

**SOCIAL POLICIES
IN KOSOVO:**

SOCIAL SCHEMES IN THE KOSOVO CONTEXT



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SOCIAL POLICIES IN KOSOVO:
**SOCIAL SCHEMES AND THEIR CONFORMITY WITH THE
KOSOVO REALITY**

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By

**Valon Murati
Qerkin Berisha**

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Editor:
Friedrich-Ebert-Stiftung

Editorial Office:
Friedrich-Ebert-Stiftung Prishtina Office, Kosovo
Rr.Mujo Ulqinaku 4/App 10
Tel: +381 38 601 900 , 601 901
Fax: +381 38 601 902
Email: contact@fes-prishtina.org
www.fes-prishtina.org

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INTRODUCTION

Social policies have a direct impact in the lives of the citizens of a country. In particular, economic and social rights are inseparably related to these policies. As human rights are inseparable, interrelated and interdependent, civil and political rights are also directly affected in a place where the level of poverty is high. Taking into consideration that a goal of our country, among other, is to joining the European Union, such policies take upon an even greater role. Therefore, the Center for Human Rights and European Integration Research, with the Human Rights Center of the University of Prishtina have carried out a study with the aim of analyzing social policies in Kosovo and their conformity with the current social situation, in the context of specific categories of the Kosovo society.

This brief research report includes statistics on the beneficiaries of social schemes in Kosovo, and it also provides the problems, current costs and a short analysis of the legislation and social policies in Kosovo. The methodology used in the development of this report is based on the review of sectorial documents regulating the issue of social protection and social support, review of the legal basis regulating this area, and institutional data on this sector. Concrete recommendations on the current problems in the area of social policies in Kosovo are provided at the end of the study.

1. ECONOMIC SITUATION AND SOCIAL PROBLEMS IN KOSOVO

Kosovo is in a complex economic position, which also determines its social situation and social policies undertaken by the Government. All macroeconomic and social indicators place Kosovo amidst the poorest countries in Europe. Unemployment is high, and according to the data from the Ministry of Labor and Social Welfare, last year (2009) unemployment was 43%. It should be mentioned that this number can be smaller because a significant number of people are involved in informal economy in Kosovo, who are all listed as unemployed. Furthermore, though unemployment in Kosovo has marked a significant rise after 1990, when Albanian workers were massively expelled from their jobs in public owned enterprises by the Serbian regime, and particularly after 2005, even in the peak of Kosovo's industrialization, in 1988, Kosovo's unemployment reached 36%.¹ This was also helped by the fact that Kosovo's labor force has problems with the level of skills and compatibility with the labor market, which diminishes its advantage of being one of the cheapest labor forces in the region, and with lower labor taxes. As Kosovo has the youngest population in Europe, this situation becomes even more complex. Hence, it faces the so-called "triple risk" of being young, unemployed and extremely poor. Statistics in Kosovo indicate a difficult shift from education to employment. In 2006, only 5 of 100 young people went through a successful transition from school to employment, and from that to a stable employment.²

After an almost double economic growth immediately after the war of 1998-1999, marked yet another decline. According to IMF, economic growth last year was around 4.0% and a growth of 4.3% is forecasted for 2010. GDP per capita last year was 1,730 Euro, and this year it is expected to be 1,800 Euro. To illustrate that this economic growth is insufficient, we must emphasize that for Kosovo to meet Albanian income levels, it must have an economic growth of 10% for the next ten

¹ See Statistical Year-Book of SFRY, 1988.

² See EU Commission and World Bank, Kosovo: Technical Background Paper on Social Sectors, 7 June 2008, p.5.

years, should Albania continue with its annual growth of 5.5%. On the other hand, to reach Montenegro's GDP per capita, at 5,700 Euro, Kosovo needs to have an annual economic growth of 12% in the next ten years.³ Moreover, the current economic growth doesn't guarantee an improvement of the employment situation. Kosovo's economy is mainly based in hotel and catering services, agriculture, trade and construction. Production is still symbolical, with a food industry still in an early phase and an agriculture and livestock sector struggling in the first phase of development. While agriculture accounted for 25% of the GDP in the 80s and 90s, today it is only 12%. Industry accounts for only 11% of the GDP, and it still suffers from its poor diversification. Exports are scarce, with only 159 million Euros in 2009, while imports are very high, and exceed exports within a month. It is clear that Kosovo's trading deficit is very high, reaching to 49% of the GDP for 2009.⁴ Kosovo's exports have suffered a big hit after the declaration of independence in 2008, when Serbia and Bosnia and Herzegovina didn't recognize the Kosovo state stamps and blocked all of Kosovo exports headed in the two countries. This had an effect that from the advantage of being near the EU and CEFTA markets (Kosovo is member of CEFTA, but has little benefits from it, due to the measures taken by countries mentioned above) Kosovo and its producers have little benefits. In such a situation, Kosovo continues to cover its large trading deficit by remittances, which account for around 13-15% of the GDP, Direct Foreign Investments (which were more active during the privatization process, and are expected to go with the privatization and the giving in concession of the soma of Kosovo's main assets such as PTK, Airport, Energy Sector, etc.) and foreign assistances and donations.⁵

This economic situation with numerous problems makes poverty in Kosovo, as stated by the World Bank, persistent, spread, though not profound. According to World Bank figures of 2006, which are expected to be updated in the end of this year, 45% of the population is estimated to be living below the limit of poverty,

³ See World Bank, *Kosovo Unlocking Growth Potential: Strategies, Policies, Actions*. A Country Economic Memorandum, Report No. 53185-XK, 29 April, 2010, p.3.

⁴ Ibid, p. 8

⁵ Ibid, p. 8 and 9

which is less than 1.42 Euros a day, whereas 17% live below the level of extreme poverty, which is 0.93 Euros per day.⁶ The lack of accurate statistics makes measurements of poverty quite problematic. In addition, little was done up to this date in analyzing social cohesion, which continues to have an impact for families living in extreme poverty to keep surviving, not only because of a financial minimum they obtain through social assistance schemes, but also due to a still-present traditional solidarity, particularly present among the Albanian society in Kosovo.

Kosovo Government should be more careful and more active in developing economic and fiscal policies which would help the establishment of conditions to foster an increase of internal and external private investments, and support the existing ones, particularly those focused in production. Our country should create a favorable environment for running businesses by means of economic, fiscal policies, development of education in all levels, including the professional one, rule of law, prevention of corruption, etc. To this end, the recommendations of the World Bank seem logical, in which Kosovo's development should be guided through national policies in the three main areas where Kosovo can have a comparable advantage with others: labor force (human capital), land (agriculture) and energy and minerals.⁷ This situation should really guide the Kosovo government towards a development and diversification of a labor market, more favorable agricultural policies, and development of industry based on land resources of Kosovo, and the development of the energy potentials to the benefit of the economic development of Kosovo.

Such a policy would certainly create favorable conditions for economic development, alleviation of unemployment which would result with an alleviation of poverty, and an increase of governmental financial capacities to have a dignified treatment for the different categories of the population in need. In the current circumstances, categories include people with disabilities, families with no

⁶ Ibid, p.1

⁷ Ibid, p.17.

employed members, unemployed people with low labor skills and low education, pensioners, war invalids, civil victims and families of martyrs, etc. The treatment for these categories in any country requires a serious financial and human engagement. In the conditions Kosovo is facing today, the position of these categories is quite difficult. Therefore, the aforementioned categories will be addressed, analyzing the current governmental policies, applicable laws and the possibilities to regulate these policies, and according to Kosovo's budget possibilities and limitations.

2. SOCIAL CATEGORIES ASSISTED THROUGH SOCIAL SCHEMES OF THE KOSOVO GOVERNMENT

Social support in Kosovo mainly includes monthly monetary assistance for poor families, people with disabilities, including children, pensioners enjoying the right to pension in accordance with the applicable laws, and categories of war invalids and families of martyrs. These groups **have also been addressed** as social categories **through** governmental policies, and in **the Kosovo circumstances they can truly be considered as the** most fragile **social groups**. Diversification of these categories would make these assistances more efficient, particularly because other categories can emerge from poor families entitled to the Social Assistance Scheme, including unemployed people living in extreme poverty, unemployed people with lower education and low professional skills, etc. The beneficial baseline of social support is regulated with the applicable legislation, which will be addressed in the following chapters.

The support for social categories in Kosovo is realized through the following social schemes: Social Assistance Scheme (from 2000) and the Special Needs Scheme (from 2003), War Invalid and their Relatives' Scheme (from 2001), Basic Pension Scheme (from 2002) and Contribution Pensions Scheme (from 2008), Disability Pension Scheme (from 2004), Trepça Pensions Scheme (from 2003), Families of Children with Disabilities Scheme (from 2009). It is estimated that there are around 330,000⁸ beneficiaries of such social and pension schemes.

2.1 Social Support for Poor Categories

Statistical data of the Ministry of Labor and Social Welfare and the Statistical Office of Kosovo indicate that the number of beneficiaries of social assistance has changed between years. In end 2009 there were 35,701

⁸ Data from the Ministry of Labor and Social Welfare, 2010.

families listed as beneficiaries of social assistance. Despite the fact that previous years have marked a reduction of the number of families beneficiaries of social assistance, in 2009 there is an increase of the number of beneficiaries of social schemes purposed for poor families. The reasons for the increase of this number are different. According to the Department of Macro economy in MEF, this increase is largely related to issues of administration and the transfer of competencies of this area to the local level, rather than a result of a deterioration of the social situation in the country. After the provision of such services by the municipalities, families that have not come forward for social assistance have started to list themselves increasingly more; hence the number of beneficiaries has been increased. On the other hand, according to Muhamet Gjocaj, director of the Department of Social Welfare in MLSW, the transfer of competencies to municipalities which has come as a result of the Ahtissari Plan for the decentralization of municipalities, had an effect in that the level of social services transferred to the local level is poorer than that offered by the central level.⁹ This is also due to the, almost immediate, replacement of many directors of CSWs by the municipalities, which were politically and nepotism driven, removing the skilled and trained staff and installing unqualified people in leading positions. In addition, the increase of the number of beneficiaries is also related to the creation of possibilities for manipulation with social assistances in the local level.¹⁰ According to Mr. Gjocaj, this situation lays out the necessity to strengthen the control by the central level against the local level, with regard to the responsibilities delegated to them. This control is already carried out through the legal framework which determines the payments' returns of social assistances

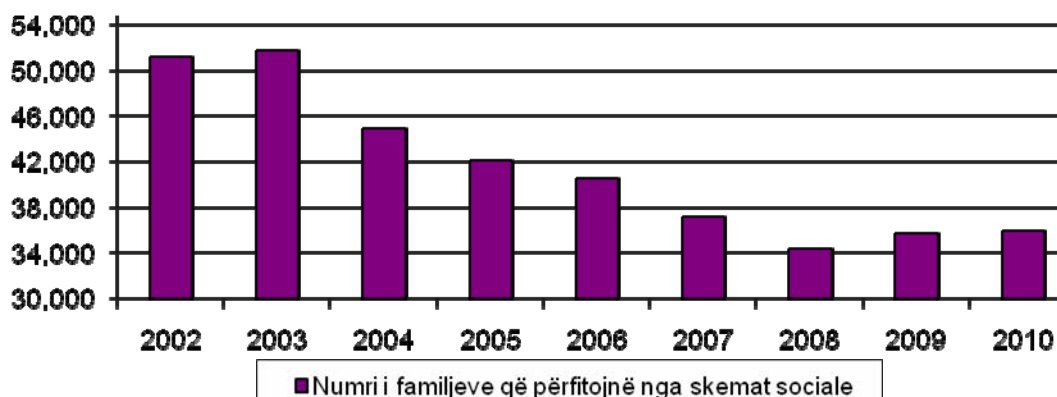
⁹ The transfer of responsibilities was done through the Administrative Instruction 1/2010 on the Procedures for the Transfer of Responsibilities for the Social Assistance Schemes in the Municipal level, signed by the Prime Minister of Kosovo Hashim Thaçi.

¹⁰ Interview with Muhamet Gjocaj, Director of the Department of Social Welfare in MLSW, December 2010, Prishtina

earned without any legal grounds, and approximately 150 cases have been processed in courts on allegations of manipulation with assistances.¹¹ Looking the period 2002-2010, we can notice the there were considerable reductions of the number of families benefiting from social assistance. This is also because in the postwar period the economic and social situation was more complex and a large number of families were living and providing only from social schemes.

Figure 1 below indicates the number of families – persons benefiting from social assistances in Kosovo in the period 2002 – 2010:

Fig. 1 Comparable data on the number of beneficiary families of social schemes in Kosovo for the period 2002-2010¹²



Despite a declining trend of the number of families that meet the conditions for social assistance in the period 2003-2008, during 2008-2010 an increase is visible of beneficiary families of social schemes offered by the Government of Kosovo, through the Ministry of Labor and Social Welfare for the families in need. Taking into account the number of claims for social assistance we can conclude that there will be an increase of the number of families which will enter in social schemes for the following years. The number of claims for inclusion in social schemes is larger

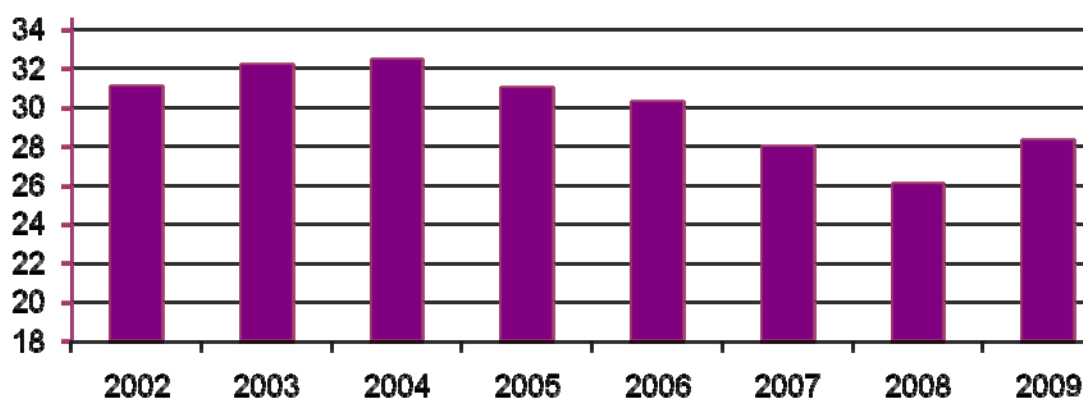
¹¹ See Administrative 8/2010 on the Administrative Procedures for the Payment Returns of the Social Assistance Earned without any Legal Basis. Also see the interview with Muhamet Gjocaj.

¹² Official data of the Ministry of Labor and Social Welfare on the number of beneficiary families of social schemes, 2010

than the number of beneficiaries of social schemes. This indicates that the Kosovo society is facing with a very fragile social situation.

At this time, we can conclude that the dedicated national budget for support for social categories has changed according to the number of beneficiaries. Figure 2 below, indicates the Kosovo Budget expenditures for the period 2002-2010. Expenditures are presented for 2010, as they are yet to be accurately defined. However, it is expected that they will exceed 2009.

Comparable data on budgetary expenditures for social schemes in Kosovo for the period 2002-2010, in Euro million¹³



2.2 Beneficiaries of Pension Schemes

The number of pension beneficiaries and the budget used for pensions has also increase. The following years, as of 2011, will also mark a further rise of the number of pension beneficiaries, which is expected to have significant impacts in the Kosovo Budget, particularly with regard to the Age Pension (Basic Pension), as expenditures for this pension to the Kosovo Budget are direct, rather than pension contributions. The lack of a pension fund after being plundered by Serbia in 1999 has created a considerable burden to the Kosovo Budget, and has had an effect in the level of support for other social categories. A positive note was the fact that

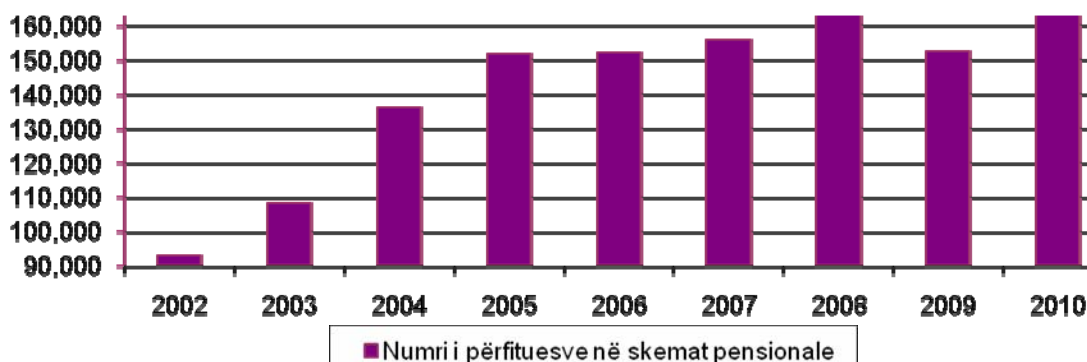
¹³ Official data of the Ministry of Labor and Social Welfare on budgetary expenditures for social schemes, 2010.

the Pension Savings Trust Fund of Kosovo will be used, which will produce its effects in lowering budget expenditures for costs.

The issue of the basic pension, which from 2008 is given in the amount of 45 euro, was returned for discussion, because it is also received by people who haven't contributed in the pension system. Furthermore, this is more of a social assistance rather than a proper pension. In 2010 there were 113 thousand beneficiaries of the basic pensions, and around 31 thousand beneficiaries of the contribution pension. No analysis has been carried out with regard to the economic situation of the non-contributory pension receivers and the need to continue with this basic pension support.

The Figure below indicates an increase of pensions for the period 2002-2010, which shows common figures for all beneficiaries of pension schemes in Kosovo.

Fig. 3. Comparable data on beneficiaries of pensions in Kosovo for the period 2002-2010¹⁴



2.3 Support for the Families of Martyrs, KLA Invalids, Veterans and Members, and Families of Civil Victims of the War

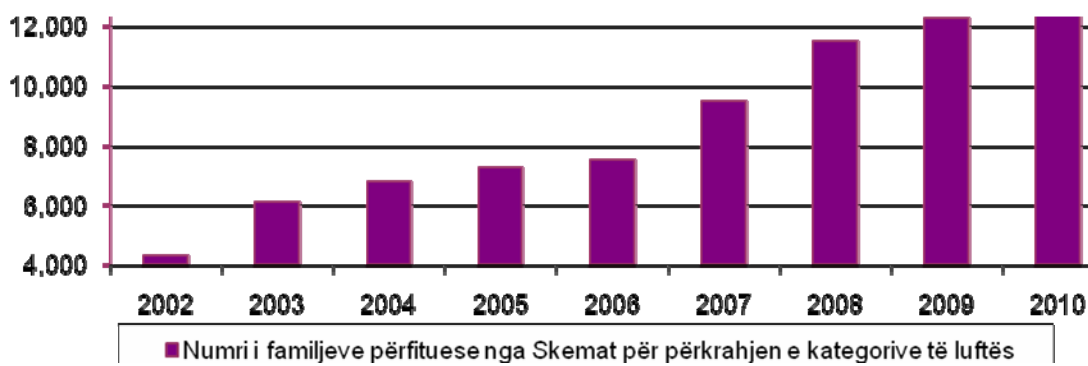
War categories and their families have enjoyed a better financial support compared to other social and pension categories. Special attention was put in the legal protection for war veterans, invalids and families of martyrs, taking into account the sensitiveness of this category for Kosovo and the need to reintegrate

¹⁴ Data from the Ministry of Labor and Social Welfare.

them in the society. As of today, no proper study was carried out to indicate the social and economic situation of this category of society in Kosovo, and to also show how many beneficiaries of them are social categories. On the other side of the daily discourse, war categories have not been treated as social categories to be helped, but rather as social categories that must be rewarded for their sacrifice for the liberation of the country, and as categories that now must be integrated in the society. This involves a special treatment which, at first glance, seems to have been handed to these categories. This means that certain parts of these categories do not also fall under the social category, in particular invalids, unemployed veterans, and families of martyrs with an unfavorable financial situation. Be that as it may, there is a general consensus in the Kosovo society that these categories must be treated with dignity, although, despite the special treatment in appearance of the social categories, there were many remarks that veterans, war invalids and families of martyrs have not been properly treated.

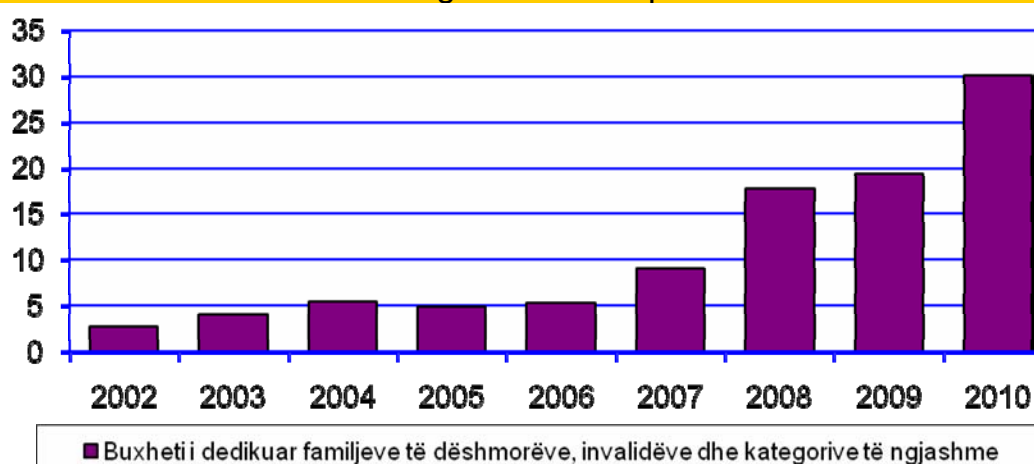
A more adequate and dignified regulation of the legal status of this category is estimated to be achieved with the adoption of the new Draft Law on the Status and Rights of the Families of Martyrs, Invalids, Veterans and Members of KLA and Families of Civil War Victims. The Figure below indicates the number of beneficiary families of schemes aimed at supporting families of martyrs, invalids and similar categories:

Fig. 4. Comparable data on beneficiary families according to schemes for the support of war categories for the period



The state budget for this category has increased, along with the number of beneficiaries, which also shows a higher care for sensitive categories in Kosovo. See the Figure below:

Fig. 5. Comparable data on the dedicated budget of martyrs, invalids, and similar categories for the period 2002-2010¹⁵



¹⁵ Data from the Ministry of Labor and Social Welfare, 2010.

3. SOCIAL PROTECTION POLICIES IN KOSOVO

Being one of the poorest countries in Europe, Kosovo has limited possibilities to properly support social categories in need. Hence, social protection policies are not developed to an appropriate extent. Social support which is currently offered is a minimal assistance, which doesn't meet the elementary conditions for its beneficiaries. Many times, laws have not been implemented thoroughly, as is the case with the non-implementation of the changes of amounts of social assistance in line with inflation growth. However, in the scope of current budget possibilities, Kosovo institutions have drafted a legal framework and sectorial strategic documents with the aim of addressing the social problematic in Kosovo. These documents, in many cases have proven to be deficient and inadequate, and it is also assessed that it is difficult to improve the current social situation in Kosovo only through the current social policies of Kosovo. Favorable social policies should be well combined with sustainable economic development policies. The lack of a health system which would function under health insurances further hampers the situation. The lack of health insurances mostly affects poorer categories, pensioners and people with disabilities. Furthermore, the White Paper on Social Policies, drafted in beginning of 2009, has not been yet adopted by the Kosovo Government, leaving them, in the words of the European Commission in the recent Progress Report, "without strategic priorities in this area".¹⁶

Nevertheless, these policies, despite all possible operational and financial shortcomings, have contributed in maintaining a social peace in Kosovo. We have to mention that without social transfers, the fall to poverty and extreme poverty would be 5.7 and 6.1% respectively, or around 12%. The main impact in this direction is felt by basic pensions. If they were to be withdrawn, poverty would increase by 4.4, respectively 4.6 %. On the other hand, the effects of social

¹⁶ See European Commission, Kosovo 2010 Progress Report, October 2010, p.37.

assistance are more modest. If they would be eliminated, poverty increase would reach 1.4% and extreme poverty 1.7%.¹⁷

3.1 The Program of Social Assistance in Kosovo

This program, which is the most recognized in the area of social assistance in Kosovo, began to be implemented from 2001, when the Law on Social Assistance was adopted, which will be more thoroughly addressed later in this report. In essence, the aim of this program is to use financial support for the poorest segments of the population. Respectively, this program supports two categories of poor families: families with no labor skilled member, and those with only one labor skilled member, registered as unemployed in the Employment Offices of the MLSW, and actively seeking work, and with at least one child under the age of 15. The level of financial assistance varies from the size of the family. All the same, this assistance is from 40-80 Euros per month (depending on the size of the family from 1-7 and more members, the assistance is incremented to 5 Euros), with a benefiting average of 60 Euros. One of the deficiencies of the implementation of this policy is that it envisages that social assistances are indexed with inflation, which hasn't occurred from the time of conversion of DM to Euro.¹⁸ We have to mention that according to the analysis of the Draft White Paper on Social Policies in Kosovo, indexing should be done for the level of inflation of the Consumer Basket (as determined by the World Bank in 2000) during the period 2005-2008 for 27.35%. In this case, the level of assistance would be around 45-96 Euros depending on the size of the family. Thus, the daily financial support would increase depending on the size of the family, but most of the family members receiving financial assistance would continue to remain under the limit of extreme poverty.

¹⁷ See Kosovo Government, White Paper on Social Policies (unapproved draft), p. 30.

¹⁸ See the Law on the Social Assistance Scheme. For a more extensive analysis of this policy, see EU Commission and World Bank, Kosovo: Technical Background Paper on Social Sectors, p.12.

Implementation of this proposal would cost the Kosovo budget around 5.6 million Euros.¹⁹

This draft paper provides two additional proposals, which, if were to be adopted, would help many family members in need to come out of extreme poverty. The first is that families receiving social assistance with school-age children (6-18 years) shall receive an additional assistance of 5 Euros per each child. Among other, this assistance should be issued subjected to the condition that the child attends school, and this is seen as measure for the prevention of school dropout, which is an often occurrence among children of these families (20% of dropouts are children of these families). The second proposal is about the increase of the financial support for families with more than 7 members, in the amount of 5 Euros per additional member.²⁰ These Kosovo budget proposals, with the proposal to index inflation in the assistances, would cost around 8 million Euros. The current scheme costs the Kosovo budget (figures of 2009) 27.3 million Euros, while the proposal would cost 35.57 million Euro.²¹

Until now, according the study of European Commission and World Bank experts, this program was an effective means for the transfer of resources to the poor. Hence, around 45% of benefits go to the poorest quarter of the population, and only 6% to the richer one. According to this study, this program is more successful than that of Serbia, Albania and Bosnia and Herzegovina. Nevertheless, only 23% of the poor and 34% of those living in extreme poverty will be covered by this program. We also have to add that the monetary value of the social assistance is insufficient to pull beneficiaries out of poverty (over the line of extreme poverty).²²

The Ministry of Labor and Social Welfare has strived to encourage the employment of work-skilled persons which are beneficiaries of social schemes. This spirit is also present in the Employment Strategy of the Government of Kosovo. The

¹⁹ See White Paper, p.46.

²⁰ Ibid, p.47.

²¹ Ibid.

²² EU Commission and World Bank, Kosovo: Technical Background Paper on Social Sectors, p.12.

assistance provided through social schemes is minimal, and this fact can be considered as an encouragement to seek work for beneficiaries of work-skilled social assistance. The inadequate economic development, high unemployment and the undiversified labor market, however, do make this measure all too encouraging. This support is minimal also for the beneficiaries with no work skills.

3. 2 Current Pension Schemes

The current system of pensions consists of one basic pension for all citizens of over 65 years, and the disability pension. This scheme is entirely funded by the state budget. The amount of pensions for the two categories should be equal with the limit of extreme poverty. Disability pension is 45 Euros per month. It should also be indexed with inflation, but this is yet to happen. On the other hand, as of January 2009, a basic pension for pensioners over 65 years is around 45-80 Euros. Pensioners that can provide proof of contribution of at least 15 years in the previous pension contribution system receive 80 Euros per month.²³

According to proposals to the draft White Paper, indexing of basic pensions should have been done in line with the inflation of the consumer basket for the years 2005-2008, in a rate of 27.35%. The amount of basic pension in the draft Paper is that prior to the increases of January 2009. This is no deal-breaker to us, because the figures below are an illustration of possible budgetary implications if pensions are to be indexed with inflation. In this case, basic pensions of 40 Euros would become 51 Euros (that of 45 Euros becomes 57 Euros), and contribution pensions would increase from 75 to 96 Euros per month (the level of 80 Euros would become 102 Euros). On this occasion, the annual cost of the proposal reaches €12.7 million, taking into account the budget of 2009. If this indexing were to happen, pensioners would exceed the level of poverty, because their daily benefit would be 1.7 Euros per day. This would have an impact in the reduction of

²³ See Ministry of Labor and Social Welfare, *Sectorial Strategy 2009-2014*, Prishtinë, June 2009, p.16. Also see respective laws as addressed below in this study.

the general level of poverty in Kosovo.²⁴ According to Mr. Gjoci, the Government is expected to increase pensions in 2011, as included in the Agreement with the International Monetary Fund.²⁵

On the other hand, around 20,000 persons with disabilities of 18-64 years of age in Kosovo receive basic pensions, in line with disability criteria of being 100% unable to work. As said above, from the beginning of January, they receive 45 Euros of financial assistance. With the proposals to the draft White Paper, indexing was envisaged with the previous assistance of 40 Euros. Indexing of basic pensions in line with the inflation of 27.35% increase the €40 to €51 (namely €57 of taking into account that the financial assistance is now €45). In this case, the burden to state budget would be €1.7 million.²⁶

The Law on Pensions determines the basic pension, and sets the foundation of the regular pension system in Kosovo. Employees under the age of 55 (when the law was adopted in 2005) are obliged to contribute with 10% of their salary, half of which shall be paid by the employer, to the Kosovo Pension Savings Trust, a governmental body relatively autonomous, regulated by the Central Bank. Contributions are collected by tax administration bodies and are transferred to the Trust. These contributions are deposited in individual accounts, and are invested on behalf of the employees. Interest earned on contributions is retrieved in the private account. When the employee reaches retirement age, the total amount of the individual account, namely contribution plus interest, are put in the disposal for the retirement funding of employees.²⁷

This regular pension system has been criticized for considerable losses as a result of the loss of value of invested shares in international markets during the peak of the global financial crisis 2008-2009. In addition, criticism was made to the

²⁴ See White Paper, p.51.

²⁵ Interview with Muhamet Gjocaj.

²⁶ See White Paper, p.51

²⁷ See MLSW, *Sectorial Strategy*, p. 16. For a more thorough analysis of the pension system in Kosovo and the paths of changes, see EU Commission and World Bank, Kosovo: Technical Background Paper on Social Sectors, p.23-34.

fact that, although required with the law, small amounts of the Trust fund have been invested in the Kosovo financial sector.

3.3 Support for the Families of Martyrs, War Invalids and Civil Victims

War categories are covered with the scheme for Families of Martyrs, War Invalids and Civil Victims. This scheme will suffer changes because the new law for these categories has been submitted to the Assembly, and it envisages a war pension for war veterans after turning 50.²⁸ In addition, benefits, in forms of pensions for invalids, families of martyrs, families of civil war victims, civil invalids of the war, as envisaged with the law, will be more favorable than those provided with the current law. We must stress that the study of European Commission and World Bank experts requires that the Kosovo Government pays more attention to the provision of financial benefits.²⁹

In addition to these schemes, there is also the scheme on former KPC members. This scheme provides that former members of the KPC, after turning 50, will earn the right to pension of 70% of the average payment of the last three years. In case that a former KPC member wishes to take this pension earlier, he/she has the right to do so from the age of 45, in which case only 50% of the average of the salaries of the last three years will be paid.³⁰ The category of former KPC members, after the dissolution of the Corp, has benefited a solid support through the Program for the Reinstatement of KPC, with the aim of integrating them in the society. Persons who did not become members of the Kosovo Security Force are also part of this program. Despite this program funded by NATO, implemented by the UNDP, former KPC members are largely dissatisfied with the way they were treated by the demobilization process of KPC.

²⁸ See the Law and the Draft Law.

²⁹ EU Commission and World Bank, Kosovo: Technical Background Paper on Social Sectors, p.13-14

³⁰ See the Law on Pensions of KPC Members

3.4 Strategic Sectorial Social Objectives

In addition to the legal basis addressed below, the Sectorial Strategy of the Ministry of Labor and Social Welfare represents one of the main strategic documents addressing social issues in Kosovo. The implementation of these strategic objectives in Kosovo is rather challenging for all Kosovo institutions. According to the Mid-Term Expenditure Framework, the Ministry of Labor and Social Welfare has developed the Sectorial Strategy 2009-2014. This strategy should serve as a means of MLSW to determine the social policies which would be implemented within the legal deadline. This document also defines the current social situation in Kosovo and its social policies undertaken as of today by the Government. In addition, it also determines the working methodology for the development of the Strategy (SWOT analysis) used to achieve five objectives. These objectives are:

1. Increasing employment rates and professional capacity building, depending of the labor market.
2. Increasing social welfare by offering support for the families of the community and working towards alleviation of poverty in Kosovo.
3. The level of services offered by MLSW to be fully in line with the legislation, systems and EU standards.
4. Development of cooperation with regional countries (EU and non-EU members) to increase possibilities for employment of the Kosovo labor market.
5. Three-tier, fair, functional pension system, with sustainable financial resources, which meets the requirements of social insurance law, for all pension categories.³¹

³¹ See Ministry of Labor and Social Welfare, *Sectorial Strategy 2009-2014*, Prishtina, June 2009, p.41.

To attain the first strategic objective, namely to increase employment and build professional skill depending on the market demand, a series of actions have been envisaged. These actions include an increase of the efficiency and effectiveness of services of the Ministry for the labor market, coordination of standards and quality for the labor market, improvement and enhancement of offered services in sensitive areas, such as the provision of information, mediation and professional trainings, improvements of the physical infrastructure, working environment and information technology, with the aim of improving services, and to review and modify current vocational curricula and development of new ones, build capacities for professional trainings and opening of mobile centers for training of professional and managerial staff of the professional training network, lowering the level of unemployment among young people and women, review and enhancement of active protection measures of the labor market, completion of the legal framework for issues of employment and balancing of social dialogue.

To attain the second objective – increase of social welfare through the provision of support for the families in communities and to work towards alleviation of poverty in Kosovo – MLSW has planned several operational objectives. These objectives include the efficient identification of extreme poverty, provision of required data and information for the officials of the Ministry and associated agencies, improvement of the level of services in the Ministry and capacity building of municipalities for social services, decentralization of social services and development of community-family services (deinstitutionalization), defining and determining alternative forms of the provision of social services (e.g. NGOs, voluntary organizations, etc) which promote social inclusion, and install operational systems for adequate funding and monitoring and control systems in the Ministry.

The third strategic objective is on the harmonization of services provided by MLSW with the EU legislation, systems and standards. To achieve this objective, MLSW has developed several operational objectives. These objectives are the harmonization of legislation with the EU on the scope of MLSW, development of a

comprehensive training analysis, and the development of the human resources strategy focused on Ministry's capacity building, introduction of systems and procedures to ensure that the Ministry will develop progressive policies, eliminating any type of discrimination, to have an operational and effective decentralization of the financial system, to initiate a research project for the needs assessment of the data within the Ministry, and capacity building of the SWDU for programming, project management, monitoring and research.

Fourth objective is on the development of the cooperation with the regional countries on increasing employment possibilities for the Kosovo labor force. To achieve this objective, MLSW has to undertake the following actions: implementation of EU standards and cooperation in technical, material and human resource capacity building, through technical twinning agreements which would help the process of cooperation, and development of policies, legislation and enhancement of partnerships to attract investments and fund project that create new jobs, including the support of the private sector in projects for the establishment of common enterprises.

Fifth objective is on the pension system for all pension categories. Operational objectives for the achievement of the strategic objective include the reforms of basic pension scheme and for people with disabilities, determination of the sustainable contribution for the pension system, liberalization of the third tier of pensions, introduction of a sustainable and efficient scheme for pensions, benefits, and services for the Families of War Martyrs, War Invalids, and Civil Victims of the War.

3.5 Employment Strategy 2010-2012

This strategy has been adopted by the Kosovo Government on December 23, 2009, and it represents a document which obliges MLSW to cooperate with other governmental establishments to implement it in the period 2010-2012. Hafiz Leka, Chief of Employment Division in the Labor Department, confirms that MLSW is

seriously working in implementing this strategy. Moreover, 97% of its objectives for 2010 have been realized. According to him, a problem lies with the lack of capacities in municipalities in accomplishing their part of the job. In particular the realization of projects of this strategy on public affairs has been efficiently realized.³²

This strategic document in the long-term will have three main pillars, including

- a) Improvement of the investment climate and lowering business costs with the aim of increasing the speed of the creation of new jobs by encouraging the opening of new companies and expansion in added value activities.
- b) Promotion of a strong skilled base and further development of the human capital through formal education and vocational training systems.
- c) Improvement of the functioning of the labor market through better institutions of the labor market, policies and procedures.³³

Nevertheless, taking into account that the realization of these strategic objectives requires time for implementation, the strategy has determined what needs to be done in the short-term and the long-term. In the short-term, the strategy requires increase and expansion of public investments (such as, large infrastructure projects) and public affairs programs (which are mainly focused in municipal projects), so that for a short period of time, an intervention is made in alleviating unemployment. These short-term measures are aimed at creating sufficient jobs to cover the net increase of the labor force (so that unemployment is not increased, around 15,000 new jobs have to be created per year).³⁴ In the mid-term, this strategy aims to ensure a sustainable path towards the increase of jobs, focusing on the reforms of the energy and mining sectors (including the privatization of these sectors through a transparent process) and promoting the development of enterprises. The development of these sectors aims to create new,

³² Interview with Hafiz Leka, Chief of the Employment Division, in the Department of Labor and Employment in MLSW. December 2010.

³³ See Kosovo Government, Employment Strategy 2010-2012, December 2009, p.20.

³⁴ Ibid.

more sustainable jobs, increase private investments, including foreign direct investments, and create exports.³⁵

All three objectives are also focused in policies to be implemented by the Government. Policies on the improvement of the investment climate to enable the opening of new jobs and expansion of companies are focused on:

- **Business infrastructure** intended to be carried out through reforms of the energy sector, increase of public investments in infrastructure, and establishment of the industrial zone in Drenas, etc.
- **Financial limitation facilities**, including support for leasing organization, improvement in the land and apartment registration in the Kosovo Cadastre Agency, and improvement in the effective schemes to facilitate access to funding for business start-ups and existing small and medium businesses.
- **Regulative framework**, facilitating business licensing procedures, business permits and reassessing inspection framework.
- **Weak market information and poor skills of small businesses**, creating conditions for provision of quality advisory services for new small and medium businesses, to equip them with the required technical and managerial skills.
- **Strengthen institutional capacities**, including the support of institutions that support private businesses, in promotion of investments, promotion of exports, and those dealing with the quality of consumption products.³⁶

Policies related to education, skills and training will focus on:

- **vocational education**, reformation of vocational education and training will focus in establishing vocational schools called Competency Centers, enforcement of the bond between the school and labor market as well as further division of responsibilities in schools.

³⁵ Ibid.

³⁶ Ibid, p.21-24.

- **Vocational training system**, the main measures in this field will be improvement of access to education for adults as well as creation and implementation of the overall qualifications framework (the National Qualifications Authority should be established).
- **Higher education**, the main measures will be increase of quality in the higher education and its interrelation with the labor market and the economy in general.³⁷

Policies that are related to labor institutions, policies and regulations will focus on:

- **public employment services**, the aim will be to modernize the employment and training services, a greater autonomy for them as well as establishment of a coherent labor market IT system.
- **support for the migration of labor force**, the aim is that in agreement with other countries to create the conditions for sending workers from Kosovo to countries that need labor force, including seasonal work.
- **active labor market programs**, aim to establish a comprehensive framework for designing, implementing and financing of these programs as well as to strengthen the capacities of labor market institutions in programming, managing, implementing, monitoring and assessing these programs.
- **employment protection measures**, as a part of this aim, the new labor law which is being reviewed in the parliament, will cover many fields from the protection at work and will lay the foundation for its implementation (note: the Labor Law was adopted in the late 2010).
- **Transfer of individuals from social assistance scheme to work**, the aim is to enable the beneficiaries of social assistance from the second category become part of labor market.³⁸

³⁷ Ibid, p.24-26.

³⁸ Ibid, p.26-29.

In order to implement this strategy an action plan was devised, which lays down the dynamics for its implementation in 2010-2012.

3.6 The Lack of health insurance and protection of the poor categories of society

Although there have been initiatives for creating a health insurance system and sustainability studies for such an insurance system have been³⁹ made, there is still no health insurance system. The lack of a health insurance system directly leads to difficulty in the services which can be provided for the social welfare category of society in Kosovo. The study Report of the World Bank in 2008 stresses that the lack of a health insurance system puts a load on the state budget and has certain effects in the provision of social services for the poor. Kosovo must start constructing a health insurance system in the near future. The lack of this system has been considered a flaw in social policies of Kosovo in the final progress report of the European Commission. This report considers that the inexistence of the system furthermore burdens family budget in Kosovo.⁴⁰ The creation of this system must take into account the current economic situation, the salary level and overall social situation in Kosovo. Therefore, this system must be a jointly financed system by the state budget and mandatory contributions of the employed.⁴¹ Being that the number of employed people in Kosovo is small (estimated 200.000) the sustainability of a healthcare insurance fund is seen with enough skepticism, also considering the low economic growth and difficulties in reduction of unemployment. Furthermore, the introduction of an additional tax is seen as a possibility for the increase of informal economy. According to the calculations in the White Paper draft on Social Policy, if we began at the lowest possible norm of 2.5% of contributions from the employee's salary and 2.5% from the employer

³⁹ Kosovo Health Financing Reform Study, World Bank Report, 2008, Report No. 43183-XK.

⁴⁰ See European Commission, Kosovo 2010 Progress Report, p.37.

⁴¹ This assessment comes also from the Study Report of the World Bank, 2008.

(thus 5% per employed person), then the budget effect for the government as an employer would be 6.5 million Euro per year (based on the salaries' budget and honoraria of 2009).⁴² Despite all difficulties in the White Paper, the immediate necessity to approve the Law on Health Insurance and to create a health insurance system.⁴³ This ongoing situation has no other alternative in the future. It must be pointed out that while lacking health insurance, the pensioners and families in the social welfare scheme don't succeed in covering healthcare service costs. Also, according to the White Paper draft, in order to create an efficient healthcare system, budget increases for the healthcare sector not including health insurance (which are projected to be collectable only after 3-5 years) for the coming years is somewhere around 26.4 million Euro.⁴⁴

⁴² See Government of Kosovo, White Paper on Social Policy (unapproved draft), 2009, p.62.

⁴³ Ibid, p.61, 62.

⁴⁴ Ibid, p.64.

4. LEGAL AND INSTITUTIONAL BASIS FOR PROTECTION AND REGULATION OF SUPPORT THE SOCIAL WELFARE CATEGORY IN KOSOVO

This chapter will discuss the legal framework and regulation that this framework does in regards to the rights of certain social categories. For purposes of easier analysis, these laws will be divided into three groups which correspond to the treatment of different social categories. The first group includes laws which have to deal with the scheme of social assistance and support given to individuals and families in need, including the pension schemes for persons eligible to retirement. The second group will consist of legislation that deals with protection of and support to persons with disability. Lastly, the third group will discuss legislation that deals with categories of the liberation war and former members of the KPC (Kosovo Protection Corp).

It is worth noting that the two important laws, the one on social welfare schemes and the one on social services, are under review. The first will undergo over 40% change; therefore it will be rewritten in full, whereas the second one will be amended.⁴⁵ According to Ahmet Fejzullahu from CSW, Pristina-Center, changes in these two laws are essential, since the whole historical context has changed and must be better adjusted to the needs and specifics of our country's culture.⁴⁶

4.1 Legislation on individual and family social welfare

Law on Social Welfare Scheme in Kosovo

It is aimed, through this law, to ensure the network of social security and to make a serious step towards reducing poverty through social assistance to needy individuals and poor families. However, this legal framework is unclear at times, and creates chances for different interpretation among the enforcement

⁴⁵ Interview with Muhamet Gjocaj.

⁴⁶ Interview with Ahmet Fejzullahu, director of CSW Prishtina-Center, December 2010.

institutions of this law. It must be noted that the majority of proposals made in the draft White Paper is expected to be included in the new law that will regulate this field.

The law defines persons not capable or available to work as dependants. Article 2.7 defines a 'dependant' as one who belongs to one of the following groups:

- i) Persons who are over 18 years of age and who have permanent and severe disabilities rendering them unable to work for remuneration;
- ii) Persons who are sixty-five (65) years of age or older;
- iii) Full-time caretakers of a person(s) with permanent disability, *or* of a person(s) at or over the age of sixty-five (65) needing full-time care, *or* of a child(ren) under the age of five (5);
- iv) Persons up to fourteen (14) years of age;
- v) Persons between the ages of fifteen (15) and eighteen (18) inclusive and who are in full-time secondary education;
- vi) Single parents with at least one child under the age of fifteen (15).

According to this law, persons who belong to any of the groups above are considered not to be capable or available for work for remuneration.⁴⁷ The social assistance scheme provides financial assistance to eligible families in accordance with criteria foreseen in this law, based on funds allocated for this purpose from the Kosovo Budget (Article 3.1)⁴⁸ MLSW has appointed the Centers for Social Work (CSW) to administer the social assistance scheme, however, it can appoint other authorities to administer the social scheme (Article 3.2)

Non-financial criteria in order to benefit from social assistance are divided in two categories. The first category includes the family whose members are dependants (persons who are 65, persons with disability, caretakers of persons with disability, persons over 65 years of age, or of a child under 5 years of age,

⁴⁷ See Article 2.7 of the Law on Social Assistance Scheme, 11.7.2003.

⁴⁸ From here on we won't cite articles of the law but we will put it on the text for ease of use.

persons up to 14 years of age, etc., see Article 2.7) and none of them is employed, and are even considered not capable or available to work for remuneration. The second category consists of families where one member is capable of working (registered as unemployed) but, with at least one child under the age of five or who have permanent care over an orphan under the age of fifteen (see Article 4).

According to Mr. Gjocaj, as was foreseen in the White Paper, the new draft-law will have a new group added to the group of benefiting families and will be called a vulnerable group, such as a family coming from the RAE community, families in blood feud, rural families that have only elderly members, families with members victim of trafficking, drug addict, etc. On the other hand control must be added because many families are in the scheme of social assistance although they do own cars, tractors (the law allows that if the means are considered to be personal property and are not used for generating income, not to be an obstacle in receiving social assistance, but this was widely abused), etc. With the re-regulation of criteria in the new law, according to Mr. Gjocaj, a part of the families will be removed from the scheme, while others, which due to rigid criteria were disallowed by law, will be included in the scheme.⁴⁹

This part of the law is the most debatable one. According to the law, a beneficiary of social assistance is the family and not the individual. As a result, we may have situations where due to living in large and patriarchic families, an individual that is need of social assistance is not eligible for assistance because the family doesn't meet the criteria foreseen by this law. This way, many individuals may be excluded who need to be taken care of by this law. On the other hand, it also happens that many families receive assistance which may live in larger community, but they present themselves as legally separate. In the possible change of this law in the future, this aspect must be emphasized too – that in the category of those eligible to receive social assistance besides families, single individuals who are in a hard social situation.

⁴⁹ Interview with Muhamet Gjocaj. Also, see White Paper, p.33.

Another problem with the division into categories is determining whether families with one member capable of work meet conditions for assistance and with at least one child under five years old or having under permanent care an orphan under the age of fifteen. Even with this category, there are deep problems. At first glance, the age of 5 seems to be arbitrary. But what will happen to those families with a person able to work, but their child reaches 6. By law, this family is automatically denied from social assistance. This rate should be revised is related not only to the age of the child but the social position of family and individual.

This norm has to be reviewed so that it is not only related to the age of the child but also with the social position of the family and the individual.⁵⁰ Furthermore, a child attends school from the age of 6 and the financial burden increases for the family. On the other hand, according to Mr. Gjocaj, this second category, should be seen more than just a social category, rather a layer that must be helped for temporary unemployment. And since Kosovo has no such legal framework protecting those temporarily unemployed, this scheme helps them.

This category must be assisted by creating conditions for employment as quick as possible, and this is the reason why they are assisted as long as the child is 5 years old, to be able to overcome the most sensitive period of the child's growth.⁵¹ However, according as well to Ahmet Fejzullahu, director of CSW in Prishtina-Center, removing from the list families whose children turn 6 years of age is a deep discrimination, which requires change in the law being drafted.⁵² According to the White Paper and according to Mr. Gjocaj, it is anticipated that families of category one in the new law, which have children of ages 6-18 years of age, to benefit by 5 Euro per child, given that school attendance is ensured for the child.

Financial criteria for social assistance are linked to the fulfillment of two conditions. First, the claimant is entitled to social assistance if their means are

⁵⁰ Ibid.

⁵¹ Interview with Muhamet Gjocaj.

⁵² Interview with Ahmet Fejzullahu.

considered to be under the limit allowed (this is regulated by the Administrative Instruction nr.8.2004) and whether their overall revenues are considered to be under the general standard monthly rate for that family (see Section 5.2).

Families who consider they are a social assistance case submit a written request for social assistance to the CSW. Families who submit their applications on the basis of one or more members with permanent disability, must also present a certificate of a medical committee on their health condition (see Section 6).

The family that has earned the right to social assistance in accordance with Article 4, paragraph 1 (a) (respectively, see above for what a dependant implies under Section 2.7) will receive benefits up to six months. After this period the family must make a new request for extension of the right to social assistance. However, a family that has earned the right to social assistance in accordance with Section 4.1 (b), that is, a family that has one member capable of working, will receive benefits up to 6 months, but must take the necessary action for employment. CSW requests evidence on their efforts to find work. However, after six months, the family still can apply for social assistance (see Section 7).

The monthly standard rate for social assistance is determined by the number of family members and the number of points per member, starting with one member - 40 points and ending with seven family members - 80 points. The value of points in Euro is determined by the MFE in conjunction with the MPMS. According to the formula $C = A - B$, where the amount of monthly social assistance payable to an eligible family (C) is achieved from deducting from the gross monthly standard rate of social assistance given to family members with a number of members (A) the quantifiable monthly net income of the eligible family, after allowed deductions have been made. (see Section 9). It should be noted that here too the proposal made in the draft White Paper that families with over 7 members and up to 15 members to receive 5 euros per each member - seems reasonable,

since the discrimination of families with more than 7 members is obvious. These changes are expected to fall in the draft new law on social assistance scheme.⁵³

This law defines the penalties for perjury and obstructions (Article 10), means of appeal of the social assistance applicant (Article 11), determines the possibility of social assistance to meet current special needs ad hoc, that are not provided with this law (Article 12), and defines the management and financing of this scheme, obligations which are shared between the MPMS and MFE (Article 13).

Law on Social and Family Services

This law determines and regulates the provision of social and family services for persons and families in need in Kosovo. Social and family services, according to this law, include the provision of direct social care, counseling and, in special cases, material support for persons in social need⁵⁴. According to this law, a person in need is a person that requires social services because he/she: is a child without parental care, is a child with asocial behavior, is a juvenile delinquent, suffers because of deranged family relations, is of old age, suffers bodily illnesses or has limited physical abilities, has mental illnesses, faces risk of exploitation or abuse, faces domestic violence or trafficking with human beings, is addicted to alcohol or drugs, is a victim of emergencies or disasters caused by nature or man, or is a person in need for any other reason (Article 1.3). A family in need is one where a parent or parents or other caregivers require help in caring for a child because of their own circumstances or those of the child or in cases where there is a child who is suffering serious harm as a result of the neglect or abuse of their parent or parents or other caregiver or their parent or parents' or other caregivers' inability to care for them adequately, or is exposed to the possibility of experiencing such circumstances (Article 1.3.)

⁵³ Interview with Muhamet Gjocaj.

⁵⁴ See Article 3 of the Law on Social and Family Services, Law No. 02/L-17, April 2005.

This law also delineates the tasks and obligations of state institutions that are obliged to address the issue of social services. Because of changes in the constitutional and legal structure in Kosovo, also reflected in the structure of institutions providing social services, and the relation between them, this law is undergoing amendment procedure.⁵⁵ Leading these institutions is MLSW, which is responsible for organizing and providing social and family services in Kosovo. It is also responsible for policy development and preparation of strategic plans for the provision of such services. This ministry also coordinates the activities of governmental, non-governmental and international institutions in the sphere of provision of social and family services (see Article 2).

Most activities in the sphere of social and family services, determined by this law to be conducted by MLSW, are carried out by the Department of Social Welfare (Article 3). Another important institution is the Institute of Social Policies, responsible for the promotion and development of the knowledge, skills and professional standards in this field (see Article 4). The General Council for Social and Family Services is another important institution, the creation of which is mandated by this law, while its establishment is made through Administrative Instruction no. 1/2006. This Council is responsible for the maintenance of professional standards and discipline in the sphere covered by the law and is mandated at the same time to serve as the entity responsible for the registration and licensing of professionals working in the field (see Article 5 for more information).

Nevertheless, according to the European Commission Progress Report, this Council is yet to be fully functional, and its financial and operational structure is not properly regulated, and it also lacks the appropriate legal framework.⁵⁶ According to Mr. Gjocaj, the pilot phase of the functioning of this council did not go well. Its functioning faced serious obstacles, including financial ones. Mr. Gjocaj

⁵⁵ Interview with Muhamet Gjocaj.

⁵⁶ See European Commission, Kosovo 2010 Progress Report, p.37.

expressed his conviction that this situation will not continue for too long, because the functioning of the council as envisaged with the law is essential.⁵⁷

Another very important instance is the municipality, respectively its adequate directorate, which is responsible for providing social and family services within the municipal territory, in accordance with the MLSW specified standards. The municipality also has to ensure that the CSWs in its territory have sufficient resources, as per the standard specifications provided by MLSW. In addition, the respective municipal directorates are able to use CSWs and NGOs to ensure the provision of additional services, such as home aid for persons that are unable to attend to themselves due to age or disability, or persons that have no families or relatives; personal direct care for individuals determined above; opening of centers where individuals are able to gather and socialize, feed themselves or maintain their personal hygiene; specialist counsel for persons with addictions or other psycho-social problems; assistance in provision of material support, provision of facilities or professional counsel for persons in need and for caretaking persons to establish groups for reciprocal support and self-support; residential care for elderly and persons with disabilities (see Articles 6 and 7).

As a public institution, CSW is established by the municipality. CSW is responsible to discharge its responsibilities on behalf of the MLSW, as granted by this law, as regards social and family services. CSW establishes a custodian body, which is an important body in the accomplishment of its functions. The director of CSW is accountable to the municipality, in regards to the use of assets and resources allocated for the provision of social and family services, whereas it is accountable to MLSW as far as maintenance of professional standards and practice during the conduct of its services is concerned. CSW is obligated to conduct a professional assessment for each individual or family that resides or lives in its territory and seeks support from it, as well as those that the Center considers that are in need of social services. If the professional assessment shows that an

⁵⁷ Interview with Muhamet Gjocaj

individual or a family is in need of the center's services, it may decide to provide the services that are deemed suitable (see Article 7). This law determines that social and family services may also be provided by respective NGOs. However, they need to be licensed by the Department of Social Welfare (see Article 8).

It is worth mentioning that the relations between the municipality and CSWs, from the transfer of competencies in the local level (January 2008), are not in the appropriate level. According to Mr. Gjocaj, this caused a decline of social services offered by CSWs compared to the time when they were managed by the central level.⁵⁸ According to Mr. Fejzullahu, municipal departments for health and social welfare put social wellbeing as a secondary issue, reducing it only to the provision of social assistances. But the job of a CSW should be more extensive, including abandoned children, minor delinquents, maltreated women, asocial categories such as drug addicts, etc. Mr. Fejzullahu also concludes that the decentralization of this service hasn't been of assistance to his job. Furthermore, service levels have declined due to the lack of capacities in municipalities to recognize the complexities of social services. This made that the capacities of CSWs themselves are not recruited with the required capacities.⁵⁹

Through CSW, the municipality, in cooperation with the families, community, NGOs and other bodies, provides social care, social counsel, and, in extraordinary circumstances, material assistance for children in need and their families, taking into account their needs for such services and the capabilities of the municipality to meet those needs. In conducting its duties and pursuant to the Criminal Law for Juveniles, the CSW acts as a custodian body that provides services stipulated by the International Covenant on the Rights of the Child (see Article 9).

⁵⁸ Interview with Muhamet Gjocaj

⁵⁹ Interview with Ahmet Fejzullahu. The situation in Prishtina explains best the unfavorable situation that CSWs are facing with. Initially up to 2007 there was one CSW in Prishtina. There were three with the decentralization process and now they insist that as of end of January 2011 only 1 exists, namely calling on the Law on Social Services. These changes are imposed without any analysis of the situation on the ground. Mr. Fejzullahu expressed his fear that the fusion of these CSWs will cause an organizational chaos to be expressed with a further decline of functioning of CSWs and the provision of services for the citizens in need.

Even though this law re-emphasizes that the best interests of the child are to be preserved within the natural family context, in circumstances where there is reason to doubt that a child's physical and mental health is in danger within that family, his/her removal from the custody of the parent(s) and placement in institutional custody may be taken into consideration (Article 10).

The law requires from CSW to act as a good parent, on behalf of DSW, for all orphan children, children whose parents are not know, abandoned children, and children whose care is granted to DSW by way of court order (Article 11.1). In such cases, child treatment requires special care. Therefore, in order to assist DSW, MLSW appoints a panel for child placement. This panel is in charge of selecting the foster family and parents, adopting parents, placement of children with foster families and selection of the adopting parents for children.

According to the bylaws, families offering shelter for children without parental care, whose are in the same bloodline with the child, receive € 75 per child. Families offering shelter to children not sharing their bloodline, receive 150 per child. These sheltering families are all trained by the professional CSW staff and other organizations providing social services.⁶⁰

Through CSWs, the municipalities carry out services for adults in need as well, if they fall in the legally determined categories, as described above. It provides social and family services in conformity with their assessed needs and in accordance with the ability of the municipality to meet such needs (see Article 12). However, in order to protect adults and due to their physical and mental state, and due to the potential detrimental family relations or inability to take care of themselves or risk of abuse by other family members, pending a process lead by CSW, such individuals may be taken under the custody of the respective CSW if a court order is issued regulating this. The director of CSW may request the withdrawal of this order as soon as the need for its existence ceases, while the DSW is obligated to review this decision on annual basis and the court every three years (Article 13).

⁶⁰ Interview with Muhamet Gjocaj.

Normally, this law also regulates the administrative and judicial procedures that need to be followed by individuals and families that are not satisfied with the social and family services and individuals and families that were denied such services (see Article 15). From the legal regulatory aspect it is evaluated that this...

Regulation No. 2005/20, on the Amendment of UNMIK Regulation No. 2001/35 on Pensions in Kosovo⁶¹

In general, the people in pension are potentially fragile parts of the society, and economic and social changes can easily have an effect on them. Therefore, social schemes have been built in order to create a basis for their wellbeing. This situation is not the same in every place, and schemes are also subjected to the overall economic condition of the country. In Kosovo, the situation is special because the pension scheme inherited from former Yugoslavia was robbed by the Serbian rule after departure from Kosovo, therefore 1999 found Kosovo pensioners in a very hard situation. Adding the hard economic situation of Kosovo and a troublesome privatization process, the position of Kosovo pensioners becomes very unstable, transforming many pensioners into social categories.

In early times UNMIK made some efforts to address this category of population, which resulted with the adoption of the Regulation 2001/35 on Pensions in Kosovo, amended in 2005. Since there were no accurate statistics as to who was employed, a basic pension of €28 was determined for all people over the age of 65, irrespective of having been employed before, or their years of experience.⁶² At the same time, the construction of the pension scheme based on individual savings started.⁶³ This situation certainly caused numerous reactions among pensioners in Kosovo who had worked for years in Kosovo and now feel robbed by Serbia and ignored by UNMIK and the local politics.

⁶¹ This Regulation was amended with the Law No. 03/L-84, Amending UNMIK Regulation 2005/20 Amending UNMIK Regulation 2001/35 on the Kosovo Pension Fund, mainly to reflect the establishment of new institutions in Kosovo and change of title old titles after the declaration of independence.

⁶² See Law No. 2002/1 on the Methodology of determining the ceiling of basic pensions in Kosovo and the determination of the date for the basic pensions, Article 3.

⁶³ See Regulation No. 2001/35, on Pensions in Kosovo, Articles 2.4 and 2.5.

Regulation of 2005 again determines the basic pensions and the contribution-based pensions. Basic pension is defined as “pension payable by the pension administration to all permanent citizens of Kosovo who have reached retirement age”⁶⁴. Individual savings pension is a pension payable by the Kosovo Pension Trust Fund to all retired persons meeting the conditions in line with this Regulation on personal contributions”⁶⁵.

The pension system was thought to also address the issue of alleviating poverty by determining the basic pensions. The level of this pension is determined to be in the extreme poverty line, €28 at the time. Nevertheless, non-application of indexing in inflation made this amount fall way under the extreme poverty line, while the aim was to at least reach the poverty level. Basic pensions, as according to the law, were indexed with inflation and increased only in 2005, becoming €40.⁶⁶

In October 2007, through an Administrative Instruction, the Government decided to increase the basic pensions for persons who have contributed for at least 15 years in the old system and could prove it, to €75.⁶⁷ An increase of €5 was made for all pensioners receiving basic pension. The basic pension is payable for approximately 113,000 persons and costs around €73 million per year (equivalent to the cost of 2009 according to the Pension Department), and the basic pension increase of up to €75 for one category of contributory pensions further increases this cost (according to the Department of Pensions in MLSW in 2009 this cost was around €12 million)

As said above, in addition to the basic pension, the pension scheme also sets out the basis for a more sustainable pension system. Hence, the Kosovo Pension Savings Fund (Fund) was established as an “independent legal entity for the sole and exclusive purpose of administering and managing Individual Accounts for Savings Pensions, assuring the prudent investment and custody of Pension Assets,

⁶⁴ See Regulation No. 2005/20, Article 2.4

⁶⁵ Ibid, Article 2.5

⁶⁶ See Technical Background Paper, p. 24-26

⁶⁷ Ibid p. 24

and paying the proceeds of Individual Accounts to purchase Annuities for Savings Pensions, as management trustee acting on behalf of Participants and Beneficiaries".⁶⁸ This fund, though relatively autonomous, is under the supervision of the Central Bank of Kosovo.

According to this system, the employees must participate with 5% from their salary and the employer also participates with 5% of the employee's salary in his/her individual account of the pension savings Fund. As envisaged with the law, the Fund shall invest the funds on behalf of the employees. When the retirement age is reached, the monies gathered plus earned interest shall compose the amount belonging to the pensioner.⁶⁹ At the time when the law was adopted, the requirement was that the system only introduces persons under the age of 55, and those over this age could only voluntarily become part of the system, as it was considered as inappropriate for them to pay their pension which at the end may not comprise a considerable amount, and moreover, their contributions would be used for the administrative maintenance of the Fund.

Though designed to be financially sustainable, this system was criticized recently due to the losses suffered by the Fund as a result of the heavy financial crisis. There was criticism that the diversification of funds was not appropriate, despite the Fund's officials continuously confirming that in the current financial situation the losses were minimal. In addition, the Fund was criticized for the fact that little monies were invested in the internal market, although such investment in our internal financial institutions is required with the law. Again, the essential justification is that local financial institutions are yet to meet the necessary criteria for investment. Up to this day, it is estimated that around 60% of the funds are invested in the stock market, and 35% in the securities market.⁷⁰

⁶⁸ See Article 5 of the Regulation 2001/35 and Article 5 of the Regulation 2005/20, amending the previous regulation

⁶⁹ See Article 7 of the Regulation 2005/20 and Technical Background Paper, p.24.

⁷⁰ See Technical Background Paper, p.26.

4.2 The Legal Basis for the support of people with disabilities

Law No. 2003/23 on Disability Pensions

A person will be considered to be permanently and totally disabled if he or she is aged over 18 years and less than 65 years and has a medically diagnosed physical, sensory or mental condition, disease or disability rendering him or her incapable of any work for remuneration and where the MLSW has assessed the person and subsequently decided that they fulfill the medical criteria set out in this Law. The condition, disease or disability must render the person totally incapable of any work for remuneration at the time of the application and in the future (see Article 1.5).

Disability pensions shall provide financial support to eligible persons in accordance with the criteria set forth by this Law and within the resources allocated for this purpose in the Kosovo Budget. The Ministry shall establish a Medical Commission to determine medical eligibility for disability pensions. On the other hand, this pension scheme is administered by the Kosovo Pension Administration (see Article 2).

The eligibility criteria taken into consideration when reviewing applications for disability pension eligibility are: the applicant must be a habitual resident of Kosovo; the medical commissions must assess the disability of the applicant; the applicant must not receive continuous and regular financial support from institutions caring for the disabled and are funded by the Kosovo budget; the person may not be capable of employment or employed in a any manner, including self-employment and may not be part of other pension schemes, such as basic pension, invalidity pension, veteran pension or martyr family benefits (see Article 3).

The amount paid for this pension is similar to the monthly amount paid for the basic pension, which is 40 Euros (see Article 6.1).

The applicants should address their request to the respective authority, in this case the Kosovo Pension Administration (or any other institution that may be so determined by MLSW). The medical commission further reviews the medical state of the person, based on the medical evidence provided by a registered medical professional and the examinations that may be carried out by the commission. This report also holds the conclusions on the disability of the person. On the basis of these examinations, the respective authority decides on whether the candidate should be selected (see Article 4). The applicant may appeal against the decision of the respective authority within 14 days from the day of the servicing of the decision at the respective authority's Appeals Panel. If he/she receives a repeated negative decision, he/she may seek redress in a competent court (see Article 10).

In addition to the financial aid provided for persons with permanent and total disabilities, they also benefit from additional facilitating measures. For this category, public transportation is provided free of charge, while in inter-city travel they only pay half price. Also, all public transportation means, urban and inter-city, are to reserve separate seats for this category. Entry tickets to various sportive, artistic and cultural manifestations are also paid at half-price for this category. All public buildings and facilities are to provide for ease of access, stay and service for this category. All new public buildings, constructed after entry into force of this law, shall ensure access and provide the possibility of utilization by persons with permanent and complete disabilities. These persons are exempt from custom charges when purchasing means that help their integration in normal lives (mobility and various orthopedic appliances, hearing and visual appliances) including the automotive vehicles that are suited for use of this category. They are subject to a reduced tariff for electricity consumption (see Article 13).

Law No. 03/L-019 on Vocational Training, Rehabilitation and Employment of People with Disabilities

The purpose of this law is to provide legal and institutional support for training, rehabilitation, and incitement of appropriate employment for people with disabilities based on principles of equal treatment, non-discrimination and gender equality (see Articles 2 and 5).

MLSW, in cooperation with the Ministry of Health, shall issue a sub-legal act that regulates the level of working capacity of persons with disabilities (Article 7.1).

According to Article 2 of this Law, vocational ability and rehabilitation of persons with disabilities includes the following measures and activities:

1. Determination of mental ability for work;
2. Information, vocational counsel and assessment of vocational abilities;
3. Analysis of the labor market, possibilities for employment and engagement in work;
4. Assessment of the possibilities for ability, rehabilitation and drafting of rehabilitation programs;
5. Professional ability, additional qualifications, re-qualifications through different programs for working and social ability development and maintenance in the pre-employment phase;
6. Information and advice on technological processes, during the vocational development phase;
7. Own and common programs for the advancement of social work and social integration;
8. Professional learning, planning and application of select technology;
9. Advisory proposals for the application of various techniques and technologies in learning and work, along with the assessment of possibilities for their implementation;
10. Technical support, help, monitoring and assessment of results; and

11. Notifications and support regarding financial resources.

Vocational training and rehabilitation of these persons is organized and managed by the Kosovo Center for vocational training, rehabilitation and employment. This center is established by Article 14 of the abovementioned Law. The activities in vocational training and rehabilitation are also conducted in educational institutions, employment offices, centers for vocational training and other legal entities that are eligible to provide education and vocational training, in accordance with this law and other laws in force (see Articles 2.4 and 2.5).

The law further determines what the government policies that address vocational training and employment of persons with disabilities have to include. Some of these policies cover: the potential and necessary measures to establish and develop specialized services for vocational training of job-seeking persons with disabilities, educational curricula according to the modular system that provides for individual training of such persons, common training with others at the same facilities and by the same trainers, engagement of vocational training institutions, etc., the creation of suitable physical environments for the provision of access for persons with disabilities, etc (see Article 10).

According to the law, persons with disabilities have the right to employment in general and special terms. Employment in general conditions means employment of these persons in the open labor market, while employment in special conditions means the employment of these persons in the center for vocational training and rehabilitation, protective workplaces and working centers (see Article 15.1.8) for persons that are not able to be employed in the open labor market or maintain their job in that market on the grounds of their vocational abilities. Self-employment shall also be considered employment in special terms, as will employment within the household (see Article 11).

The Law calls on every employer to employ at least one person with disabilities in each 50 employees. The employers that do not meet this demand are bound to pay to the Kosovo Budget 1 % of minimal wage to provide assistance for persons with disabilities (see Article 12). The employer that employs persons with disabilities and persons with disabilities that exercise independent activities are eligible for certain custom and tax exceptions (see Article 18.1). In addition to such benefits, the employer will also enjoy material contribution. Material stimulation in money comes at the amount of the contributions that are payable on salaries, such as pension insurance or health insurance premiums (see Article 19).

Financial means for the employment of persons with disabilities are ensured from the state administration bodies or from the employers of the public or private sector employing the person with disability at the time when the disability was determined. Also, these means are provided from the employer and employee associations and local and international NGOs and donations (Article 23). On the other hand, funding of training and re-training and employment is made by the state budget. This budget is managed by MLSW.

Law No. 03/L-022, on Material Support for Families of Children with Permanent Disability

This law regulates the eligibility of families that care of children with disabilities between ages 1-18 for material support. This law obligates MLSW to compile the strategy for this category of children. This ministry provides the support to the families of the children, in order to help them lead a dignified life. They are, however, bound by the budgetary constraints. This material support is paid to the child's parent or custodian through their regular bank accounts. The amount and timelines for the provision of the material support is determined in subsidiary legislation issued by MLSW (see Articles 1, 3, 4 and 5). The current amount is 100 Euros per child. According to Mr. Gjocaj there are problems in processing payments for this category due to budgetary limitations as imposed by

MEF.⁷¹ This material support is available for the family regardless of its material state. The only condition is the existence of a child with disabilities (Article 18.1).

A child with permanent disability is a child that is immobile or totally blind, a child that is unable to move independently in his/her apartment, or in places they need to, nor by using the corresponding helping tools, a child that is unable to feed oneself, wear or take off clothes, carry out physiological needs or keep the necessary personal hygiene (see Article 6). The application for material support should be handed over to the CSW, which consequently initiates proceedings which include, if necessary, the obtainment of the opinion of the medical commission that is established by MLSW to assess the health of the child with disabilities. MLSW establishes one first level and one second level council (see Articles 7-11 and 13-16 for more information on the work of the commissions). Further CSW issues the decision to acknowledge the eligibility of the family of the child with disabilities for material support (Article 22.2). This law and other laws also regulate that the administrative appeal procedures can be redressed in the competent court after the exhaustion of other administrative procedures (Article 23).

4.3 The Legal Foundation for the Support to the Categories Affected by the Liberation War

The two basic laws that address the categories affected by the liberation war are the Law on the Status and Rights of Families of Martyrs, Invalids, Veterans and Members of KLA and the Families of Civilian Casualties of War, of 2006, and the Law on Pensions of Kosovo Protection Corps Members, of 2008. It should be emphasized that the two laws were accompanied with great political sensitivity in Kosovo, especially the former. Furthermore, the first law had to be redrafted by the Government. The law on former KPC members is part of the KPC dissolution process, as foreseen by the Ahtisaari Plan, and represents an effort to treat this category with some dignity.

⁷¹ Interview with Muhamet Gjocaj.

Law No.03/L-100 on Pensions of Kosovo Protection Corps members

This law regulates the pension eligibility for active members of KPC and their heirs after the dissolution of KPC. The right to pension will not be granted to the KPC civil staff or the KPC that are enrolled in KSF.

To be eligible for the pension, individuals must be at least 50 years old (in explicit cases 45 years), active KPC members at the time of entry into force of the law on KPC dissolution or active participants of the KPC re-integration scheme, must not be an active member of KSF and must have served at the KPC for at least five years (see Article 7.1). Persons between 45-50 years may choose the early KPC retirement pension (see Article 7.3) and may do so within six months from the entry into force of this law (see Article 8.1). In cases when early retirement pension is selected, the pension will not be transferred in the general KPC pension (see Article 8.3).

The salary to be taken into consideration when determining the pension is the average monthly salary of the previous three years received by the KPC member. In the case of full retirement, 70% of the monthly salary will be granted as a pension, whereas in cases of early retirement the allowance will be 50% (see Article 10).

The beneficiary is eligible for this pension independently of any other employment in the public or private sector.

For the KPC members that are now KSF members the time of service in KPC will be accounted for the calculations of KSF retirement (see Article 13).

In case of death of KPC pension beneficiaries, the right to his/her pension may be transferred to the heirs (spouse and children). The pension received by the spouse shall amount to 60% of the pension paid to the late pension receiver. In such cases, the beneficiary will lose his/her entitlement if he/she dies or remarries.

Similarly, the children of the deceased pension receiver under 18 years old at the moment of death shall be eligible for heir pension. If the children are undergoing regular education, the 18 year threshold shall be applicable for the entire length of the education period. Also, the age limitation does not apply for cases with children with disabilities. Children pension amounts to 20% of the pension paid to the late receiver. In cases with more than one child, the pension shall be equally distributed among inheriting children (see Article 19 and 20). The beneficiary loses the entitlement to the pension in case of death, conclusion or interruption of education, reaching maturity or healing from the disease condition causing disability (Article 22).

Law No.02/L-2 on the Status and Rights of Families of Martyrs, Invalids, Veterans and Members of KLA and Civilian Victims of War

This law regulates the status of martyrs, invalids, veterans and members of KLA and their family members, as well as their special rights and benefits.

National martyrs in addition to KLA members killed during the war and the period between 30 December 1991 and 19 September 1999, also include KLA members injured and consequently deceased within one year from the date of sustaining injuries, but no later than 1 year after 19 September 1999, those that died as consequence of war diseases the latest 1 year after 19 September 1999. Also, martyrs include those that acted for the national cause individually or in a group and were killed in various forms or fell victims during the fight against occupation forces during the war for freedom (see Article 2.1). Families of martyrs are entitled to family pensions, employment advantages on equal terms, custom and tax facilities, advantages in enrollment in education facilities, free of charge textbooks for primary and secondary education, residential care, cheaper and reduced electricity tariffs, exemption from immovable property taxes, free health care in public institutions, etc. The basis for family pensions for families of national heroes amounts to 180% of the national minimum wage for the previous year. If

the family has more than 4 heroes, this basis is supplemented by an additional 50% (see Article 6).

KLA invalids receive personal disability pensions, additions for care and support for other persons, orthopedic compensation, free health care in public health institutions, health and physical rehabilitation, vocational training, advantages in employment on equal terms, custom and tax facilities, advantages in enrollment in educational institutions, scholarships, free placement in dormitories, free textbooks for primary and secondary education, residential care, cheap and reduced electricity tariffs, exemption from immovable property tax, ease of access in their residencies for orthopedic appliances, free funeral services and military ceremonies, etc (see Article 7). The basis for personal disability pensions is 140% of the minimum wage in Kosovo for the previous year. The Law determines 8 invalid groups, based on the percentage of their determined dependency and bodily damage. The first group includes invalids with physical damages exceeding 80% whereas the last (eighth) group covers those with damages between 10-20%. Invalids with invalidity levels exceeding 80% receive 100% of the pension basis. Invalids with invalidity levels exceeding 80% are entitled to additional support and care by another person reaching 30% of the personal disability pension basis. All other groups receive disability pensions in proportion with the percentage of their invalidity, e.g. the seventh group (invalidity level 20-30%) receives 30% of the disability pension basis. The last group invalids with invalidity levels between 10-20% do not receive any personal disability pension. Even if a beneficiary does not utilize the pension scheme, this does preclude the possibility for other family members to benefit from the Social Aid Scheme (see Article 8). Upon death of a KLA invalid, the rights for family disability pensions shall be granted to the members of his/her closest family, to the spouse – until she enters another matrimonial engagement, and to the children – until they are 18 years old, respectively 26 years old if they are continuing regular education (Article 9).

The time spent in the war shall be calculated as double work experience for all KLA veterans, they are also entitled to advantages in employment under equal

terms, employment advantages on equal terms, custom and tax facilities, advantages in enrollment in education facilities, advantage in scholarship grants, advantages in placement in dormitories, exemption from immovable property tax for those in grave material situations, free primary health care in public institutions, free funeral services and military ceremonies (Article 10). It is worth to note that the new draft-law foresees that veterans will be entitled to personal war pensions when they become 50 years old. The basis for this pension is envisaged to cover 80% of the minimum wage in the Republic of Kosovo. Also, this category will enjoy more benefits than stipulated with the previous law (see Article 12 of the Draft Law).

This law also regulates the rights and benefits of the members of families of war casualties and civilian war invalids. Family members of civilian victims are entitled to civilian war family pension, free primary health care in public health institutions, and exemption from property tax if the family is in grave material condition and cheap and reduced electricity tariffs if the family is in grave material condition. The basis of this pension is 100% of the minimum wage in Kosovo (see Article 11). The right to civilian war disability pension is granted to all civilian war invalids with invalidity scale between 40-100%. The basis for the civilian war disability pension is 100% of the minimum wage in Kosovo (see Article 12). Upon death of the civilian war invalid, his/her family is entitled to receiving the pension amounting to 80% from the monthly amount of the disability pension received in the previous month (see Article 13).

In general, if this law is compared to the draft-law which is expected to be approved, the latter provides these categories with greater benefits and entitlements.

CONCLUSIONS AND RECOMMENDATIONS

- The analysis of sectorial policies and respective laws pertaining to social support in Kosovo brings to the following conclusions that may be deemed as recommendations for the institutions of Republic of Kosovo for the improvement of the social situation in Kosovo.
- The economic situation faced by Kosovo today, the slow economic increase, the large scale of unemployment (exceeding 45%) and the high level of extreme poverty, have a direct impact over the lives of certain social categories in Kosovo. This situation produces the effect that human rights, in particular economic and social rights, are violated every day in Kosovo. This social situation further hampers Kosovo's European integration.
- Kosovo has drafted social policies on the protection of social categories in need, however, these policies do not adequately address the elementary requirements of a number of social categories. Sectorial strategic documents of the Government of Kosovo identify current problems, while the applicable legislation requires interventions and eventual clarifications. Thus, the initiated process of changes of two basic laws by MLSW, the one on the Scheme of social assistances, and the one on Social Services, has to be accelerated, and to include all stakeholders in the process. The changes to these laws have to take into account the cultural context of the country, so that they are more efficient when implemented.
- The White Paper on Social Policies has to be approved by the Kosovo Government, as soon as possible. This strategic document, prioritizing the government social policies, can provide a good basis for changes to the current policies and legal framework.

- In principle, the support schemes for categories in need are comprehensive and address basic support for people in need. However, to achieve a real social cohesion these social schemes need to provide for possibilities for the impoverished categories and categories with special needs, to ensure their participation in Kosovo's social life.
- Basic pensions, support through social schemes and other forms of support for categories in need should be indexed pursuant to price fluctuations and inflation. No such indexation of social support and pension schemes was conducted in years. Other proposals to the White Paper, particularly those on financial assistance to be increased for families with children attending school (children 6-18 years of age, belonging to the first category families) and for families with over 7 members, must be taken into consideration.
- Indexing the current assistances with inflation rates and proposals for some financial additions to this assistance, would cost the Kosovo budget around €49 million. If we split it accordingly, basic pension schemes would require €12.7 million, social assistances €9 million and disability pensions €1.7 million. Financial changes to these schemes would bear a financial implication to the budget of around €22.5 million. Nevertheless, these changes are essential for a minor alleviation of extreme poverty.
- Institutions working with social services must increase their effectiveness. CSW have to be better restructured in order to successfully accomplish their tasks. Decentralization has diminished their efficiency. Legal amendments have to be reviewed as how to increase the efficiency of this institution. The increase of professional capacities of CSWs is essential for their adequate functioning.

- There are serious problems with the abuses of social assistance schemes. In addition to legal amendments to better define the categories in need of assistance, and to clearly define the financial criteria, we have to increase the control of social assistance abuses. Therefore, a more efficient cooperation between CSWs, Municipalities and MLSW is needed.
- Kosovo lacks a system of health insurances, which would be beneficial especially for the impoverished social categories, as it would provide them with the necessary health care services. Such a health insurance system should be established on the grounds of adequate analyses, in an effort to avoid its potential negative effects, taking into account the low average salaries in Kosovo. Nevertheless, there is no alternative to the establishment of the system, not only to fight poverty, but also to have a more efficient health system in Kosovo.
- The Government of Kosovo should invest more in increasing the level of employment and in creating a more favorable investment climate in an effort to diminish the unemployment scale. This would improve the social situation in Kosovo. Decreases in the number of social scheme beneficiaries will result in increasing support for those in need.
- The entry into force of the draft-law on war affected categories will regulate to a considerable extent the rights and legal status of those categories. The Government of the Republic of Kosovo has to ensure the implementation of this law, immediately after adoption by the Assembly, which should occur with the constitution of the Assembly after the 2010 December elections.