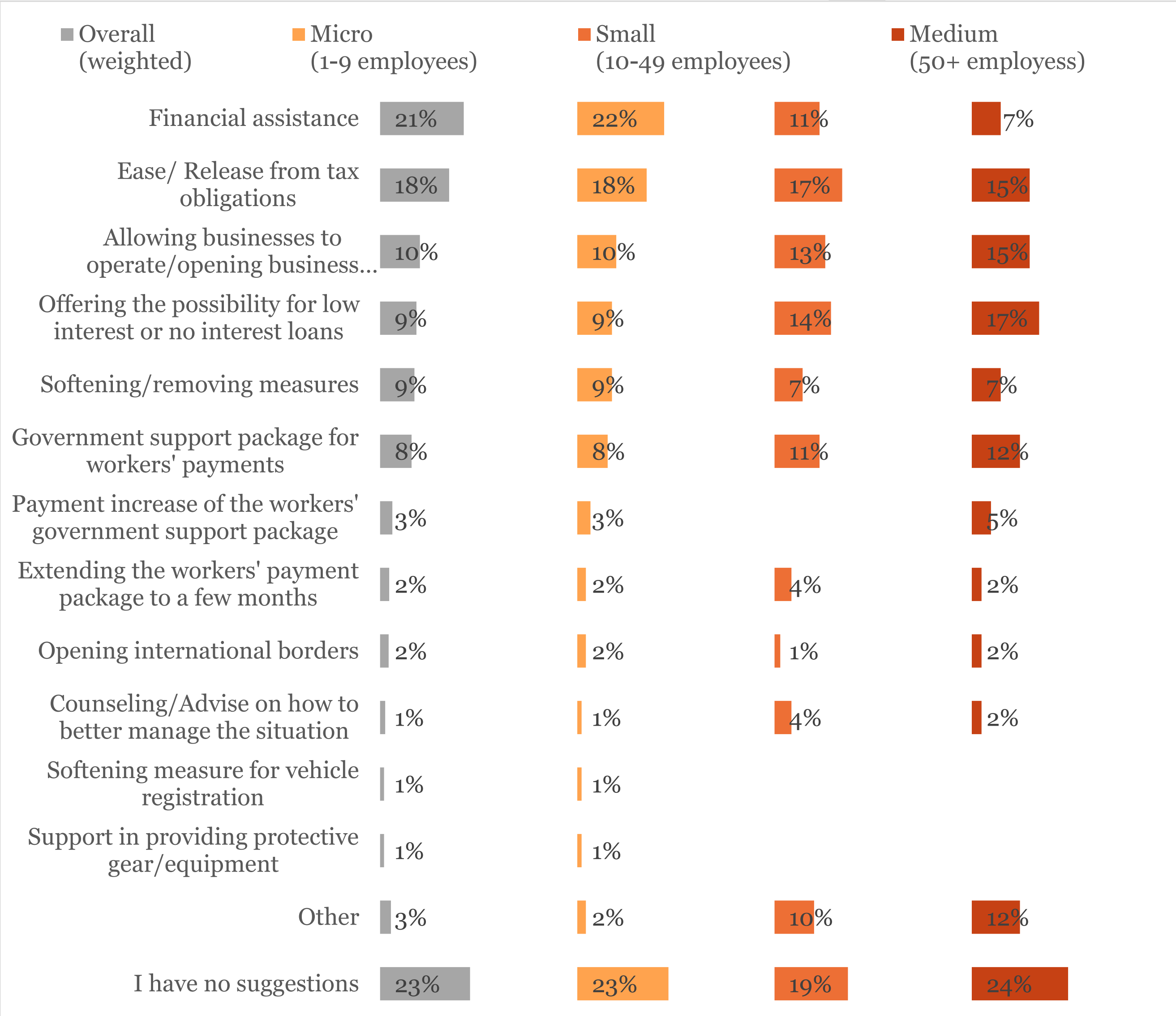


[17] Please note that 85% of the surveyed business do not engage with exporting goods or services. Hence, measures related to these matters may not apply/be relevant to a large number of business who took part in this survey. The same applies to measures related to agriculture, as only 2% of the surveyed businesses are part of this sector.

When asked about suggestions to the government on measures that could help the respondent's businesses around one in four did not have a suggestion (23%). Nearly as many suggested financial assistance (21%) or ease/release from tax obligations (18%) instead of solely postponing them.

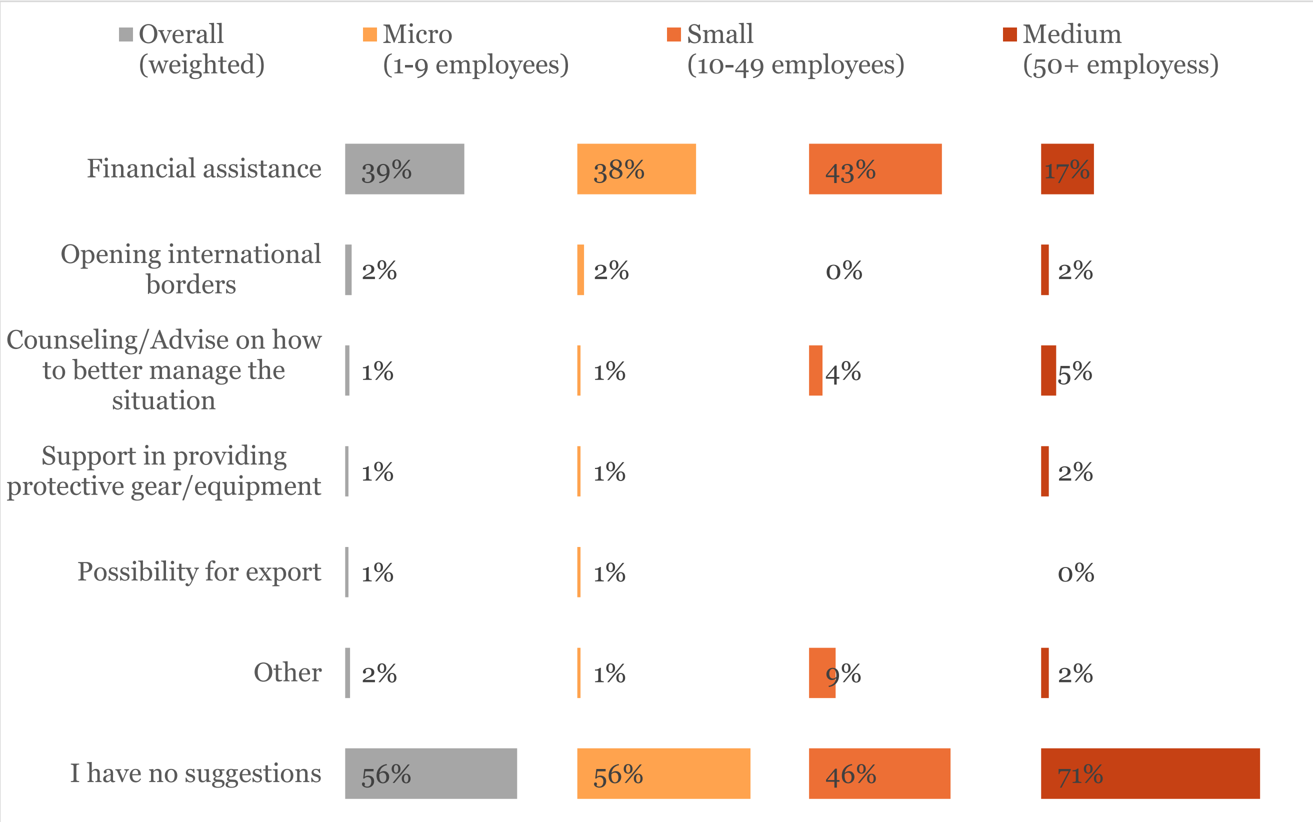
Financial assistance is mostly needed by micro businesses (22%) and less so for small (11%) or medium businesses (7%). Small businesses most commonly suggest ease/release from tax obligations (17%) as well as low interest loans or no interest loans (14%). The latter is also mentioned by 17% of the medium businesses.

Figure 89. What would be your suggestion to the government on measures that can help your type of businesses to deal with the situation?



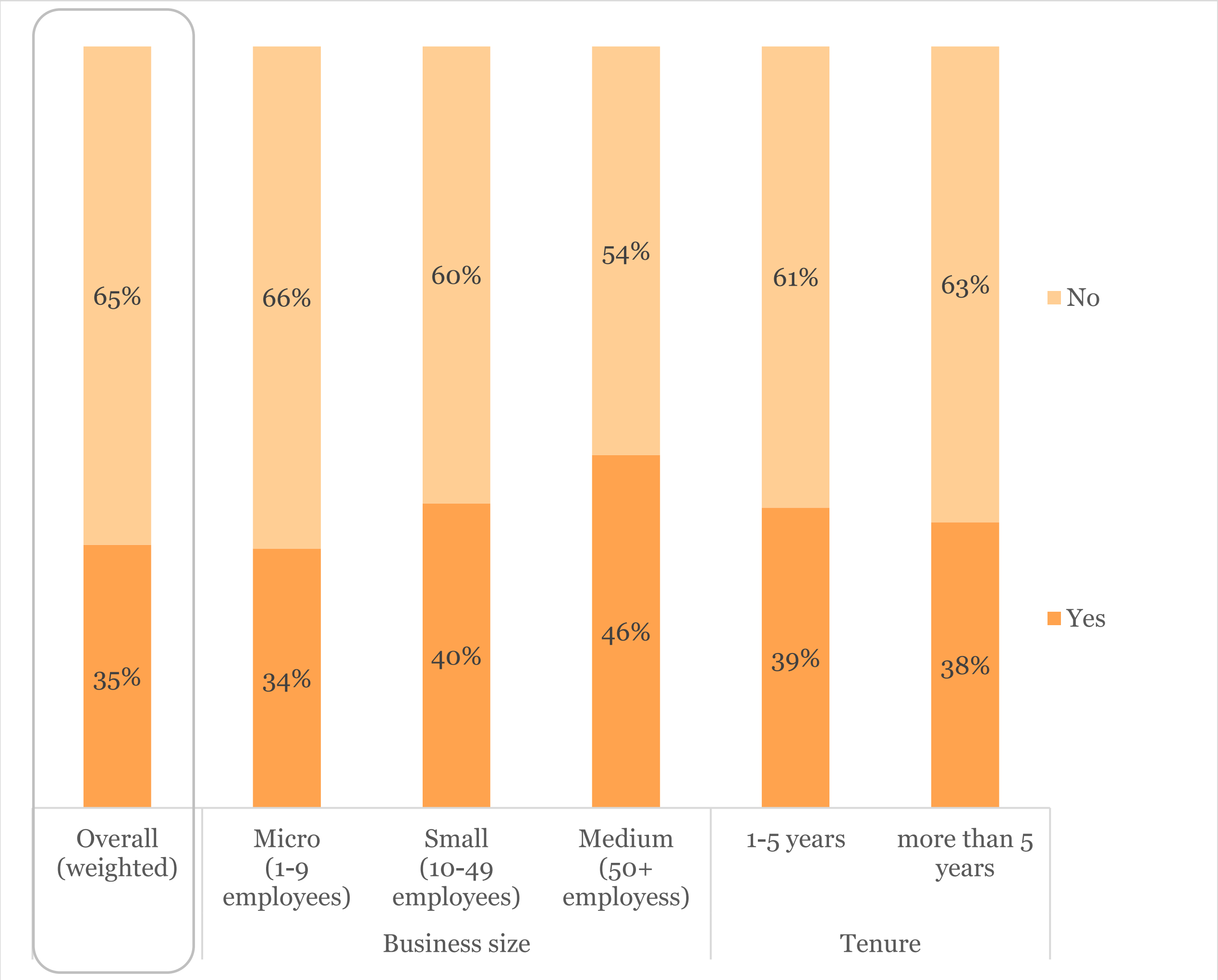
The majority did not have any suggestion for International Organisations on measures that could help businesses in Kosovo to deal with the current situation (56%). Around 39% felt that the International Organisations should be helping through financial assistance. Respondents from medium businesses stand out in this regard with 71% not having any suggestions and only 17% feeling that financial assistance would help their business.

Figure 90. What would be your suggestion to the International Organisations on measures that can help your type of businesses to deal with the situation?



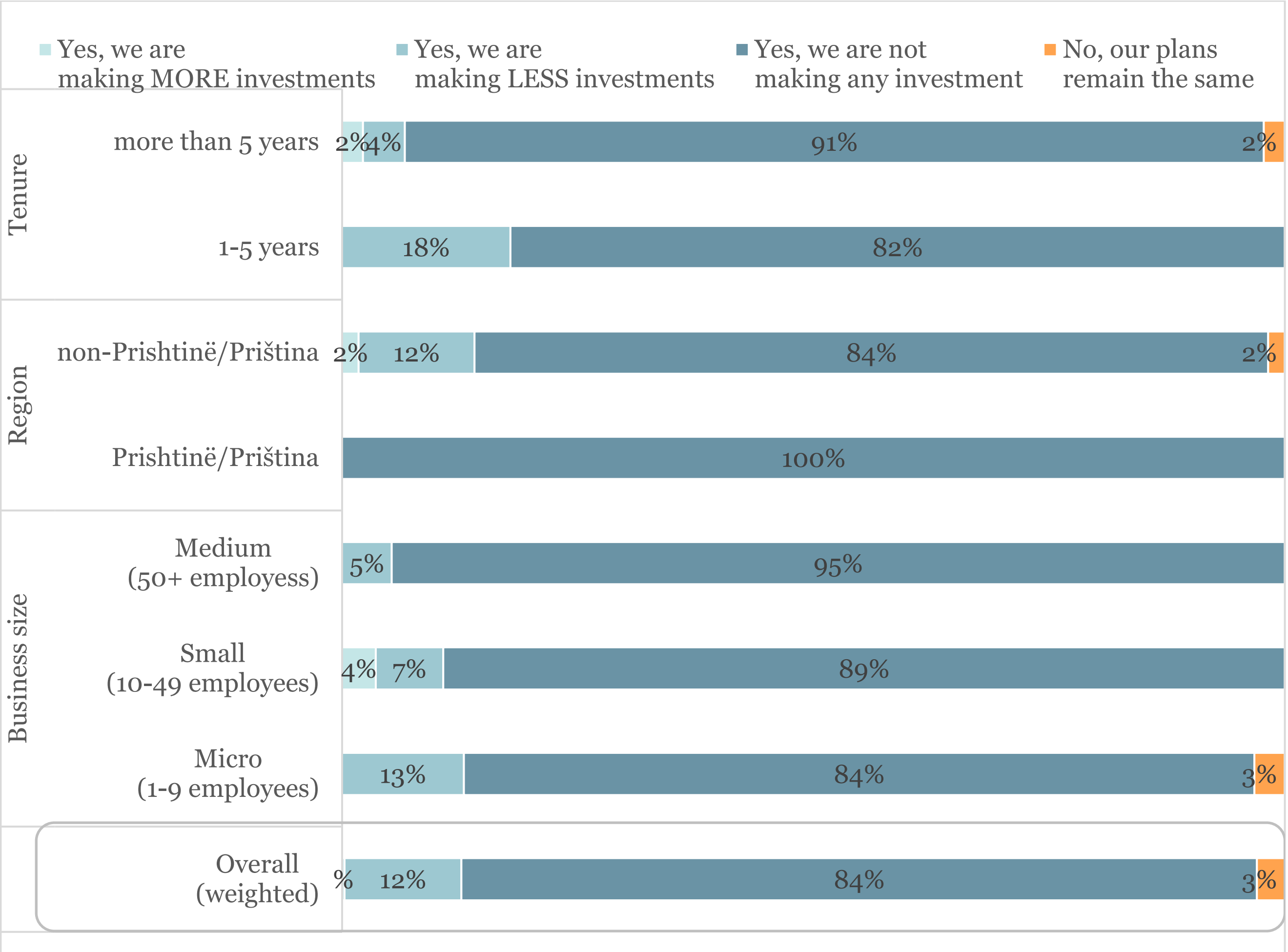
Slightly more than one third of the businesses had plans for investments prior to the COVID-19 situation (35%). The larger the company size, the more likely it seems that investments had been planned. Nearly half of all medium businesses had planned to invest before the pandemic took place (46%).

Figure 91. Did you have any plans for investments, prior to the COVID-19 situation?



The businesses that had planned to make investments prior to the COVID-19 situation (N=70) were next asked whether these plans have changed. Data revealed that the great majority of respondents have changed their plans and are now refraining from making any investments (84%) due to the current situation. Interestingly, micro businesses (13%) and businesses with a tenure of one to five years (18%) changed their plans, however, with the aim of making more investments now.[18]

Figure 92. Have these plans changed because of the situation? (Only those who had plans to invest).



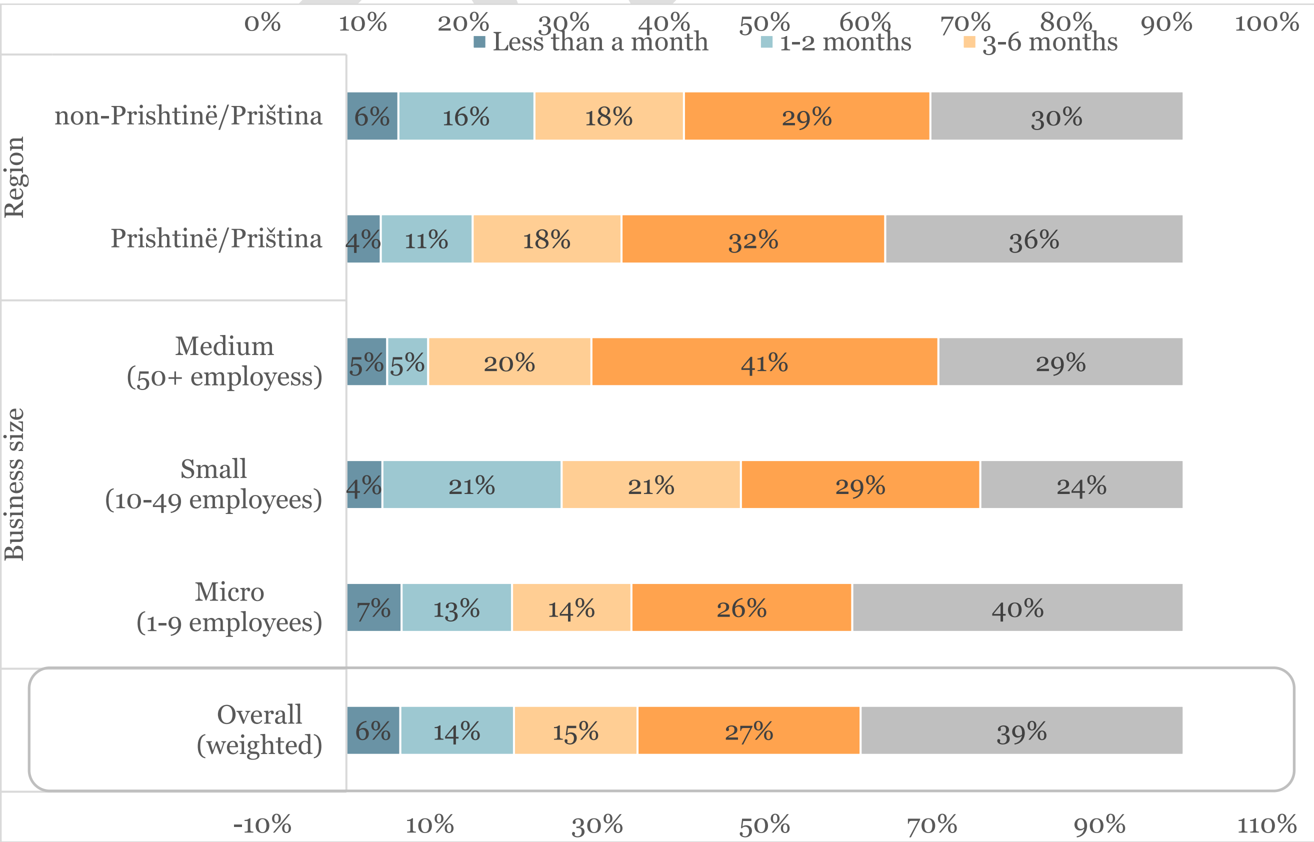
[18] Please note that these results for medium businesses and those based in Prishtinë/Priština are indicative only due to the small number of cases (N=19 and N=21 respectively).

Nearly all of the surveyed businesses do not see new businesses opportunities related to COVID-19. Only 4% which equals to nine businesses declare to see new opportunities for their work activity.

Figure 93. Do you see any new opportunities for your business related to COVID-19?

Last, businesses were asked about their assessment when Kosovo will return to normal life as before the emerging of COVID-19. Nearly 40% were not able to provide an answer to this question (39%) indicating that many feel uncertain about the future. As many as 27% think that it will take more than 6 months, while 15% estimate that it will take 3-6 months. Uncertainty about the future seems to be more pronounced among micro businesses (40%) and businesses located in the region of Prishtinë/Priština (36%). The larger the size of the business the higher the ratio of those who believe that this situation will take more than 6 months' time.

Figure 94. Overall, when do you think that Kosovo will get back to the normal life?



4. Conclusion

4.1. Conclusion

This report aimed to understand challenges and needs of households as well as businesses in Kosovo during the COVID-19 pandemic. Considering the main research findings of this report, the following conclusions can be drawn.

HOUSEHOLD SURVEY - CONCLUSIONS

When evaluating the impact of COVID-19 on households in Kosovo, data revealed that distance learning for children in Kosovo was not a major problem, as nearly all were able to attend lessons regularly (96%). Issues related to unemployment, effects on psychological, mental or emotional health as well as access to basic needs were however evident.

Before the COVID-19 situation emerged, the majority of men (54%) and 29% of women have been employed and working. After the COVID-19 pandemic emerged in Kosovo, around 40% of those who were employed did not lose their job but were not working at all at the time of the interviews. Only 8% lost their job due to the spread of COVID-19. However, within these 8%, the loss of jobs within the construction sector is significant (23%), as well as in the hospitability sector (14%). This is problematic due to the fact that the construction sector, as well as the hospitality sector, are employing most of the main income earners of households (18% and 13%, respectively). The great majority of respondents, who lost their job, did not receive financial support, unemployment benefits or in-kind support from the government, municipalities or NGOs and International Organisations.

More women respondents were working from home (42%) than men respondents (19%). This is most likely due to the stark increase of duties for women within the household due to COVID-19. While household duties have increased for both genders as a result of the pandemic, working hours dedicated for household and family related duties have significantly more increased for women than men.

As a result of COVID-19, nearly one third of all respondents experienced effects on their psychological, mental or emotional health (28%). Slightly more women than men reported such effects (31% vs 25%), residents of the two regions of Gjakovë/Đakovica and Prizren also appear more affected (53% and 46% respectively). Furthermore, it should be noted that over half of the respondents think that there is an increase of domestic violence since the spread of COVID-19 (56%), while over one third did not know how to acquire help when experiencing or witnessing such cases (35%).

Significant issues, as a result of COVID-19 in Kosovo, are also related to difficulties in accessing basic services; 44% report some difficulties in acquiring food products and 6% report major difficulties. Over half of all respondents also report difficulties in obtaining supplies for personal protection (49% some and 5% major difficulties). Over one third struggles with obtaining hygiene and sanitary products. Should restrictive measures related to the spread of COVID-19 continue, over half of all respondents fear that it would be difficult to keep up with basic expenses such as food and hygiene products (59%). It stands out that K Albanian respondents appear significantly more concerned about future implications of prolonged restrictive measures than K Serb ones.

BUSINESS SURVEY CONCLUSIONS

The impact of COVID-19 on businesses in Kosovo is evident as well. This especially pertains to negative effects such as closure of businesses, decrease of customers and inability to pay employees.

The gravest aspect of the impact manifests itself through the closure of more than half of the surveyed businesses (56%). Nearly a third was forced to partially stop their activity (31%) and only 13% is operating as normal. Micro businesses, as well as young businesses (tenure of one to five years), seem to be especially affected in this regard and were more often forced to fully stop their activity (57% and 56%, respectively). The main reason forcing the businesses to stop their operations was the government measures put in place (81%). Nonetheless, the support for the current government measures, to close or limit business activities in order to slow down the spread of COVID-19, seems relatively high among businesses. Around 60% either somewhat or strongly support said measures.

Furthermore, Businesses that did not stop their activity, or only stopped it partially, mainly view the shortage of clients as an issue given the current COVID-19 situation (75%). Over one third of micro businesses mentioned the lack of liquidity (38%) as a problem. Nearly 40% of the medium sized companies reduced their workforce due to the current situation. Measures related to providing personal protective equipment for their staff (i.e. gloves, masks, and sanitiser) are most commonly taken by those businesses who only partially, or not at all, had to stop their operations (88%).

When asked how much longer the businesses can afford the current situation, more than one in three did not have an answer (36%). Uncertainty seems especially high among medium businesses (46%) and businesses located in the region of Pristina (52%) in this regard. Nearly as many estimate that their business can afford the situation only for one to two months (35%). On a more general level, almost 40% were unable to make an estimation when life may return to normal in Kosovo.

Slightly more than one third of the businesses had plans for investments prior to the COVID-19 situation (35%), the great majority of them now has changed their plans and is refraining from making any investments (84%) due to the current situation. When asked about suggestions to the government on measures that could help the respondent's businesses, financial assistance and release from tax obligations are most commonly mentioned.