

Employment of Kosovars in Germany and Kosovo: sectors and salaries based on purchasing power



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Executive Summary

Germany remains the primary emigration destination among Kosovo citizens. From 2010-2022, of all the citizens of Kosovo who obtained residence permits in the European Union (EU) member states, over half of them received residence permits from Germany. Germany also hosts the largest diaspora from Kosovo, with a total of 594 thousand citizens of Kosovo origin. Recently, the German government approved several new legislative changes to facilitate employment-based migration. As of June this year, the number of citizens from Western Balkan countries eligible to obtain work permits in Germany has increased from 25 thousand to 50 thousand people per year. Due to high demand, the annual quota of applications for pre-approvals of work visas for Kosovo citizens for 2024 was filled within just two months. Additionally, an 'opportunity card' based on a points system, evaluated according to skills, has been introduced, allowing foreign nationals to stay in Germany for up to one year to seek employment. Similarly, the naturalization process has been simplified, reducing the waiting period from the previous eight years to three to five years.

Germany is continuously easing migration procedures for foreign workers due to a long-standing labor shortage. For skilled labor, the highest demand is in healthcare, education, and information and communication technology sectors, while, sectors in need of unskilled labor include construction, hospitality and gastronomy, trade, and manufacturing.

Emigration from Kosovo continues to remain high. A survey conducted by the GAP Institute at the end of 2023 found that those most inclined to emigrate are employed in the construction sector (18.7%), hospitality and gastronomy (18.7%), trade (18.1%), and manufacturing (12.9%). Germany is the primary destination for emigration from Kosovo, with 71.4% of respondents indicating it as their preferred country. Economic reasons are the key drivers for this decision, with the survey showing that 20% of those planning to emigrate reported a monthly income of 301-450 euros,

while 33% received no income at the time of the survey was conducted.

This report analyzes the number of employees and employment growth trends in the main sectors where Kosovars are employed in Germany and in Kosovo. Findings show that, among the six Western Balkan countries and across seven sectors in Germany, Kosovo leads with the highest number of employees in the construction sector (32,238), manufacturing (17,774), trade (17,702), and hospitality and gastronomy (12,434).

Moreover, in recent years, the number of Kosovo citizens employed in the health sector in Germany has increased on average by about 16% per year. Consequently, the number of employees in Germany in this sector is 64% of the total number of employees in the same sector in Kosovo. Meanwhile, the number of employees in the health sector in Kosovo has remained almost the same throughout the years. Similarly, an increase in the number of Kosovars employed in Germany has been observed in the sectors of education (+17%), information and communication technology (+16%), hospitality and gastronomy (+13%), and manufacturing (+11%). The number of employees in the construction sector in Germany is about 58% of the total number of employees in Kosovo in the same sector. In Kosovo, in recent years, there has been an increase in the number of employees in the construction sector (+25%); trade (+21%); information and communication (+14%), among others.

The report also analyzes the differences in salaries in the same sectors, in Kosovo and Germany, adjusted for the living costs. Findings indicate that the difference in average monthly net salaries between Germany and Kosovo, after adjusting for cost-of-living differences, are as follows: net salaries in Germany are higher by 1,406 euros in healthcare; 1,740 euros higher in the education; 1,248 euros higher in information and communication technology; 1,064 euros higher in construction; 1,306 euros higher in trade; 1,699 euros higher in manufacturing; and 926 euros higher in hospitality and gastronomy.

Introduction

In 2015, Germany opened its labor market to six Western Balkan countries through the Western Balkans Regulation (WBR), allowing a maximum of 25 thousand citizens from these countries to emigrate to Germany each year -including both skilled and unskilled individuals – based on a valid job offer.¹ This regulation was initially set to last until the end of 2023. However, three significant legislative changes came into effect starting June 2024. Firstly, the WBR was expanded, increasing the number of individuals from the WB who can obtain work permits in Germany from 25 thousand to 50 thousand per year.² Due to high demand, this year, the annual quota for pre-approval applications for work visas for citizens of Kosovo was filled in just two months.³

Secondly, Germany introduced the so-called 'opportunity card' which allows non-EU citizens to travel to Germany and seek employment for up to one year.⁴ If they secure a job offer during this period, they can obtain a residence permit in Germany. To qualify for this card, a points-based system is applied on qualifications and skills, with a minimum score of six points required.⁵

In recent years, obtaining German citizenship required at least eight years of residency in Germany. However, starting from June 27, 2024, this period has been reduced from eight to five years (three years for highly integrated individuals).^{6,7} Moreover, applicants for naturalization will no longer need to renounce their previous citizenship, as was previously required.⁸

These legislative changes result from demographic and structural shifts in Germany's labor market.⁹ According to data from the German Employment Agency, around 1.7 million job vacancies were recorded by the third quarter of 2023.¹⁰ The ongoing demand for labor compels Germany to attract foreign workers, particularly from third countries. This labor shortage cannot be compensated by workers within the EU, as the entire region is facing similar demographic challenges.¹¹ The demand for skilled workers is particularly high in the healthcare, education, and ICT sectors,¹² while other sectors in need of labor include construction, hospitality and gastronomy, trade, and manufacturing.¹³

Emigration from Kosovo continues to be a challenging phenomenon. According to official data, around 338 thousand citizens left Kosovo between 2012 and 2022.¹⁴ At the same time, the population decreased from 1,739,825 residents in 2011 to 1,586,659 in 2024.¹⁵ Moreover, the median age increased from 29.97 years in 2011 to 34.82 years now.¹⁶ Demographic changes, such as population

1 Center for Global Development. Migration Pathways: Western Balkans Regulation. 2021

2 German Federal Ministry of Justice. Employment Regulation – BeschV

3 Federal Employment Agency in Germany, Western Balkans Regulation, 2024

4 German Federal Foreign Office. The Opportunity Card – overview

5 Ibid.

6 German Federal Ministry of the Interior and Community. Becoming a German Citizen by Naturalization.

7 RT&Partners. Dual Citizenship and Faster Naturalization, 2024

8 Ibid.

9 Angenendt, Steffen et al. Germany in Looking for Foreign Labor. German Institute for International and Security Affairs, 2023. Structural changes in the labor market include the replacement of traditional jobs due to digitization, changes as a result of the decarbonization of the economy, and other issues related to the consequences of the COVID-19 pandemic.

10 Federal Employment Agency in Germany. The German Labor Market in 2023.

11 Angenendt, Steffen et al. Germany in Looking for Foreign Labor. German Institute for International and Security Affairs, 2023.

12 Ibid.

13 IFO Institute. IFO Business Survey. Germany's Shortage of Skilled Workers Eases Slightly, 2024.

14 GAP Institute. Propensity to Emigrate from Kosovo following Visa Liberalization: Implications for the Workforce, 2024

15 Kosovo Agency of Statistics, Preliminary Results of the Population Census (ReKos2024).

16 In the population pyramid, the age group under 15 years decreased. In 2011, the 10–19 age group dominated, while in 2024, the 20–24 age group dominates, an indicator of an aging population. Ibid.

decline and aging, driven by decreasing birth rates and mass emigration, pose significant challenges for Kosovo's labor market. In recent years, both the active and inactive labor force had diminished, leading to a shortage of labor in sectors with high productivity.¹⁷

According to a survey conducted by the GAP Institute at the end of last year,¹⁸ among the 28% of citizens over 18 who expressed an inclination to emigrate after visa liberalization, 71.4% indicated that Germany is their primary destination. Germany is also home to the largest diaspora from Kosovo, with 594 thousand people of Kosovo origin.¹⁹ According to Eurostat, between 2010 and 2022, a total of 301,624 Kosovars were granted residence permits for the first time in EU member states, of which, 163,088 (54%) were issued by Germany.²⁰

Based on GAP Institute survey data, among all employed individuals in Kosovo with a propensity to emigrate, 18.7% worked in construction, 18.7% in hospitality and gastronomy, 18.1% in wholesale and retail trade, 12.9% in manufacturing, 7.1% in healthcare, 7.1% in education, and 6.5% in ICT. Economic reasons are the predominant factors influencing the decision to emigrate. Over 20% of respondents inclined to emigrate reported monthly income of 301-450 euros, while 33% had no income at all.²¹

Most employees in the construction, manufacturing, trade, and hospitality and gastronomy sectors reported no salary increase in 2023, although they were promised an increase for this year. In contrast, salary increases were primarily reported by employees in the education and healthcare sectors, attributed to legislative changes affecting public sector salaries. In terms of age groups, young individuals are more likely to emigrate, with 33% of those planning to leave Kosovo being under 24 years old, 31% aged 25-34, and 17% aged 35-44.²²

Furthermore, some of the main reasons prompting citizens to leave Kosovo include better employment opportunities (28%); improvements in the quality of education, healthcare, and security (26%); career development (14%); among others. They indicate that if salaries in Kosovo were higher and if more favorable working conditions were offered- such as adherence to employment contracts, working hours, annual leave, and similar benefits- they would not be motivated to leave Kosovo.

This report highlights the employment trends of Kosovo citizens holding residence permits in Germany across various sectors from 2019 to 2023.²³ It also reflects the number of employees in the same sectors in Kosovo and analyzes salary differences between Kosovo and Germany. Additionally, the report examines the employment trends of citizens from all Western Balkan countries in Germany and the sectors in which they are employed.

17 GAP Institute. Propensity to Emigrate from Kosovo following Visa Liberalization: Implications for the Workforce, 2024

18 The survey was conducted nationwide - in 38 municipalities of Kosovo - using a stratified random sampling technique with a 95% confidence level and a +/-3% margin of error. The number of respondents is equivalent to 1,066 Kosovo citizens aged over 18, including the ethnic structure of Kosovo.

19 Federal Statistical Office of Germany (Destatis), Statistical Report - Microcensus, 2023.

20 Eurostat, Migration and Migrant Population Statistics.

21 This applies to income of November 2023.

22 Of those who stated they plan to emigrate from Kosovo, 11% belong to the 45-54 age group; 6% to the 55-64 age group; and 1% are over 65 years old.

23 This does not include individuals who have obtained German citizenship, only those with residence permits in Germany.

The Employment in Various Sectors in Kosovo and Germany (2019–2023)

To compare purchasing power between salaries in Kosovo and Germany, the Purchasing Power Parity (PPP) has been used, which measures the cost of a basket of identical goods in different countries. This 'basket' includes products such as food, housing, transportation, healthcare, clothing, and more. The average net salary in Kosovo is 468 euros, while in Germany it is 2,822 euros (2023).²⁴ After adjusting for PPP, the net salary in Kosovo has a purchasing power equivalent to 1,265 euros in Germany,²⁵ indicating that such a basket could cost nearly three times more in Germany. However, even after adjusting for cost-of-living differences, the average net salary in Germany remains high, thereby, attracting many workers to its labor market.

Healthcare Sector

A total of 9,416 citizens of Kosovo are employed in the healthcare sector in Germany. In comparison, this sector in Kosovo employs 14,786 individuals.²⁶ In recent years, the number of Kosovo citizens employed in the health sector in Germany has increased on average by about 16% each year. Meanwhile, in Kosovo, the number of employees in this sector over the years has remained almost the same. The number of Kosovars employed in this sector in Germany is equivalent to 64% of the total number of employees in the same sector in Kosovo. The average monthly net salary in this sector in Germany is 2,868 euros (gross: 4,581 euros),²⁷ while in Kosovo, it is 541 euros (gross: 607 euros).²⁸ The cost of living in Kosovo is lower than in Germany, and when adjusted for Purchasing Power Parity (PPP), a basket of goods worth 541 euros in Kosovo is equivalent to 1,462 euros in Germany.²⁹ However, the salary difference remains substantial. More specifically, the average net salary in the healthcare sector in Germany is about twice as high as the average net salary in Kosovo when adjusted for the cost of living.

²⁴ Average salary data is calculated based on data from the Kosovo Agency of Statistics and the Federal Statistical Office of Germany. PPP is the acronym for Purchasing Power Parity.

²⁵ The basket of goods is a term that includes various goods and services such as food, accommodation, transportation, etc.

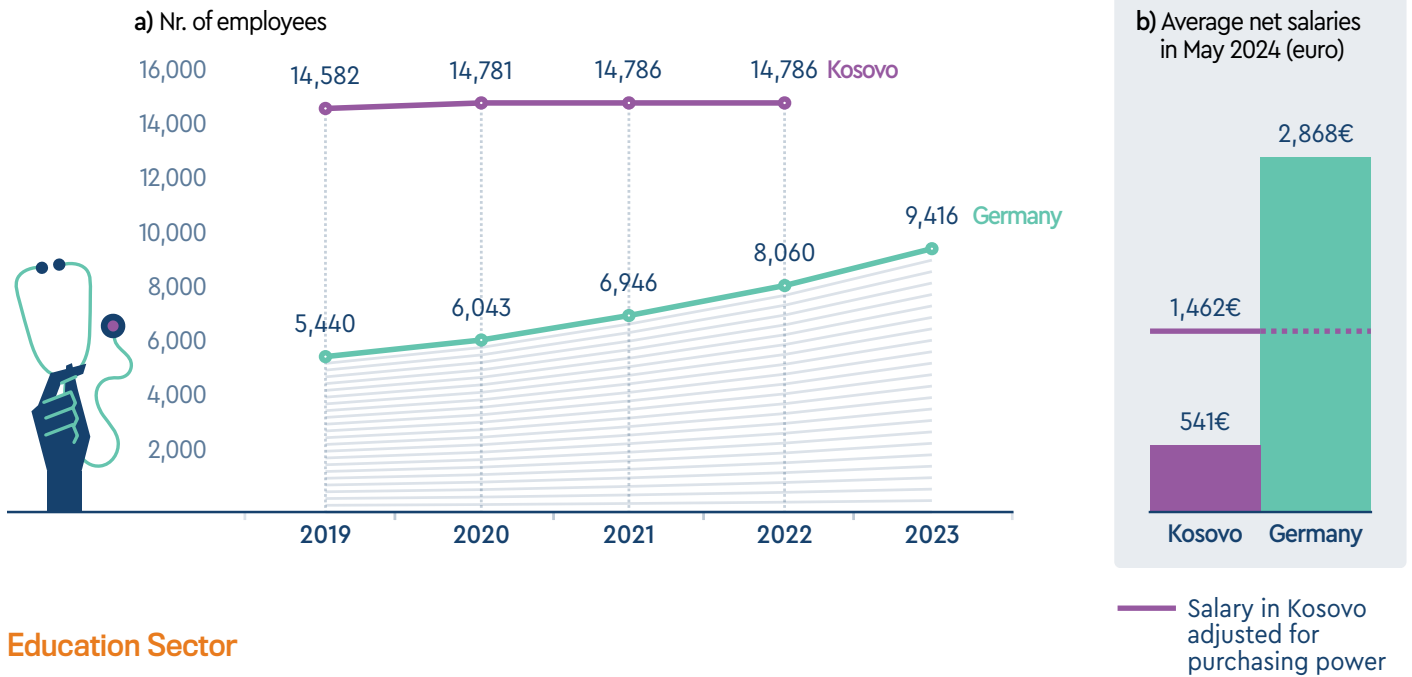
²⁶ The number of employees is calculated by referring to data from the German Employment Agency and the Kosovo Agency of Statistics, based on the latest available data, Q4 2023.

²⁷ Net salary is calculated based on the average tax rate for 2023 in Germany, which is equivalent to 37.4%. OECD. Income Tax: Germany. 2024, referring to official gross salary data for sectors, Federal Statistical Office (Destatis) in Germany, Index of Average Gross Earnings: Monthly and Economic Activities, May 2024.

²⁸ Data from the Kosovo Tax Administration (KTA), gross salaries in May 2024.

²⁹ Purchasing Power Parity (PPP) is calculated by referring to World Bank data for 2024, where the PPP conversion factor by GDP is 0.37 for Kosovo and 0.7 for Germany. The same calculation applies to the rest of the report.

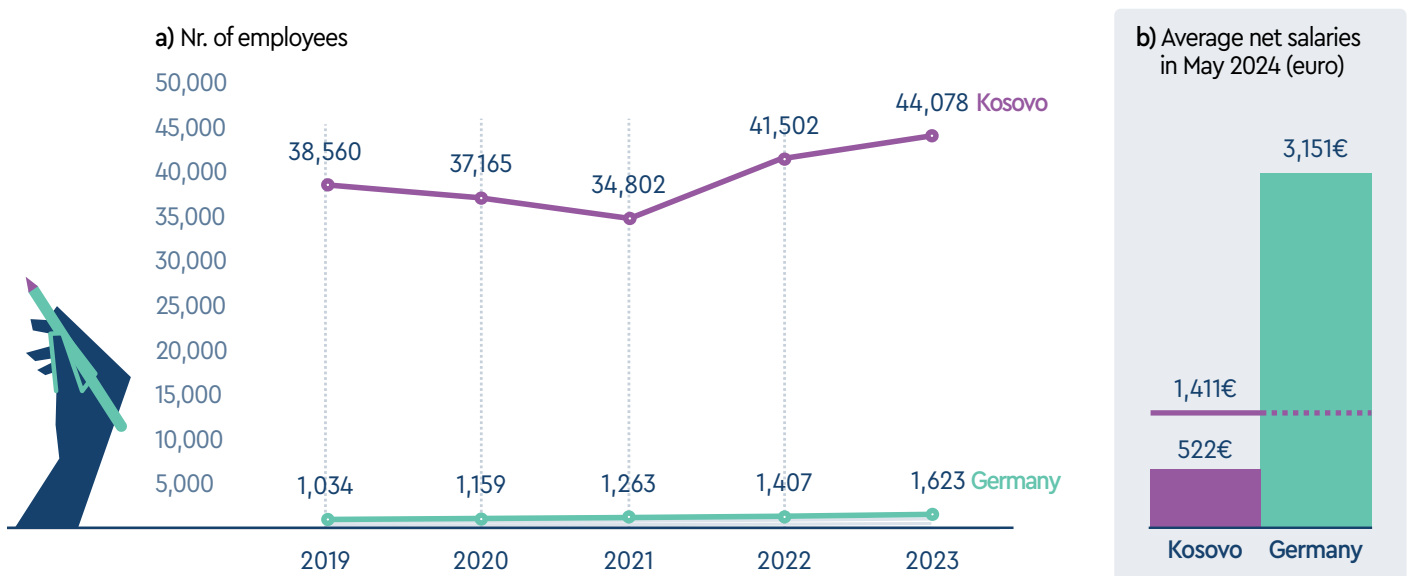
Figure 1. Kosovo citizens employed in the **healthcare** sector in Germany and Kosovo; average monthly net salary and average net salary adjusted for PPP



Education Sector

The education sector in Germany employs 1,623 Kosovo citizens, compared to 44,078 individuals in Kosovo. In recent years, the number of Kosovo citizens employed in the education sector in Germany has increased on average by about 17% each year, although the rate of employees from Kosovo in this sector still remains low. Similarly, an increase in the number of employees in this sector can be observed in Kosovo by on average 13% per year. The average monthly net salary in Germany is 3,151 euros (gross: 5,033 euros) while in Kosovo, it is 522 euros (gross: 585 euros). When adjusted for PPP, a salary of 522 euros in Kosovo has a purchasing power equivalent to 1,411 euros in Germany. The salary difference remains significant, with the average net salary in the education sector in Germany being more than twice as high as the average net salary in Kosovo when adjusted for the cost of living.

Figure 2. Kosovo citizens employed in the **education** sector in Germany and Kosovo; average monthly net salary and average net salary adjusted for PPP

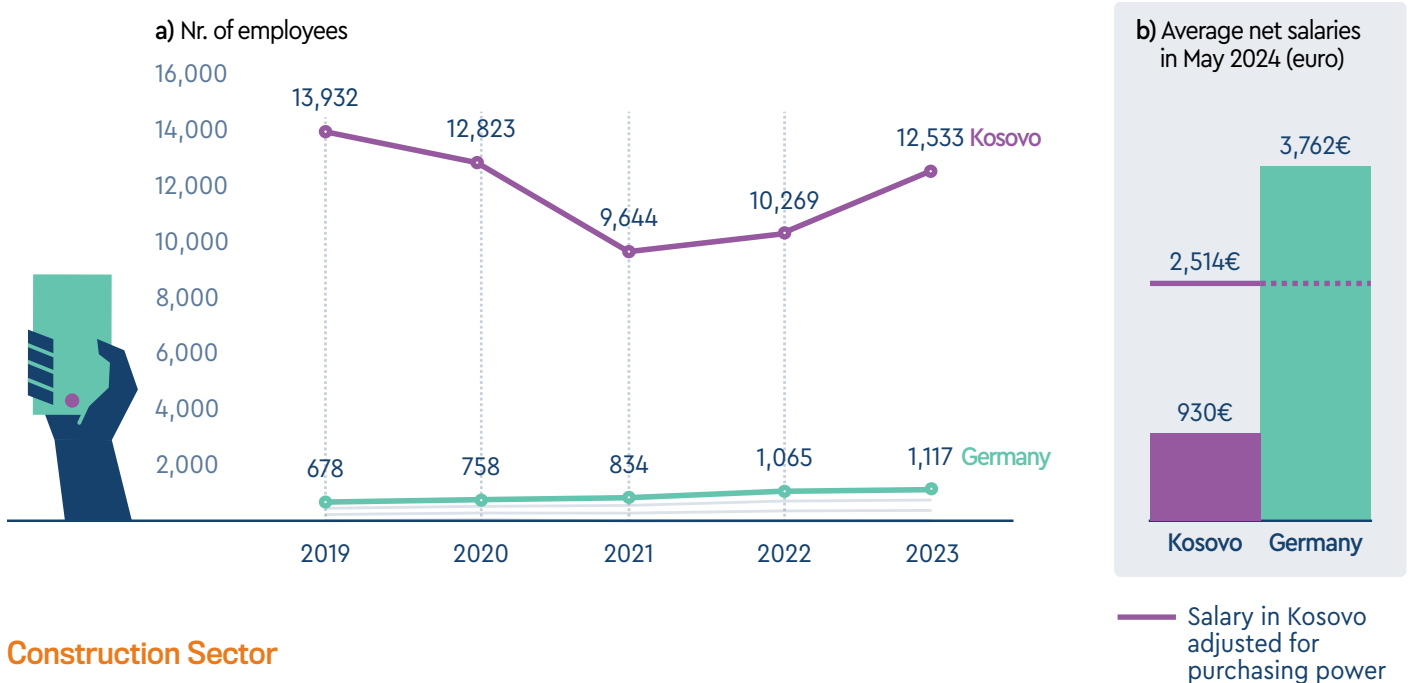


Source:
 1. Kosovo Agency of Statistics; Federal Employment Agency in Germany; 2. Federal Statistical Office of Germany, Kosovo Tax Administration.

Information and Communication Technology Sector

In the information and communication technology sector in Germany employs 1,117 Kosovo citizens, while in Kosovo, this sector employs 12,533 individuals. In recent years, the number of Kosovo citizens employed in the information and communication sector in Germany has increased by about 16%. But, even in this sector, the rate of employees from Kosovo still remains low. On the other way, in Kosovo, the number of employees in this sector has increased by about 14% per year. The average monthly net salary in this sector in Germany is 3,762 euros (gross: 6,010 euros), compared to 930 euros (gross: 1,062 euros) in Kosovo. When adjusted for PPP, a salary of 930 euros in Kosovo has a purchasing power of 2,514 euros in Germany. However, the salary difference remains substantial, with the average net salary in this sector in Germany being 1.5 times higher than the average net salary in Kosovo when adjusted for the cost of living.

Figure 3. Kosovo citizens employed in the **information and communication technology** sector in Germany and Kosovo; average monthly net salary and average net salary adjusted for PPP

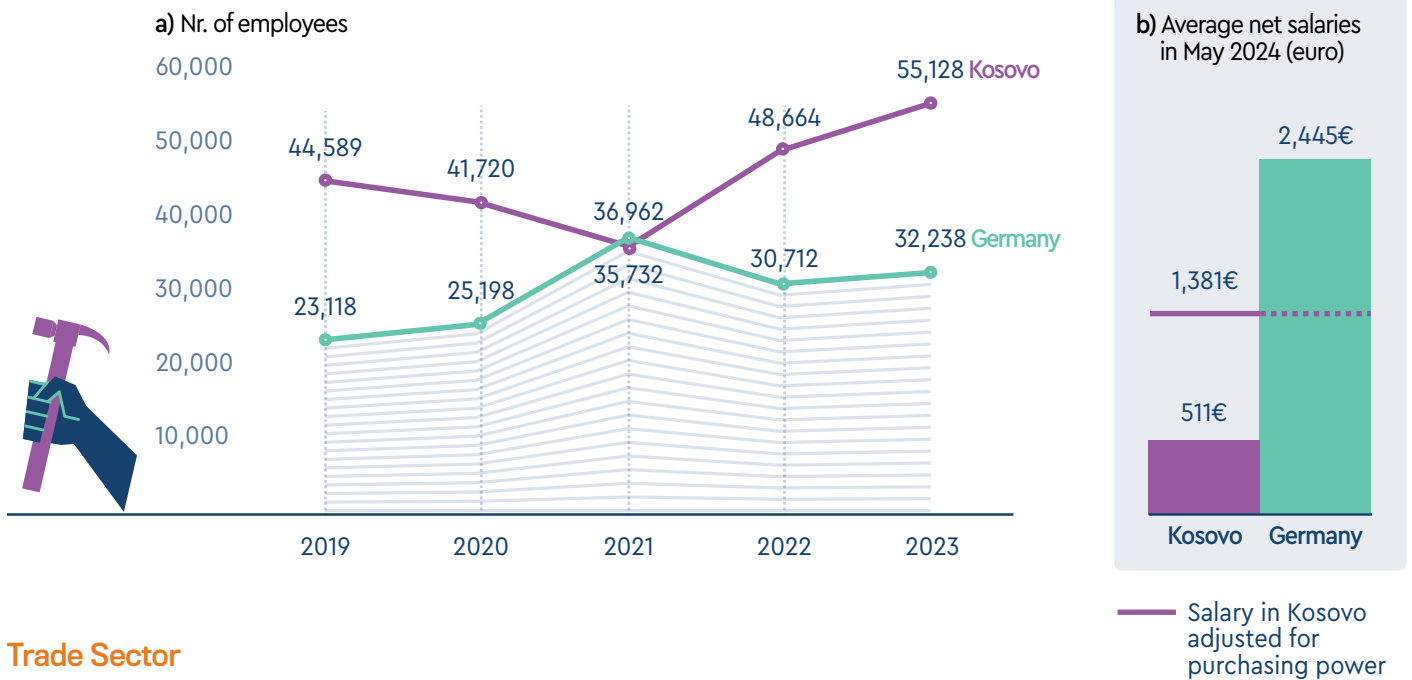


Construction Sector

According to the latest data, there are 32,238 citizens from Kosovo employed in the construction sector in Germany. In contrast, the number of individuals employed in this sector in Kosovo is equivalent to 55,128. Employment of Kosovo citizens in the construction sector in Germany has fluctuated from year to year; however, during the period 2019–2023, the number of employed individuals increased by over nine thousand. On the other hand, in Kosovo, the number of people employed in the construction sector has increased by an average of 25% per year in recent years. Construction is the second-largest sector in terms of employment in Kosovo and with a growing trend year by year. However, in Germany, the number of employees in this sector is quite high, accounting for 58% of all those employed in the construction sector in Kosovo. The average monthly net salary in Germany in this sector is 2,445 euros (gross: 3,906 euros), compared to 511 euros (gross: 572 euros) in Kosovo. When adjusted for PPP, a salary of 511 euros in Kosovo has a purchasing power equivalent to 1,381 euros in Germany. Nevertheless, the average net salary in the construction sector in Germany remains more than 1.5 times higher than the average net salary in Kosovo when adjusted for the cost of living.

Source:
 1. Kosovo Agency of Statistics; Federal Employment Agency in Germany; 2. Federal Statistical Office of Germany, Kosovo Tax Administration.

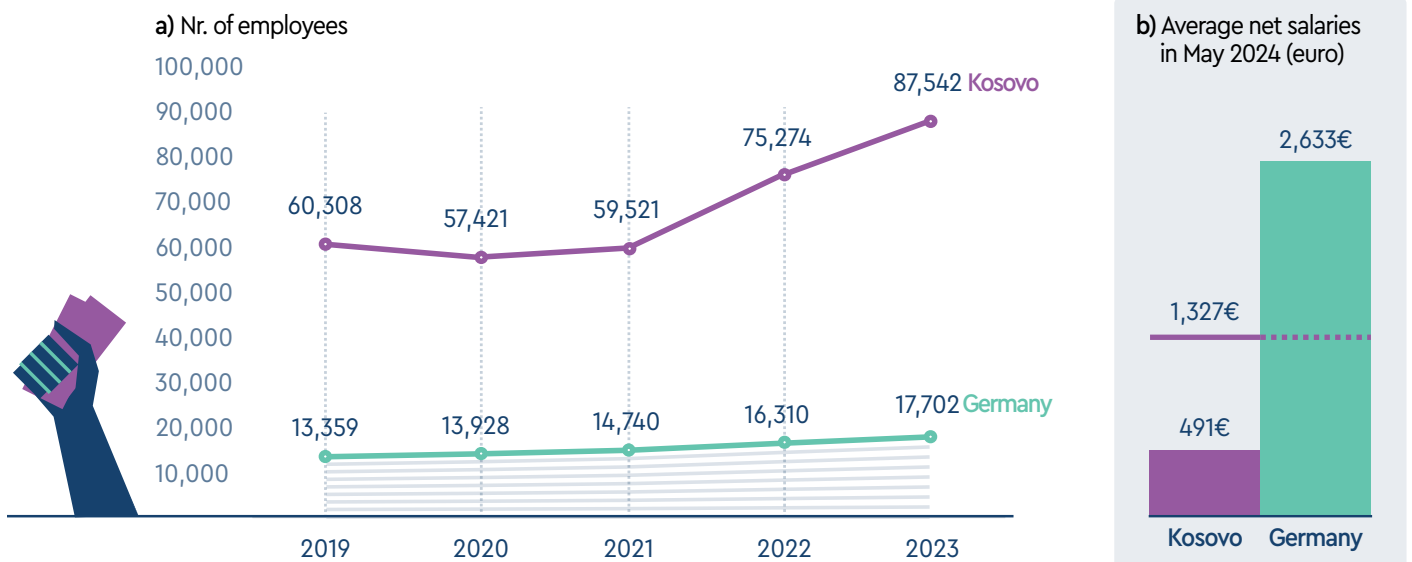
Figure 4. Kosovo citizens employed in the **construction** sector in Germany and Kosovo; average monthly net salary and average net salary adjusted for PPP



Trade Sector

The trade sector in Germany employs 17,702 Kosovo citizens. In contrast, this sector employs 87,542 individuals in Kosovo, making it the largest employment sector among all sectors in the country. The number of Kosovo citizens employed in the trade sector in Germany has increased by on average about 10% in recent years. Meanwhile, the number of employees in the same sector in Kosovo has increased significantly in recent years, by about 21%. The average monthly net salary in Germany is 2,633 euros (gross: 4,206 euros), while in Kosovo it is 491 euros (gross: 548 euros). When adjusted for PPP, a salary of 491 euros in Kosovo has a purchasing power of 1,327 euros in Germany. However, the salary difference remains significant, with the average net salary in the trade sector in Germany being almost twice as high as the average net salary in Kosovo when adjusted for the cost of living.

Figure 5. Kosovo citizens employed in the **trade** sector in Germany and Kosovo; average monthly net salary and average net salary adjusted for PPP

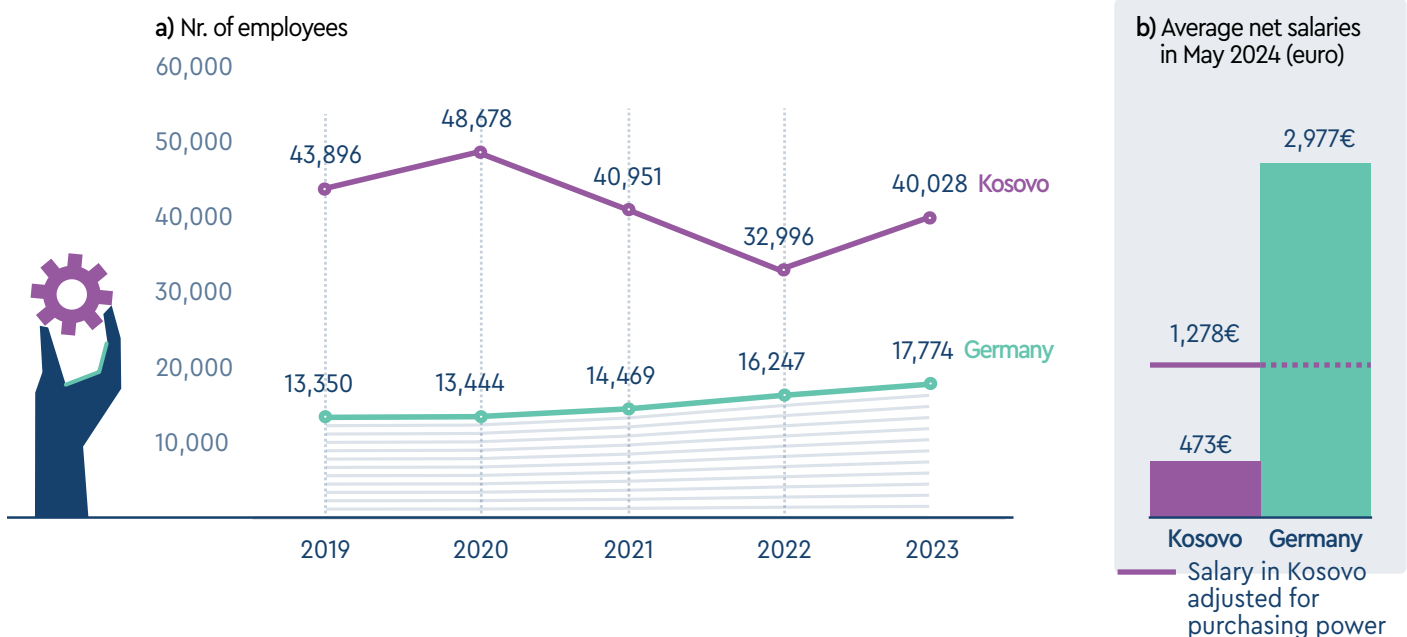


Source:
 1. Kosovo Agency of Statistics; Federal Employment Agency in Germany; 2. Federal Statistical Office of Germany, Kosovo Tax Administration.

Manufacturing Sector

The manufacturing sector in Germany employs 17,774 Kosovo citizens. In contrast, there are a total of 40,028 individuals employed in this sector in Kosovo. The number of Kosovo citizens in this sector in Germany has increased by approximately 11% per year. The number of employees in this sector in Germany is equivalent to 44% of the total number of employees in the same sector in Kosovo. The average monthly net salary in the manufacturing sector in Germany is 2,977 euros (gross: 4,756 euros), and 473 euros (gross: 527 euros) in Kosovo. When adjusted for PPP, a salary of 473 euros in Kosovo has a purchasing power of 1,278 euros in Germany. The salary difference remains significant, with the average net salary in the manufacturing sector in Germany being 2.3 times higher than the average net salary in Kosovo when adjusted for the cost of living.

Figure 6. Kosovo citizens employed in the **manufacturing** sector in Germany and Kosovo; average monthly net salary and average net salary adjusted for PPP

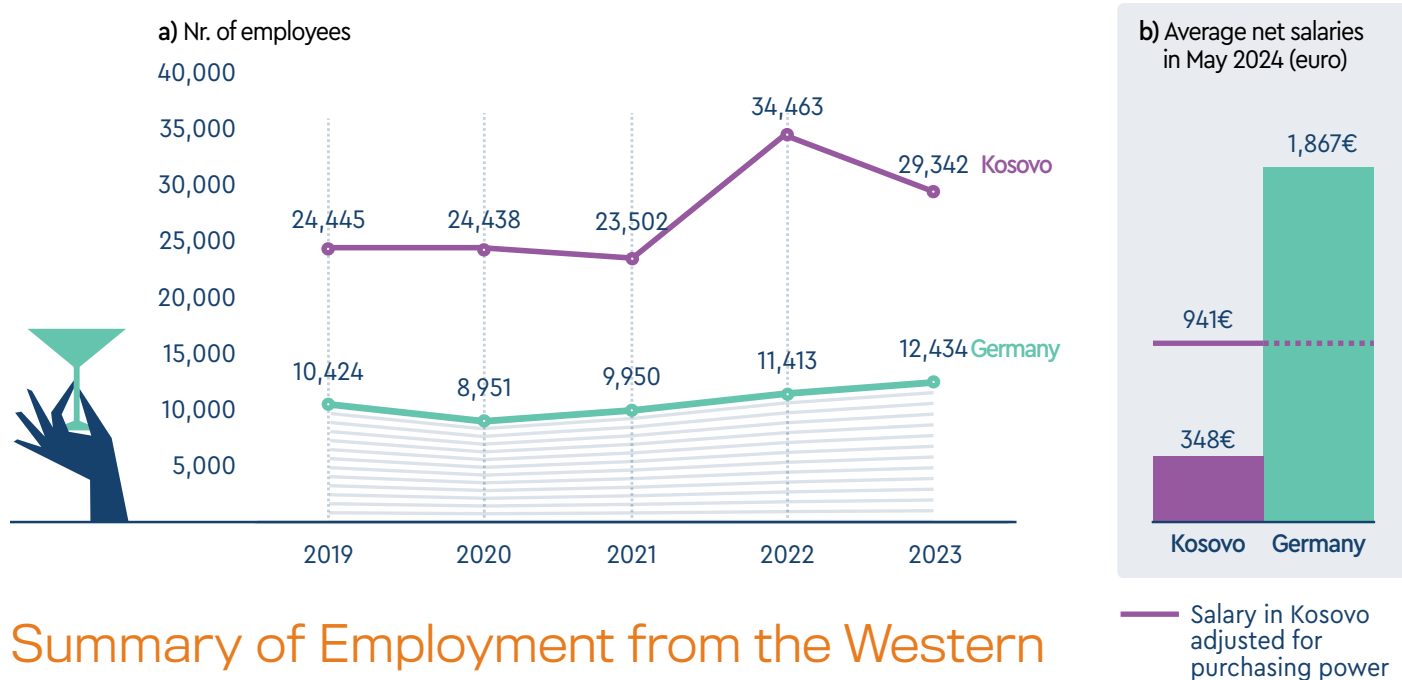


Hospitality and Gastronomy Sector

In Germany, a total of 12,434 Kosovo citizens are employed in the hospitality and gastronomy sector, compared to 29,342 individuals employed in this sector in Kosovo. In recent years, there has been a growth in the number of employees from Kosovo in the hospitality and gastronomy sector in Germany by on average approximately 12%. The number of individuals employed in this sector in Germany remains high, accounting for around 42% of all those employed in the same sector in Kosovo. The average monthly net salary in this sector in Germany is 1,867 euros (gross: 2,983 euros), compared to 348 euros (gross: 384 euros) in Kosovo. When adjusted for PPP, a salary of 348 euros in Kosovo has a purchasing power of 941 euros in Germany. However, the salary difference remains significant, with the average net salary in the hospitality and gastronomy sector in Germany being about twice as high as the average net salary in Kosovo when adjusted for the cost of living.

Source:
1. Kosovo Agency of Statistics; Federal Employment Agency in Germany; 2. Federal Statistical Office of Germany, Kosovo Tax Administration.

Figure 7. Kosovo citizens employed in the **hospitality and gastronomy** sector in Germany and Kosovo; average monthly net salary and average net salary adjusted for PPP.

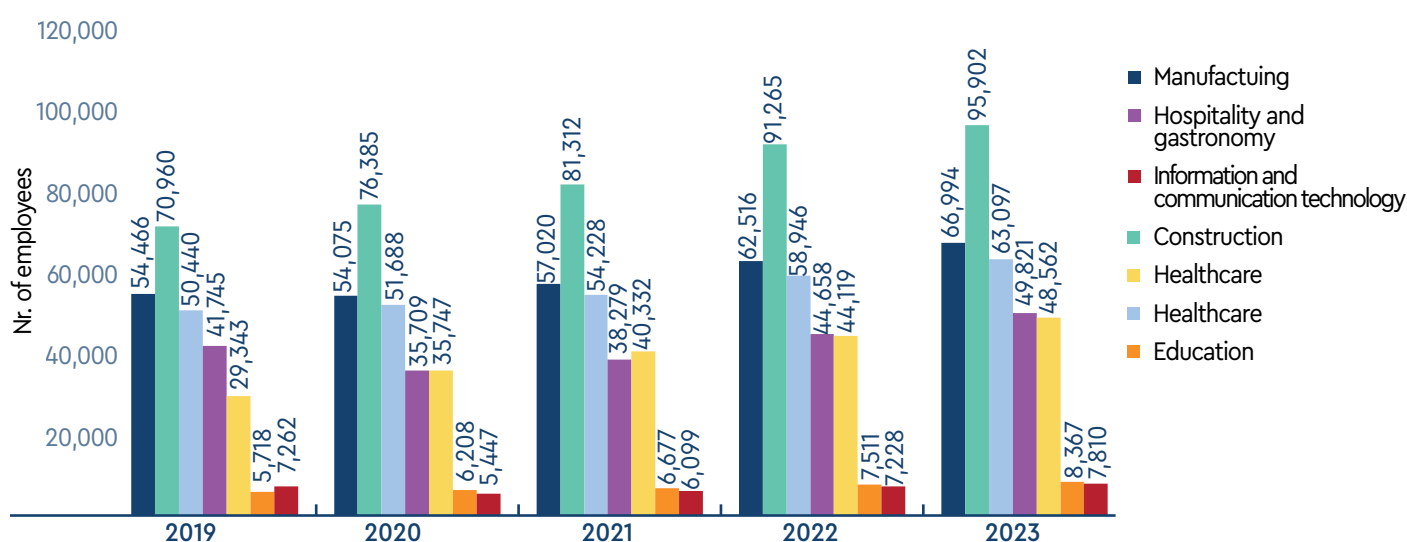


Summary of Employment from the Western Balkans in Germany

The construction sector in Germany employs the highest number of citizens from Western Balkan countries, with a total of 95,902 individuals, followed by the manufacturing sector with 66,994 individuals, and the trade sector with 63,097 individuals. Among the six Western Balkan countries, Kosovo leads in the number of employees in construction, manufacturing, trade, and hospitality and gastronomy sectors. Specifically, there are 32,238 citizens of Kosovo employed in the construction, 17,774 in manufacturing, 17,702 in trade, and 12,434 in hospitality and gastronomy. In contrast, citizens of Bosnia and Herzegovina dominate the healthcare sector, with a total of 13,628 employees. The education sector also has the highest number of employees coming from Bosnia and Herzegovina, with a total of 2,336 individuals, while Serbia leads in the information and communication technology sector with 2,201 individuals (see Tables 1–7 in the appendices).

Burimi:
 1. Agjencia e Statistikave të Kosovës; Agjencia Federale e Punësimit në Gjermani;
 2. Agjencia Federale e Statistikave të Gjermanisë, Administrata Tatimore e Kosovës

Figure 8. The number of citizens from the Western Balkan countries employed in **various sectors** in Germany



Source:
 Federal Employment Agency in Germany

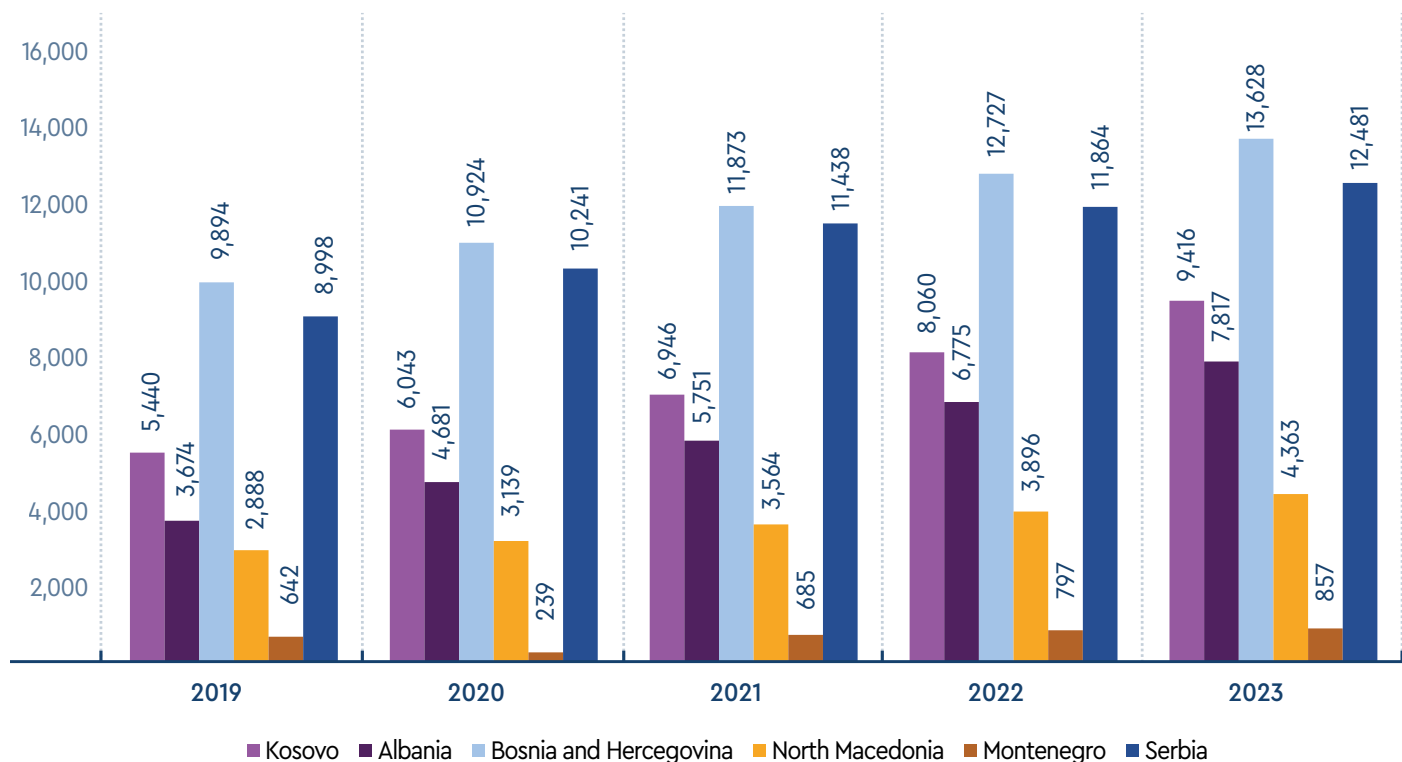
Conclusion

Emigration of Kosovo citizens to Germany for employment continues to be a challenging phenomenon. Germany remains the primary destination for workers from Kosovo and the rest of the Western Balkans due to better employment opportunities and higher salaries. With recent facilitations in migration procedures by Germany, including increased quotas for work permits and faster naturalization processes, more and more Kosovo citizens and other Western Balkan countries are seeking employment in Germany.

The substantial differences in salaries between Germany and Kosovo serve as a powerful incentive for emigration. The construction sector remains the largest employer for Kosovo citizens in Germany, followed by the manufacturing and trade sectors. Despite the massive outflow of workers, the labor market in Kosovo has not significantly adjusted salaries to deter emigration. Most individuals inclined to emigrate belong to the income groups below the average salary in Kosovo. Without concrete strategies and measures to improve working conditions and income, this phenomenon is expected to continue in the future.

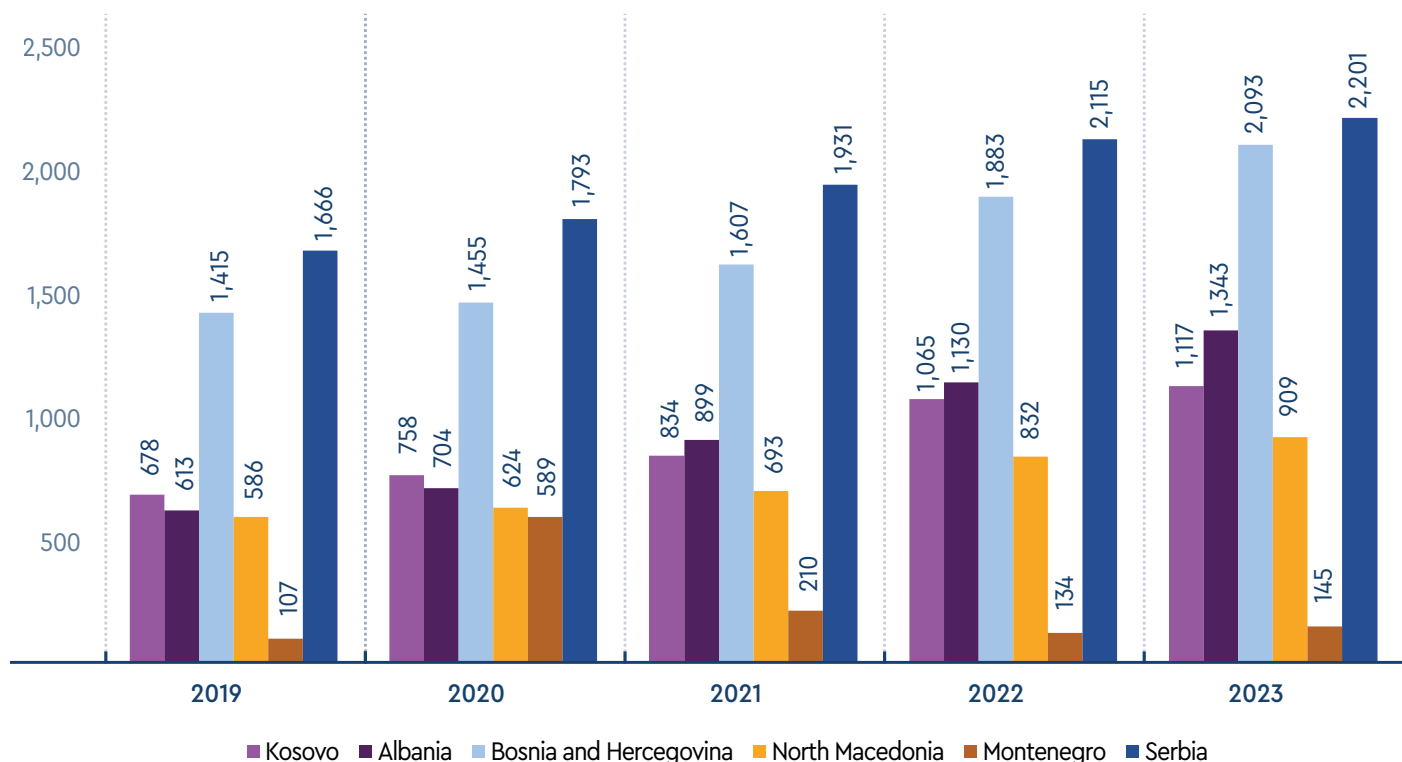
Appendices

Figure 9. Number of citizens from Western Balkan countries employed in the healthcare sector in Germany



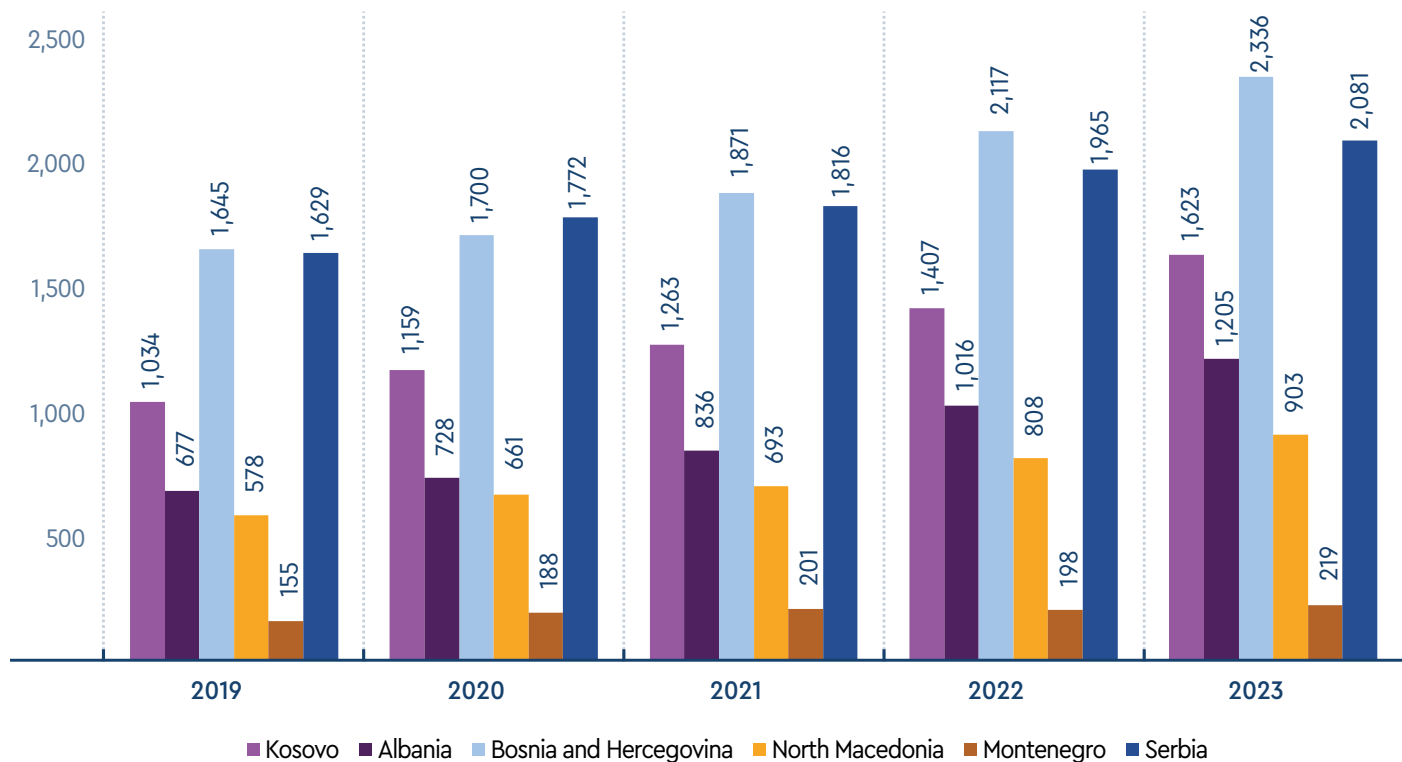
Source: Federal Employment Agency in Germany

Figure 10. Number of citizens from Western Balkan countries employed in the information and communication technology sector in Germany



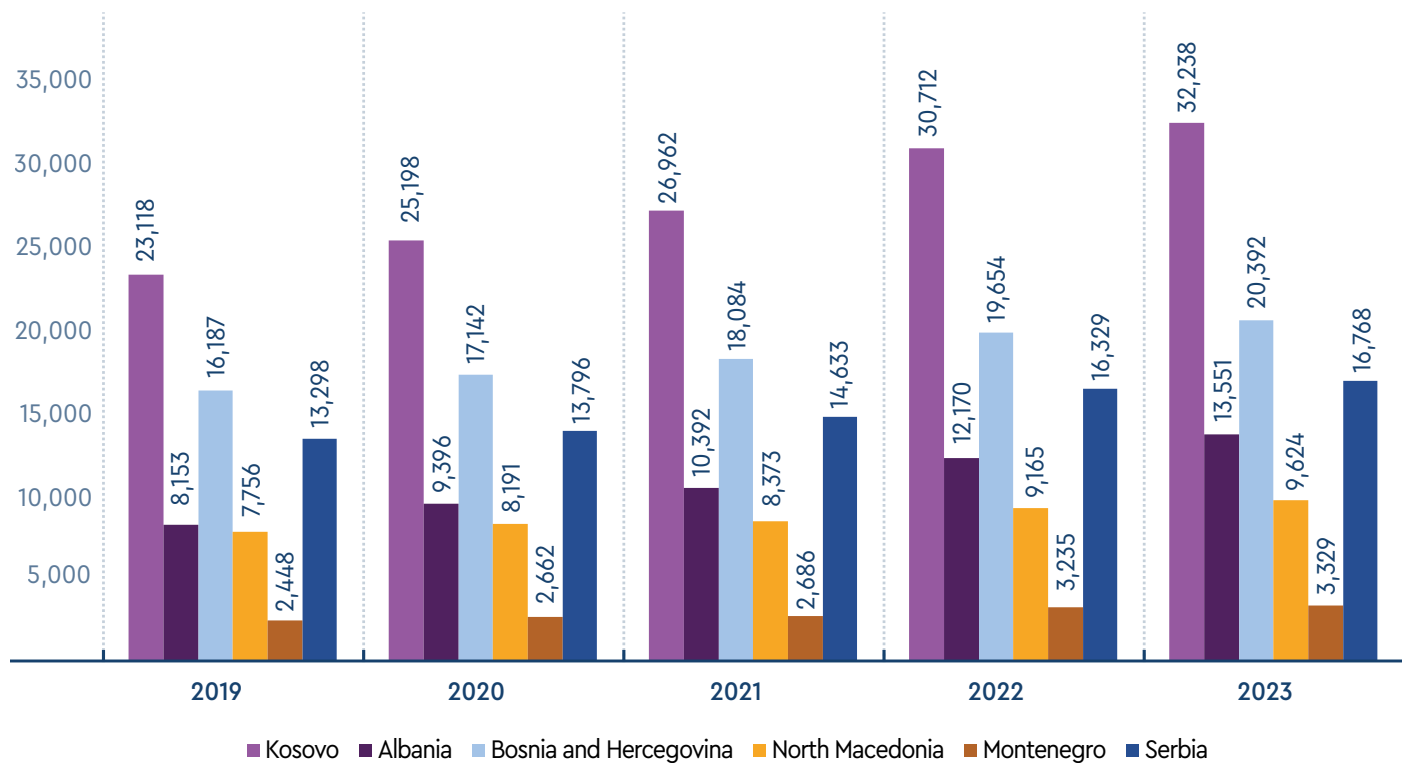
Source: Federal Employment Agency in Germany

Figure 11. Number of citizens from Western Balkan countries employed in the education sector in Germany



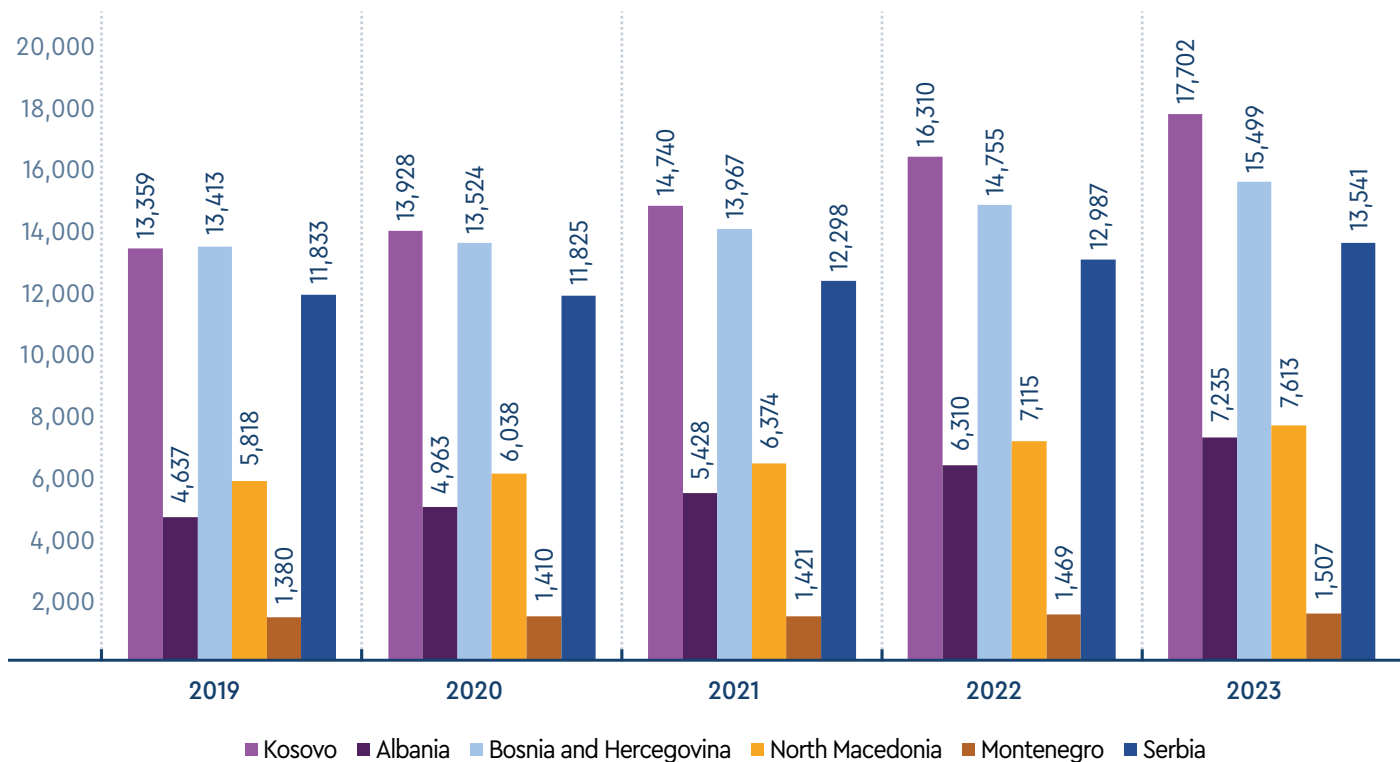
Source: Federal Employment Agency in Germany

Figure 12. Number of citizens from Western Balkan countries employed in the construction sector in Germany



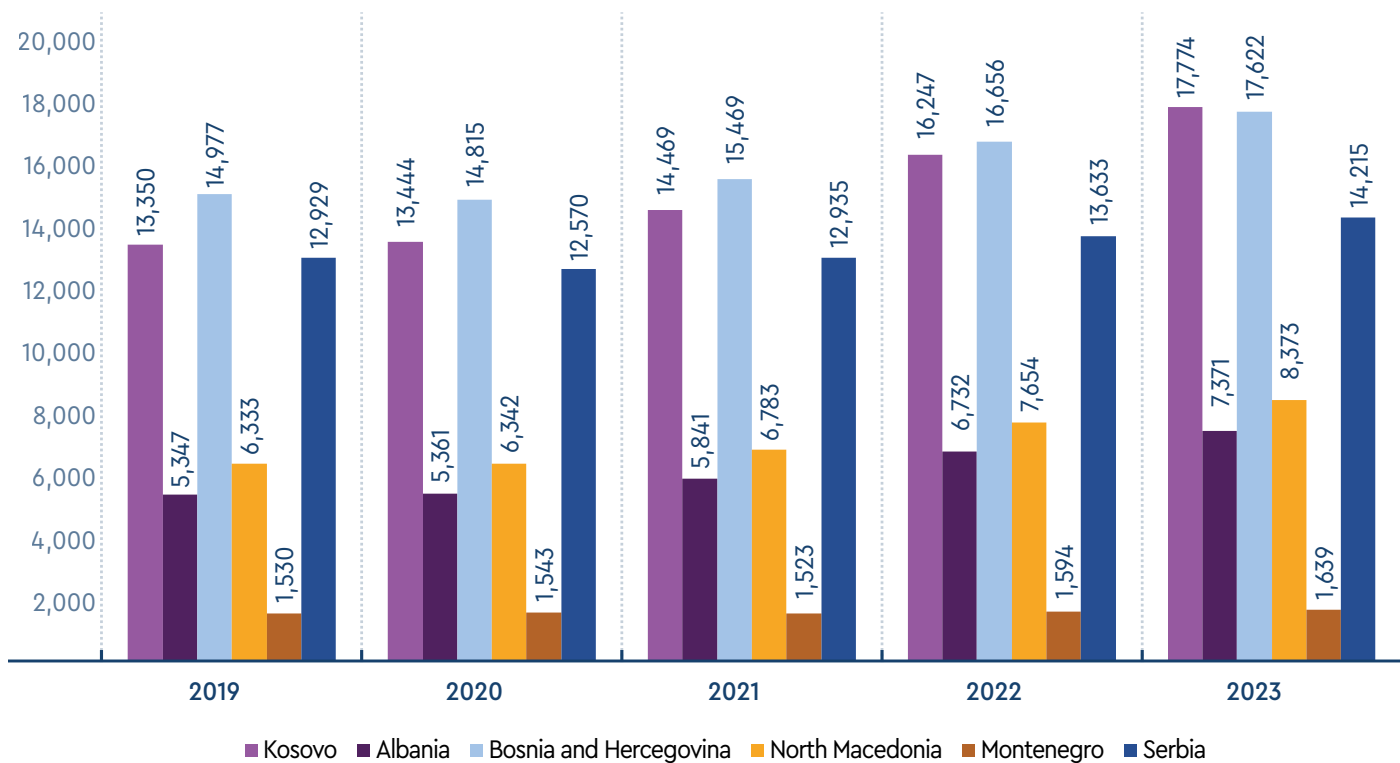
Source: Federal Employment Agency in Germany

Figure 13. Number of citizens from Western Balkan countries employed in the trade sector in Germany



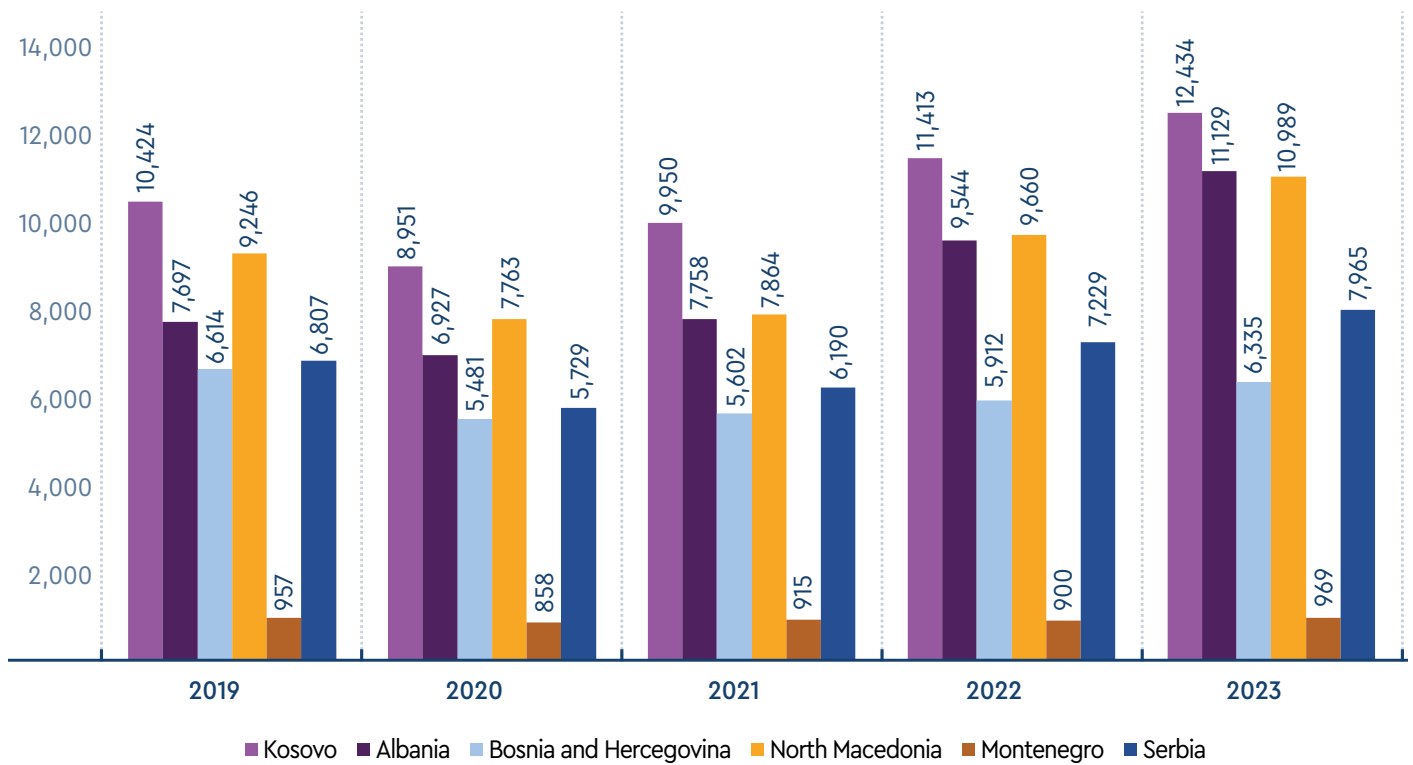
Source: Federal Employment Agency in Germany

Figure 14. Number of citizens from Western Balkan countries employed in the manufacturing sector in Germany



Source: Federal Employment Agency in Germany

Figure 15. Number of citizens from Western Balkan countries employed in the hospitality and gastronomy sector in Germany



Source: Federal Employment Agency in Germany

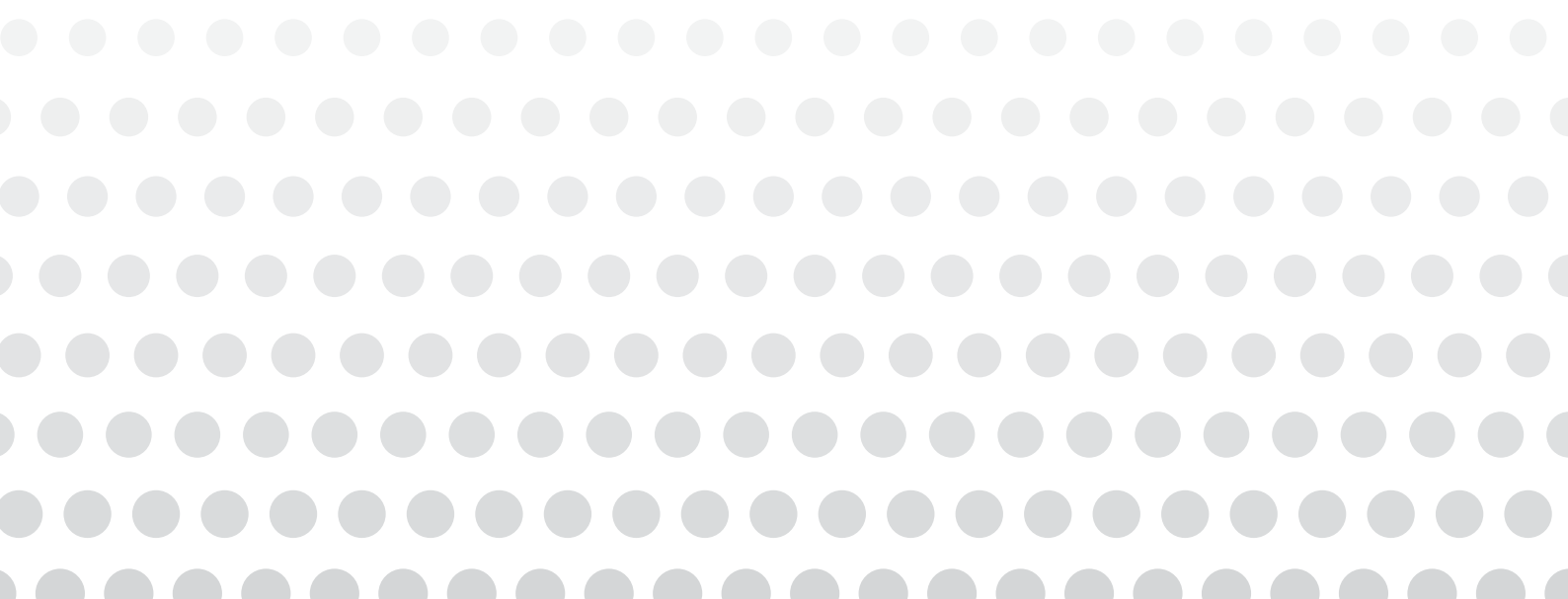
GAP Institute is a Think Tank established in October 2007 in Kosovo. GAP's main goal is to attract professionals to create an environment of professional development and research, as seen in similar institutions in Western countries. This also provides Kosovars with opportunities to research, develop and implement projects in order to advance the Kosovo society. Priority for this Institute is the mobilization of professionals to address the country's economic, political and social challenges. GAP's main goals are to fill the gaps between government and citizens, and between problems and solutions.

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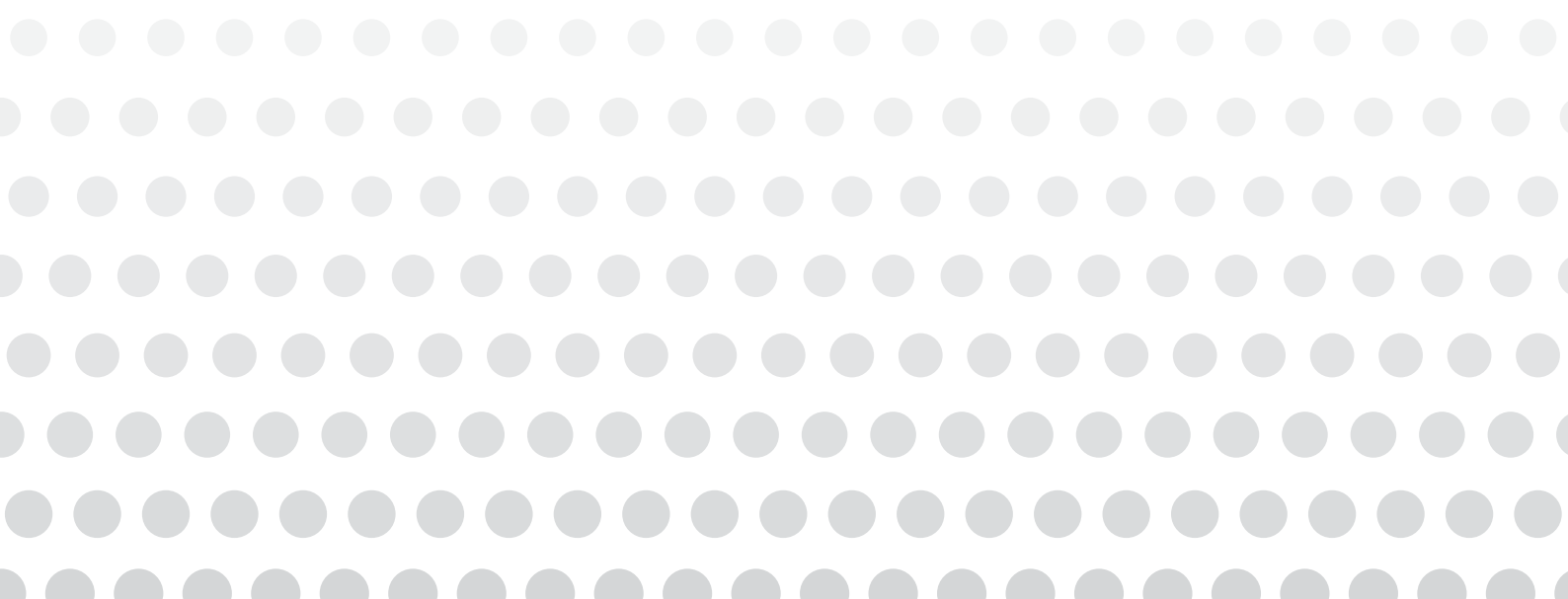


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